

Registered number: 02595601
Charity number: 1003023

**WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY
LIVING)**
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

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WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	Mr C Howarth, Trustee Mr P Holmes, Trustee Mrs J L Wycherley, Trustee Mr I Fairbrother, Trustee Mr P Taberham, Trustee (resigned 15 March 2023) Mr R Gore, Trustee Mrs L Gaborova, Trustee
Company registered number	02595601
Charity registered number	1003023
Registered office	G104 C/O Beyond Profit G104 Arena Approach Horwich Bolton BL6 6LB
Chief executive officer	Phillip Sermon
Independent auditor	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
Senior Management Team	Phil Sermon - Chief Executive Officer Sarah Gardner - Deputy Chief Executive Officer Deborah Furness - Project Manager Sarah Battersby - Quality and Safeguarding manager Elaine Cleary - Organisational Development Manager

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Charity Number

We Change Lives (WCL) is a Company Limited by Guarantee (Company number: 02595601) and a registered charity (Registered Charity number: 1003023). The company changed its name from Warrington Community Living on 26 September 2022.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was six (2022:7). The trustees are members of the charity, but this entitles them only to voting rights. The Board have no beneficial interest in the charity.

Governing Document

The governing document of We Change Lives (WCL) is the articles of association which were updated and approved on 19 July 2023.

The Trustees, who are also directors under company law, are appointed by two different methods. For all those in post prior to 24th of January 2022 Trustees must offer themselves for re-election every three years and can serve a maximum of twelve years. However the term in office can be extended for a period one additional year if the loss of core skills and experience would be detrimental to the charity, subject to 75% of the existing trustees agreeing.

For Trustees appointed after 24 January 2022, they are appointed for a term of 3 years. After each 3 year term they shall retire from office but are eligible to be reappointed for a further 3 year term. A trustee who has served three terms of office may not be reappointed. However the term of office can be extended for a period of one additional year if the loss of core skills and experience would be detrimental to the charity, subject to 75% of the existing trustees agreeing.

Organisational structure

The board of Trustees administers the charity. The board meet once every two months to manage the charity's affairs, receiving management accounts and reports from the Chief Executive and the various heads of department.

The Board also has three sub-committees

- Finance, Audit and Risk
- Quality and Safeguarding
- Colleagues and Culture

The Colleagues and Culture sub-committee was established in August 2022.

The Chief Executive is appointed by the board to manage the day to day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters such as care and employment. Financial decisions are governed by the Financial Regulations Policy 10/05, currently being reviewed, as approved by the board of Trustees.

Recruitment and appointment of new trustees

Trustees are recruited via an open recruitment method with Trustee roles being advertised on LinkedIn and other

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

social media channels

The Trustees, who are also directors under company law, are appointed by two different methods. For all those in post prior to 24th of January 2022 Trustees must offer themselves for re-election every three years and can serve a maximum of twelve years. However the term in office can be extended for a period one additional year if the loss of core skills and experience would be detrimental to the charity, subject to 75% of the existing trustees agreeing.

One Trustee resigned in March 2023 and the view of the organisation is to recruit a new Trustee in the financial year to 31st March 2024.

Induction and training of new trustees

Newly appointed Trustees participate in an orientation programme based on the "Good Practice for Directors" standards for the Board, published by the Institute of Directors. The objective of the programme is to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Committee and decision making processes, the business plan and recent financial performance of the charity. During their induction period they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Public Benefit

The objects and aims of We Change Lives (WCL) are contained in the company's Memorandum of Association.

The Trustees confirm they have regard for the Public Benefit guidance issued by the Charity Commission as the Charities Act 2011 requires the Charity to demonstrate the Public Benefit of our aims.

The Charity's Purpose is to benefit the public by providing Residential and Nursing accommodation, care and support for adults who have learning disabilities and for people requiring support including those who have dementia. We also provide support for people who have learning disabilities to enable them to live as independently as possible within their own homes. The people who have used and benefited from our accommodation and support are from Warrington, Halton, St Helens, Stockport, Lancashire, Sefton, Bolton, Knowsley, Wigan, and Wakefield.

Circa 450 people have used those services during this period and our current funding limits the number of people that we can support. Demand for our services is met by giving priority to referrals from Local Authority Adult Social Care departments and local Primary Care Trusts and on some occasions, self, or family referrals.

We Change Lives attends and supports a range of local statutory and voluntary sector forums relating to older people, people with learning disabilities, and people with dementia.

The Trustees' Report section (pages 2 - 8) sets out the aims and strategies of the charity and demonstrates how the aims and activities of the charity during the year were carried out for the Public Benefit

Pay Policy for Senior Staff

The Board of Directors, who are the charity's Trustees, along with the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling the charity. The Senior Management Team are delegated responsibility for the running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. The pay of the senior management team is reviewed annually by the Remuneration Committee.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

We Change Lives (WCL)'s charitable objects are *"specifically restricted to the relief of adults from the disabilities resulting from old age, including mental health problems, and of people with learning disabilities, physical*

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

disabilities or mental problems by the provision of permanent homes and services calculated to relieve the needs of such persons (hereinafter called service users). Provided that in furthering this object the charity will seek to enable service users to lead an independent and fulfilling lifestyle by providing opportunities to exercise their rights and to enjoy the same range of options available to all valued members of society.”

Supported Living-where individuals with a learning, physical, associated mental health needs and dementia are supported in their own home/property to engage in a healthy and meaningful lifestyle, considering areas such as physical, intellectual, emotional, and social well-being through a variety of person-centred approaches.

Mental Health Residential Nursing Care-where individuals with complex mental health issues are supported with rehabilitation to reach and maintain optimum quality of life and achieve as much independence and enjoyment of their lives as possible.

Older People Residential Care-supporting older people and adults with various levels of learning, physical and associated mental health needs to engage in a healthy and meaningful lifestyle and be active members of their community in the safety of a shared living environment.

In achieving these objectives and aims, the Trustees have identified the following specific purposes and values:

Organisational Purpose - Supporting people to live their best life

WCL Vision: Thriving Organisation, Enriching Lives

- A provider of quality life enriching outstanding support
- A provider of support that is different for every individual within its care
- An Organic organisation that is current and adaptable (ability to move with the needs of the people it serves)
- A financially thriving organisation that is able to reinvest into development of current and new service

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Organisational Values:

- Supporting rights, needs, choices and dreams.
- See the possibility to make a positive difference in all that we do
- Being financially responsible and economically sustainable
- Embrace new technology and innovations
- Appreciating every colleague's contribution

There have been no material changes in policy or objectives throughout the year. The strategy is to deliver our key services by providing great quality Care in Safe environments delivered by responsive well trained and well led teams of People. This is underwritten with a Commercial / Financial focus to ensure the services provide great value for people we support but also deliver a surplus to ensure the future viability of the charity.

Measures to assess success include:

- Care & Quality -CQC ratings (Outstanding, Good, Requires Improvement or Inadequate)-covers 5 key questions safe, effective, caring responsive and well led
- People- Vacancies, Staff turnover, Training.
- Commercial & Financial Risk - Income, Expenditure -Surplus, Cash Reserves etc.

Achievement and performance

We Change Lives (WCL) was conceived in 1989 and established as a charity in 1991. Its original purpose was to support people with learning disabilities moving out of long stay hospital accommodation and provide them with community focused services that would promote independence and a more inclusive lifestyle. This work continued and following a merger with Warrington Community Care was extended to include working with older people including increasingly those with dementia. In the last five years, we have extended this work further into supporting people with mental health issues and disabled children and young people and in that period, we have moved from supporting less than 100 people, to supporting over 450 people every year.

We Change Lives (WCL) continues to satisfactorily operate the following services that are registered and regulated by the Care Quality Commission (CQC):

Heathside - a residential home in Penketh for 37 older people and people with dementia, which is now also successfully working with older people with a learning disability

Heathside Mews - a residential home in Penketh for 25 older people and people with dementia

Westleigh House - a residential home in Stockton Heath for 20 people with mental health issues

Lucklaw - a residential home in Great Sankey for 4 people with profound and multiple learning and physical disabilities.

Twiss Green Lane -a residential home in Great Sankey for 4 people with profound and multiple learning disabilities.

Community Network - a flexible community-based service for people with physical and learning disabilities, older people and people with dementia which also works with children and young people with disabilities.

And the following service which are not required to be registered with CQC:

Community Mental Health and Wellbeing Team incorporating: - Supported Housing Network - a network of flats for 57 people offering low level support for enduring mental health issues

Complex Mental Health and Outreach Service - one to one support for people recovering from complex mental

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

health needs

Park House - a three bedroomed (Crisis House) alternative option to admission to psychiatric hospital.

We are please to announce that in line with our measurements of success we have maintained the reported CQC ratings from 2021 across our service offerings with the following ratings as at 31 March 2023:

Service	CQC Rating
Community Network	Good
Heathside	Good
Heathside Mews	Good
Twiss Green Lane	Good
Lucklaw	Good
Westleigh House	Requires improvement

Future Plans

The charity is excited by the next stage of its plans with the charity rebranding in September 2022 from Warrington Community Living to We Change Lives (WCL). This change reflects the trustees plans to expand on its excellent reputation and provision of services to grow by investing in its staff, infrastructure, and potential opportunities for new sites.

The charity continues to focus on financial self-stability to generate surpluses to provide surpluses that will allow the organisation to achieve it strategy for growth and enhanced facilities for residents and service users. This includes considering repurposing of existing property to provide new services that meet local authority standards as well as considering mergers and acquisitions of similar organizations if they fit from a care, safeguarding, cultural and commercial perspective. In addition, the focus for future development will be around three strategic ambitions for our services – Supported Living, Residential Care Homes with a focus on Dementia and Services that offer higher levels of Accuity including Nursing Care.

As part of the plan to continuously grow and expand the type of services provided, We Change Lives (WCL) successfully acquired '3L Care Limited' in September 2023 funded by existing cash balances and a loan facility provided by Unity Trust Bank PLC (£7.7m deal/£5.7m loan with £0.8m deferred consideration). 3L consists of 3 homes that provide residential, respite and day care services for adults with Acquired Brain Injuries (ABI). This acquisition contributes to both WCL charitable purpose and the ambition to provide care to a wider range of service users positively impacting their lives.

Internal Control

The Trustees are ultimately responsible for the Trust's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the charity's business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Key procedures have been established, providing effective internal financial control. These include:

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Board.
- Reporting to and review by the Trustees on a regular basis.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Risk Management & Principle risks and uncertainties

The Board of Trustees assess risk annually with additional operational and financial risk assessment through delegation to the relevant committee and to the Finance, Audit & Risk Committee. It oversees its responsibility through its review of the effectiveness of the charity's Risk Framework. This framework is designed to support informed decision-making regarding the risks that affect the charity's performance and its ability to achieve its objectives. Management of risk is embedded into our day-to-day activities and well established processes and policies are in place to manage them. All our employees have a role in reducing risk through our internal control framework.

Risks are recorded in a risk register and are evaluated in terms of impact and likelihood. The register also provides for a consistent approach to identifying assessing and dealing with the risks facing the charity to ensure they do not exceed the level of risk the charity is willing to assume. The register is designed to manage, rather than eliminate, the risks to the charity's objectives and to provide reasonable, but not absolute mitigation of these risks. The Finance, Audit & Risk Committee bi-annually reviews the results of the risk reviews undertaken by management and approves an annual risk-based internal audit plan which covers the major risks identified.

Covid 19 remains a risk, particularly for elderly and vulnerable residents and at WCL we continue to follow national guidelines and best practices to mitigate the risks to both residents and staff

Other risks include care and safeguarding of residents and service users, which are mitigated with a dedicated Safeguarding Manager following the Health and Safety Executive (HSE) guidance, stressing the need for risk assessment to be proportionate and balanced as well as reflecting a common sense, integrated approach to health and safety. This protects our people by putting in place measures to control realistic risks, so far as reasonably practicable. .

Going Concern and Reserves policy

The Trustees have continued to monitor the effects of the Covid-19 pandemic both during the year and since the year end and have made changes to the charity's operations accordingly. Global political and economic outlooks have also been monitored. Under the terms of the charity's Reserves Policy and in forming a view on the charity's Going Concern, Trustees have noted:

- The charity has a risk management framework which is periodically reviewed and updated as risks are identified.
- The charity has adequate insurance cover in place to mitigate against a potential interruptions that may affect the charity.
- The other risks to the charity and the protective steps taken to mitigate against them.
- The charity's investments have proven resilient against the Covid-19 pandemic.
- The charity's housing income from residents is secure, voids are closely monitored and housing demand remains high and has done throughout the Covid-19 pandemic. The charity holds reserves at a level which is at or exceeds the Reserves Policy details of which are below.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

In developing the charity's reserves policy the trustees have considered current obligations, commitments to staff and the development of the charity.

Unrestricted funds

£1million to be held in reserve for unplanned cash flow needs of which:

- £0.75million can be held in medium term investments (tied up to a maximum three years)
- £0.25million should be held for more immediate use

Designated Funds

The charity's designated funds continue to total in excess of £2million. These funds will be used towards the acquisition of 3L Group post year end and future renovation works.

For the period ending 31 March 2023 the Trust has net current assets of £1,745,434 with cash at bank totalling £1,731,255 allowing the charity to convert these to cash quickly and is in line with the charities reserve policy.

Disclosure of Information to Auditor

The Trustees have taken steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr R Gore



Date: 21 December 2023

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mr R Gore

Date: 21 December 2023

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)

Opinion

We have audited the financial statements of We Change Lives (WCL) (Formerly Warrington Community Living) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING) (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and employment tax legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, specific tests on revenue recognition and cut off and reviewing accounting estimates for biases.

Our audit approach for income was to being our testing from source documentation such as rent registers and contracts with the council. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

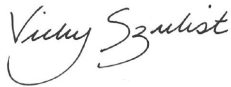
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING) (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



V Szulist(Senior Statutory Auditor)
Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 22nd December 2023

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted funds 2023 £	Continuing operations 2023 £	Total funds 2023 £	Continuing operations 2022 £	Discontinued operations 2022 £	Total funds 2022 £	
Note							
Income from:							
Donations and legacies	4	51,786	51,786	51,786	71,738	-	71,738
Charitable activities	5	5,831,703	5,831,703	5,831,703	5,501,488	116,190	5,617,678
Investments	6	30,312	30,312	30,312	3,371	-	3,371
Other income	7	3,756	3,756	3,756	4,000	-	4,000
Total income		5,917,557	5,917,557	5,917,557	5,580,597	116,190	5,696,787
Expenditure on:							
Charitable activities		6,195,335	6,195,335	6,195,335	5,166,399	337,880	504,279
Total expenditure		6,195,335	6,195,335	6,195,335	5,166,399	337,880	504,279
Net movement in funds before other recognised gains/(losses)		(277,778)	(277,778)	(277,778)	414,198	(221,690)	2,508
Other recognised gains/(losses):							
Losses on revaluation of fixed assets		(24,502)	(24,502)	(24,502)	(2,267)	-	(2,267)
Net movement in funds		(302,280)	(302,280)	(302,280)	411,931	(221,690)	190,241
Reconciliation of funds:							
Total funds brought forward		4,471,312	4,471,312	4,471,312	4,281,071	-	4,281,071
Net movement in funds		(302,280)	(302,280)	(302,280)	411,931	(221,690)	190,241
Total funds carried forward		4,169,032	4,169,032	4,169,032	4,693,002	(221,690)	4,471,312

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02595601

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	2,117,848	2,194,931
Investments	17	319,009	343,511
		<u>2,436,857</u>	<u>2,538,442</u>
Current assets			
Debtors	18	431,013	427,431
Cash at bank and in hand		1,731,255	2,189,574
		<u>2,162,268</u>	<u>2,617,005</u>
Creditors: amounts falling due within one year	19	(416,834)	(653,196)
		<u>1,745,434</u>	<u>1,963,809</u>
Total assets less current liabilities		<u>4,182,291</u>	<u>4,502,251</u>
Creditors: amounts falling due after more than one year	20	(13,259)	(30,939)
Net assets		<u>4,169,032</u>	<u>4,471,312</u>
Total net assets		<u><u>4,169,032</u></u>	<u><u>4,471,312</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds			
Designated funds	22	2,032,546	2,050,498
General funds	22	2,097,536	2,357,362
Revaluation reserve		38,950	63,452
Total unrestricted funds	22	<u>4,169,032</u>	<u>4,471,312</u>
Total funds		<u><u>4,169,032</u></u>	<u><u>4,471,312</u></u>

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02595601

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr R Gore

Date: 21 December 2023

The notes on pages 20 to 42 form part of these financial statements.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02595601

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	2,117,848	2,194,931
Investments	17	319,010	343,511
		<u>2,436,858</u>	<u>2,538,442</u>
Current assets			
Debtors	18	431,013	427,431
Cash at bank and in hand		1,731,255	2,189,574
		<u>2,162,268</u>	<u>2,617,005</u>
Creditors: amounts falling due within one year	19	(416,835)	(653,196)
		<u>1,745,433</u>	<u>1,963,809</u>
Total assets less current liabilities		<u>4,182,291</u>	<u>4,502,251</u>
Creditors: amounts falling due after more than one year	20	(13,259)	(30,939)
Net assets excluding pension asset		<u>4,169,032</u>	<u>4,471,312</u>
Total net assets		<u><u>4,169,032</u></u>	<u><u>4,471,312</u></u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	4,169,032	4,471,312
Total funds		<u><u>4,169,032</u></u>	<u><u>4,471,312</u></u>

The Charity's net movement in funds for the year was £(302,280) (2022 - £190,241).

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02595601

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 21 December 2023 and signed on their behalf by:



Mr R Gore

The notes on pages 20 to 42 form part of these financial statements.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	25	(378,335)	596,837
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	15,660
Purchase of tangible fixed assets		(62,304)	(52,700)
Purchase of investments		-	(1,762)
Net cash used in investing activities		(62,304)	(38,802)
Cash flows from financing activities			
Repayments of borrowing		(17,680)	(15,147)
Net cash used in financing activities		(17,680)	(15,147)
Change in cash and cash equivalents in the year		(458,319)	542,888
Cash and cash equivalents at the beginning of the year		2,189,574	1,646,686
Cash and cash equivalents at the end of the year	26	1,731,255	2,189,574

The notes on pages 20 to 42 form part of these financial statements

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information and basis of preparation

The company changed its name from Warrington Community Living on 26 September 2022. to We Change Lives (WCL).

We Change Lives is a charitable company limited by guarantee incorporated in England and Wales.. The address of the registered office is G104 C/O Beyond Profit, Bolton Arena, Arena Approach, Horwich, Bolton, England, BL6 6LB.

Under the terms of the Memorandum and Articles of Association, each member, in the event of the charity being wound up whilst a member, and within one year after ceasing to be a member, undertakes to contribute to the assets of the charity, an amount not exceeding £10 for payment of the debts or liabilities of the charity. The address of the registered office is given in the Report of the Trustees. The nature of the charity's operating and principal activities are also detailed in the Report of the Trustees.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

We Change Lives (WCL) (Formerly Warrington Community Living) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.2 Going concern

WCL's activities and future plans are set out in the Trustees' Report.

WCL manages its activities with positive unrestricted bank balances.

The Trustees' forecasts and projections, taking account the impact of Covid-19 and of reasonably foreseeable changes in income and expenditure, show that WCL will be able to continue to operate on this basis.

The main focus for 2022/23 was the continued turnaround of the organisation and continue generating surpluses for the organisation to use for reinvestment in its people, property and future plans. Costs have been continually focused on and service lines reviewed to ensure that all elements of WCL are or will be generating surpluses.

The Trustees consider that the demand for the Charity's services will continue as housing schemes are currently nearly fully occupied and demand for good quality care provision will continue to be high. Based on the above the Trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report of the Trustees and financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations and grants are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the Charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Other income consists of resident monies and appointee's monies received for monitoring and advising on resident spends during the year.

Rental income is recognised in the period to which it relates.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the Charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the Charity.

Support costs are allocated to each of the activities based on the percentage of Local Authority income to best allocate the costs to each attributable heading. More detail on the analysis and basis of allocation is given in note 6 to the financial statements.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax expense for the trading subsidiary comprises current. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	-	Straight line between 18 - 50 years
Long-term leasehold property	-	2% On cost
Motor vehicles	-	Straight line between 4 - 5 years
Fixtures and fittings	-	Straight line between 3 - 6 years
Improvements to property	-	5% on cost and Straight line over 5 years

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

In the 1990s, the charity received a grant of £327,975 to acquire two properties. The grant was subject to legal charges stating that should the properties be subject to a change in use or disposal then the donor would be entitled to the open market value of the properties. Given the legal charges placed on the properties, the grant income was netted off the purchase price of the properties at the time and has not been recognised in the accounts. The grant recognised the full purchase price of the properties.

2.7 Investments

Investments are a form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Pensions

The charity formerly participated in a multi employer defined benefit scheme in respect of certain of its employees and has made fixed additional payments in the year to 31 March 2020 to fully exit the scheme. In the prior year the charity's net obligation in respect of the defined benefit pension scheme was recognised in the balance sheet at the present value of the future benefits that employees have earned in return for their service in the current and previous periods less the fair value of the plan assets, together with adjustments for the past service costs not yet recognised. The defined benefit obligation was calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation was determined by discounting the estimated future cash outflows using the interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are accounted for as unrealised gains and losses within the Statement of Financial Activities.

The charity also operates defined contribution pension schemes for certain other employees. Contributions payable to the defined contribution pension schemes are charged as an expense within the Statement of Financial Activities in the period to which they relate.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Depreciation - The Trustees have calculated depreciation based on the estimated life of the individual asset and any residual value it might have.

Property values and impairment - The carrying value of property in the accounts is based on historic cost and Trustees have assessed the estimated market value is at least equal to the carrying value of the properties with no impairment.

Allocation of costs - The allocation of expenditure between direct and support activities involves an element of judgement and estimate, particularly in respect of shared costs.

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	-	-	13,578
Grants	51,786	51,786	58,160
	<u>51,786</u>	<u>51,786</u>	<u>71,738</u>
<i>Total 2022</i>	<u>71,738</u>	<u>71,738</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Social Services funding	4,756,668	4,756,668	4,633,975
Self funded residents	718,232	718,232	640,472
Care and laundry income	(888)	(888)	180
Rental income	357,691	357,691	343,051
	<u>5,831,703</u>	<u>5,831,703</u>	<u>5,617,678</u>
<i>Total 2022</i>	<u>5,617,678</u>	<u>5,617,678</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Deposit account income	30,312	30,312	3,371
	<u>3,371</u>	<u>3,371</u>	
<i>Total 2022</i>	<u>3,371</u>	<u>3,371</u>	

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Investment income (continued)

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other income	3,756	3,756	4,000
<i>Total 2022</i>	4,000	4,000	

8. Income by charitable activities

Activity	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Homes for older people	2,167,415	2,167,415	1,770,249
Nursing home	-	-	116,192
Residential network including Westleigh House	1,544,405	1,544,405	1,488,875
Community network	2,205,131	2,205,131	2,022,957
COVID grant funding	-	-	202,005
Central	607	607	6,370
	5,917,558	5,917,558	5,606,648

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Expenditure on charitable activities

	2023	2022
	£	£
Direct costs	4,814,125	4,639,965
Support costs	897,350	663,486
Governance costs	440,992	200,828
	<u>6,152,467</u>	<u>5,504,279</u>

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Direct costs

	2023 £	2022 £
Wages and salaries	3,850,830	3,370,039
Social security	224,626	215,815
Pensions	107,604	72,482
Rent and rates	31,842	262,980
Light and heat	65,485	60,494
Insurance	-	58,832
Telephone	17,158	18,231
Postage and stationery	599	7,371
Sundry expenses	19,402	2,893
Food and provisions	153,702	135,949
Medical and clinical costs	67,283	6,129
Transport costs	-	2,072
Recruitment expenses	60,722	9,333
Training costs	24,762	2,195
Repairs and Renewals	184,299	196,633
Cleaning	14,792	47,448
Registration costs	14,485	15,614
Travelling	676	6,603
Computer costs	-	5,669
Private health	774	1,145
Bad debts	-	(20,848)
Legal and professional fees	-	38,887
Payroll fees	-	11,661
Depreciation	17,952	110,864
Mortgage interest	-	-
VAT recovered	(42,868)	-
Advocacy fees	-	2,431
Profit on sale of asset	-	(957)
	4,814,125	4,639,965
	4,814,125	4,639,965

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Support costs

12. Governance costs

	2023 £	2022 £
Legal and professional fees	320,550	157,390
Auditors' remuneration	21,010	27,450
Auditors' remuneration for non-audit work	4,250	8,990
Pension administration fees	6,901	6,998
Advocacy fees	1,820	-
Exceptional costs	170,079	-
	524,610	200,828
	524,610	200,828

13. Net income (expenditure) is stated after charging / (crediting):

	2023 £	2022 £
Auditors' remuneration	21,010	27,450
Auditors' remuneration for non-audit work	4,250	8,990
Depreciation - owned assets	139,387	113,691
Surplus on disposal of fixed assets	-	(957)
	164,647	149,174
	164,647	149,174

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Wages and salaries	4,179,429	3,765,871	4,179,429	3,765,871
Social security costs	224,626	250,329	224,626	250,329
Contribution to defined contribution pension schemes	107,604	99,078	107,604	99,078
	<u>4,511,659</u>	<u>4,115,278</u>	<u>4,511,659</u>	<u>4,115,278</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2023 No.	<i>Group 2022 No.</i>
Homes for older people	64	54
Residential network inc Westleigh House	27	29
Community network	83	75
Head office	14	14
	<u>188</u>	<u>172</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The key management personnel of the charity comprise the Senior Management Team and the Company Secretary. The total remuneration paid in respect of the charity's key management personnel was £451,962 (2022: £415,074).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £78 were reimbursed or paid directly to the Trustees, (2022 - £NIL to the Trustees).

WE CHANGE LIVES (WCL) (FORMERLY WARRINGTON COMMUNITY LIVING)
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Tangible fixed assets

Group and Charity

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Improvements to property £	Total £
Cost or valuation					
At 1 April 2022	3,960,603	210,000	714,447	82,653	4,967,703
Additions	-	-	62,304	-	62,304
At 31 March 2023	<u>3,960,603</u>	<u>210,000</u>	<u>776,751</u>	<u>82,653</u>	<u>5,030,007</u>
Depreciation					
At 1 April 2022	2,079,609	63,351	586,630	43,182	2,772,772
Charge for the year	71,328	4,200	59,731	4,128	139,387
At 31 March 2023	<u>2,150,937</u>	<u>67,551</u>	<u>646,361</u>	<u>47,310</u>	<u>2,912,159</u>
Net book value					
At 31 March 2023	<u>1,809,666</u>	<u>142,449</u>	<u>130,390</u>	<u>35,343</u>	<u>2,117,848</u>
At 31 March 2022	<u>1,880,994</u>	<u>146,649</u>	<u>127,817</u>	<u>39,471</u>	<u>2,194,931</u>

The cost of freehold property above is net of a grant to the value of £327,975 from the Health Authority dating back to the 1990s in relation to two properties. Whilst the charity is legal owner of the properties, there is a charge providing that in the event of a change in use or disposal of the properties, the Health Authority is to receive the open market value of the properties. The grant represents the total cost of the properties.

A grant was received to fund the purchase of another of the charity's freehold properties, 10a Lodge Lane, Warrington. A condition of the grant was that if the building were sold or no longer used as a nursing home for clients with mental health disorder, the grant would be repayable. The amount repayable would be 25.5% of the market value of the property at the date of sale less the costs of sale. There is no intention to sell or change the use of the property.

All fixed assets, including freehold property are for the use in direct furtherance of the charity's objects.

The net book value of assets includes £30,022 (2022: £47,179) held under a hire purchase agreement. Depreciation of £17,156 (2022:£4,290) was charged in the year on these.

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17. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	343,511
Revaluations	(24,502)
At 31 March 2023	319,009
 Net book value	
At 31 March 2023	319,009
<i>At 31 March 2022</i>	343,511

There were no investment assets held outside the UK.

The historical cost of investments at 31 March 2023 amounted to £278,297 (2022 - £278,297).

Charity	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2022	1	343,511	343,512
Revaluations	-	(24,502)	(24,502)
At 31 March 2023	1	319,009	319,010
 Net book value			
At 31 March 2023	1	319,009	319,010
<i>At 31 March 2022</i>	1	343,511	343,512

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

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17. Fixed asset investments (continued)

Name	Registered office or principal place of business	Principal activity	Class of Holding shares
Warrington Community Living Service Company Ltd	G104 C/O Beyond Profit, Bolton Arena, Arena Approach, Horwich, Bolton, England, BL6 6LB	Supply of support services	Ordinary 100%

Included in consolidation

Yes

The financial results of the subsidiary for the year were:

Name	Net assets £
Warrington Community Living Service Company Ltd	1

18. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	223,914	233,334	223,914	233,334
Other debtors	5,829	506	5,829	506
Prepayments and accrued income	201,270	193,591	201,270	193,591
	<u>431,013</u>	<u>427,431</u>	<u>431,013</u>	<u>427,431</u>

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19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Trade creditors	115,480	<i>320,036</i>	115,480	<i>320,036</i>
Amounts owed to group undertakings	-	-	39,768	-
Other taxation and social security	89,951	<i>49,284</i>	50,184	<i>49,284</i>
Obligations under finance lease and hire purchase contracts	17,679	<i>17,679</i>	17,679	<i>17,679</i>
Other creditors	58,231	<i>47,829</i>	58,231	<i>47,829</i>
Accruals and deferred income	135,493	<i>218,368</i>	135,493	<i>218,368</i>
	416,834	<i>653,196</i>	416,835	<i>653,196</i>

Obligations under finance lease and hire purchase contracts are secured by the underlying assets.

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Net obligations under finance lease and hire purchase contracts	13,259	<i>30,939</i>	13,259	<i>30,939</i>

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21. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial assets				
Financial assets measured at cost through income and expenditure	1,960,998	<i>2,423,414</i>	1,960,998	<i>2,423,414</i>
Financial assets measured at fair value	319,009	<i>343,511</i>	319,009	<i>343,511</i>
	2,280,007	<i>2,766,925</i>	2,280,007	<i>2,766,925</i>
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial liabilities				
Financial liabilities measured at cost through income and expenditure	319,502	<i>634,851</i>	358,910	<i>634,851</i>

Financial assets measured at costs through income and expenditure comprise trade and other debtors and cash

Financial instruments measured at fair value through income and expenditure comprise investments

Financial liabilities measured at cost through income and expenditure comprise trade and other creditors and accruals

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22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Designated Funds - all funds	2,050,498	-	(17,952)	-	2,032,546
General funds					
General funds	2,357,362	5,917,557	(6,177,383)	-	2,097,536
Revaluation reserve	63,452	-	-	(24,502)	38,950
	2,420,814	5,917,557	(6,177,383)	(24,502)	2,136,486
Total unrestricted funds	4,471,312	5,917,557	(6,195,335)	(24,502)	4,169,032

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22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Designated Funds - all funds	2,068,213	-	(17,715)	-	2,050,498
General funds					
General funds	2,147,139	5,696,787	(5,486,564)	-	2,357,362
Revaluation reserve	65,719	-	-	(2,267)	63,452
	<u>2,212,858</u>	<u>5,696,787</u>	<u>(5,486,564)</u>	<u>(2,267)</u>	<u>2,420,814</u>
Total unrestricted funds	<u><u>4,281,071</u></u>	<u><u>5,696,787</u></u>	<u><u>(5,504,279)</u></u>	<u><u>(2,267)</u></u>	<u><u>4,471,312</u></u>

Designated funds have been set aside for future acquisitions and significant refurbishments and renovation works.

23. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	2,050,498	-	(17,952)	-	2,032,546
General funds	2,420,814	5,917,557	(6,177,383)	(24,502)	2,136,486
	<u>4,471,312</u>	<u>5,917,557</u>	<u>(6,195,335)</u>	<u>(24,502)</u>	<u>4,169,032</u>

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23. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Designated funds	2,068,213	-	(17,715)	-	2,050,498
General funds	2,212,858	5,696,787	(5,486,564)	(2,267)	2,420,814
	<u>4,281,071</u>	<u>5,696,787</u>	<u>(5,504,279)</u>	<u>(2,267)</u>	<u>4,471,312</u>

Designated funds have been set aside for significant refurbishment and renovation works

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	2,117,848	2,117,848
Fixed asset investments	319,009	319,009
Current assets	2,162,268	2,162,268
Creditors due within one year	(416,834)	(416,834)
Creditors due in more than one year	(13,259)	(13,259)
Total	<u>4,169,032</u>	<u>4,169,032</u>

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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	2,194,931	2,194,931
Fixed asset investments	343,511	343,511
Current assets	2,617,005	2,617,005
Creditors due within one year	(653,196)	(653,196)
Creditors due in more than one year	(30,939)	(30,939)
	<u>4,471,312</u>	<u>4,471,312</u>
Total	<u><u>4,471,312</u></u>	<u><u>4,471,312</u></u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	<i>Group 2022 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(277,778)	192,508
Adjustments for:		
Depreciation charges	139,387	113,691
Loss/(profit) on the sale of fixed assets	-	(957)
Decrease/(increase) in debtors	(3,582)	290,418
Increase/(decrease) in creditors	(236,362)	1,177
	<u><u>(378,335)</u></u>	<u><u>596,837</u></u>
Net cash provided by/(used in) operating activities	<u><u>(378,335)</u></u>	<u><u>596,837</u></u>

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26. Analysis of cash and cash equivalents

	Group 2023	<i>Group 2022</i>
	£	£
Cash in hand	1,731,255	2,189,574
Total cash and cash equivalents	1,731,255	<i>2,189,574</i>

27. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	2,189,574	(458,319)	1,731,255
Finance leases	(48,618)	17,680	(30,938)
	2,140,956	(440,639)	1,700,317

28. Employee benefit obligations

The charity operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £107,604 (2022 - £99,078). £16,665 (2022: £20,207) was payable to the fund at the balance sheet date and are included in creditors."

29. Indemnity insurance

The charity has made payments for insurance on behalf of the trustees and officers of the company to indemnify them against any obligations which may arise as a result of their actions in connection with the objects of the company. Payments amounts to £XXX (2021 - £2,851) and is charged in the Statement of Financial Activities.

30. Funds held as custodian for others

The charity acted as custodian of monies belonging to certain of its service users. These monies were held in bank accounts separate from the accounts of the charity. At 31 March 2023, the charity held Nil (2022 - £4,940) as custodian.

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31. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Land and buildings				
Not later than 1 year	243,124	235,472	243,124	235,472
	243,124	235,472	243,124	235,472
Other				
Not later than 1 year	24,922	45,044	24,922	45,044
Later than 1 year and not later than 5 years	34,279	74,202	34,279	74,202
Later than 5 years	-	6,714	-	6,714
	59,201	125,960	59,201	125,960
	302,325	361,432	302,325	361,432

32. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2023.

33. Post balance sheet events

We Change Lives (WCL) successfully acquired '3L Care Limited' in September 2023 funded by existing cash balances and a loan facility provided by Unity Trust Bank PLC (£7.7m deal/£5.7m loan with £0.8m deferred consideration). 3L consists of 3 homes that provide residential, respite and day care services for adults with Acquired Brain Injuries (ABI). This acquisition contributes to both WCL charitable purpose and the ambition to provide care to a wider range of service users positively impacting their lives.