

Registered Charity No: 1003023  
Company Number: 02595601

**We Change Lives (WCL)**  
**TRUSTEES REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH**  
**2024**



**We Change Lives (WCL)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**We Change Lives (WCL)  
REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 MARCH 2024**

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The trustees appointed at the date of approval of this report, and/or during the reporting period are:

- Richard James Gore Appointed 28 September 2015
- Chris Howarth Appointed 24 September 2018
- Lenka Gaborova Appointed 28 March 2022, Resigned 11 April 2024
- Ian Hamish Fairbrother Appointed 16 April 2015
- Peter David Holmes Appointed 24 September 2018
- Janice Lorraine Wycherley Appointed 12 December 2012

**Company Registration Number:** 02595601

**Charity Registered Number:** 1003023

**Registered Office:** Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT  
United Kingdom

We Change Lives often uses the abbreviation 'WCL'. It was formerly known as Warrington Community Living (the name was changed to We Change Lives (WCL) on 26 September 2022)

**Chief Executive Officer:** Philip Sermon

**Independent Auditor:** Hazlewoods  
Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT  
United Kingdom

**Solicitors:** Bevan Brittan  
Kings Orchard  
1 Queen Street  
Bristol  
BS2 0HQ

**Financial Advisors:** Kent Finance  
1 Sunflowers  
Pluckley  
Kent  
TN27 0PD

**Principle Bankers:** Barclays  
Leicester  
LE87 2BB

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<b>Senior Management Team:</b>	Sarah Gardner	Deputy CEO and Head of Care
	Will Napier Fenning	Chief Financial Officer (CFO)
	Elaine Cleary	Head of Operational Excellence
	Fiona Carter	Head of People
	Claire Illingworth	Company Secretary

**We Change Lives (WCL)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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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 2024.

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).

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 2024 was six (2023:6). 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<sup>th</sup> July 2023.

**Related parties and subsidiaries**

At the close of the reporting period 31 March 2024, WCL had four wholly owned subsidiaries:

- Warrington Community Living Service Company Ltd (Company Number: 10906233)
- 3L Care Limited (Company Number: 7174346)
- 3L Care Holdings Limited (Company Number: 10234039)
- 3L Care Group Limited (Company Number: 12662209)

**Organisational structure**

**Board of Trustees:**

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

**Recruitment and appointment of trustees**

Trustees are recruited via an open recruitment method with trustee roles being advertised on LinkedIn and other social media channels and through a recruitment agency. The trustees are appointed by the Board of Directors as stated in the Articles of Association. The minimum number of trustees is five, the maximum number of trustees is twelve.

The trustees, who are also directors under company law, are appointed by two different methods. For all those in post prior to 24 January 2022 the maximum term is 12 years from their original appointment.

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 with a maximum of 9 years in total. 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.

One trustee resigned in April 2024. The organisation is undertaking a review of trustee succession planning and is in the process of recruiting three new trustees in the financial year to March 2025.

**Induction and training of trustees**

During the reporting period the organisation onboarded trustees using the 'Good Practice For Directors' standards. The objective of the program is to support trustees in their understanding of their legal obligations under charity and company law, the content of 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.

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Post the reporting period (1<sup>st</sup> April 2024 onwards), a review of the onboarding program has taken place. To further strengthen the approach to onboarding an amended program has been drafted. Additionally, a trustee handbook is being developed to support trustees upon appointment and throughout their appointment.

Trustees and/or the Senior Management Team attend and support a range of local statutory and voluntary sector forums relating to older people, people with learning disabilities, people with dementia and acute brain injuries (ABI)

The Trustees' Report section (pages 5–7) 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.

**Board sub-committees**

The Board has four subcommittees:

- Finance Audit and Risk
- Quality and Safeguarding
- People and Culture (name changed from Colleagues and Culture in July 2024)
- Remuneration

**CEO**

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 WCL's financial policies, as approved by the Board of Trustees.

**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 Board of Trustees.

**OBJECTIVES AND ACTIVITIES**

**Charitable Objectives**

We Change Lives (WCL)'s charitable objectives 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 disabilities, or mental health disabilities 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.

**Public Benefit**

The objectives and aims of We Change Lives (WCL) are contained in the company's Articles 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, Bolton, Ellesmere Port, Chester, Conwy and Wigan.

Circa 240 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.

The objectives are achieved through:

- 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.

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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- Mental Health Residential-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 can reinvest into the development of current and new services.

**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.

**Staffing Structure**

The company employs an average of 178 direct staff, who deliver frontline services and carry out the core mission of the charity. Additionally, 12 staff members in Central Support, who provide critical administrative, financial and operational assistance. This dedicated workforce ensures the effective delivery of our programs and the fulfilment of our charitable objectives.

**ACHIEVEMENTS AND PERFORMANCE**

We Change Lives (WCL) commenced its operation of services in 1989 when it was known as Warrington Community Living and established itself as a charity in 1991.

WCL's 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 expanded to include older people and community services. A merger with Warrington Community Care allowed to scope of services to support people with mental health issues meaning the organisation grew from supporting less than 100 people, to supporting over 450 people every year all in the borough of Warrington.

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As part of the strategic plan conceived post the Covid pandemic the charity opted to expand outside of the borough of Warrington to the wider North West of England and to specialize in three groups of services where it felt it excelled in services which specialized in the care of the elderly, residents in Supportive Living accommodation and individuals with an Acquired Brain Injury. The strategic vision to continuously grow and specialize in the type of services provided led to the successful acquisition of '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 one in Atherton (Greater Manchester) and two in Winsford (Cheshire) that provide residential and respite services for adults with Acquired Brain Injuries (ABI). This acquisition contributes to both WCL charitable purpose and the ambition to provide care to a geographically wider range of service users positively impacting their lives.

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

- Bee Fold Lane, Atherton, M46 0BL – Registered to provide accommodation and nursing or personal care to 9 people, aged under or over 65 and children aged 0-18, for treatment of disease, disorder or injury, learning disabilities and physical disabilities
- Chapel House, Chapel Lane, Winsford, CW7 3AD – Registered to provide accommodation and nursing or personal care, to 10 people under 65 with physical disabilities and/or for the treatment of disease, disorder or injury
- The Old Chapel, Crook Lane, Winsford, CW7 3DM – Registered to provide accommodation and nursing or personal care to 6 people, aged under or over 65 and children aged 0-18, for treatment of disease, disorder or injury, learning disabilities and physical disabilities and sensory impairments.
- Heathside – Registered to provide accommodation and nursing or personal care, to 37 people, aged over 65 and/or with dementia
- Heathside Mews – Registered to provide accommodation and nursing or personal care, to 25 people, aged over or under 65 and/or with dementia
- Westleigh House – Registered to provide accommodation and nursing or personal care, aged over or under 65, with mental health conditions
- Supported Living - Registered to provide regulated activity personal care, to adults aged over and under 65, with dementia, learning disabilities, physical disabilities and sensory impairments. The number of people requiring this support are submitted to CQC annually. This covers all Supported Living properties in Warrington and Cheshire West and Chester.

And the following services 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 - one to one support for people recovering from complex mental health needs. These services were reduced during the reporting period, with one service (22 Salisbury Street) remaining.
- Park House – a three bedroom (Crisis House) alternative option to admission to psychiatric hospital

**We Change Lives (WCL)  
TRUSTEES' REPORT  
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The following CQC ratings have not changed since 31<sup>st</sup> March 2024:

<b>Service</b>	<b>CQC rating</b>
Bee Fold	Good
Chapel House	Good
The Old Chapel	Good
Heathside	Good
Heathside Mews	Good
Westleigh House	Requires Improvement
Supported Living	Good

**PLANS FOR FUTURE PERIODS**

WCL will continue to look for opportunities to expand its service network following the successful acquisition of 3L and the success of the tenders for new services at Park Drive (Ellesmere Pt ) and Hillock (Warrington) . The charity continues to focus on financial self-stability to generate surpluses that will allow the organisation to achieve its strategy for growth and to provide 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 Acuity including Nursing Care.

**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.

**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.

**We Change Lives (WCL)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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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 continuously monitor political and economic outlooks to ensure smooth operations and preparation for unexpected risks. 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 any 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.
- The charity holds reserves at a level which is at or exceeds the Reserves Policy details of which are below.

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

Unrestricted funds of £4.29m

**Designated Funds**

The charity's designated funds total £2.03 million. This balance includes the following key designated balances:

- Heathside £1,784,520
- Major repairs £80,104.07

For the period ending 31 March 2024 the Trust has net current assets of £4,294,649 with cash at bank totalling £1,142,305 allowing the charity to convert these to cash quickly and is in line with the charity's reserve policy.

**3L Care Limited**

3L Care Limited has continued to prioritise delivering high-quality care services whilst maintaining financial stability.

Total revenue for the year was £5.12m, reflecting a 14.4% increase compared to the previous financial year.

Total operating costs for the year amounted to £4.48m. The primary categories of expenditure were:

- Cost of sales of £3.02m.
- Administrative expenses of £1.46m.

In terms of profitability, the company achieved an operating profit of £604k (11.8% as percentage of revenue) which compares to £587k achieved in the previous financial year.

3L Care finished the year with a net cash balance of £799k in the balance sheet which ensured adequate liquidity to meet operational needs.

The company remains well positioned to adapt to the challenges that the care sector is facing and the key areas of focus are:

- Maintain service offerings and continuously improve the quality of care.
- Strengthen recruitment and retention strategies for care staff.
- Enhance operational efficiency to ensure sustainability.

**We Change Lives (WCL)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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**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

*Richard Gore*

Mr R Gore

Date: 13/12/2024

**We Change Lives (WCL)**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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**Opinion**

We have audited the financial statements of We Change Lives (WCL) (the parent charitable company) and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cashflow Statement and the related notes. 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).

**Opinion on financial statements**

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 2024 and of its incoming resources and application of resources 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 UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**We Change Lives (WCL)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 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.

**Auditor's responsibilities for the audit of the financial statements**

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**We Change Lives (WCL)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and charitable company's financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 March 2024 has been undertaken;
  - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
  - Challenging assumptions and judgements made by management in its significant accounting estimates.

**Use of our report**

This report is made solely to the Group's and charitable company's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Martin Howard*

.....  
Martin Howard (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

13/12/2024

Date: .....

**We Change Lives (WCL)**  
**STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED**  
**THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
<b>INCOME</b>					
<b>Income from:</b>					
Donations and legacies	2	52,719	-	52,719	51,786
Charitable activities	3	9,278,228	-	9,278,228	5,831,703
Investments	4	5,306	-	5,306	30,312
Other income	5	158,831	-	158,831	3,756
<b>Total income</b>		<b>9,495,084</b>	<b>-</b>	<b>9,495,084</b>	<b>5,917,557</b>
<b>Expenditure on:</b>					
Charitable activities		9,369,468	-	9,369,468	6,195,335
<b>Total expenditure</b>	6	<b>9,369,468</b>	<b>-</b>	<b>9,369,468</b>	<b>6,195,335</b>
Net gains/(losses) on investments		-	-	-	(24,502)
Corporation tax charge		-	-	-	-
<b>Net movement in funds</b>		<b>125,617</b>	<b>-</b>	<b>125,617</b>	<b>(302,280)</b>
<b>Reconciliation in funds</b>					
Total funds brought forward		4,169,032	-	4,169,032	4,471,312
Net movement in funds		125,617	-	125,617	(302,280)
<b>Total funds carried forward</b>		<b>4,294,649</b>	<b>-</b>	<b>4,294,649</b>	<b>4,169,032</b>

The notes on pages 16 to 33 form part of these financial statements.

**We Change Lives (WCL)**  
**STATEMENT OF FINANCIAL ACTIVITIES - COMPANY**  
**THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
<b>INCOME</b>					
<b>Income from:</b>					
Donations and legacies	2	889,318	-	889,318	51,786
Charitable activities	3	6,347,964	-	6,347,964	5,831,703
Investments	4	5,306	-	5,306	30,312
Other income	5	158,409	-	158,409	3,756
<b>Total income</b>		<b>7,400,997</b>	<b>-</b>	<b>7,400,997</b>	<b>5,917,557</b>
<b>Expenditure on:</b>					
Charitable activities		6,762,932	-	6,762,932	6,195,335
<b>Total expenditure</b>	6	<b>6,762,932</b>	<b>-</b>	<b>6,762,932</b>	<b>6,195,335</b>
Net gains/(losses) on investments		-	-	-	(24,502)
<b>Net movement in funds</b>		<b>638,065</b>	<b>-</b>	<b>638,065</b>	<b>(302,280)</b>
<b>Reconciliation in funds</b>					
Total funds brought forward		4,169,032	-	4,169,032	4,471,312
Net movement in funds		638,065	-	638,065	(302,280)
<b>Total funds carried forward</b>		<b>4,807,097</b>	<b>-</b>	<b>4,807,097</b>	<b>4,169,032</b>

The notes on pages 16 to 33 form part of these financial statements.

**We Change Lives (WCL)  
BALANCE SHEET - CONSOLIDATED  
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible assets	10	4,964,147	-
Tangible assets	11	4,172,295	2,117,848
Investments	12	-	319,009
<b>Total fixed assets</b>		<u>9,136,442</u>	<u>2,436,857</u>
<b>CURRENT ASSETS</b>			
Debtors	13	1,353,493	431,013
Cash at bank and in hand		1,142,305	1,731,255
		<u>2,495,798</u>	<u>2,162,268</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(2,271,145)	(416,834)
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<u>224,653</u>	<u>1,745,434</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,361,095</u>	<u>4,182,291</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(5,052,750)	(13,259)
Deferred tax		(13,696)	-
<b>TOTAL NET ASSETS</b>		<u>4,294,649</u>	<u>4,169,032</u>
<b>CHARITY FUNDS</b>			
Restricted funds	16	-	-
Unrestricted funds	16		
Designated funds		2,032,546	2,032,546
General funds		2,223,153	2,097,536
Revaluation reserve		38,950	38,950
<b>Total funds</b>		<u>4,294,649</u>	<u>4,169,032</u>

13/12/2024

Approved by the Board for issue on .....

*Richard Gore*

.....  
R Gore  
Trustee

The notes on pages 16 to 33 form part of these financial statements.

**We Change Lives (WCL)  
COMPANY BALANCE SHEET  
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
<b>FIXED ASSETS</b>			
Tangible assets	11	2,086,792	2,117,848
Investments	12	7,242,807	319,009
<b>Total fixed assets</b>		<b>9,329,599</b>	<b>2,436,857</b>
<b>CURRENT ASSETS</b>			
Debtors	13	2,007,171	431,013
Cash at bank and in hand		343,341	1,731,255
		2,350,512	2,162,268
<b>CREDITORS</b>			
Amounts falling due within one year	14	(1,820,264)	(416,834)
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<b>530,248</b>	<b>1,745,434</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,859,847</b>	<b>4,182,291</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(5,052,750)	(13,259)
<b>TOTAL NET ASSETS</b>		<b>4,807,097</b>	<b>4,169,032</b>
<b>CHARITY FUNDS</b>			
Restricted funds	16	-	-
Unrestricted funds	16		
Designated funds		2,032,546	2,032,546
General funds		2,735,601	2,097,536
Revaluation reserve		38,950	38,950
<b>Total unrestricted funds</b>		<b>4,807,097</b>	<b>4,169,032</b>
<b>Total funds</b>		<b>4,807,097</b>	<b>4,169,032</b>

13/12/2024

Approved by the Board for issue on .....

*Richard Gore*

R Gore  
Trustee

The notes on pages 16 to 33 form part of these financial statements.

**We Change Lives (WCL)**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	£	2024 £	£	2023 £
<b>Cash used in operating activities</b>					
Net cash provided by operating activities	17		504,117		(378,335)
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(117,062)		(62,304)	
Acquisition of subsidiaries (net of cash acquired)		(6,168,252)		-	
<b>Cash used in investing activities</b>			<b>(6,285,314)</b>		<b>(62,304)</b>
<b>Cash flows from financing activities</b>					
Repayments of bank borrowings			(346,193)		-
Advance of bank loans			5,700,000		-
Debt costs paid			(143,940)		-
Hire purchase payments			(17,680)		(17,680)
<b>Net cash provided by / (used in) in financing activities</b>			<b>5,192,187</b>		<b>(17,680)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(588,950)</b>		<b>(458,319)</b>
Cash and cash equivalents brought forward			1,731,255		2,189,574
<b>Total cash and cash equivalents carried forward</b>	18		<b>1,142,305</b>		<b>1,731,255</b>

The notes on pages 16 to 33 form part of these financial statements.

**We Change Lives (WCL)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1 ACCOUNTING POLICIES**

**Company status**

The Charitable company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

The address of its registered office is given in the Report of the Trustees.

The accounts are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in Pounds 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.

**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) 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 consolidated the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

**Going concern**

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. The factors considered by the Trustees are documented in more detail within the Trustees report. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Fund accounting**

Funds held by the charitable company are either:

- Unrestricted general funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes; or
- Unrestricted designated funds, that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements; or
- Restricted funds, which are donations or legacies received where the donor has specified use solely for particular areas of the Charity's work or for specific projects undertaken. The specific restriction on each fund is set out in the financial statements.

**We Change Lives (WCL)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**ACCOUNTING POLICIES (continued)**

**Incoming resources**

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 even 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 probably that those conditions will be fulfilled in the reporting period.

Income from NHS contracts, government and other grants, whether 'capita' 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.

**Resources expended**

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include cost of constitutional and statutory requirements, cost of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investment portfolio.

**Government grants**

Grants from government bodies are reviewed for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received, and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

**Taxation**

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**ACCOUNTING POLICIES (continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives in the following bases:

Freehold property	Straight line between 18 - 50 years
Long-term leasehold property	2% of cost per annum
Motor vehicles	Straight line between 4 - 5 years
Fixtures and fittings	Straight line between 3 - 6 years
Improvements to property	5% of cost per annum 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.*

**Investments**

Fixed asset investments are included at market value at the Balance Sheet Date.

*Gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities.*

Unlisted investments are shown at cost unless there is a permanent diminution in value.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits with financial institutions.

**Debtors**

Trade, other debtors and accrued income are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

**Creditors**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

**Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**ACCOUNTING POLICIES (continued)**

**Pension costs**

The Charity operates a defined contribution pension scheme, and the pension charge represents the amount payable by the Charity to the fund in respect of the year.

**Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors, and investment property valuation.

*Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets.

*Impairment of debtors*

The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

*Allocation of costs*

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

**2 INCOME FROM DONATIONS AND LEGACIES**

	<b>Group</b>		
	<b>Unrestricted funds</b>	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	£	£	£
<b>Donations</b>			
Donations from subsidiary company	-	-	-
Supporting people funding	52,719	52,719	51,786
	<hr/>	<hr/>	<hr/>
<b>Total 2024</b>	<b>52,719</b>	<b>52,719</b>	<b>51,786</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Charity</b>		
	<b>Unrestricted funds</b>	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	£	£	£
<b>Donations</b>			
Donations from subsidiary company	836,599	836,599	-
Grants	52,719	52,719	51,786
	<hr/>	<hr/>	<hr/>
<b>Total 2024</b>	<b>889,318</b>	<b>889,318</b>	<b>51,786</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**3 Income from charitable activities**

	Group	
	2024	2023
	£	£
Social services funding	8,205,178	4,756,668
Self funded residents	769,934	718,232
Rental income	303,116	356,803
	<u>9,278,228</u>	<u>5,831,703</u>

Provision of care was unrestricted during this and the prior year.

	Charity	
	2024	2023
	£	£
Social services funding	5,296,495	4,756,668
Self funded residents	748,353	718,232
Care and laundry income	-	(888)
Rental income	303,116	357,691
	<u>6,347,964</u>	<u>5,831,703</u>

Provision of care was unrestricted during this and the prior year.

**4 INVESTMENT INCOME**

	Group and Charity	
	Total	Total
	funds	funds
	2024	2023
	£	£
Deposit account income	5,306	30,312
	<u>5,306</u>	<u>30,312</u>

**5 OTHER INCOME**

The analysis of the Charity's other income for the year is as follows:

	Group and Charity	
	Total	Total
	funds	funds
	2024	2023
	£	£
Other income	158,409	3,756
	<u>158,409</u>	<u>3,756</u>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**6 ANALYSIS OF EXPENDITURE BY ACTIVITY**

	Group		
	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Direct costs	7,826,893	7,826,893	4,856,993
Support costs	967,086	967,086	897,350
Governance costs	575,489	575,489	440,992
<b>Total</b>	<b>9,369,468</b>	<b>9,369,468</b>	<b>6,195,335</b>

	Unrestricted funds 2024 £	Restricted funds 2024 £	Charity	
			Total 2024 £	Total 2023 £
Direct costs	5,323,876	-	5,323,876	4,856,993
Support costs	933,946	-	933,946	897,350
Governance costs	505,110	-	505,110	440,992
<b>Total</b>	<b>6,762,932</b>	<b>-</b>	<b>6,762,932</b>	<b>6,195,335</b>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Analysis of direct costs**

	Group	
	2024	2023
	£	£
Wages and salaries	6,018,792	3,893,698
Social security	308,886	224,626
Pensions	132,668	107,604
Rent and rates	73,845	31,842
Light and heat	151,261	65,485
Telephone	15,424	17,158
Postage and stationery	5,165	599
Sundry expenses	10,598	19,402
Food and provisions	259,358	513,702
Medical and clinical costs	83,508	67,283
Transport costs	13,400	-
Recruitment expenses	68,230	60,722
Training costs	31,222	24,762
Repairs and renewals	239,569	184,299
Cleaning	19,986	14,792
Registration costs	24,152	14,485
Travelling	(152)	676
Private health	-	774
Depreciation	63,468	17,952
VAT recovered	-	(42,868)
Amortisation of goodwill	307,514	-
	<u>7,826,893</u>	<u>4,856,993</u>

**Analysis of support costs**

	2024	2023
	£	£
Wages	-	328,904
Rent and rates	219,472	231,866
Insurance	139,964	88,155
Telephone	9,321	13,710
Postage and stationery	1,799	1,612
Training costs	38,057	-
Computer costs	148,073	94,912
Registration costs	7,173	8,904
Payroll fees	-	3,683
Depreciation	118,823	123,492
Bank charges	284,403	2,111
	<u>967,086</u>	<u>897,350</u>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Analysis of governance costs**

	Group	
	2024	2023
	£	£
Legal and professional fees	452,802	236,932
Auditors' remuneration	13,000	21,010
Auditors' remuneration for non-audit work	4,000	4,250
Pension administration fees	6,998	6,901
Advocacy	2,000	1,820
Exceptional costs	96,689	170,079
	<u>575,489</u>	<u>440,992</u>

**Analysis of direct costs**

	Charity	
	2024	2023
	£	£
Wages and salaries	4,274,161	3,893,698
Social security	213,194	224,626
Pensions	112,712	107,604
Rent and rates	43,413	31,842
Light and heat	54,132	65,485
Telephone	11,705	17,158
Postage and stationery	1,071	599
Sundry expenses	10,598	19,402
Food and provisions	187,318	513,702
Medical and clinical costs	68,634	67,283
Transport costs	8,777	-
Recruitment expenses	68,230	60,722
Training costs	31,222	24,762
Repairs and renewals	189,263	184,299
Cleaning	8,844	14,792
Registration costs	18,315	14,485
Travelling	(152)	676
Private health	-	774
Depreciation	22,438	17,952
VAT recovered	-	(42,868)
	<u>5,323,876</u>	<u>4,856,993</u>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Analysis of support costs**

	<b>Charity</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages	-	328,904
Rent and rates	219,472	231,866
Insurance	115,060	88,155
Telephone	5,603	13,710
Postage and stationery	1,799	1,612
Training costs	34,195	-
Computer costs	147,418	94,912
Registration costs	7,173	8,904
Payroll fees	-	3,683
Depreciation	118,823	123,492
Bank charges	284,403	2,111
	<u>933,946</u>	<u>897,350</u>

**Analysis of governance costs**

	<b>Charity</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Legal and professional fees	400,749	236,932
Auditors' remuneration	13,000	21,010
Auditors' remuneration for non-audit work	4,000	4,250
Pension administration fees	6,998	6,901
Advocacy	2,000	1,820
Exceptional costs	78,362	170,079
	<u>505,110</u>	<u>440,992</u>

**7 TAXATION**

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. It does however have an incorporated subsidiary, 3L Care Limited, with a corporation tax charge for the year. It is not included in the consolidated accounts due to it being a pre acquisition liability.

**8 EMPLOYMENT COSTS**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	5,596,722	4,179,429
Social security costs	308,886	224,626
Contribution to defined contribution pension schemes	132,668	107,604
	<u>6,038,276</u>	<u>4,511,659</u>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Charity**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,793,388	4,179,429
Social security costs	213,194	224,626
Contribution to defined contribution pension schemes	112,712	107,604
	<u>4,119,294</u>	<u>4,511,659</u>

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Head office	12	14
Direct staff	277	174
	<u>289</u>	<u>188</u>

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Head office	12	14
Direct staff	178	174
	<u>190</u>	<u>188</u>

The number of employees in the Group and Company whose employee benefits exceeded £60,000 was:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,000 - £110,000	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 £215,369 (2023 - £451,962),

There were £nil (2023 - £nil) redundancy payments made by the charity during the year. The group made £31,417 (2023 - £nil) of redundancy payments.

**9 TOTAL REMUNERATION PAID BY THE GROUP AND COMPANY**

During the year, no Trustees received any remuneration or other benefits (2023 - £Nil).

During the year ended 31 March 2024, expenses totalling £nil were reimbursed or paid directly (2022 - £78).

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10 INTANGIBLE FIXED ASSETS, and BUSINESS COMBINATIONS**

**Group**

	<b>Goodwill</b>
<b>Cost</b>	
At 1 April 2023	-
Additions	5,271,659
	<u>5,271,659</u>
At 31 March 2024	<u>5,271,659</u>
<b>Amortisation</b>	
At 1 April 2023	-
Additions	307,514
	<u>307,514</u>
At 31 March 2024	<u>307,514</u>
<b>Net book value</b>	
At 31 March 2024	<u>4,964,147</u>
At 31 March 2023	<u>-</u>

**Business Combinations**

On 8 September 2023, We Change Lives acquired 100% of the issued share capital of 3L Care Group Limited, and its subsidiaries 3L Care Holdings Limited and 3L Care Limited, obtaining control. The companies contributed revenue of £2,930,686 and loss of £356,465 to the group's results for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	<b>Fair value 2024</b>
	<b>£</b>
<b>Assets and liabilities acquired</b>	
Financial assets	2,699,597
Financial liabilities	<u>(1,000,713)</u>
Total identifiable assets	<u>1,699,244</u>
Goodwill	<u>5,271,660</u>
Total consideration	<u>6,970,904</u>
Satisfied by:	
Cash	6,168,252
Deferred consideration	802,652
Total	6,970,904
Cash flow analysis:	
Cash consideration	7,242,806
Less cash balances acquired	(271,902)
Less deferred consideration	<u>(802,652)</u>
Net cash flow arising on acquisition	<u>6,168,252</u>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11 TANGIBLE FIXED ASSETS**

**Group**

	Freehold Property	Long-term leasehold property	Fixtures and fittings	Improvements to property	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2023	3,960,603	210,000	776,751	82,653	5,030,007
Additions	36,600	-	80,462	-	117,062
Acquired through business combinations	2,005,358	-	114,318	-	2,119,676
<b>At 31 March 2024</b>	<b>6,002,561</b>	<b>210,000</b>	<b>971,531</b>	<b>82,653</b>	<b>7,266,745</b>
<b>Depreciation</b>					
At 1 April 2023	2,150,937	67,551	646,361	47,310	2,912,159
Charge for the year	89,699	4,221	84,280	4,091	182,291
<b>At 31 March 2024</b>	<b>2,240,636</b>	<b>71,772</b>	<b>730,641</b>	<b>51,401</b>	<b>3,094,450</b>
<b>Net book value</b>					
At 31 March 2024	<u>3,761,925</u>	<u>138,228</u>	<u>240,890</u>	<u>31,252</u>	<u>4,172,295</u>
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>

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 £12,866 (2023 - £30,022) held under a hire purchase agreement. Depreciation of £17,156 (2023 - £17,156) was charged in the year on these.

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Charity**

	<b>Freehold Property</b>	<b>Long-term leasehold property</b>	<b>Fixtures and fittings</b>	<b>Improvements to property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>					
At 1 April 2023	3,960,603	210,000	776,751	82,653	5,030,007
Additions	36,600	-	73,604	-	110,204
<b>At 31 March 2024</b>	<b>3,997,203</b>	<b>210,000</b>	<b>850,355</b>	<b>82,653</b>	<b>5,140,211</b>
<b>Depreciation</b>					
At 1 April 2023	2,150,937	67,551	646,361	47,310	2,912,159
Charge for the year	71,814	4,221	61,136	4,091	141,262
<b>At 31 March 2024</b>	<b>2,222,751</b>	<b>71,772</b>	<b>707,497</b>	<b>51,401</b>	<b>3,053,421</b>
<b>Net book value</b>					
At 31 March 2024	1,774,452	138,228	142,858	31,252	2,086,790
At 31 March 2023	1,809,666	142,449	130,390	35,343	2,117,848

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.

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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 £12,866 (2023 - £30,022) held under a hire purchase agreement. Depreciation of £17,156 (2023 - £17,156) was charged in the year on these.

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12 FIXED ASSET INVESTMENTS**

**Group**

	<b>Listed Investments</b>
<b>Cost or valuation</b>	
At 1 April 2023	319,009
Investments redeemed	(319,009)
	<hr/>
At 31 March 2024	-
	<hr/> <hr/>

There were no investment assets held outside the UK.

The historical cost of investments at 31 March 2024 amounted to £nil (2023 - £278,297).

**Charity**

	<b>Investments in Subsidiary companies</b>	<b>Listed Investments</b>	<b>Total</b>
<b>Cost or valuation</b>			
At 1 April 2023	1	319,009	319,010
Additions	7,242,806	-	7,242,806
Investments redeemed	-	(319,009)	(319,009)
	<hr/>	<hr/>	<hr/>
At 31 March 2024	7,242,807	-	7,242,807
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Name</b>	<b>Registered office 2024</b>	<b>Shareholding 2023</b>	<b>% of shares held</b>
Warrington Community Living*	England and Wales	Ordinary 100	100
3L Care Limited	England and Wales	Ordinary 100	-
3L Care Group Limited*	England and Wales	Ordinary 100	-
3L Care Holdings Limited	England and Wales	Ordinary 100	-

All subsidiary companies have the same registered office as We Change Lives.

The principal activity of Warrington Community Living Limited is the supply of support services.

The principal activity of 3L Care Limited is the provision of care services.

The principal activity of 3L Care Group Limited and 3L Care Holdings Limited is that of holding companies.

\*Denotes direct investments held by We Change Lives. Other companies' investments are held by 3L Care Group Limited.

**13 DEBTORS**

	<b>Charity</b>		<b>Group</b>	
	<b>2024 £</b>	<b>2023 £</b>	<b>2024 £</b>	<b>2023 £</b>
Trade debtors	530,551	223,914	953,348	223,914
Other debtors	4,504	5,829	69,765	5,829
Amounts owed by group undertakings	1,177,969	-	-	-
Prepayments and accrued income	294,147	201,270	330,380	201,270
	<hr/>	<hr/>	<hr/>	<hr/>
	2,007,171	431,013	1,353,493	431,013
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**14 CREDITORS – amounts falling due within one year**

	Charity		Group	
	2024 £	2023 £	2024 £	2023 £
Bank loans	438,172	-	438,172	-
Trade creditors	104,940	115,480	120,721	115,480
Amounts owed by group undertakings	-	39,768	-	-
Other taxation and social security	65,483	50,184	113,620	89,951
Other creditors	287,656	58,231	405,710	58,231
Deferred consideration	802,652	-	802,652	-
Accruals and deferred income	108,102	135,493	220,541	135,493
Corporation tax liability	-	-	156,470	-
Hire purchase	13,259	17,679	-	17,679
	<u>1,820,264</u>	<u>416,835</u>	<u>2,257,886</u>	<u>416,834</u>

**15 CREDITORS – amounts falling due after more than one year**

	Charity		Group	
	2024 £	2023 £	2024 £	2023 £
Bank loans	5,052,750	-	5,052,750	3,120,297
Hire purchase	-	13,259	13,259	13,259
	<u>5,052,750</u>	<u>13,259</u>	<u>5,066,009</u>	<u>3,133,556</u>

During the year, the Charity and Group drew down funds from Unity Bank to fund the acquisition of the 3L Care group. The total drawn down was £5,700,000. Debt costs of £143,940 were also paid during the year, and have been netted off of the liability. Interest is charged at 3.24% plus Base Rate per annum, and the loan is due for repayment over 20 years. Security is provided against the group's freehold properties.

Included within the above are amounts falling due as follows:

	Charity		Group	
	2024 £	2023 £	2024 £	2023 £
<b>Between one and two years</b>				
Bank loans	582,112	-	582,112	-
	<u>582,112</u>	<u>-</u>	<u>582,112</u>	<u>-</u>
<b>Between two and five years</b>				
Bank loans	1,746,336	-	1,746,336	-
	<u>1,746,336</u>	<u>-</u>	<u>1,746,336</u>	<u>-</u>

**We Change Lives (WCL)**  
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**FOR THE YEAR ENDED 31 MARCH 2024**

	Charity		Group	
	2024 £	2023 £	2024 £	2023 £
Over five years Bank loans	2,724,302		2,724,302	-

**16 FUNDS**

	At 1 April 2023 £	Incoming resources £	Outgoing resources £	At 31 March 2024 £
<b>Designated funds</b>	2,032,546	-	-	2,032,546
<b>General funds</b>				
General funds	2,097,536	9,495,084	(9,369,468)	2,223,152
Revaluation reserve	38,950	-	-	38,950
	2,121,858	9,495,084	(9,369,468)	2,247,474
<b>Total unrestricted funds</b>	<b>4,169,032</b>	<b>9,495,084</b>	<b>(9,369,468)</b>	<b>4,294,648</b>

**17 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING  
ACTIVITIES**

	2024 £	Group 2022 £
Net income for the period	125,617	(302,280)
<b>Adjustments for:</b>		
Depreciation charges	489,805	139,387
Losses on investments	-	24,502
Finance costs	281,055	-
Investments redeemed	319,009	-
(Increase)/decrease in debtors	(342,199)	(3,582)
Decrease in creditors	(369,110)	(236,362)
<b>Net cash provided by/(used in) operating activities</b>	<b>504,177</b>	<b>(378,335)</b>

**We Change Lives (WCL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**18 ANALYSIS OF CHANGES IN NET DEBT**

Group	At 1 January 2023 £	Cash flows £	Non cash movements £	At 31 March 2024 £
Cash at bank and in hand	1,731,255	(588,950)		1,142,305
Hire purchase due within 1 year	(17,679)	17,679		-
Bank debt	-	(5,353,807)	(137,115)	(5,490,922)
Hire purchase due after 1 year	(13,259)	-		(13,259)
	<u>1,700,317</u>	<u>(5,925,078)</u>	<u>(137,115)</u>	<u>(4,361,876)</u>

**19 PENSION COMMITMENTS**

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charity to the scheme and amounted to £112,712 (2023 - £107,604). At the end of the year outstanding contributions amounted to £(11,404) (2023 - £16,665). All pension charges are charged to unrestricted funds, in line with the fund out of which the wages and salaries are paid.

The pension costs for the year for the group totals £132,668 (2023 - £107,604). At the end of the year, outstanding contributions amounted to £4,777 (2023 - £16,665)

**20 OPERATING LEASE COMMITMENTS**

At 31 March 2024 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
<b>Land and buildings</b>		
Within 1 year	6,736	95,775
Between 1 and 5 years	-	27,293
After more than 5 years	-	108,268
Total	<u>6,736</u>	<u>231,336</u>
<b>Other</b>		
Within 1 year	37,606	112,542
Between 1 and 5 years	41,241	403,535
After more than 5 years	-	252,684
Total	<u>78,847</u>	<u>768,761</u>

At 31 March 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

**We Change Lives (WCL)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within 1 year	6,736	95,775
Between 1 and 5 years	-	27,293
After more than 5 years	-	108,268
	<hr/>	<hr/>
<b>Total</b>	<b>6,736</b>	<b>231,336</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Other</b>		
Within 1 year	35,813	112,542
Between 1 and 5 years	41,241	403,535
After more than 5 years	-	252,684
	<hr/>	<hr/>
<b>Total</b>	<b>77,054</b>	<b>768,761</b>
	<hr/> <hr/>	<hr/> <hr/>

**21 RELATED PARTY TRANSACTIONS**

Neither the Group nor Charity have entered into any related party transactions during the year.

**21 EVENTS SUBSEQUENT TO THE YEAR END**

After the year end, the group and charity disposed of one of its properties for proceeds of £425,000.