

Co30A

**Charity Registration No. 1144940**

**Company Registration No. 07761177 (England and Wales)**

**CHANGES HEALTH & WELLBEING**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# CHANGES HEALTH & WELLBEING

## REFERENCE AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	John Irons (Chair) Kathleen Hancock Clair Davis Catherine Roberts David Tunstall (Vice chair) Alison Ratcliffe Desmond Wooton Amanda Howell Stephen Sharrock Steven Unwin Jennifer Manchester Jonathon Ball
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**Senior Management Team**

<b>Chief Executive Officer</b>	Dave Wheat
<b>Finance Officer</b>	Irene Altham
<b>Operations Manager</b>	Jackie Williamson
<b>Services Manager</b>	Liz Johnson
<b>HR and IT Manager</b>	Kris Kinsella

<b>Charity number</b>	1144940
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<b>Company number</b>	07761177
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<b>Registered office and Operational address</b>	Changes Wellbeing Centre Victoria Court Booth Street Stoke on Trent ST4 4AL
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<b>Auditor</b>	Geens Limited 68 Liverpool Road Stoke on Trent Staffordshire ST4 1BG
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<b>Bankers</b>	The Co-Operative Bank PLC P O Box 250 Delf House Skelmersdale Lancashire WN8 6WT
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**CHANGES HEALTH & WELLBEING**

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# CHANGES HEALTH & WELLBEING

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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The trustees, who are also directors for the purposes of company law, present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

#### **Objectives and Activities:**

*Changes Mission Statement: 'Changes aims to promote wellness, recovery and social inclusion'.*

The charitable company's principal objects are defined in its Articles Of Association are as follows:

- (i) To assist in relieving and rehabilitating vulnerable persons suffering from mental disorder or conditions of emotional or mental distress requiring advice or treatment;
- (ii) To promote and protect physical and mental health within the community by the advancement of education and the provision of facilities and services promoting health, social welfare, personal development, work and recreation, and social inclusion; and
- (iii) The promotion of research therein and the publication of the useful results of such research.

The aims of the charity are:

- Promoting recovery and mental wellbeing;
- Enabling user involvement;
- Influencing local and national policy and practice;
- Promoting a more positive and accurate view of mental distress.

The charitable company's objectives for the year continued to be shaped and driven by these strategic aims and to ensure and maximise public benefit, focusing on sustaining and developing existing services, and the rapid development and establishment of additional Changes wellness and recovery programmes, both locally and nationally.

#### Stoke-on-Trent

Regarding Stoke on Trent, the charitable company continued to provide weekly peer-support groups for young people, adults of working age, and older people residing within the City - including opportunities for training and volunteering, recovery-focused activities and a menu of social events - promoting the recovery, wellbeing and social inclusion of those in mental distress.

The Stoke-on-Trent service menu also included: *Foundation Recovery* - offering Changes 12 steps as a self-management tool for those experiencing mental distress; *Population Wellbeing Services* - designed to improve individual mental wellbeing within the local population, including Making Changes – a light touch psycho-educational programme for the general public, Just Be – Mindful – introducing mindfulness practice to manage stress and anxiety, Living Life to the Full (LLTFF) – light touch CBT – designed to promote wellbeing and emotional resilience; *Wellbeing Programme* – a self-management programme for stress, anxiety, and depression, (provided as part of the wider Healthy Minds IAPT Service); *My Community Matters* – a community development project aimed at promoting social cohesion and wellbeing amongst some of Stoke on Trent's most deprived communities; *Wellness Training Programmes* – short wellness focused programmes as part of Stoke on Trent City Council's Adult and Community Learning e.g. Advance, (a recovery-focused employment service), Anger Management, Assertiveness, Stress Management etc; *Floating Support for Older People* – Changes continued to provide the one-to-one mental health component within Revival's floating support service; *Liaison & Diversity Service* – Changes provided peer-mentorship within North Staffs Combined Health Care NHS Trust's Liaison & Diversity (L&D) service.

## CHANGES HEALTH & WELLBEING

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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Importantly, the period saw Changes consolidate its position as a provider within the highly successful Stoke on Trent IAPT Service – Healthy Minds, – forming part of a successful consortium lead by the Midlands Partnership Foundation Trust to work with North Staffordshire Combined Healthcare NHS Trust and North Staffs Mind to provide the Stoke on Trent element of a Staffordshire Community IAPT service, (commencing in April 2020). This will enable Changes to expand provision of Step 2 clinical one-to-one interventions delivered by Psychological Wellbeing Practitioners (PWPs) to meet the needs of those experiencing mild to moderate mental distress.

#### North Staffordshire

The charitable company's Staffordshire service menu included (i.e. services provided within Newcastle-under-Lyme and the Staffordshire Moorlands): *Adult Peer-support Groups* – weekly recovery focused support groups for adults in mental distress; and peer-support and psycho-educational groups for young people living within Newcastle under Lyme, the Staffordshire Moorlands and Stafford; *Young Offenders Liaison & Diversity Service* – Changes provided peer-mentorship within Midlands Partnership Foundation Trust's Liaison & Diversity service.

#### Prison service

The period also the continued and successful delivery of a bespoke version of *Making Changes* service and volunteer and mentoring programmes within Her Majesty's Prisons (HMP) in the East Midlands. The prison service was delivered under contract with APM and was provided in HMPs Foston Hall, Glen Parva, Nottingham, Whatton, Lincoln.

#### **Volunteers:**

As a user-led organisation, Changes relies heavily on volunteer involvement in the organisation's management, administration and service delivery.

All of Changes Board of Directors are service users. During 2019/20 there were a pool of approximately 110 volunteers, involved in managing the organisation and delivering Changes weekly peer-support groups and psycho-educational programmes, fundraising, promotional work, and partnership and networking activities. This represented approximately 19,800 volunteer-hours, (i.e. approximately 380 hours per week) worked in assisting Changes achieving its outcomes. Whilst the primary focus is on the impact of such activities on individual recovery and social inclusion, based on an average value of £11 per hour, this represents an in-kind contribution of approximately £217,800.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **Achievements and Performance:**

Charitable activities continued to focus on providing public benefit, i.e. in promoting recovery, wellbeing and social inclusion of those experiencing or at risk of mental distress. Service delivery throughout Stoke on Trent and Staffordshire included - the provision of recovery focused peer-support groups for young people, adults and older people in mental distress, and a range of psycho-educational programmes, (i.e. Foundation Recovery, Wellbeing Programme, Making Changes, Just - Be Mindful, Living Life to the Full, Wellbeing Service and various wellness focused adult learning courses).

Importantly, out of recognition of the efficacy of Changes services and their place in supporting statutory mental health services, rather than being reconfigured, reduced and absorbed into the Staffordshire Community IAPT service, (as with other VCSE providers) – the CCGs extended Changes contracts with a view to the organisation providing wrap-around services for the IAPT service moving forward – making it the primary VCSE mental health service provider within Northern Staffordshire

During the period Changes worked as part of a successful Healthy Minds team including North Staffordshire Combined Healthcare NHS Trust and North Staffs Mind ensuring that the Stoke on Trent IAPT service was one of the best performing primary psychological services in the UK, (forming part of a partnership led the Midlands Partnership Foundation Trust and North Staffordshire Combined Healthcare NHS Trust – that secured the Staffordshire Community IAPT – which resulted in Changes doubling its clinical staff team).

As part of its health focused community development work, the charitable company provided My Community Matters within Stoke-on-Trent – an asset-based community development programme assisting residents to identify and join together to tackle issues relevant to the wellbeing of their community.

During the period, the charitable company continued to raise the profile of its Wellbeing Centre, (i.e. office-base, service-hub and training centre), Victoria Court, Booth Street, Stoke, Stoke-on-Trent, ST4 4AL, and a wide variety of delivery points throughout Northern Staffordshire.

2019/20 saw the continued expansion of Changes 'strategic role' within North Staffordshire with involvement and input into various Boards and Committees shaping local mental health service commissioning and provision.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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##### Changes Young Peoples' Service

From April to Sept 2019, Changes provided Changes Young People, a comprehensive wellbeing and recovery focused service available in schools, colleges and communities within Stoke-on-Trent and North Staffordshire – with a significant number of young people aged 7 to 18 (Up to 25 years with a learning disability) receiving a regular intervention. Wellness interventions received included Peer support meetings, Wellness Programme, Understanding & Managing Anger programme and recovery focused social activities.

Changes YP also continued to deliver the Children & Adolescents Mental Health Services (CAMHS) Tier 1 training 'Understanding the mental health of children and young people'. Any local professional working with children and young people in Stoke on Trent were able to attend.

Once completed professionals then gained access to four additional specialist sessions, including:

- i. 'Understanding & Managing Anger in CYP'
- ii. 'Building Self-esteem in CYP'
- iii. 'Understanding & Managing Self harm in CYP'
- iv. 'Helping CYP cope with loss & bereavement'
- v. 'Practical Skills – Mental Health First Aid'

In September Changes YP secured a contract with Stoke on Trent City Council to provide a CYP Emotional Wellbeing & Mental Health service called Stay Well CYP (SWCYP) – operating as the lead provider within a partnership with Younger Mind and the Dove Service, (effectively, doubling its CAMHS staff team) – providing both preventative services, (raising mental health awareness and promoting CYP's emotional and psychological resilience) and targeted support, (working within overall CAMHS) – through offering access to Wellbeing Programmes, Mindfulness courses, teacher and parent training, Peer-support Groups, Social Activities, One-to-One Therapy and On-line and Telephone Support.

From October 2019 to March 2020 – 233 teachers and parents attended SWCYP's preventative training programmes and 637 children and young people were engaged with SWCYP's CAMHS services.

Under sub-contract with North Staffordshire Combined Healthcare NHS Trust, during the period Changes Young People continued to provides a consultation role with the local CYP IAPT service – coordinating and running a Youth Council.

##### Changes Adult Service

Provided under a Service Level Agreement (SLA) with Stoke-on-Trent Clinical Commissioning Group (CCG), Changes continued to deliver its Adult Service within Stoke-on-Trent providing 15 mutual-help groups, with 5,321 attendances, by 744 service users, (including 250 who were newly engaged). Performance management data revealed that through use of the service, approximately 73% of users were able to maintain or improve their mental wellbeing.

Provided under a Service Level Agreement with North Staffordshire Clinical Commissioning Group, Changes also continued to provide its Adult Service within Newcastle-under-Lyme and the Staffordshire Moorlands providing 12 mutual-help groups, with 3,669 attendances, comprising approximately 535 service users. Performance management data revealed that approximately 78% of users had either improved or maintained their mental wellbeing through engagement with the service.

## CHANGES HEALTH & WELLBEING

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Population Wellbeing Services

Under a Service Level Agreement with Stoke-on-Trent City Council, the charitable company continued to deliver a rolling programme of services designed to promote psychological wellbeing and emotional resilience.

*Making Changes* - during the period, two delivery methods were employed – delivery within organisations, (i.e. to staff and service users) and 'open workshops', (i.e. open to the general public). There were a total of 43 programmes delivered attended by 377 participants. SWEMWBS scores have continued to demonstrate the positive impact of the service on both group and individual wellbeing, (with an average of 84% of users improving their mental wellbeing).

*Living Life to the Full* – the period saw the successful rollout of a 4 week Living Life to the Full programme. There were 17 deliveries of the programme attended by 122 participants. LLTFF monitoring systems revealed that 89% of people reported improved mental wellbeing.

*Just Be: Mindful* - the period saw the successful delivery of 'Just Be – Mindfulness in a Frantic World', with 10 runs of the programme -attended by 98 people. Feedback regarding the programme has been overwhelmingly positive, with both statistical and anecdotal evidence of its impact on individual recovery and wellbeing, e.g. Mindfulness Attention Awareness Scale (MAAS) scores indicated at the end of the programme, 69% of participants stating that mindfulness practise had helped to improve their mental wellbeing.

#### Foundation Recovery Programmes

Under a Service Level Agreement with Stoke-on-Trent CCG, Changes continued to deliver a rolling programme of Foundation Recovery i.e. designed to introduce Changes 12 steps as a self-management tool for those in mental distress. During the period, 34 workshops were delivered, which were attended by 283 people - with recent evaluation revealing that 80% of participants had either improved or maintained their mental wellbeing.

#### Wellbeing Programme

Delivered under a Service Level Agreement with Stoke-on-Trent CCG, the Wellness Programme focuses on the self-management of stress, anxiety and depression, linking closely with Stoke-on-Trent's Healthy Minds IAPT service. There were 43 runs of the programme attended by 283 individuals, with recent evaluation confirming that the service had assisted 68% of users in improving their mental wellbeing.

#### Adult & Community Learning (ACL)

Delivered under contract with Stoke-on-Trent City Council, Changes delivered a range of wellness focused services as part of the ACL programmes, these included: Advance Employment Programme, Anger Management, Positive Mental Attitudes, Assertiveness etc. Feedback has been positive, with a high retention of learners and a high percentage achieving desired learning outcomes.

#### Floating Support for Older People

Delivered under sub-contract with Revival, (part of the Staffordshire Housing Group), Changes provides the mental health component of the Stoke on Trent Floating Support Service for Older People, i.e. one-to-one coaching and engagement in recovery-focused activities for older people who are vulnerable and/or recovering from physical or mental illness.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **My Community Matters**

Delivered under a Service Level Agreement with Stoke on Trent City Council, 'My Community Matters' is an asset-based community development programme designed to: Facilitate local community engagement, (i.e. to define 'wellness needs'; to form partnerships with local agencies in order to set up relevant initiatives and take action to improve health and wellbeing within the community). MCM has established itself within several target areas, i.e. North Shelton, Blurton, Normacot, Fenton, Ball Green, Meir and Portland Street area of Hanley – and continues to make progress in assisting these communities in identifying and taking action to meet their 'wellbeing needs'.

#### **Liaison & Diversity Services**

Delivered in partnership with North Staffordshire Combined healthcare NHS Trust, Changes has provided peer-support within the Liaison & Diversity service, to assist the recovery and rehabilitation of ex-offenders. Delivered in partnership with the Midlands Partnership Foundation Trust, Changes has provided peer-support within the Liaison & Diversity service, to assist the recovery and rehabilitation of young offenders.

#### **Fundraising activities:**

The accounting period saw another successful period for Changes organisation, with the consolidation of income generated via an extension of Service Level Agreements and Contracts with the Commissioners of Stoke on Trent and North Staffordshire's health and social care services plus a modest Income Generation.

The period saw the organisation: secure a 3 year contract to provide a CYP EWMH Service within Stoke on Trent, (with Stoke on Trent City Council); secure a contract to expand provision of Step 2 service within the Stoke on Trent IAPT service, (with North Staffordshire Combined Healthcare NHS Trust – via their partnership with the Lead Provider of the Staffordshire Community IAPT Service – the Midland Partnership Foundation Trust); and renew CCG contracts to provide peer-support groups, Foundation Recovery and the Wellbeing Programme.

Funding secured via new CAMHS and IAPT contracts has added approximately £0.5m to Changes annual income.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **Factors outside the charity's control which are relevant to the achievement of its objectives:**

In keeping with Changes' co-produced ethos and 12 Step fellowship, the commitment, enthusiasm and hard work of Changes paid and voluntary staff, continues to make a major contribution to the organisation achieving its objectives, (they are people who are literally 'on a mission').

A healthy and vibrant voluntary sector. Changes continues to give and receive support from other third sector organisations – most notably the Honeycomb Group, North Staffs Mind and the Dove Service – and is a proud member of a local family of voluntary sector service providers.

Support from and genuine partnership with North Staffordshire Combined Healthcare NHS Trust – North Staffordshire's main provider of statutory mental health services – is having a major impact on Changes position as a mental health service provider and allowing our organisation to reach greater numbers of those who can benefit from its services. The period also saw Changes expand its relationship with the Midlands Partnership Foundation Trust, i.e. through becoming part of its partnership with North Staffordshire Combined Healthcare NHS Trust to provide the Staffordshire Community IAPT service.

Stoke-on-Trent and Staffordshire commissioning bodies, (i.e. Stoke-on-Trent CCG, North Staffordshire CCG, Stoke-on-Trent City Council), continue to focus on commissioning recovery and wellbeing focused services that are delivered within a personalised system of care – key elements of Changes service model. Although all bodies face challenges associated either with NHS reform, efficiency saving and/or spending cuts – Changes reputation as a service provider, relevant service model and efforts to network and raise the profile of its work - has continued to offer a degree of protection and enabled Changes to maintain and secure contracts.

Occurring at the end of the accounting period, whilst, as with the majority of charities, the COVID-19 pandemic has had a significant impact on Changes achieving its objectives – this was largely mitigated by the organisation's proactive and rapid response i.e. moving all of its services on-line and adapting provision to meet the needs of those in lockdown.

## CHANGES HEALTH & WELLBEING

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Financial Review:

##### Reserves policy

The charitable company's reserves policy takes into account the Directors' forecast for future income and expenditure, including the potential for fundraising. In formulating the policy the Directors considered that reserves are required to provide a contingency to ensure continuity in the event of a large variation in the charitable company's income.

At 31st March 2020 the charitable company's unrestricted reserves, excluding designated funds, totalled £48,964

The position is monitored by the Directors on a regular basis and the policy is reviewed annually.

##### Principal funding sources

*NHS Stoke-on-Trent Clinical Commissioning Group* - Service Level Agreements to provide a range of recovery and wellness focused services within Stoke-on-Trent, i.e. Adult Service, (peer-support groups) Recovery Workshops, and Wellbeing Programme.

*Stoke-on-Trent City Council* – Contracts to provide: 'Wellness training courses' (as part of the Adult & Community Learning programme); My Community Matters; Making Changes, Living Life to the Full and Just Be - Mindful

*NHS North Staffordshire Clinical Commissioning Group* – Service Level Agreement: to provide Adult Service, (peer-support groups) throughout Newcastle-under-Lyme and the Staffordshire Moorlands.

*Staffordshire County Council* – contract to provide CAMHS Tier 2 services throughout North Staffordshire.

*Stoke-on-Trent Joint Commissioning Team* – contract to provide CAMHS Tier 2 services and CAMHS Tier 1 training.

*North Staffordshire Combined Healthcare NHS Trust* – contract for provision of Step 2 interventions within the Stoke on Trent Healthy Minds IAPT service; provision of consultation element within CYP IAPT; provision of peer-support within the Liaison & Diversity service

*Midlands Partnership Foundation Trust* – contract to provide peer-support within youth offenders Liaison & Diversity service

*APM* – contract to provide wellness and recovery-focused services within prisons throughout the East Midlands.

*Revival* – sub-contractor to provide mental health services within the Stoke on Trent City Council 'Floating Support for Older People' contract

The financial statements prepared for the year to 31st March 2020 report the following:

<b>Total Incoming Resources</b>	<b>£1,448,569</b>
<b>Total Resources Expended</b>	<b>£1,493,221</b>
<b>Funds carried forwards at 31.03.20</b>	<b>£382,136</b>

## CHANGES HEALTH & WELLBEING

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

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As part of a planned organisational development, i.e. to improve infrastructure, increase capacity, and the profile of its services, the period saw Changes utilise its reserves to permit expenditure in the following areas:

- Updated PR materials and increased social media presence;
- Investment in new IT equipment;
- Additional staff resources provided to undertake business development;
- Continued professional development of Changes staff team, (including training to deliver third party services).

Effective and prudent financial management continues to ensure that funding secured by Changes has the maximum benefit to its service users, and enables the organisation to consolidate its position within the local mental health economy.

#### **Risk management:**

The charitable company's Directors have conducted a review of the major risks to which Changes is exposed. A risk register has been established and is regularly updated. Where appropriate, systems and procedures have been established to manage these risks.

The directors consider the charitable company's major risks to include:

Long-term impact of the COVID-19 Pandemic. Whilst Changes proactive and rapid response to lockdown and adaptation of its services to support both existing service users and those psychologically distressed as a result of this situation – has helped to protect Changes organisation - the Directors are aware of economic impact of the pandemic, and possible adverse effects to health and social care funding. However, the Board are also aware that a substantial increase in the mental health problems has occurred – which will require maintaining/increasing mental health service provision.

On-going NHS and Social Care Reform. current reforms to the NHS and Social Care provision have the potential to weaken Changes relationship with commissioners – however, Changes' focus on recovery, personalisation and social inclusion, (key areas within new health and social care commissioning intentions, including those detailed within 'Together We're Better - Staffordshire and Stoke-on-Trent Sustainability and Transformation Plan 2016) appears to be strengthening, rather than weakening its position within the new commissioning landscape. In addition, the newly emerging Integrated Care Partnerships are placing an emphasis on the role of VCSE organisations as part of their providerchain.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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##### Continued Government cuts to Local Authority budgets.

Previous Local Authority cuts have significantly reduced monies available to purchase health and social care services. Whilst the impact of COVID-19 is unlikely to improve this situation, given the relevance of its service model and strength of its response to the pandemic, Changes is still in a relatively strong position to compete for and to retain its contracts.

##### Competitive tendering process.

As a medium sized service provider, the majority of Changes income comes via a series of contracts/service level agreements, to provide mental health services throughout Stoke on Trent and North Staffordshire. Such contracts/agreements are time-limited, i.e. ranging between 2 to 5 years. Consequently, as with the majority of similar sized third sector organisations, Changes has to periodically engage in a competitive tendering process in order to retain its 'business' – a process for which there are 'no guarantees'. However, considerable business development skills exist within the organisation, which, coupled with Changes' reputation, evidence-base, strong relationships/partnerships and local presence – help to mitigate this risk. Planned changes to procurement rules, i.e. whereby, providers who are performing well within contract can have their contract extended -will further limit this risk.

##### **Plans for the future:**

During 2020/21 the charitable company will continue to pursue aims and objectives detailed within Changes' Organisational Business Plan, (2017-22).

Mindful of both the challenges and opportunities to be encountered within a rapidly changing 'commissioning landscape' - this plan will help to ensure that Changes stays true to its co-produced and recovery ethos; continues to provide fresh, relevant and effective services, (retaining its place as a 'market leader'); and is able to realise its potential as a mental health service provider.

Key to this process will be:

- Continued Integration with emerging Primary Care Networks
- Embedding Changes within proposed Integrated Care Partnerships, i.e. establishing 'provider to provider' relationships;
- Supporting a move towards jointly commissioned VCSE contracts, i.e. greater stability and security via inclusion on a joint commissioning framework administered by Stoke on Trent City Council and Stoke on Trent CCG.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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Key plans for the future include:

Consolidation and development of Changes existing service menu throughout Stoke on Trent and Staffordshire, i.e. to provide equity of provision across the county;

Developing partnerships to provide bespoke services for other client groups, e.g. those with learning difficulties, physical disabilities, sensory impairment, Black Minority Ethnic (BME) communities etc;

Identifying other development opportunities within other areas, i.e. residential care, workplace wellness, psycho-education/peer-support via social media etc;

Increased involvement within consortia, i.e. to provide Changes mental health service menu within other health and social care models, i.e. IAPT, Drugs and Alcohol, Prisons, Housing, Veterans etc, (providing the opportunity for both local and national development);

Tendering for relevant mental health service contracts in and around Staffordshire;

Becoming part of large Prime Providers supply chain, providing the opportunity for local, regional and national expansion;

Updating Changes website;

Securing additional premises within North Staffordshire, i.e. a second Wellbeing Centre/office base within Stoke on Trent, Newcastle-under-Lyme or the Staffordshire Moorlands;

Purchasing a retreat, i.e. situated within a rural location – to offer Changes users sanctuary whilst early in recovery and to serve as a national training centre.

#### **Structure, Governance and Management**

##### **Governing document:**

Changes governing document is the 'Articles of Association' which details rules concerning the charitable company's administration, objects, powers, membership, Board of Directors etc.

Changes is a charitable company constituted as an incorporated association.

The Charity's trustees are called Company Directors, (Directors), who are responsible for the general control and management of the administration of the charitable company.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees, who served during the year were:

John Irons  
Kathleen Hancock  
Catherine Denise Roberts  
David Tunstall  
Desmond Wootton  
Alison Ratcliffe  
Clair Davis  
Amanda Howell  
Benjamin Butler-resigned 27/11/2019  
Stephen Sharrock  
Steven Unwin  
Jennifer Manchester  
Jonathon Ball  
Gerry O'Keeffe-resigned 01/09/2020

#### **Recruitment and appointment of new trustees:**

At each annual general meeting all of the Directors must retire from office.

The charity may by ordinary resolution: (1) appoint a person who is willing to act to be a Director.

No person other than a retiring Director may be appointed a Director at any general meeting unless: (1) He or she is recommended for re-election by the Directors; or (2) Not less than fourteen nor more than thirty-five clear days before the date of the meeting, the charity is given a notice that: (a) is signed by a member entitled to vote at the meeting; (b) states the members' intention to propose the appointment of a person as a Director; (c) contains the details that, if the person were to be appointed, the charity would have to file at Companies House; and, (d) is signed by the person who is to be proposed to show his or her willingness to be appointed.

All members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty-eight clear days notice of any resolution to be put to the meeting to appoint a Director other than a Director who is to retire.

#### **Organisational Structure:**

Decisions affecting the management and governance of the charitable company are made by the Board of Directors, these include decisions relating to: the selection and management of a Chief Executive Officer; the development and implementation of a long-term organisational strategy in pursuit of objects as stated in Changes Articles of Association; the establishment of appropriate policies and procedures; the recruitment, support, appraisal, remuneration and discipline of Changes staff; financial management, (including fundraising and monitoring spend) etc.

Decisions relating to the day-to-day management and co-ordination of the charitable company's staff and activities are delegated to the Chief Executive Officer, (all of which must be harmonious and relate to organisational policy and strategy as determined by the Board of Directors).

#### **Related parties:**

In so far as it is complementary to its objectives, the charitable company is guided by both national and local policy. Consequently, in pursuit of these objectives, Changes has developed strong partnerships and cooperates with a range of statutory and voluntary organisations. These include: North Staffordshire Combined Healthcare NHS Trust, Midlands Partnership Foundation Trust, Stoke-on-Trent Clinical Commissioning Group, North Staffordshire Clinical Commissioning Group, Stoke-on-Trent City Council, Staffordshire County Council, North Staffs Mind, the Dove Service, the Honeycomb Group, Jobcentre Plus, Disability Solutions, Voluntary Action Stoke-on-Trent, Midland Heart, Saltbox.

## **CHANGES HEALTH & WELLBEING**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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#### **Auditor**

Geens Limited, Chartered Accountants & Business Advisors, were the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



**John Irons**

Trustee

Dated: 1 October 2020

## **CHANGES HEALTH & WELLBEING**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year that give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements to give a true and fair view, the trustees should follow best practice and:

Select suitable accounting policies and then apply them consistently;

Make judgments and estimates that are reasonable and prudent;

State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the constitution. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# CHANGES HEALTH & WELLBEING

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CHANGES HEALTH & WELLBEING

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#### Opinion

We have audited the financial statements of Changes Health & Wellbeing (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 charitable company's affairs as at 31 March 2020 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 Companies Act 2006.

#### 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 charitable company 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 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 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 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.

# CHANGES HEALTH & WELLBEING

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CHANGES HEALTH & WELLBEING

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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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

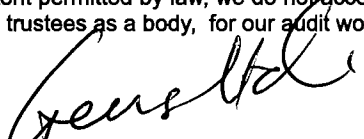
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

#### Use of our report

This report is made solely to the charity's trustees, 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 charity's 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.

Geens Limited



1 October 2020

Chartered Accountants  
Statutory Auditor

68 Liverpool Road  
Stoke on Trent  
Staffordshire  
ST4 1BG

Geens Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

## CHANGES HEALTH & WELLBEING

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>									
Donations and legacies	3	4,324	-	-	4,324	2,196	-	-	2,196
Charitable activities	4	1,268,710	-	130,260	1,398,970	1,143,434	-	105,185	1,248,619
Investment income	5	3	-	-	3	-	-	-	-
Other income		45,272	-	-	45,272	11,639	-	-	11,639
<b>Total income</b>		<b>1,318,309</b>	<b>-</b>	<b>130,260</b>	<b>1,448,569</b>	<b>1,157,269</b>	<b>-</b>	<b>105,185</b>	<b>1,262,454</b>
<b>Expenditure on:</b>									
Raising funds	6	27,569	-	-	27,569	33,453	-	-	33,453
Charitable activities	7	1,305,903	4,817	154,932	1,465,652	1,226,282	5,311	95,615	1,327,208
Other	11	-	-	-	-	-	351	-	351
<b>Total resources expended</b>		<b>1,333,472</b>	<b>4,817</b>	<b>154,932</b>	<b>1,493,221</b>	<b>1,259,735</b>	<b>5,662</b>	<b>95,615</b>	<b>1,361,012</b>
<b>Net outgoing resources before transfers</b>		<b>(15,163)</b>	<b>(4,817)</b>	<b>(24,672)</b>	<b>(44,652)</b>	<b>(102,466)</b>	<b>(5,662)</b>	<b>9,570</b>	<b>(98,558)</b>

## CHANGES HEALTH & WELLBEING

### STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

<b>Net outgoing resources before transfers</b>	(15,163)	(4,817)	(24,672)	(44,652)	(102,466)	(5,662)	9,570	(98,558)
Gross transfers between funds	(12,416)	2,299	10,117	-	8,798	-	(8,798)	-
<b>Net expenditure for the year/ Net movement in funds</b>	(27,579)	(2,518)	(14,555)	(44,652)	(93,668)	(5,662)	772	(98,558)
Fund balances at 1 April 2019	76,543	23,214	327,031	426,788	170,211	28,876	326,259	525,346
<b>Fund balances at 31 March 2020</b>	48,964	20,696	312,476	382,136	76,543	23,214	327,031	426,788

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## CHANGES HEALTH & WELLBEING

### BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		305,525		314,993
<b>Current assets</b>					
Debtors	13	78,243		41,301	
Cash at bank and in hand		79,093		84,316	
		157,336		125,617	
<b>Creditors: amounts falling due within one year</b>	14	(80,725)		(13,822)	
Net current assets			76,611		111,795
<b>Total assets less current liabilities</b>			382,136		426,788
<b>Income funds</b>					
Restricted funds	16		312,476		327,031
<u>Unrestricted funds</u>					
Designated funds	17	20,696		23,214	
General unrestricted funds		48,964		76,543	
			69,660		99,757
			382,136		426,788

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 1 October 2020



John Irons  
Trustee

Company Registration No. 07761177

## CHANGES HEALTH & WELLBEING

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(2,927)		(51,246)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,299)		-	
Interest received		3		-	
<b>Net cash used in investing activities</b>			(2,296)		-
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(5,223)		(51,246)
Cash and cash equivalents at beginning of year			84,316		135,562
<b>Cash and cash equivalents at end of year</b>			79,093		84,316

# CHANGES HEALTH & WELLBEING

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Charity Information

Changes Health & Wellbeing is a private company limited by guarantee incorporated in England and Wales. The registered office is Victoria Court, Booth Street, Stoke on Trent, ST4 4AL .

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's [governing document], the Companies Act 2006 and "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 charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

Despite the coronavirus and, as more fully explained in the Trustees' Report and in note 22, at the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

##### 1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# CHANGES HEALTH & WELLBEING

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as resources expended where there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under appropriate headings. Where costs cannot be directly attributed to particular headings (support costs) they have been allocated to activities on a basis consistent with use of the resources.

The cost of Raising Funds include costs of generating voluntary income, fund raising trading and investment fees, plus a share of support costs. The costs of generating voluntary income do not include the costs of disseminating information in support of the charitable activities.

Charitable Activities comprise those activities set out in detail in the report of the trustees.

Governance costs are those associated with the governance arrangements of the charity which relate to the general running of the charity. This includes internal and external audit, insurance costs, legal advice for trustees and costs associated with constitutional and statutory requirements such as the cost of trustee meetings and preparing the statutory accounts, plus a share of support costs.

Support costs are those costs incurred in the support of the fund raising, governance and charitable activities which cannot be directly attributed. They have been attributed to activities as described in the notes to the financial statements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and building	2% straight line
Office equipment	25% reducing balance
Fixtures and fittings	15% reducing balance
Computers	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CHANGES HEALTH & WELLBEING

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### 1.12 Value added tax

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

# CHANGES HEALTH & WELLBEING

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.13 Pensions

The charitable company operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of assets. See note 12 for the carrying amount of property, plant and equipment, and note 1.6 for the useful economic lives of each category of asset.

### 3 Donations and legacies

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Donations and gifts	4,324	2,196

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 4 Charitable activities

	2020 £	2019 £
Grants receivable for charitable activities	1,398,970	1,248,619
Analysis by fund		
Unrestricted funds - general	1,268,710	1,143,434
Restricted funds	130,260	105,185
	1,398,970	1,248,619
<b>Performance related grants</b>		
NHS Stoke on Trent	597,046	739,062
NHS North Staffordshire	188,620	89,256
Stoke on Trent City Council	106,473	61,242
Staffordshire County Council	52,782	29,803
Other Funders	446,443	329,256
	1,398,970	1,248,619

#### 5 Investment income

	Unrestricted funds general 2020 £	Total 2019 £
Interest receivable	3	-

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 6 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Costs of raising funds</u>		
Staff costs	27,569	33,453
	<u>27,569</u>	<u>33,453</u>

#### 7 Charitable activities

	Provision of mental health services 2020 £	Provision of mental health services 2019 £
Staff costs	611,140	646,204
Depreciation and impairment	5,882	5,774
Rent and rates	-	865
Utilities	7,220	6,834
Insurance	4,428	4,330
Legal and Professional	7,911	11,610
Telephone	13,351	14,658
Printing , Stationery and postage	25,110	21,400
Subcontracted staff	277,045	258,666
Staff and Volunteers expenses	29,606	30,751
Travel	38,268	38,018
Sundry and outsourced work	204,645	52,868
	<u>1,224,606</u>	<u>1,091,978</u>
Share of support costs (see note 8)	234,863	228,914
Share of governance costs (see note 8)	6,183	6,316
	<u>1,465,652</u>	<u>1,327,208</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	1,305,903	1,226,282
Unrestricted funds - designated	4,817	5,311
Restricted funds	154,932	95,615
	<u>1,465,652</u>	<u>1,327,208</u>

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	70,881	5,780	76,661	59,749	6,089	65,838
Depreciation	5,882	-	5,882	6,487	-	6,487
Rent & Rates	-	-	-	1,056	-	1,056
Utilities	7,753	-	7,753	8,352	-	8,352
Insurance	5,412	-	5,412	5,292	-	5,292
Legal & Professional	8,927	-	8,927	6,980	-	6,980
Telephone	14,931	-	14,931	17,916	-	17,916
Printing, postage and stationery	27,146	-	27,146	25,965	-	25,965
Sundry	87,636	-	87,636	91,223	-	91,223
Travel	4,225	-	4,225	4,224	-	4,224
Staff & Vol. Expenses	2,070	-	2,070	1,670	-	1,670
Audit fees	-	403	403	-	227	227
	<u>234,863</u>	<u>6,183</u>	<u>241,046</u>	<u>228,914</u>	<u>6,316</u>	<u>235,230</u>
Analysed between Charitable activities	<u>234,863</u>	<u>6,183</u>	<u>241,046</u>	<u>228,914</u>	<u>6,316</u>	<u>235,230</u>

Legal and Professional include fees payable to the auditors of £3,900 (2019- £3,770) for audit fees.

#### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. Travelling expenses of £1,733 (2019 : £1,104) were paid to 7 (2019 : 3) trustees.

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable activities	42	41
Administrative	2	3
	<u>44</u>	<u>44</u>

##### Employment costs

	2020 £	2019 £
Wages and salaries	622,700	657,540
Social security costs	60,597	67,812
Other pension costs	32,073	20,143
	<u>715,370</u>	<u>745,495</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,000 to £70,000	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Finance Officer, the Operations Manager, the Strategic Director and the HR & IT manager.. The total employee benefits of the key management personnel of the charity were £174,057 (2019 : £171,253).

#### 11 Other

	Total 2020	Unrestricted funds designated 2019
Net loss on disposal of tangible fixed assets	-	351
	<u>-</u>	<u>351</u>

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Tangible fixed assets

	Land and building £	Office equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>					
At 1 April 2019	346,545	21,458	8,803	41,656	418,462
Additions	-	-	-	2,299	2,299
At 31 March 2020	346,545	21,458	8,803	43,955	420,761
<b>Depreciation and impairment</b>					
At 1 April 2019	49,545	18,418	5,547	29,962	103,472
Depreciation charged in the year	7,072	760	433	3,499	11,764
At 31 March 2020	56,617	19,178	5,980	33,461	115,236
<b>Carrying amount</b>					
At 31 March 2020	289,928	2,280	2,823	10,494	305,525
At 31 March 2019	297,003	3,040	3,256	12,194	314,993

#### 13 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	67,777	30,835
Prepayments and accrued income	10,466	10,466
	78,243	41,301

#### 14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		14,526	-
Deferred income		10,455	8,555
Trade creditors		44,485	-
Other creditors		4,889	-
Accruals and deferred income		6,370	5,267
		80,725	13,822

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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#### **15 Retirement benefit schemes**

##### **Defined contribution schemes**

The charity contributes to defined contribution pension schemes in respect of members of staff, the assets of which are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds. There were no contributions due to the fund at the year end.

The charge to profit or loss in respect of defined contribution schemes was £32,073 (2019 - £20,143).

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources Expended	Transfers	Balance at 1 April 2019	Incoming resources	Resources Expended	Transfers	Balance at 31 March 2020	
	£	£	£	£	£	£	£	£	£	
Social Enterprise Investment Fund	298,726	-	(6,947)	-	291,779	-	(6,947)	-	284,832	
Pertemps	10,198	105,185	(80,131)	-	35,252	92,468	(100,076)	-	27,644	
Comic Relief	17,335	-	(8,537)	(8,798)	-	-	-	-	-	
Stoke on Trent Council - Refurb Funds	-	-	-	-	-	37,792	(47,909)	10,117	-	
	<u>326,259</u>	<u>105,185</u>	<u>(95,615)</u>	<u>(8,798)</u>	<u>327,031</u>	<u>130,260</u>	<u>(154,932)</u>	<u>10,117</u>	<u>312,476</u>	

#### Purposes of restricted funds:

##### Social Enterprise Investment Fund:

A large capital grant to purchase and refurbish Changes' headquarters and training centre.

##### Pertemps:

Provision of a wellness and recovery focused training and peer-support programme within HMP Stafford.

##### Comic Relief:

Providing a range of recovery focused services for young people age 16-25 years, within community settings, for those with mild to moderate mental health problems.

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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#### **17 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Resources expended £	Balance at 1 April 2019 £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Fixed asset fund	28,876	(5,662)	23,214	(4,817)	2,299	20,696
	<u>28,876</u>	<u>(5,662)</u>	<u>23,214</u>	<u>(4,817)</u>	<u>2,299</u>	<u>20,696</u>

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 18 Analysis of net assets between funds

	Unrestricted fund 2020 £	Designated fund 2020 £	Restricted fund 2020 £	Total 2020 £	Unrestricted fund 2019 £	Designated fund 2019 £	Restricted fund 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:								
Tangible assets	18,394	2,299	284,832	305,525	-	23,214	291,779	314,993
Current assets/(liabilities)	30,570	18,397	27,644	76,611	69,067	-	42,728	111,795
	<u>48,964</u>	<u>20,696</u>	<u>312,476</u>	<u>382,136</u>	<u>69,067</u>	<u>23,214</u>	<u>334,507</u>	<u>426,788</u>

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 19 Share Capital

Changes Health and Wellbeing is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required, not exceeding £1, to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

#### 20 Financial commitments, guarantees and contingent liabilities

The charity received a grant of £350,000 towards the cost of the purchase of a property. If the property is sold, then in certain circumstances, the whole or part of the grant may be repayable.

#### 21 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	3,025	4,962
Between two and five years	-	1,654
	<u>3,025</u>	<u>6,616</u>

#### 22 Events after the reporting date

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continued to spread throughout the United Kingdom and throughout many parts of the World. In response to this outbreak the UK government had mandated nationwide social distancing measures restricting movement and assembly. The full extent of COVID19's effect on the charity's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, and the social distancing measures implemented to manage the pandemic. However, the charity's trustees are also aware that a substantial increase in mental problems has occurred, which will require maintaining/increasing mental health service provision.

## CHANGES HEALTH & WELLBEING

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

23	Cash generated from operations	2020 £	2019 £
	Deficit for the year	(44,649)	(98,559)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3)	-
	(Gain)/loss on disposal of tangible fixed assets	-	351
	Depreciation and impairment of tangible fixed assets	11,764	12,261
	Movements in working capital:		
	(Increase)/decrease in debtors	(36,942)	36,412
	Increase in creditors	65,003	227
	Increase/(decrease) in deferred income	1,900	(1,938)
	<b>Cash absorbed by operations</b>	<b>(2,927)</b>	<b>(51,246)</b>

- 24 **Analysis of changes in net funds**  
The charitable company had no debt during the year.

#### 25 Related Party Transactions

During the year the charity entered into transactions with the spouse of the Chief Executive Officer for the provision of mindfulness training. The value of transactions for the services supplied, all being conducted on an arms length basis, was £11,240 (2019 : £12,200). The balance outstanding at the year end was £Nil (2019 : £Nil)

During the year the Charity also entered into transactions with the spouse of the Finance Officer for the provision of marketing and product information consultancy services. The value of transactions for the services supplied, all being conducted on an arms length basis was £34,975 (2019 : £72,065). The balance outstanding at the year end was £Nil (2019 : £Nil).

The Charity received no donations with conditions from trustees.