

**CHANGEWORKS  
RESOURCES FOR LIFE  
(A company limited by guarantee)  
Report and Financial Statements  
Year ended 31 March 2020**

**Charity Number: SC015144  
Company Registration Number: SC103904**

**CHANGeworks Resources for Life**  
**Contents of the Financial Statements**  
**For the year ended 31 March 2020**

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# **CHANGeworks RESOURCES FOR LIFE**

## **Report of the Directors**

**For the year ended 31 March 2020**

The directors present their report and the audited financial statements for the year ended 31 March 2020.

### **Reference and administrative details**

**Charity Number: SC015144**

**Company Number: SC103904**

#### **Directors**

Councillor Ian Perry  
Councillor Eleanor Bird  
Mary Church  
Nigel Douglas  
Derek Redvers  
Dr Margaret Somerville  
Philip Wright  
Joanne O'Hara (appointed 24 April 2019)  
Nicola Walters (appointed 24 April 2019)  
Steven Russell (appointed 24 April 2019)

#### **Secretary**

Teresa Bray

#### **Directorate**

Teresa Bray, Chief Executive  
Graeme Farmer, Finance & Resources Director  
Sharon McIntyre, Operations Director  
Liz Partington, Deputy Chief Executive  
Paul Thom, Technical Director

#### **Auditor**

Chiene + Tait LLP, Chartered Accountants and Statutory Auditor, 61 Dublin Street, Edinburgh, EH3 6NL

#### **Bankers**

The Co-operative Bank plc, Ground Floor, 96 Fountainbridge, Edinburgh, EH3 9QA  
Triodos Bank, Brunel House, 11 The Promenade, Bristol, BS8 3NN  
Bank of Scotland plc, 6 Picardy Place, Edinburgh, EH1 3JT  
Nationwide Building Society, Pipers Way, Swindon, Wiltshire SN38 1NW

#### **Solicitors**

Burness Paull LLP, 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ

#### **Registered Office and operation address**

36 Newhaven Road, Edinburgh, EH6 5PY

# CHANGeworks RESOURCES FOR LIFE

## Report of the Directors

For the year ended 31 March 2020

### Objectives and activities

A clear vision and mission, supported by our values, remains core to the achievement of our purpose at Changeworks.

In the financial year 2019/20 Changeworks Strategic Plan, running to 2022, was being actively progressed. Covering twelve strategic goals describing everything Changeworks does, it builds on our skills and expertise and takes into account the wider operating environment in Scotland, UK and beyond.

Our plans are ambitious – creating the world we want to live in requires nothing less. The urgent need to reduce emissions requires a great level of ambition. To that end, we have updated the carbon reduction strategic objective and have committed to net-zero carbon emissions.

To successfully achieve our goals will require the continued commitment of our skilled and experienced staff and volunteers. We will work in partnership with many other organisations and need the support of our funders.

Changeworks is a respected charity with a strong track record of delivering low carbon solutions often in partnership with others. We need external funding to continue delivery of our day-to-day services. As a result of strong financial management and returns from our joint ventures, we will make strategic, targeted investment to:

- Research and pilot new services
- Strengthen our delivery
- Share our knowledge and expertise

Following review, the Strategic Plan has been revised to reflect ramifications of the COVID-19 crisis and lessons learned delivering the current plan over the last twelve months. The revised plan has reduced the delivery goals from six to four, with a revised structure being implemented to assist successful implementation. Our vision, mission, values and beliefs remain unaltered.

### Our vision

A world where people are able to live, work and enjoy life with a low carbon impact. We recognise climate change is the most significant threat to the environment and our way of life.

### Our Mission

Our mission is to develop and deliver high impact solutions to make low carbon life a positive reality for everyone.

Our mission reflects that our main activity is the development and delivery of solutions. We are seeking a positive reality for **everyone** since as a charity tackling inequalities is core to our mission. Higher carbon emissions correlate with higher levels of income and wealth, so we need to work with people across all sectors of society.

As one of the largest charities working in our field in Scotland, we need to ensure that our services are efficient and effective. To achieve our overall vision, we need to ensure that others benefit from our knowledge and expertise so that they can deliver effectively as well. We are also committed to learning from others. Most of our solutions focus on understanding that people's actions and behaviours are key to the delivery of solutions.

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

To maximise our impact, we will adopt the following approach to develop our work and services:

**Research:** improved solutions are necessary to deliver the scale of change that is required to tackle climate change. With the pace of technological change new options are being developed but the importance of structuring services around people is often forgotten. Through our delivery we can identify areas where services need to be improved. We have particular expertise in implementing energy efficiency projects, data analysis, behaviour change and the human aspects of energy systems. Collectively these put us in a strong position to identify where research is required and commissioning and delivering key elements. To enhance both the rigour and credibility of our research we will work with academic partners where relevant.

**Piloting:** testing ideas and new approaches through pilots provides opportunities to put research, both our own and others, into practice prior to delivering at a larger scale. Not all elements of pilots will work, and it is important to learn lessons from both the successes and failures. It is essential we integrate monitoring and evaluation into all pilots.

**Delivering:** solutions developed and tested then need to be delivered at scale. Delivery at scale is central to Changeworks activities. We want to make a significant difference – we need to expand the breadth, depth, range and effectiveness of all our services. We deliver services we develop ourselves and programmes designed by others and gain valuable insights that can be used in research, piloting and innovation to improve our services.

**Mainstreaming:** the level of activity required for Scotland to adopt an enjoyable low carbon life is too great for Changeworks to deliver in isolation. In many cases solutions are better delivered by others such as local community groups, social landlords, local authorities or other agencies. Through our research, piloting and delivery we have knowledge and experience we can share that is useful to other organisations in the delivery of their services.

#### **Achievements and performance**

Changeworks has continued to deliver a range of services covering energy efficiency, renewables, waste prevention and fuel poverty reduction. We provide both in-depth and large-scale services and our geographical reach covers all of Scotland. The past year has seen steady growth in our services building on our skills and expertise. In 2019-20 our services were focused on:

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

Householders	<ul style="list-style-type: none"><li>• advising and helping people to improve their homes' energy efficiency and fit micro-renewables</li><li>• working with people to change their behaviour in how they use energy in the home, travel and resources</li><li>• providing advice and in-depth outreach support to people in or at risk of fuel poverty</li><li>• providing specific services targeted at socially excluded groups to ensure that they are able to adopt a lifestyle that benefits people and the environment</li><li>• providing integrated area-based approaches in communities allowing householders to access a full range and depth of solutions to enable a low carbon life</li></ul>
Communities	<ul style="list-style-type: none"><li>• supporting communities to install community owned renewables and to maximise the community benefit from developer led renewables</li><li>• supporting communities to advise and assist people in improving the energy efficiency of their homes and fitting micro-renewables</li><li>• supporting communities to work with people to change how they use energy in the home, transport and resources</li><li>• supporting community groups to share their expertise and co-ordinate their action</li><li>• working with communities to develop area based practical solutions to save energy and prevent waste</li></ul>
Businesses	<ul style="list-style-type: none"><li>• delivering a business recycling service to help businesses work towards zero waste through our joint venture Changeworks Recycling</li><li>• advising and helping businesses to improve their energy efficiency</li><li>• working with business employees to change how they use energy, transport and resources both at work and home</li><li>• providing specialist support to help organisations reduce their CO<sub>2</sub> emissions in their field of operation</li><li>• supporting the development of policy and practice that makes sustainability straightforward for businesses and organisations</li><li>• supporting businesses in an area-based approach to reduce waste and access energy efficiency support</li></ul>
Organisations	<ul style="list-style-type: none"><li>• providing specialist support to local authorities to deliver area-based insulation programmes</li><li>• providing support and networking opportunities for housing associations to improve the energy efficiency of their housing stock, install renewables and support their tenants</li><li>• providing specialist support to help organisations reduce CO<sub>2</sub> emissions in their field of operation</li><li>• supporting organisations to adopt new energy systems</li></ul>

### Changeworks impact in 2019/2020

We consider it enormously important for the impact of our work to be monitored and reported.

In 2019/2020 we developed a new approach to monitoring and evaluating our work at Changeworks which relates directly to our strategic plan. A summary of the 7 impact categories and results is given below.

# CHANGeworks Resources for Life

## Report of the Directors

For the year ended 31 March 2020

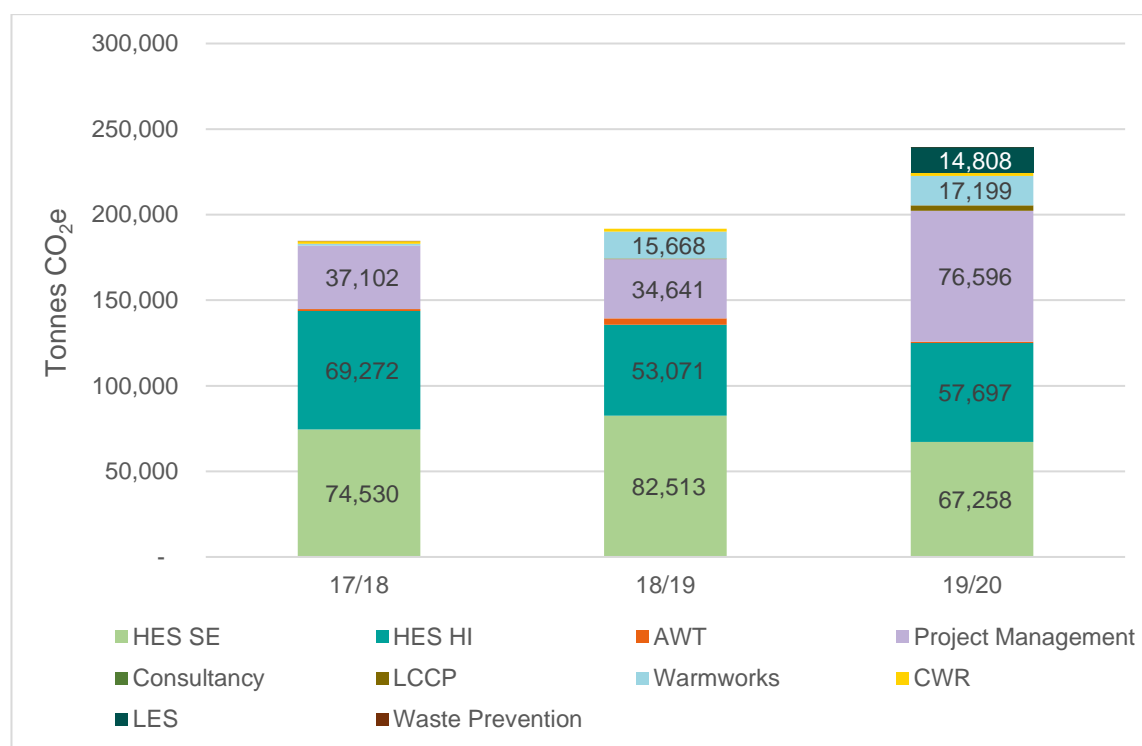
### Impact 1: Carbon Savings

The Carbon savings resulting from the installation of measures and behaviour change. In 2019/20 the carbon savings resulting from our work increased by 25% to 239,251 lifetime tonnes CO<sub>2</sub>e (see figure 1 and table 1). This is mainly as a result of an increase in the number of measures with high carbon savings installed by our Project Management team.

There have been two changes in methodology used:

- This is the first time that carbon savings have been captured for the CARES scheme, delivered by Local Energy Scotland, which is responsible for 31% of the increase mentioned above.
- The methodology used to calculate Affordable Warmth Team savings has been modified and now utilises results from surveys with clients to determine likely outcomes in action taken. The impact of this change is noted under tables 1 and 2 below.

Figure 1 - Carbon savings



## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

*Table 1: Breakdown of carbon savings*

Team	Lifetime tonnes CO2e			Difference (18/19 – 19/20)
	17/18	18/19	19/20	
Project Management	37,102	34,641	76,596	121%
Home Energy Scotland (South East)	74,530	82,513	67,258	(18%)
Home Energy Scotland (Highlands & Islands)	69,272	53,071	57,697	9%
Warmworks	1,160	15,668	17,199	10%
Local Energy Scotland	-	-	14,808	-
Low Carbon Communities	-	473	3,102	556%
Changeworks Recycling	1,470	1,699	1,674	(1%)
Affordable Warmth Team	969	3,752	740	(80%)
Waste Prevention	8	-	152	-
Consultancy	n/a	n/a	n/a	-
<b>Total</b>	<b>184,511</b>	<b>191,817</b>	<b>239,251</b>	<b>25%</b>

Had savings generated by the Affordable Warmth Team been calculated using the same method used the previous year, savings would have been 3,350 tonnes CO2e – an increase of 2,610 tonnes and only a 10% reduction from the previous year (compared to the 80% shown in the table above). The new methodology is more accurate and will be used going forward.

### **Impact 2: A fairer society**

The other major impact Changeworks' seeks to achieve through its work is to create a fairer society. Here, this is evidenced through the financial savings to support vulnerable households. In 2019/20 financial savings are recorded as £2,863,633.

This year there has been a significant decrease in the financial savings achieved with householders. This decrease is attributed to a change in methodology used by Energy Saving Trust. More detail of the breakdown in savings achieved is provided in table 2.



## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

Table 2: Financial savings for vulnerable householders by team

Team	Financial savings reported (£)		
	2017/18	2018/19	2019/20
Affordable Warmth Team	995,677	3,705,005	1,944,727
Home Energy Scotland (South East)	10,769,760	10,540,500	669,271
Home Energy Scotland (Highlands & Islands)	5,758,830	6,558,000	249,635
<b>Totals</b>	<b>17,524,267</b>	<b>20,803,505</b>	<b>2,863,633</b>

Had savings generated by the Affordable Warmth Team been calculated using the same method used the previous year, financial savings for vulnerable households would have been £3,241,026 – in increase of £1,296,299 on the above figures and a decrease of just 12% compared to the 48% shown above. The new methodology is more accurate and will be used going forward.

#### Output 1: People and organisations taking action

The number of households Changeworks' supported increased by 30% compared to 2018/19, to a total of 71,557 households. This has been mainly due to the work carried out by the Waste Prevention team. In addition, this year the pilot Low Carbon Community Projects also contributed towards the total. All other teams supported consistent numbers of households compared to the previous year.

The number of organisations supported by Changeworks increased to a total of 3,555 organisations, 24% more than 2018/19. This has occurred largely as a result of an increase in the businesses supported by Changeworks Recycling, as well as increases within Home Energy Scotland South East and the Low Carbon Community Projects.

#### Outcome 1: Insulation delivered at scale

Considerable efforts are needed to improve the energy efficiency of Scotland's housing stock to reduce energy demand and the effects of fuel poverty, by installing insulation at scale. It is important that Changeworks are able to monitor the impact the organisation has in this area. This is the first time we have included this figure in our impact reporting.

In 2019/20 a total of 3,492 insulation measures were installed. The majority of these measures have been installed by Project Management through the four local authority HEEPS:ABS programmes that they deliver, or by Warmworks installing through the Warmer Homes Scotland scheme.

Cavity wall insulation, heating system insulation and external wall insulation are the most commonly installed measures.

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### Report of the Directors

For the year ended 31 March 2020

#### Outcome 2: Increased uptake of low carbon and renewable technology

Increased installation of low carbon and renewable technologies installed is an essential part reducing demand on fossil fuels. Again, this is the first time this has been included in our impact reporting.

In 2019/20, 258 low carbon and renewable measures were installed. Electric storage heater upgrades were the most commonly installed technology with 94 installed, all through Warmer Homes Scotland. The second most frequently installed technology was air source heat pumps, with 53 installed.

#### Enabler 1: An exceptional and empowering organisation

##### *Staff and volunteers*

Changeworks' employees see the organisation as an empowering place to work. In the 2020 staff survey, 80% either agreed or strongly agreed with this statement. Similarly, 88% of staff would recommend Changeworks as a great place to work. Although this remains a considerable majority, the results show a 7% decrease compared to the previous year.

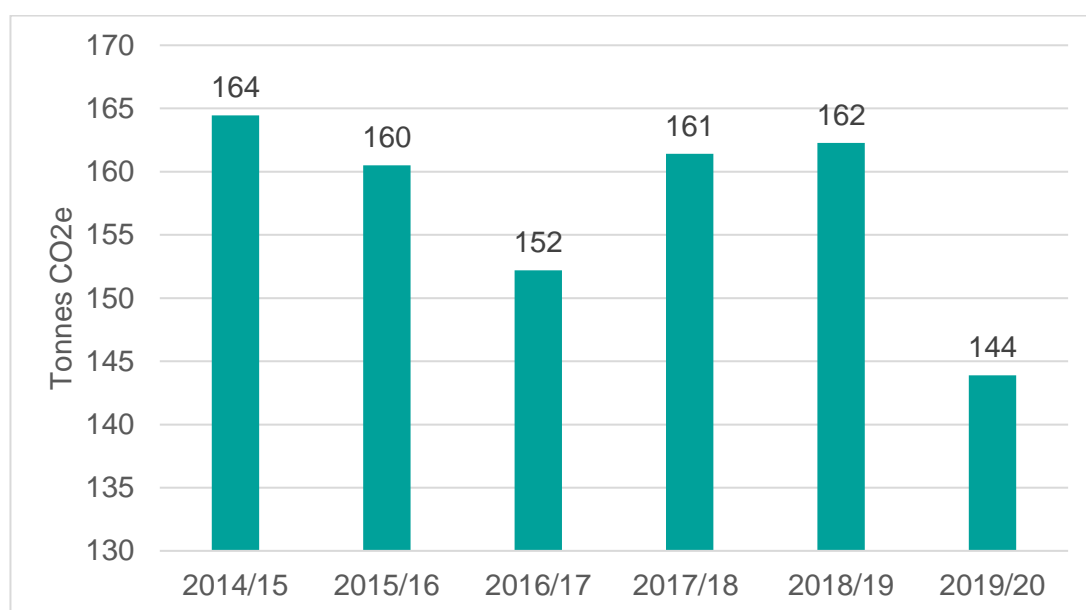
##### *Carbon footprint*

Understanding Changeworks' carbon footprint and limiting this as much as possible is a vital aspect in acting as an exemplar organisation. The following measures are calculated using information from a variety of sources including invoices, expense claims, staff and volunteer surveys and water/waste/recycling data.

As shown in figure 2, this year our carbon footprint has decreased by 18 tonnes (11%). This is the result of steps taken to decarbonise both our fleet and electricity supply.

Changeworks' carbon footprint is now 1.10 tonnes CO<sub>2</sub>e/FTE employee - 69% of our 2014/15 baseline of 1.58 tonnes CO<sub>2</sub>e/FTE).

Figure 2: Carbon footprint



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### Report of the Directors

For the year ended 31 March 2020

#### Enabler 2: An increase in brand visibility personality and profile

In 2019/20, a series of actions connected with the 'Global Climate Strike' significantly increased the profile of climate change on the global political stage. Changeworks and other organisations saw this as an opportunity to provide practical solutions to Government through Climate Emergency Response Group (CERG), as outlined in the case study below. This significantly increased our ability to influence at this level and elevated our brand profile.

##### Case study

In 2019/20 Changeworks has been successful in increasing its influence. Alongside the Energy Saving Trust and WWF, Changeworks established the Climate Emergency Response Group (CERG). CERG is a collection of like-minded leaders spanning Scotland's private, public and third sectors, delivery organisations and membership bodies.

The group aims to inform and influence the Scottish Government's response to the climate emergency by providing practical, workable solutions that can be implemented – not in the future, but now.

Using its diverse experience, the group drafted proposals for climate action. After launching in August 2019, the group's 12-point plan for action was adopted by the Scottish Government as part of its 2019 [Programme for Government](#) to support its target of achieving net zero carbon emissions by 2045.

Changeworks is also actively involved in the Existing Homes Alliance that has had considerable influence in the route map for existing homes being developed by the Scottish Government.

#### Accreditations

We hold the following accreditations:

- Investors in People
- Investing in Volunteers
- ISO 14001 (Environmental Management Systems)
- Living Wage Employer.
- Cycle Friendly Employer

#### Warmworks

Warmworks Scotland LLP, a joint venture owned equally by Changeworks Resources for Life, Energy Saving Trust Enterprises Limited and Everwarm, has had a very successful year delivering the Scottish Government contract to deliver the national fuel poverty scheme, Warmer Homes Scotland. Warmworks operates throughout Scotland and manages the delivery of the installation of heating and insulation measures for vulnerable households.

In 2019/20 the scheme helped 3,607 households, delivering an average running cost saving of £295 per year.

#### Financial Review

We have seen a further strengthening of our financial position during 2019/20.

The annual surplus of £0.4m (2019: £0.6m) has increased total funds to £6.5m, of which £3m (2019: £2.2m) is unrestricted (available for charitable purposes without restriction or designation). This is £1.6m (2019: £1.2m) in excess of the minimum reserves level set by the Board. Excess

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

#### For the year ended 31 March 2020

reserves are made available for the furtherance of our charitable objectives in a planned and controlled manner via our Strategic Fund (see below), though the Board are comfortable carrying some excess reserves at this time given uncertainties surround the impact of COVID-19 on both the funding environment and the need for our services.

#### **COVID-19**

Although COVID-19 did not impact the charity greatly in 2019/20, it had a significant impact on our operations for the first half of 2020/21.

Recent improvements and developments in our IT network – with a focus on remote access to critical systems – assisted with a relatively smooth transition to home working, but the closure of construction sites and restrictions on access to homes, offices and businesses had serious implications on our operations, with some of our services suspended until July.

Extensive use was made of the UK government's furlough scheme, and we have worked closely with our funders and clients to maintain high-quality service delivery where possible and practical.

Thanks to the above, and other emergency financial measures, a challenging but achievable budget has been set which, although approximately half a million pounds down on the previous year, does return a small surplus. We have also increased our minimum reserves level to reflect the greater level of operational risk.

It is our expectation that the medium and long-term impact of COVID-19 on the UK's public finances are potentially more problematic to us than the relatively minimal short-term impact we have suffered to date. Significant time at senior level is being devoted to longer-term financial modelling and scenario planning in order to assist strategic discussion and take action to both manage risks and take advantage of new opportunities.

#### **Designated Funds**

Following annual review, the Board has agreed to designate funds as follows:

- **Dilapidations Reserve:** £74,999 to cover dilapidation commitments of our various office leases.
- **Fixed Asset Reserve:** £508,431 being the book value of the charity's fixed assets to reflect the illiquid nature of these assets. This will be held as long as the net book value of fixed assets is material.
- **Strategic Fund:** £1,514,897 to cover additional costs of years two and three of our revised strategic plan, ensuring progress against our goals as stated below. This includes internal funding of charitable programmes and activities not covered by external funding and is the remaining balance on the original three-year £2m designated fund.
- **Investments:** £5,051 funds tied up in illiquid investments – Warmworks, Changeworks Recycling and Edinburgh Solar Co-op. Fund to remain in place as long as such investments are held.

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

- **Loans to related entities:** £300,000 tied up in loans and loan facilities not yet drawn down to Changeworks Recycling Ltd (which is owned 50% by the charity).
- **Warmworks Parent Company Guarantee:** £750,000 to cover our maximum potential exposure under the Scottish Government HEEPS 2 contract (delivered by Warmworks). Expected to remain in place for the duration of the Warmworks contract.
- **Relocation reserve:** A new £120,000 fund recognising that the lease on our existing Edinburgh HQ office ends in February 2023 and there is a likelihood of relocating.

#### Reserves Policy

The reserves policy is reviewed annually by the Board. Minimum general fund requirement is calculated annually by identifying a range of risks and estimating their potential financial impact using a risk weighting based on their likely occurrence. Designations of unrestricted reserves for specific purposes are approved by the Board.

The Board estimates that, after removing designated funds, unrestricted reserves of £1.4m (2019: £952k) are required to cover estimated operational risk. The 48% increase is due mainly to the increased risk and uncertainty to income, operations and performance introduced by COVID-19.

In particular, departmental income targets may prove more challenging to achieve, performance may be impacted by further unavoidable service disruption, material unbudgeted costs may arise (for example in relation to continued, enforced periods of home-working) and distributions from our Joint Ventures fall short or even turn negative.

The level of unrestricted reserves is monitored by the Board on a quarterly basis. As at 31 March 2020, total unrestricted funds were £6.2m (2019: £5.9m). After removing the above designated funds, the general fund stood at £3m (2019: £2.2m) which is £1.6m (2019: £1.2m) in excess of the level required as per our calculation of operational risk.

The Board is aware that excess reserves should be made available to fund charitable activities and accordingly has agreed to continue with the planned use of excess reserves via a Strategic Fund (currently with a £1.5m balance remaining from an initial £2m).

#### Risk management

The risk policy adopted by the directors is as follows:

“To achieve its mission and objectives Changeworks has to be prepared to take risks. Changeworks operates a system of identifying and evaluating risks. Where risks are identified, a decision is made whether to minimise, mitigate or manage the risk. Where it is decided to manage the risk the contribution to the overall risk portfolio is considered and the overall level of risk accepted will not be at a level that would undermine the continued operation of Changeworks. The level of risk acceptable must be considered against the contribution to Changeworks’ aim. High-risk activities with little direct contribution to the objectives should not be undertaken even if there is a possibility of significant amounts of income generation.”

The directors have assessed the risks to which the charitable company is exposed, as outlined in the Risk Register which is reviewed on an annual basis. Mitigation strategies / controls are in place for all identified risks.

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

The directors are of the opinion that the charity's risk management approach needs developed and enhanced in line with the increasing complexity of its operations and growth ambitions (as laid out in the Strategic Plan) and as a result is being reviewed by the Audit and Risk Assurance Committee, with support from the Executive.

The three key risks highlighted in the current risk register are:

Impact	Probability	Description	Control / mitigation actions
High	Medium	Lack of clear strategic direction leading to mission drift	Strategic Plan revised for financial year 2020/21 onwards.
High	Medium	Failing to take advantage of technological changes to improve and adapt our services	Innovation Strategy adopted and being implemented. Digital collaborative tools being trialled.
Medium	High	Financial information provided to managers not appropriate for effective decision making	Finance system review led by Finance Manager underway. Expected to result in selection and implementation of new finance system with improved remote access and reporting capabilities – to go live from 1 April 2021.

COVID-19 related risks are discussed in a previous section.

As the charity continues to grow and diversify, our operating environment becomes ever more complex, the Board has agreed to create a specific Audit and Risk Sub-Committee which will work with the Finance and Resources Director to ensure risk continues to be managed appropriately moving forward.

#### Plans for future periods

With the rapidly changing operating environment that has occurred as a result of the coronavirus crisis and resulting economic downturn, a review of the Strategic Plan took place early in the 2020/21 financial year. Our revised Strategic Plan focusses on four Strategic Goals:

- **Accelerate the improvement of Energy Efficiency of Buildings:** Successfully deliver at scale and across tenures a wide range of better insulated and healthy buildings.
- **Effectively deploy Renewable and Low Carbon Solutions:** Maximize the effective deployment of low carbon and renewable technologies from pilot stage through to mainstreaming, ensuring the needs of people are met.
- **Deliver an Integrated Community Approach to Low Carbon Living:** Develop and deliver an integrated community place-based approach to low carbon living and working including energy efficiency, low carbon energy, waste prevention and behaviour change.
- **Reduce Fuel Poverty:** Significantly reduces household fuel poverty by delivering a comprehensive fuel poverty service that tackles systemic issues, utilises preventative approaches and alleviates the effects of fuel poverty.

## CHANGeworks RESOURCES FOR LIFE

### Report of the Directors

For the year ended 31 March 2020

To support the delivery of our services we will be focusing on six enabling areas:

- **Empowering Staff and Volunteers:** Be an exceptional place to work where our staff and volunteers are empowered to deliver solutions for a low carbon life.
- **Strengthening our Finances:** Ensure we have sufficient, diverse and sustainable funds to achieve our growing ambitions.
- **Being an Exemplar:** Changeworks will be an outstanding quality driven organisation operating as a role model with behavioural science as a key element of our delivery
- **Inspiring Innovation and Development:** Inspiring innovation and development to drive improvements in projects and services to increase impact and sustainability
- **Using technology to increase our impact:** Proactively adopt technology to improve the delivery of our services and the resilience of the organisation
- **Enhancing our profile and strengthening our partnerships:** Enhance our profile and strengthen our partnerships to increase our impact and influence.

Our Strategy Directorate is charged with measuring our performance against these goals and is leading new ways of working to ensure the whole organisation can track and report progress.

#### **Structure, governance and management**

Changeworks Resources for Life is a company limited by guarantee governed by its Memorandum and Articles of Association dated 31 March 1987 and amended to allow for the current governance arrangement on 22 March 2006. The company is registered as a charity with the Office of the Scottish Charity Regulator. Membership is open to The City of Edinburgh Council and Friends of the Earth (Scotland) Limited.

Changeworks Resources for Life is governed by a Board of Directors, which is drawn from local Government and the community. The Board ensures the company is managed efficiently and takes the lead in strategic decisions, although the day to day management of affairs is delegated to the Chief Executive. The legal structure is currently being reviewed and updated objects are expected to be agreed with OSCR in 2020/21 and the memorandum and articles revised to evolve into a modern, single-tier structure.

#### *Group Structure*

The charitable company, Changeworks Resources for Life has one active 50% owned trading company, Changeworks Recycling Limited, whose main activity is business recycling services, plus one dormant trading subsidiary Changeworks Trading Limited. Changeworks Resources for Life also has a one-third interest in Warmworks Scotland LLP – established June 2015.

#### *Appointment of Directors*

The maximum number of directors is 11, of whom a maximum of 2 shall be nominated and a maximum of 9 directors shall be co-opted. 1 nominated member can be appointed by The City of Edinburgh Council and 1 by Friends of the Earth (Scotland) Limited. The directors may at any time appoint any person (other than an employee of the company) to be a director providing they are willing to act as such.

#### *Directors' Induction & Training*

New directors are given a briefing on their legal obligations under charity and company law, the board and decision-making process, the business plan and recent financial performance of the charity. New directors are also encouraged to meet with key employees and attend strategy events.

## **CHANGeworks RESOURCES FOR LIFE**

### **Report of the Directors**

**For the year ended 31 March 2020**

#### *Organisational Structure*

The Board meets at least quarterly, and the Chief Executive has delegated authority for the operational management of the charity. The Chief Executive is supported in the delivery of the operational management by the Directorate made up of the Deputy Chief Executive, Operations Director, Technical Director and the Finance and Resources Director.

Although a formal hierarchical structure has been adopted, we do not allow structures to limit our delivery and actively promote cross-departmental working.

#### *Key management remuneration*

Remuneration of all personnel, including key management, is covered by our Pay Policy, agreed by the Board December 2015.

Changeworks has developed its own salary grades which utilises and operates a job evaluation system where individual roles are assessed as to the level of responsibility and placed on the same grade as other roles within Changeworks that have a similar level of responsibility. A number of factors are considered when assessing the level of responsibility. For roles up to middle manager level the assessment is carried out by a panel of staff. More senior posts are assessed by a sub-group of the Board and the Chief Executive. The HR Co-ordinator acts as an advisor to both panels. The Chief Executive's salary is determined by the Board.

Senior salaries are restricted to a maximum of six times that of the lowest paid member of staff, though to date none have reached this level.

#### *Related parties*

Related party information is disclosed in note 23 to the accounts.

#### **Statement of directors' responsibilities**

The directors (who are also trustees of Changeworks Resources for Life for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102) (2nd edition – Oct 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.



# CHANGeworks Resources for Life

## Report of the Directors

For the year ended 31 March 2020

The directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to the auditor

As far as the directors are aware at the time the report is approved:

- there is no relevant information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the charitable company's auditor is aware of the information

### Directors

Members of the Board of Directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

This report has been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Directors' Report is approved by the Board of Directors on 16 October 2020 and signed on its behalf by:



Director \_\_\_\_\_

Derek Redvers

**CHANGeworks RESOURCES FOR LIFE**  
**Independent Auditor's Report to the Members and Directors**  
**For the year ended 31 March 2020**

**Opinion**

We have audited the financial statements of Changeworks Resources for Life (the charitable company) for the year ended 31 March 2020 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), 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 charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 directors 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

**CHANGeworks RESOURCES FOR LIFE**  
**Independent Auditor's Report to the Members and Directors**  
**For the year ended 31 March 2020**

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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

**Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on pages 14 and 15, the directors (who are also the trustees of the charity for the purposes of charity 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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**CHANGeworks RESOURCES FOR LIFE**  
**Independent Auditor's Report to the Members and Directors**  
**For the year ended 31 March 2020**

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 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: [www.frc.org.uk/auditorsresponsibilities](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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members, as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



**Barry Truswell CA (Senior Statutory Auditor)**  
**For and on behalf of**  
**CHIENE + TAIT LLP**  
**Chartered Accountants and Statutory Auditor**  
**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

Date: 29 October 2020

Chiene + Tait LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

**CHANGeworks RESOURCES FOR LIFE**  
**Statement of Financial Activities (incorporating Income and Expenditure account)**  
**For the year ended 31 March 2020**

		Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Charitable activities	5	5,175,889	1,569,029	6,744,918	6,587,602
Investment Income	6	132,708	-	132,708	128,793
<b>Total</b>		<u>5,308,597</u>	<u>1,569,029</u>	<u>6,877,626</u>	<u>6,716,395</u>
<b>Expenditure on:</b>					
Charitable activities:	7	5,005,305	1,433,900	6,439,205	6,068,894
<b>Total</b>		<u>5,005,305</u>	<u>1,433,900</u>	<u>6,439,205</u>	<u>6,068,894</u>
<b>Net gains/(loss) on investments</b>	13	-	-	-	(9,795)
<b>Tfr Restricted to Unrestricted</b>		2,128	(2,128)	-	-
<b>Net income/(expenditure) and movement in funds</b>		<u>305,420</u>	<u>133,001</u>	<u>438,421</u>	<u>637,706</u>
<b>Reconciliation of funds:</b>					
Total funds at 31 March 2018	22	<u>5,949,054</u>	<u>153,122</u>	<u>6,102,176</u>	<u>5,464,470</u>
<b>Total funds at 31 March 2019</b>	22	<u>6,254,474</u>	<u>286,123</u>	<u>6,540,597</u>	<u>6,102,176</u>

The charitable company has no recognised gains or losses other than the results for the year as set out above. All of the activities of the charitable company are classed as continuing.

The notes on pages 22 to 44 form part of the financial statements.

# CHANGeworks RESOURCES FOR LIFE

## Balance Sheet

As at 31 March 2020

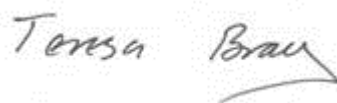
	Notes	2020 £	2019 £
<b>Fixed assets:</b>			
Tangible assets	12	508,431	612,556
Investments	13	5,051	5,051
Total fixed assets		513,482	617,607
<b>Current assets</b>			
Debtors	14	2,531,883	2,433,644
Cash at bank and in hand		5,019,573	4,190,753
Total current assets		7,551,456	6,624,397
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	15	(1,435,557)	(1,063,578)
<b>Net current assets</b>		6,115,899	5,560,819
<b>Total assets less current liabilities</b>		6,629,381	6,178,426
<b>Provisions for liabilities</b>	17	(88,784)	(76,250)
<b>Total net assets</b>		6,540,597	6,102,176
<b>The funds of the charity:</b>	22		
Unrestricted funds		2,981,095	2,189,231
Restricted funds		286,123	153,122
Designated funds		3,273,379	3,759,823
<b>Total funds</b>		6,540,597	6,102,176

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and were authorised for issue by the directors on 16 October 2020 and are signed on its behalf by:



Derek Redvers  
Director

Company Registration Number SC103904



Tanya Bray  
Company Secretary

The notes on pages 22 to 44 form part of the financial statements.

# CHANGeworks RESOURCES FOR LIFE

## Statement of Cash Flows

For the year ended 31 March 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	24	828,477	752,387
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		132,708	128,793
Purchase of property, plant and equipment		(132,365)	(128,773)
Proceeds of sale of investment		-	(9,795)
<b>Net cash provided by investing activities</b>		343	(9,775)
<b>Change in cash and cash equivalents in the reporting period</b>		828,820	742,612
<b>Cash and cash equivalents at the beginning of the reporting period</b>		4,190,753	3,448,141
<b>Cash and cash equivalents at the end of the reporting period</b>		5,019,573	4,190,753

Analysis of changes in net debt	At the start of the year £	Cash flows £	FX movement £	Other Non-cash £	At year-end £
Cash	4,190,753	828,819	1	-	5,019,573
	4,190,753	828,819	1	-	5,019,573
Finance lease obligations	-	-	-	-	-
Total	4,190,753	828,819	1	-	5,019,573

The notes on pages 22 to 44 form part of the financial statements.

# **CHANGeworks RESOURCES FOR LIFE**

## **Notes to the Financial Statements**

**For the year ended 31 March 2020**

### **1. General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of Changeworks Resources for Life.

The principal activity of Changeworks Resources for Life is developing and delivering high impact solutions to make low carbon life a positive reality for everyone.

Changeworks Resources for Life is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC015144. Details of the registered office and company registration number can be found on page 1 of these financial statements.

### **2. Principal accounting policies**

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Changeworks Resources for Life meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving



## **CHANGeworks RESOURCES FOR LIFE**

### **Notes to the Financial Statements**

**For the year ended 31 March 2020**

#### **(a) Basis of accounting (continued)**

a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

#### **(b) Going Concern**

Following an examination of current performance, major contracts, business environment, business development plans and reserves position, the directors are of the opinion that the charitable company can continue to meet its obligations as they fall due for the foreseeable future. As a consequence, the directors have prepared the financial statements on the going concern basis.

#### **(c) Recognition and allocation of income**

Income is recognised when the company has legal entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Donation and legacy income include donations, gifts, legacies and grants that provide core funding or are of a general nature.

Income from charitable activities includes income received under contract or grant funding which is subject to specific performance conditions. Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the charity's control and there is sufficient evidence that they have been met or will be met. Income from contracts for services is recognised at fair value (contract value) with the delivery of the service and when the stage of completion, the costs incurred and the costs to complete can be measured reliably. For Project Management contracts, the stage of completion is measured with reference to the head contract between the local authority and the Scottish Government. Where income is received in advance the income is deferred until the service has been provided.

Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.

Where there are terms placed on income that limit the charity's discretion over how that income can be used, that income is shown as restricted income in the accounts.

Gift aid is treated as part of the related gift unless the donor or terms of appeal have specified otherwise and is credited when receivable.

## **CHANGeworks RESOURCES FOR LIFE**

### **Notes to the Financial Statements**

**For the year ended 31 March 2020**

**(c) Recognition and allocation of income (continued)**

Investment income is recognised on a receivable basis and is measured at transaction value.

**(d) Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements.

**(e) Recognition and allocation of expenditure**

Expenditure is recognised when the charity has entered into a legal or constructive obligation and is allocated, where possible, directly to the function to which it relates.

Charitable activities include expenditure associated with supply of environmental services and include both the direct costs and support costs relating to these activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Accommodation and central support functions including finance, ICT and HR are charged to projects. For the year ended 31st March 2020, recharges were set at £13k per full time Edinburgh-based employee.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

**(f) Funds**

Restricted funds are those which have been given to the charity to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs.

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds that have been earmarked by the directors for a specific purpose.

**(g) Tangible fixed assets**

Fixed assets are originally recorded at cost, with only assets costing in excess of £1,000 capitalised. Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset, less its estimated residual value, over its expected useful life as follows:

Equipment — 20% or 33% straight line

Fixtures & fittings — 20% straight line

Motor vehicles — 20% straight line

Office Alterations — shorter of 10 years or remaining life of lease

## **CHANGEWORKS RESOURCES FOR LIFE**

### **Notes to the Financial Statements**

**For the year ended 31 March 2020**

#### **(h) Investments**

Investments in joint venture entities and in a social investment are held at cost less accumulated impairment losses.

#### **(i) Debtors**

Trade debtors are amounts due from customers for goods sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

#### **(j) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

#### **(k) Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

#### **(l) Financial assets and liabilities**

Financial instruments are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Financial instruments are all classified as 'basic' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

#### **(m) VAT**

Input tax relating to some charitable expenditure is irrecoverable and is therefore reported as part of the expenditure to which it relates when directly attributable. Input tax on overheads has been apportioned accordingly and the irrecoverable portion included in note 8.

#### **(n) Operating leases**

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

## **CHANGeworks RESOURCES FOR LIFE**

### **Notes to the Financial Statements**

**For the year ended 31 March 2020**

#### **(o) Pensions**

Changeworks Resources for Life makes employer pension contributions, representing 8% of gross salary, for all eligible employees under The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010. The charitable company operates a qualifying group personal pension scheme, into which contributions are paid. Changeworks staging date for auto enrolment was 1<sup>st</sup> May 2014 when all eligible employees were auto enrolled, and re-enrolment took place in 2017.

#### **(p) Grant making policy**

Intervention funding is allocated to private sector households whose income and savings are below an agreed threshold. Funding is provided if the health of the householder would be improved by installation of a measure, such as a new heating system. Both the householder and their health care worker can make a referral to the Affordable Warmth team.

### **3. Critical judgements and estimates**

In preparing the financial statements directors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

No estimates or assumptions have been made in the preparation of these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# CHANGEWORKS RESOURCES FOR LIFE

## Notes to the Financial Statements

For the year ended 31 March 2020

### 4. Previous year's comparative SOFA

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income and endowments from:</b>			
Charitable activities	5,330,565	1,257,037	6,587,602
Investment Income	128,793	-	128,793
<b>Total</b>	<b>5,459,358</b>	<b>1,257,037</b>	<b>6,716,395</b>
<b>Expenditure on:</b>			
Charitable activities:	4,799,895	1,268,999	6,068,894
<b>Total</b>	<b>4,799,895</b>	<b>1,268,999</b>	<b>6,068,894</b>
Net gains/(loss) on investments	(9,795)	-	(9,795)
<b>Net income/(expenditure) and movement in funds</b>	<b>649,668</b>	<b>(11,962)</b>	<b>637,706</b>

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 5. Income from charitable activities

The sole charitable activity undertaken by the charity is the supply of environmental services.

	Unrestricted funds	Restricted funds	2020 Total
	£	£	£
<b>Grants:</b>			
Council grants	-	714,823	714,823
Other grants	-	791,619	791,619
	-	1,506,442	1,506,442
Contract income	4,412,025	62,587	4,474,612
Warmworks	763,864	-	763,864
<b>Total</b>	<b>5,175,889</b>	<b>1,569,029</b>	<b>6,744,918</b>

Previous year comparatives	Unrestricted funds	Restricted funds	2019 Total
	£	£	£
<b>Grants:</b>			
Council grants	-	565,799	565,799
Other grants	-	645,226	645,226
	-	1,211,025	1,211,025
Contract income	4,468,562	46,012	4,514,574
Warmworks	862,003	-	862,003
<b>Total</b>	<b>5,330,565</b>	<b>1,257,037</b>	<b>6,587,602</b>

Income from Warmworks comprises profit distribution and management charges from Warmworks Scotland LLP – the activities of which are in line with our own charitable activities.

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 6. Investment income

	2020 Total £	2019 Total £
Bank interest receivable	10,952	7,152
Loan interest – CWR	8,275	8,165
Dividends from social investments (see note 13)	275	270
Gift Aid donations received	113,206	113,206
	<u>132,708</u>	<u>128,793</u>

### 7. Charitable activities expenditure

	Staff costs £	Project Costs £	Support Costs (Note 8) £	2020 Total £
Supply of Environmental Services	3,694,001	966,622	1,768,389	6,429,012
Governance costs (note 8)	-	-	10,193	10,193
<b>Total</b>	<u>3,694,001</u>	<u>966,622</u>	<u>1,778,582</u>	<u>6,439,205</u>

Previous year's comparatives	Staff costs £	Project Costs £	Support Costs (Note 8) £	2019 Total £
Supply of Environmental Services	3,025,343	1,174,603	1,855,641	6,055,587
Governance costs (note 8)	-	-	13,307	13,307
<b>Total</b>	<u>3,025,343</u>	<u>1,174,603</u>	<u>1,868,948</u>	<u>6,068,894</u>

# **CHANGeworks RESOURCES FOR LIFE**

## **Notes to the Financial Statements**

**For the year ended 31 March 2020**

### **8. Support and governance costs**

The charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources calculated on the basis of full-time equivalent employees.

	<b>Environmental Services</b>	<b>Governance</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Salaries & temp staff	682,950	-	682,950
Accommodation	387,580	-	387,580
Office running costs	534,232	-	534,232
Insurance	61,491	-	61,491
Marketing	12,226	-	12,226
Staff training	44,897	-	44,897
Professional fees	41,166	8,292	49,458
Board & SMT expenses	3,847	1,901	5,748
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>1,768,389</b>	<b>10,193</b>	<b>1,778,582</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Previous Year's comparatives</b>	<b>Environmental Services</b>	<b>Governance</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Salaries & temp staff	785,032	-	785,032
Accommodation	356,232	-	356,232
Office running costs	546,637	-	546,637
Insurance	78,232	-	78,232
Marketing	19,780	-	19,780
Staff training	35,113	-	35,113
Professional fees	31,062	11,984	43,046
Board & SMT expenses	3,553	1,323	4,876
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>1,855,641</b>	<b>13,307</b>	<b>1,868,948</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# **CHANGeworks Resources for Life**

## **Notes to the Financial Statements**

**For the year ended 31 March 2020**

### **9. Analysis of staff costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries and wages	4,120,916	3,527,328
Social security costs	331,198	290,557
Pension costs	304,412	277,642
Temporary staff	49,428	47,491
	<u>4,805,954</u>	<u>4,143,018</u>

Two employee received emoluments of between £60,000 - £70,000 during the year (2019:1). No employees received emoluments of between £70,000 - £80,000 during the year (2019:0). One employee received emoluments of between £80,000 - £90,000 during the year (2019:1).

No director received any remuneration or received any other benefits from an employment with the charity or a related entity for services as a director. No directors were reimbursed for travel expenses during the year (2019: £nil).

The key management personnel of the company comprise of the Directorate as noted on page 1. The employee benefits for key management totalled £326,094 (2019: £391,391).

The average number of employees during the year on a head count basis was 146 (2019: 137).

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Management and administration staff	17	15
Project staff	114	108
	<u>131</u>	<u>123</u>

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 10. Net income for the year

	2020	2019
	£	£
<b>This is stated after charging:</b>		
Depreciation	224,521	201,142
Auditor's remuneration: audit fee	8,292	9,130
Lease payments under operating leases	141,178	121,667
Non audit fees	525	750

### 11. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

### 12. Tangible fixed assets

	Equipment £	Fixtures & fittings £	Office Alterations £	Totals £
<b>COST</b>				
At 1 April 2019	683,645	33,480	672,418	1,389,543
Additions	93,993	-	38,373	132,365
Disposal of assets	(59,678)	-	-	(59,678)
At 31 March 2020	717,960	33,480	710,790	1,462,230
<b>DEPRECIATION</b>				
At 1 April 2019	412,459	15,501	349,028	776,987
Charge for year	128,738	6,055	89,728	224,521
Disposal of assets	(47,709)	-	-	(47,709)
At 31 March 2020	493,487	21,556	438,756	953,799
<b>NET BOOK VALUE</b>				
At 31 March 2020	224,473	11,924	272,034	508,431
At 31 March 2019	271,187	17,979	323,390	612,556

# CHANGeworks RESOURCES FOR LIFE

## Notes to the Financial Statements

For the year ended 31 March 2020

### 13. Investments

	2020 £	2019 £
Social investments	5,000	5,000
Joint ventures	51	51
	<hr/>	<hr/>
	5,051	5,051
	<hr/>	<hr/>

#### Subsidiary undertakings

The charity's investments at the balance sheet date in the share capital of subsidiary companies include the following:

Subsidiary	Activity	Ordinary £1 shares	Country of incorporation	Shareholding
Changeworks Trading Ltd SC207925	Dormant	100	UK	100%

Changeworks Trading Ltd was dormant throughout the year and therefore did not generate a profit in the year to 31 March 2020 (2019: £nil). The aggregate capital and reserves of Changeworks Trading Ltd as at 31 March 2020 was £nil (2019: £nil).

#### Joint ventures

##### a) Changeworks Recycling Limited

Changeworks holds a 50% shareholding in Changeworks Recycling Limited (SC244949). A summary of its 2019/20 trading results are shown below:

	2020 £	2019 £
Income	5,910,143	5,426,816
Expenditure	(5,330,408)	(4,760,709)
Taxation	(88,640)	(104,435)
Donations under gift aid	(113,208)	(113,206)
	<hr/>	<hr/>
Profit	377,887	448,466
	<hr/>	<hr/>
Fixed assets	391,484	364,739
Current assets	2,178,583	1,762,554
Current liabilities	(1,093,400)	(1,027,663)
Non-current liabilities	(350,000)	(365,083)
Provisions	(140,614)	(126,379)
	<hr/>	<hr/>
Net assets	986,053	608,168
	<hr/>	<hr/>

# CHANGeworks RESOURCES FOR LIFE

## Notes to the Financial Statements

For the year ended 31 March 2020

### 13 Investments (continued)

#### Joint ventures (continued)

##### a) Changeworks Recycling Limited (continued)

If the investment in the joint venture had been accounted for under the equity method of accounting, the effect would have been as follows (note that comparative figures have been represented following a review of methodology):

	2020 £	2019 £
Increase in carrying value of investment	493,027	304,083
Increase / (decrease) in income from investments	54,775	(24,244)
Decrease in balance of funds brought forward	304,083	53,233
Increase in net current assets	-	-

##### b) Warmworks Scotland LLP

On 10<sup>th</sup> June 2015, Warmworks Scotland LLP (SO305326), a joint venture owned equally by Changeworks Resources for Life, Energy Savings Trust Enterprises Limited and Everwarm, entered into a Scottish Government contract to deliver a national fuel poverty scheme over five to seven years. The initial cost of this investment was £1. A summary of the trading results is shown below:

	2020 £	2019 £
Income	22,580,498	23,004,207
Expenditure	(22,353,588)	(22,043,849)
Profit	226,910	960,358
Fixed assets	64,983	131,487
Current assets	5,882,314	5,153,878
Current liabilities	(5,880,715)	(4,654,102)
Net assets	66,582	631,263

If the investment in the joint venture had been accounted for under the equity method of accounting, the effect would have been as follows (note that comparative figures have been represented following a review of methodology):

	2020 £	2019 £
Increase in carrying value of investment	22,193	210,421
Decrease in income from investments	188,227	41,884
Decrease in balance of funds brought forward	210,421	252,305
Increase in net current assets	-	-

# **CHANGeworks RESOURCES FOR LIFE**

## **Notes to the Financial Statements**

**For the year ended 31 March 2020**

### **13 Investments (continued)**

#### **Social investments**

In November 2015 Changeworks Resources for Life purchased 5,000 ordinary shares of £1 in the Edinburgh Community Solar Co-op at a cost of £5,000. The Co-op was set up to realise a large-scale solar PV project in Edinburgh and the decision was taken to invest in it to support the initiative, in line with the company's charitable objectives, rather than purely with a view to receiving financial return. Dividends of £275 (2019: £270) were received during the year.

### **14. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b><u>Amounts falling due within one year</u></b>		
Trade debtors	2,168,485	2,023,350
Prepayments	63,473	36,359
Amounts owing from related entities	-	60,000
Other debtors	1,364	3,893
Accrued income	123,561	135,042
	<hr/>	<hr/>
	2,356,883	2,258,644
<b><u>Amounts falling due after one year</u></b>		
Amounts owing from related entities	175,000	175,000
	<hr/>	<hr/>
	175,000	175,000
	<hr/>	<hr/>
Total	2,531,883	2,433,644
	<hr/> <hr/>	<hr/> <hr/>

### **15. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	230,020	91,246
VAT	420,023	340,026
Pension contributions	35,684	35,640
PAYE & NIC	91,357	86,132
Other creditors, deferred income and accruals	658,473	510,533
	<hr/>	<hr/>
	1,435,557	1,063,578
	<hr/> <hr/>	<hr/> <hr/>

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 16. Deferred income

	2020	2019
	£	£
Balance brought forward	452,288	347,871
Deferred in year	591,424	452,288
Released to income and expenditure account	(452,288)	(347,871)
	<u>591,424</u>	<u>452,288</u>

Deferred income relates mainly to income received during the year for Home Energy Efficiency Programmes for Scotland (HEEPS): area-based schemes to be undertaken the following year.

### 17. Provisions for liabilities

	2020	2019
	£	£
<b>Dilapidations provision</b>		
Balance brought forward	76,250	63,717
Increase in provision for the year	12,534	12,533
	<u>88,784</u>	<u>76,250</u>

Dilapidations provision is as per an independent survey of our Newhaven Road office.

### 18. Financial assets and liabilities

	2020	2019
	£	£
Financial assets at amortised cost	<u>7,487,983</u>	<u>6,588,038</u>
Financial liabilities at amortised cost	<u>300,033</u>	<u>185,131</u>

Financial assets at amortised cost comprise cash at bank and in hand, trade debtors, accrued income, other debtors, amounts owing from related entities and (for the comparative figure) amounts owing from subsidiaries.

Financial liabilities comprise accruals, trade and sundry creditors, and pension contributions.

# CHANGeworks RESOURCES FOR LIFE

## Notes to the Financial Statements

For the year ended 31 March 2020

### 19. Pensions

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £304,411 (2019: £277,642).

### 20. Commitments under operating leases

At 31 March 2020, the charity had commitments under non-cancellable operating leases as set out below:

	2020 Land & buildings £	2020 Other £	2019 Land & buildings £	2019 Other £
<b>Operating leases which expire:</b>				
Within one year	63,611	66,568	70,793	55,092
Within 2 to 5 years	3,000	70,271	21,646	97,647
Over 5 years	-	-	-	1,070
<b>Totals</b>	<u>66,611</u>	<u>136,839</u>	<u>92,439</u>	<u>153,809</u>

The charity is committed to paying 40% of lease costs for a further property (not included in the table above). As a result, non-cancellable financial commitments of £94,400 will be incurred between 1 April 2020 and the lease expiry date of 2 February 2023.

### 21. Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	2020 Total funds £
Tangible fixed assets	-	508,431	-	508,431
Fixed asset investments	5,051	-	-	5,051
Current assets	3,630,347	3,572,187	348,922	7,551,456
Current liabilities	(654,303)	(718,455)	(62,799)	(1,435,557)
Provisions	-	(88,784)	-	(88,784)
<b>Net assets at 31 March 2020</b>	<u>2,981,095</u>	<u>3,273,379</u>	<u>286,123</u>	<u>6,540,597</u>

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 21. Analysis of net assets between funds (cont.)

Previous year's comparatives	General funds	Designated funds	Restricted funds	2019 Total funds
	£	£	£	£
Tangible fixed assets	-	612,556	-	612,556
Fixed asset investments	5,051	-	-	5,051
Current assets	2,565,752	3,878,835	179,810	6,624,397
Current liabilities	(381,572)	(655,318)	(26,688)	(1,063,578)
Provisions	-	(76,250)	-	(76,250)
<b>Net assets at 31 March 2019</b>	<b>2,189,231</b>	<b>3,759,823</b>	<b>153,122</b>	<b>6,102,176</b>



# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 22. Movements in funds

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Net Gain on investment £	Transfers £	At 31 March 2020 £
Restricted funds						
Waste Education & Information & Prevention	43,353	276,788	(282,063)	-	(2,128)	35,950
Affordable Warmth Team	4,782	48,191	(46,153)	-	-	6,820
Energy Services	3,838	-	-	-	(3,838)	-
SE Projects Team	67,020	601,875	(587,533)	-	3,838	85,200
HI Projects Team	-	118,567	(97,770)	-	-	20,797
Consultancy Team	3,856	91,632	(82,488)	-	-	13,000
Strategy	30,273	111,061	(37,118)	-	-	104,216
Technical LCC	-	276,965	(276,965)	-	-	-
Corporate	-	43,950	(23,810)	-	-	20,140
Total restricted funds	153,122	1,569,029	(1,433,900)	-	(2,128)	286,123
Unrestricted funds: <i>Designated funds</i>						
Relocation Reserve	-	-	-	-	120,000	120,000
Dilapidations reserve	92,216	-	-	-	(17,217)	74,999
Fixed asset reserve	612,556	-	-	-	(104,125)	508,431
Investments	5,051	-	-	-	-	5,051
Warmworks parent company guarantee	750,000	-	-	-	-	750,000
Loans to related entities	300,000	-	-	-	-	300,000
Strategic Fund	2,000,000	-	-	-	(485,102)	1,514,898
Total designated funds	3,759,823	-	-	-	(486,444)	3,273,379
General fund	2,189,231	5,308,597	(5,005,305)	-	488,572	2,981,095
Total unrestricted funds	5,949,054	5,308,597	(5,005,305)	-	(488,572)	6,254,474
Total funds	6,102,176	6,877,626	(6,439,205)	-	-	6,540,597

Opening balances on restricted funds have been re-categorised, with no impact on total amount.

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 22. Movements in funds (continued)

#### Previous year's comparative figures

	At 1 April 2018	Incoming resources	Outgoing resources	Net Gain on investments	Transfers	At 31 March 2019
	£	£	£	£	£	£
<b>Restricted funds</b>						
Waste Education & Information & Prevention	100,750	268,738	(291,857)	-	-	77,631
Affordable Warmth Team	1,922	48,191	(45,331)	-	-	4,782
Energy Services	3,713	93,541	(93,416)	-	-	3,838
SE Projects Team	38,031	759,435	(760,868)	-	-	36,598
HI Projects Team	-	37,133	(37,133)	-	-	-
Consultancy Team	(19,515)	26,865	(7,350)	-	-	-
SE Advice Team	40,183	16,345	(26,255)	-	-	30,273
Core	-	1,182	(1,182)	-	-	-
	-	5,607	(5,607)	-	-	-
<b>Total restricted funds</b>	<b>165,084</b>	<b>1,257,037</b>	<b>(1,268,999)</b>	<b>-</b>	<b>-</b>	<b>153,122</b>
<b>Unrestricted funds:</b>						
<b>Designated funds</b>						
Dilapidations reserve						
Fixed asset reserve	101,937	-	-	-	(9,721)	92,216
Investments	684,926	-	-	-	(72,370)	612,556
Warmworks parent company guarantee	5,051	-	-	-	-	5,051
Loans to related entities	750,000	-	-	-	-	750,000
Business Investment Fund	300,000	-	-	-	-	300,000
Strategic Plan	2,000,000	-	-	-	-	2,000,000
<b>Total designated funds</b>	<b>3,841,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(82,091)</b>	<b>3,759,823</b>
<b>General fund</b>	<b>1,457,472</b>	<b>5,459,358</b>	<b>(4,799,895)</b>	<b>(9,795)</b>	<b>82,091</b>	<b>2,189,231</b>
<b>Total unrestricted funds</b>	<b>5,299,386</b>	<b>5,459,358</b>	<b>(4,799,895)</b>	<b>(9,795)</b>	<b>-</b>	<b>5,949,054</b>
<b>Total funds</b>	<b>5,464,470</b>	<b>6,716,395</b>	<b>(6,068,894)</b>	<b>(9,795)</b>	<b>-</b>	<b>6,102,176</b>

## CHANGeworks RESOURCES FOR LIFE

### Notes to the Financial Statements

For the year ended 31 March 2020

#### 22. Movements in funds (continued)

Of the £2m allocated to the Strategic Fund in 2018/19, for the implementation of our three-year strategic plan, £485,182 was utilised during the year, leaving a balance of £1,514,898.

**Restricted Funds** - Restricted funds are funds subject to specific trusts or public bodies' restrictions that have been awarded to Changeworks to carry out our charitable objectives within an agreed time period. Balances on restricted funds are categorised by type in the above table – there was only one restricted grant that had a balance over £35K at year end. This was a project that Changeworks administers for a group called Under One Roof and holds as restricted income.

Restricted fund income of Changeworks in 2019/20 was £1,569,029 split over the different charitable deliverables that the Charity engage in, namely fuel poverty, waste or volunteer programmes and research. There were 47 projects in the year delivering these mainly grant-funded services.

Four grants that were awarded were individually in excess of 7% of the total; namely the City of Edinburgh Council waste free programme (£137K), the City of Edinburgh energy services to promote our affordable warmth strategy (£190K), Zero Waste Scotland project Zero Waste Leith (£128K) and Scottish Borders Council project low carbon communities (£137K).

**Fund Transfers:** The transfer of funds reflects where any restrictions placed on the fund have been fully met and so the fund is now unrestricted.

#### **Purpose of designated funds**

**Dilapidations Reserve:** The fund designated by the Board to cover renovation, decoration and dilapidation commitments of our various office leases.

**Fixed Asset Reserve:** The fund designated by the Board to represent the level of general fund not available for immediate use due to being tied up in fixed assets.

**Investments:** The fund designated by the Board to represent the level of general fund not available for immediate use due to being tied up in illiquid investments.

**Loans to group companies:** The fund designated by the Board to represent the level of general fund not available for immediate use due to being either loaned to group companies or ring-fenced as a potential future loan. See note 23.

**Strategic fund:** The fund designated by the Board to cover additional costs of implementing the first three years of our new strategic plan. This includes expenditure on charitable activities not covered by external funding.

**Relocation reserve:** a fund to cover costs of relocation should this take place around February 2023 when the existing lease on our Edinburgh HQ ends.

# CHANGeworks RESOURCES FOR LIFE

## Notes to the Financial Statements

For the year ended 31 March 2020

### 22. Movements in funds (continued)

Warmworks Parent Company Guarantee: The fund designated by the Board to cover our maximum potential exposure under the Scottish Government HEEPS 2 contract (delivered by Warmworks).

### 23. Related parties

Related party transactions and year-end balances are disclosed in the tables below:

Related Party	Nature of relationship	Sales	Purchases	Debtor Balance	Creditor Balance
		£	£	£	£
Changeworks Recycling Limited	50% owned by Changeworks Resources for Life	155,877	(78,312)	14,898	(994)
Warmworks Scotland LLP	Joint venture - one third owned by Changeworks	776,808	-	612,965	-
Stop Climate Chaos Scotland	Chief Executive, Teresa Bray, was a director until 5/6/18. Common director Mary Church from 5/6/18.	-	(3,100)	-	-
Scottish Charity Finance Group	Finance and Resources Director, Graeme Farmer, was a trustee until 4/12/19	-	(120)	-	-

The company has loaned £175,000 to Changeworks Recycling Limited. The loan has a four-year term and accrues interest at 4% above Bank of England base rate. Interest totalling £nil (2019: £nil) was outstanding at year-end.

The company also has a further £125,000 loan available (but not yet drawn down) to Changeworks Recycling Limited. This loan has a three-year term and accrues interest at 4% above Bank of England base rate.

Changeworks Resources for Life holds a floating charge over the assets of Changeworks Recycling in respect of the above loans.

# CHANGeworks Resources for Life

## Notes to the Financial Statements

For the year ended 31 March 2020

### 24. Reconciliation of net income to net cashflow from operating activities

	2020	2019
	£	£
<b>Net income for the year</b>	438,421	637,706
<b>Adjustment for:</b>		
Depreciation charges	224,521	201,143
Gain/(loss) on disposal of investments	-	9,795
Dividends, interest and rents from investments	(132,708)	(128,793)
Loss(profit) on sale of fixed assets	11,969	-
(Increase)/decrease in debtors	(98,239)	(43,114)
Increase/(decrease) in creditors	371,979	63,117
Increase in provisions	12,534	12,533
<b>Net cash used in operating activities</b>	<u>828,477</u>	<u>752,387</u>

### 25. Going Concern and Post Balance Sheet Events

Subsequent to the year end the impact of the COVID-19 pandemic on the charity's operating environment has increased significantly. The actual and potential financial impacts of these restrictions have been assessed by the board and senior management and steps taken to mitigate the impacts, as outlined in the directors' report.

There is no material negative impact on expected 2020/21 grant funding or contract income (as compared to the previous year), though ambitions for the year ahead have been modified accordingly.

The Directors are satisfied that confirmed funding and existing reserves are more than sufficient to ensure that the charity can continue to operate for at least twelve months from the date of approval of these accounts.

### 26. Big Lottery Fund Grants

During 2019/20 the charity was in receipt of one Big Lottery Fund grant, as follows:

Reference	ID 10248975
Project name	Canny Tenants
Income	£99,145
Expenditure	£102,272
Balance	£191

## **CHANGEWORKS RESOURCES FOR LIFE**

### **Notes to the Financial Statements**

**For the year ended 31 March 2020**

#### **27. Other non-audit services**

During 2019/20, and in common with many other businesses of our size and nature, we occasionally used our auditor for the provision of advice on taxation and other matters. Our approach has recently been revised and we no longer engage our auditor for non-audit advice.