

Charity Registration No. 1139606

Company Registration No. 05391682 (England and Wales)

LCI-UK LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

LCI-UK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Swain T Blanch R Walley D Anderson A Johnson M Perks T Edgcumbe
Charity number	1139606
Company number	05391682
Independent examiner	Lee, Dicketts & Co 3 East Point High Street Seal Sevenoaks Kent TN15 0EG

LCI-UK LIMITED

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

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 charity'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).

Objectives and activities

The Lean Construction Institute UK (LCI-UK) is a registered educational charity in the UK. The institute's purpose is to research and disseminate best practice information about Lean Construction throughout the UK construction industry to benefit public sector building while enhancing the overall productivity and quality of UK construction practices.

In this context LCI-UK has undertaken to:

- Grow an active, diverse membership
- Run conferences for its members and the public
- Set up local communities of practice across the UK
- Offer training courses
- Produce open learning courses
- Develop and project manage major learning programmes (Lean Procurement Development Pathway)
- Establish online development groups
- Produce newsletters, case studies
- Link to the international Lean Construction Community.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

LCI-UK, an educational charity focused on social and commercial construction, remains steadfast in its commitment to promoting continuous improvement within the construction industry. Our primary mission is to provide individuals with the Lean Construction knowledge and skills needed to enhance their workplace performance, leading to greater productivity, cost-efficiency, and timely project delivery.

Our approach to continuous improvement involves collaboration among individuals, teams, organisations, and entire value chains, all working towards a shared economic and social goal: the creation of high-quality products and services that meet people's needs. LCI-UK advocates for the principles of Lean, which we believe can be applied to any goal-oriented performance activity. Our main objective is to balance the many facets of value creation, integrating people-development and Lean continuous improvement as a key component of productivity and efficiency in the Construction process. These principles remain at the core of our efforts.

Overview of 2023-2024

In the preceding financial year (2022-2023) LCI-UK Projects company, the transactional arm of LCI-UK, was focused on the deployment of the Lean Construction Development Programme (LCDP), which completed in October of this reporting financial year. The LCI-UK Board have continued to support the projects company in the delivery of LCDP.

The Board also refined the charity's Mission and Vision statements, and as part of this process have identified strategic priorities and enablers to help deliver these statements and ensure the sustainability of the charity.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Lean Construction Development Pathway

In October 2023, LCI-UK submitted its final report to the Construction Industry Training Board (CITB), highlighting how the Lean Construction Development Pathway improved productivity and performance on six major National Highways projects, through the support of seven industry partners. The competency framework created by LCI-UK supports a standardised approach to Lean Construction across the supply chain through a blended Lean learning pathway, supported by our gold-standard Learning Management Systems (LMS).

The LCDP pilot concluded with measurable, impactful results, meticulously collected and analysed through our LMS. These outcomes continue to expand with the ongoing deployment and adoption of LCDP, potentially creating a significant ripple effect as learners apply their new skills and knowledge to projects across the industry.

Achievements reported included 1,408 learners trained in Lean (target: 800-1,200), 77 improvement projects completed (target: 40) and £24.1 million estimated benefits, £13.2 million realised benefits (target: £12 million).

Enhancing Learning and Development:

Our Operational team have focused on improving and refining learning pathway materials and our Learning Management System collaborating with the Operational Steering Group, comprised of Lean experts from partner companies, to ensure that both are the best they can be, taking into account feedback from learners through stage-end feedback, moderation groups and collaborative working sessions.

Sustainability:

LCI-UK continues to prioritise the sustainability of both the charity and its projects company. We have developed a business service model for the LCDP, which has been adopted by companies beyond the initial pilot, and we continue to explore other revenue streams. As new priorities emerge within the Construction industry, LCI-UK Projects remains dedicated to aligning its efforts with these priorities where appropriate, ensuring they fit within its own strategic framework.

Strengthened Collaborations:

During this reporting period, we fortified our relationships with both the Executive Steering Group (ESG) and the Operational Steering Group. Their steadfast support was crucial to the LCDP's success, facilitated by transparency and openness within these collaborative forums. The Board have identified further strategic partnerships.

In October 2023 LCI-UK were invited by Highways UK to host a panel dedicated to Lean. 'Implementing continuous improvement and Lean practises within highways operations' took place on the Tech and Transformation stage and was well received by those attending.

Looking Ahead

LCI-UK are actively seeking additional trustees to join the Boards and help the charity grow in influence and reach. We are excited to build upon the achievements of the current reporting period, and remain dedicated to driving positive change in the construction industry.

Financial review

This financial year has seen LCI-UK continue to invest in its charitable objectives through the work of the trading company LCI-UK Projects.

In April 2023 LCI-UK were in the final stages of the LCDP pilot which was completed in October with the delivery of the final report to the CITB. At this point LCI-UK was able to assess our financial position in terms of final costs and retained income.

It must be noted that the effects of the Covid shutdown created the need for additional funding from participating companies, in addition to that received from the CITB. Through careful management of funds, LCDP remained well within its allocated budget and pilot expenditures were streamlined under LCI-UK projects.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Several factors had significant, positive impacts on efficiencies, including gift-in-kind support from partner companies donating valuable resource to take on the work of budgeted external provision. Additionally, the CITB recognised the changing scope of the project by releasing funds that had previously been withheld due to Covid generated CITB short falls.

Following the completion of the pilot project in October 2023, LCI-UK have been able to assess its retained earnings position. Subsequent to this programme completing, a Gift-Aided contribution is expected from LCI-UK Projects to the charity in 2024/25. This donation will be made available for investments in new opportunities to expand the Lean Construction development purposes of LCI-UK and deliver the objectives of the charity.

Reserves policy

No substantial reserves are required to be held as funding requirements are addressed during the planning phase to ensure all planned activities are covered by secured funds and appropriate guarantees before starting. As a consequence the trustees aim to retain 3 months' worth of unrestricted expenditure in a savings account to meet emergencies in the short-term.

Major risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The institute is a registered charity and a company limited by guarantee. The institute was incorporated on 14 March 2005, and registered as a charity on 31 December 2010. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

B Swain

T Blanch

R Walley

D Anderson

A Johnson

A Dodsworth

(Resigned 19 April 2024)

A Gates

(Resigned 7 November 2024)

M Perks

T Edgumbe

Recruitment and appointment of trustees

In accordance with the charity's Articles of Association, the trustees may appoint a person who is willing to act to be a trustee. A trustee appointed by a resolution of the other trustees must retire at the next annual general meeting and must not be taken into account in determining the trustees who are to retire by rotation.

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

R Walley

Trustee

17 December 2024

LCI-UK LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LCI-UK LIMITED

We report to the trustees on our examination of the financial statements of LCI-UK Limited (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied ourselves that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, we report in respect of our examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out our examination we have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

We have completed our examination. We confirm that no matters have come to our attention in connection with the examination giving us cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Lee, Dicketts & Co

3 East Point
High Street
Seal
Sevenoaks
Kent
TN15 0EG



Dated: 18 December 2024

LCI-UK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	2	26,939	6,308
Investments	3	54	10
Total income		26,993	6,318
Expenditure on:			
Charitable activities	4	8,645	7,840
Total expenditure		8,645	7,840
Net income/(expenditure) and movement in funds		18,348	(1,522)
Reconciliation of funds:			
Fund balances at 1 April 2023		984	2,506
Fund balances at 31 March 2024		19,332	984

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investments	9		1		1
Current assets					
Debtors	10	2,339		349	
Cash at bank and in hand		22,529		9,894	
		24,868		10,243	
Creditors: amounts falling due within one year	11	(5,537)		(9,260)	
Net current assets			19,331		983
Total assets less current liabilities			19,332		984
Net assets excluding pension liability			19,332		984
The funds of the charity					
Unrestricted funds			19,332		984
			19,332		984

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 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements 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 17 December 2024

B Swain
Trustee

Company registration number 05391682 (England and Wales)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

LCI-UK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is .

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

1.4 Incoming resources

Income is recognised when the charity 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.

Income from membership subscriptions is recognised across the subscription period.

Income from the supply of services is recognised with the delivery of the contracted service provided that: the stage of the completion, the costs incurred in delivering the service and the costs to complete the requirements of the contract can all be measured reliably.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Resources expended

The accruals basis is applied to all expenditure.

Expenditure has been allocated according to the Statement of Recommended Practice "Accounting and Reporting by Charities" and is shown under the appropriate sub-heading. Items of expenditure which involve more than one charitable activity, are allocated appropriately between the charitable activities involved on the basis of estimates made by the charity's management.

Expenditure is recognised when there is a present legal or constructive obligation resulting from a past event; it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement; the amount of the obligation can be measured or estimated reliably.

1.6 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 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.

1.8 Basic financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised in the statement of financial activities in other administrative expenses.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	18,032	-
Membership fees	8,907	6,308
	<u>26,939</u>	<u>6,308</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	54	10

4 Expenditure on charitable activities

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Computer and website costs	1,646	1,158
Office costs	1,464	1,431
Consultancy and administration fees	2,247	-
General expenses	231	-
	<u>5,588</u>	<u>2,589</u>
Share of support and governance costs (see note 5)		
Support	115	120
Governance	2,942	5,131
	<u>8,645</u>	<u>7,840</u>
Analysis by fund		
Unrestricted funds	<u>8,645</u>	<u>7,840</u>

5 Support costs allocated to activities

	2024 £	2023 £
Bank charges	115	120
Governance costs	2,942	5,131
	<u>3,057</u>	<u>5,251</u>
Analysed between:		
Charitable expenditure	<u>3,057</u>	<u>5,251</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

5 Support costs allocated to activities

(Continued)

	2024	2023
Governance costs comprise:	£	£
Accountancy	2,304	2,500
Legal and professional	638	2,631
	<u>2,942</u>	<u>5,131</u>

Governance costs includes payments to the independent examiner of £1,250 (2023- £1,250).

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Fixed asset investments

		Other investments £
Cost or valuation		
At 1 April 2023 & 31 March 2024		1
Carrying amount		
At 31 March 2024		1
At 31 March 2023		1
Other investments comprise:	Notes	2024 £
Investments in subsidiaries	14	1

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	2,339	-
Other debtors	-	304
Prepayments and accrued income	-	45
	<u>2,339</u>	<u>349</u>

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	559	-
Trade creditors	1,004	1,944
Amounts owed to subsidiary undertakings	1	1
Accruals and deferred income	3,973	7,315
	<u>5,537</u>	<u>9,260</u>

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	<u>984</u>	<u>26,993</u>	<u>(8,645)</u>	<u>19,332</u>
Previous year:				
	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	<u>2,506</u>	<u>6,318</u>	<u>(7,840)</u>	<u>984</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations	
	2024	2023
	£	£
Entities over which the entity has control, joint control or significant influence	18,032	-

Income from donations this year is derived from the charity's trading subsidiary.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2024	2023
	£	£
Entities over which the entity has control, joint control or significant influence	1	1

14 Subsidiaries

These financial statements are separate charity financial statements for LCI-UK Limited.

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
LCI-UK Projects Limited	3 East Point TN15 0EG	Grant funded activities	Ordinary shares	100.00	