

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 2025

LCI-UK LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Swain T Blanch R Walley D Anderson A Johnson M Perks
Charity number (England and Wales)	1139606
Company number	05391682
Principal address	5 Manor Lane Shipson-on-Stour Warwickshire CV36 4EF
Registered office	3 East Point High Street Seal Sevenoaks Kent TN15 0EG
Independent examiner	Lee, Dicketts & Co 3 East Point High Street Seal Sevenoaks Kent TN15 0EG

LCI-UK LIMITED

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LCI-UK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)".

Objectives and activities

LCI-UK is an independent, not-for-profit organisation dedicated to improving the performance of the UK construction industry through Lean thinking. We believe Lean principles can enhance efficiency, profitability, and sustainability across the sector. Our mission is to unlock improvement potential in construction and infrastructure by sharing the philosophy, strategies, and tools of Lean Construction.

We promote collaboration across individuals, teams, organisations and supply chains to support operational excellence and a culture of continuous improvement. Our vision is to help transform productivity and efficiency in construction and infrastructure, ensuring the UK industry delivers high-quality outcomes in a safe and sustainable way. These principles remain central to our work and guide our efforts in education, implementation, and research across the sector.

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

In the previous financial year, LCI-UK submitted its final report to the Construction Industry Training Board (CITB), marking the successful completion of the Lean Construction Development Programme (LCDP) pilot. This initiative demonstrated measurable improvements in productivity and performance across six major National Highways projects, supported by seven industry partners. The year also saw enhancements to our learning materials and systems, strengthened collaboration with steering groups, and increased engagement through outreach activities, including our panel at Highways UK.

The year 2024–25 has seen a period of reflection and consolidation, with a renewed focus on advancing our charitable objectives and enhancing public engagement. While progress continues across key initiatives, several areas have been identified for attention and strategic adjustment. These areas are further detailed in note 5 to the accounts.

Financial review

The trustees were pleased to accept a donation of £312,000 from the LCI UK Projects Limited, ensuring that the funds are carefully managed in accordance with the charity's adopted Reserves Policy. These resources will support the continuation of the charity's Lean Construction initiatives, as well as the dissemination of results from completed projects, reinforcing the ongoing impact of our charitable work.

LCI-UK Summit

We are delighted that BAM UK have agreed to be our headline sponsor, contributing £10,000 in sponsorship revenue. Trustees approved a further £25,000 in project grants to ensure the smooth delivery of key initiatives and to support the successful execution and impact of the Summit.

Lean Construction Development Programme (LCDP)

The trustees have agreed to put certain initiatives on hold. To date, only part of the allocated £44,000 LCDP Learning Management System grant funding has been spent on Front-end Administration and Retaining Completions. The planned integration with the CRM system and Power BI, budgeted at £16,930 has been deferred.

LCI-UK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Membership

Corporate membership levels have experienced a moderate reduction in recent years. Reinvigorating and expanding our membership base will be a key focus in the coming financial year. As part of this effort, we are exploring the creation of a Lean Forum to provide members with a more dynamic and engaging platform for learning and collaboration.

Financial Sustainability of the LCI-UK Projects Company

During the financial year, trustees noted with concern that the LCI-UK Projects Limited, a transactional arm of LCI-UK, had moved from a previously sound financial position to a period of diminishing revenue streams. This has prompted a review of its financial model and strategic direction. Strengthening the financial position is now a priority, alongside developing new revenue streams (such as short training courses), refining service offerings, and ensuring activities align closely with the charity's long-term goals.

Reserves policy

Considering the challenges posed by adverse economic conditions in 2024-25, the trustees have adopted a Reserves Policy to safeguard the charity's assets and ensure their continued use for public benefit.

The Reserves Policy sets out the principles and framework established by LCI-UK Limited in determining the appropriate level of financial reserves to be held. It aims to:

- Ensure the charity's long-term financial stability.
- Provide a safeguard against unforeseen financial difficulties.
- Demonstrate good governance and transparency to stakeholders, funders, and regulators.
- Finance new projects.

The trustees believe that the Reserves Policy strikes an appropriate balance between allocating grant funding to LCI UK Projects Limited to advance the charity's purposes and preserving the charity's long-term operational sustainability.

Target Level of Reserves

The trustees have considered the risks, financial commitments, and future plans of the charity.

Based on this assessment, the charity aims to maintain reserves broadly equivalent to 3 three months' operating costs - currently estimated at circa £90,000.

This level is considered appropriate to:

- Meet working capital requirements.
- Cover unforeseen shortfalls in income.
- Allow time to adjust expenditure in the event of changes to funding.

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.

The Board remains confident in LCI-UK's purpose and direction. While financial pressures and shifting industry dynamics have required careful consideration, our commitment to promoting Lean thinking and continuous improvement across the UK construction sector remains unwavering. We are grateful for the support of our partners, members, and steering groups, and look forward to strengthening these relationships as we move into the next phase of our journey. With renewed focus on sustainability, collaboration, and strategic growth, LCI-UK is well-positioned to continue making a meaningful impact in the years ahead.

LCI-UK LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 Edgcumbe

(Resigned 12 August 2025)

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

16 December 2025

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 2025.

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.

Having satisfied ourselves that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 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. In carrying out our examination we have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. We confirm that we are qualified to undertake the examination because we are a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

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 Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements 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
16 December 2025

LCI-UK LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from:			
Donations and legacies	2	317,242	26,939
Investments	3	68	54
Total income		317,310	26,993
Expenditure on:			
Charitable activities	4	131,700	8,645
Total expenditure		131,700	8,645
Net income and movement in funds		185,610	18,348
Reconciliation of funds:			
Fund balances at 1 April 2024		19,332	984
Fund balances at 31 March 2025		204,942	19,332

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

LCI-UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Investments	11		1		1
Current assets					
Debtors	12	15,211		2,339	
Cash at bank and in hand		194,074		22,529	
		<u>209,285</u>		<u>24,868</u>	
Creditors: amounts falling due within one year	13	<u>(4,344)</u>		<u>(5,537)</u>	
Net current assets			204,941		19,331
Total assets less current liabilities			<u>204,942</u>		<u>19,332</u>
The funds of the charity					
Unrestricted funds	14		204,942		19,332
			<u>204,942</u>		<u>19,332</u>

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 2025.

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 16 December 2025

B Swain
Trustee

Company registration number 05391682 (England and Wales)

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

LCI-UK Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 East Point, High Street, Seal, Sevenoaks, Kent, TN15 0EG.

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.

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 2025 £	Unrestricted funds 2024 £
Donations and gifts	312,000	18,032
Membership fees	5,242	8,907
	<u>317,242</u>	<u>26,939</u>

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	68	54

4 Expenditure on charitable activities

	Charitable expenditure 2025 £	Charitable expenditure 2024 £
Direct costs		
Travel and subsistence	817	-
Computer and website costs	1,439	1,646
Office costs	1,436	1,464
Consultancy and administration fees	836	2,247
General expenses	13	231
	4,541	5,588
Grant funding of activities (see note 5)	121,000	-
Share of support and governance costs (see note 6)		
Support	2,693	115
Governance	3,466	2,942
	131,700	8,645
Analysis by fund		
Unrestricted funds	131,700	8,645

5 Grants payable

Grant funding has been made to the charity's trading subsidiary LCI-UK Projects Limited. Listed below are the grant funding activities undertaken in the year;

1. LCI-UK Summit

LCI-UK are pleased to be hosting our first Lean Construction Summit since 2019, scheduled for June 2025. With a strong line-up of speakers and a programme targeted at both the strategic and operational level. We hope that the event at Austin Court in Birmingham will be a meaningful opportunity for the Lean community to come together, share insights, and strengthen relationships. Through careful budgeting, we are anticipating a cost-neutral event - dependent on securing adequate sponsorship and attracting over 100 delegates. We are really pleased that BAM UK have agreed to be our headline sponsor for the event.

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Grants payable

(Continued)

2. Lean Construction Development Programme (LCDP)

The anticipated multiplier effect from the pilot has not materialised and the importance of having a 'Client' partner to help create the necessary push/pull dynamic for widespread adoption has become clear.

Two original partners chose not to renew their subscriptions this year, prompting a review of our business model to better understand their reasons and develop a more flexible offer. This shift partly reflects a pause in Government-led Highways work, and a perception of Lean as a 'cost', despite clear evidence of its strong return on investment. Whilst this is disappointing, we are pleased that both companies will continue to develop and deploy Lean within their respective organisations and remain 'friends' of LCI-UK.

We are in discussions with new partners and continue to see successful deployment of the programme among existing ones who have branched out into new sectors. The Executive Steering Group, formed to guide the pilot, has now concluded its role, while the Operational Steering Group remains active as a collaborative network of Lean practitioners.

3. Short Courses and Standards Development

We have begun developing and refining a new model for delivering short courses, designed to offer accessible, practical Lean learning. These courses will be launched after our upcoming summit.

We have also worked with the Construction Industry Training Board (CITB) to create additional Lean Construction standards for our 'Lean Practitioner Modules'. These new standards will strengthen the foundation for consistent Lean deployment and support the LCDP in becoming a cost-neutral investment.

We have also collaborated with CITB Northern Ireland to ensure our standards are listed on their training register, enabling companies to access grant payments.

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6 Support costs allocated to activities

	2025 £	2024 £
Consultancy and admin fees	2,616	-
Bank charges	77	115
Governance costs	3,466	2,942
	<u>6,159</u>	<u>3,057</u>
Analysed between:		
Charitable expenditure	<u>6,159</u>	<u>3,057</u>
	<u>2025</u>	<u>2024</u>
Governance costs comprise:	£	£
Accountancy	3,466	2,304
Legal and professional	-	638
	<u>3,466</u>	<u>2,942</u>

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Net movement in funds

2025	2024
£	£

The net movement in funds is stated after charging/(crediting):

Fees payable for the independent examination of the charity's financial statements	1,250	1,250
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8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

2025	2024
Number	Number
-	-

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

10 Taxation

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

11 Fixed asset investments

Other investments
£

Cost or valuation

At 1 April 2024 & 31 March 2025	1
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Carrying amount

At 31 March 2025	1
At 31 March 2024	1

Other investments comprise:

Notes

2025	2024
£	£

Investments in subsidiaries	16	1	1
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LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	780	2,339
Amounts owed by subsidiary undertakings	13,999	-
Other debtors	432	-
	<u>15,211</u>	<u>2,339</u>

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	-	559
Trade creditors	413	1,004
Amounts owed to subsidiary undertakings	-	1
Accruals and deferred income	3,931	3,973
	<u>4,344</u>	<u>5,537</u>

14 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 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	<u>19,332</u>	<u>317,310</u>	<u>(131,700)</u>	<u>204,942</u>
Previous year:	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>

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Related party transactions

Transactions with related parties

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

	Donations		Grants paid	
	2025	2024	2025	2024
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	312,000	18,032	121,000	-
	<u>312,000</u>	<u>18,032</u>	<u>121,000</u>	<u>-</u>

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

Grant expenditure was made to the charity's trading subsidiary during the year.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2025	2024
	£	£
Entities over which the entity has control, joint control or significant influence	-	1
	<u>-</u>	<u>1</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2025		2024	
	Balance	Net	Balance	Net
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	13,999	13,999	-	-
	<u>13,999</u>	<u>13,999</u>	<u>-</u>	<u>-</u>

LCI-UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

16 Subsidiaries

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

Details of the charity's subsidiaries at 31 March 2025 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	