LEONARD CHESHIRE DISABILITY

England & Wales · Charity number 218186

Details

Other names	THE LEONARD CHESHIRE FOUNDATION, LEONARD CHESHIRE DISABILITY
Status	Registered
Legal form	Charitable company
Company number	00552847
Registered	1985-07-10
Register	View on the Charity Commission register

Contact

Address	Regus The News Building 3 London Bridge Street London SE1 9SG
Phone	02032420200
Email	info@leonardcheshire.org
Website	http://www.leonardcheshire.org

Activities

Objects: TO RELIEVE THE CONSEQUENCES OF PHYSICAL AND/OR MENTAL DISABILITY BY THE PROVISION, IN THE UNITED KINGDOM AND OVERSEAS, OF ACCOMMODATION, SERVICES AND SUPPORT FOR THE SPIRITUAL, SOCIAL, PHYSICAL AND/OR MENTAL WELLBEING OF DISABLED PEOPLE, BY SUCH MEANS AS ARE CHARITABLE, WHATEVER THEIR RACE, NATIONALITY, CREED, SEX OR AGE.

Activities: To provide effective and efficient community based services to disabled people that respond to their preferences; campaign in partnership with disabled people, allies and supporters for a society that provides equality to disabled people; raise resources to support delivery of strategic objectives; achieve this through a well run organisation with reference to our values and good practice.

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Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Disability
- **Who:** People With Disabilities

Geography

- Bangladesh
- China
- India
- Indonesia
- Kenya
- Liberia
- Pakistan
- Papua New Guinea
- Philippines
- Sierra Leone
- South Africa
- Sri Lanka
- Tanzania
- Thailand
- Uganda
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£141,150,000	£140,316,000	£84,859,000	2606
2024-03-31	£151,824,000	£151,314,000	£84,174,000	3019
2023-03-31	£152,573,000	£162,288,000	£83,665,000	4489
2022-03-31	£158,451,000	£163,290,000	£92,207,000	5004
2021-03-31	£153,812,000	£161,535,000	£95,402,000	5281

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Trustees

Name	Role	Appointed
Austen Reid		2024-06-01
Carl Uminski		2025-01-01
David Green		2023-07-01
David Porter		2023-01-10
John Cowman		2023-07-01
Julian Spurling		2023-07-01
Neil Goulden		2023-03-31
Penelope Harrison		2025-09-01
Sarah Colebrook		2026-01-01
Stephen Billingham		2023-07-20
Stuart Secker		2023-09-01
Valerie Todd		2023-07-01

Linked charities

- BROMLEY CARE SUPPORT SERVICE (218186-1)
- BEDFORDSHIRE FAMILY SUPPORT SERVICE (218186-2)
- THE ISLE OF WIGHT FAMILY SUPPORT SERVICE (218186-3)
- ST. MICHAEL'S HOME (218186-4)
- ESTATE OF DORIS RUSSELL SHOTTON (FUNDS HELD IN CONNECTION WITH MATFEN HALL) (218186-5)

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LEONARD CHESHIRE DISABILITY

England & Wales - Charity number 218186

Accounts

Annual Report and Accounts 2024/25

leonardcheshire.org

Leonard Cheshire

LEONARD CHESHIRE DISABILITY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 28
Statement of Trustees' Responsibilities	29
Independent Auditor's Report on the Financial Statements	30 - 33
Consolidated Statement of Financial Activities	34 - 35
Consolidated Balance Sheet	36 - 37
Company Balance Sheet	38 - 39
Consolidated Statement of Cash Flows	40
Notes to the Financial Statements	41 - 78
Appendix	79 - 81

LEONARD CHESHIRE DISABILITY

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	Neil Goulden, Chair[1] Stephen Billingham CBE, Deputy Chair (from 16 July 2025)[1,3] David Porter[3,4] Valerie Todd[1,4] John Cowman[2] Julian Spurling[2,4] David Green[3] Stuart Secker[3] Holly Spiers (appointed 1 June 2024)[2] Austen Reid (appointed 1 June 2024)[3] Carl Uminski[4] Penelope Harrison (appointed 16 June 2025)[4] Michele Golden, Vice Chair (retired 19 June 2025)[1] Marcia Shekerdemian KC (appointed 1 June 2024, retired 25 March 2025)[4] Debi Marriott-Lavery (appointed 1 September 2024, retired 16 February 2025)[4] Graeme Betts CBE (appointed 1 November 2024, retired 16 February 2025)[2] [1] Remuneration and Nominations Committee [2] Quality and Safety Committee [3] Audit, Risk and Finance Committee [4] People and Operations Committee
Company registered number	552847
Charity registered number	218186
Registered office	Regus, The News Building, 3rd Floor 3 London Bridge Street London SE1 9SG
Founder	The Late Group Captain Lord Cheshire, VC, DSO, DFC
Company secretary	Marcus Missen (from December 2024) Karolina Walkowicz (July 2024 - November 2024) Daniel James-Partridge (to July 2024)
Independent auditor	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Legal	Bevan Brittan Fleet Place House 2 Fleet Place London EC4M 7RF Eversheds Sutherland LLP 1 Wood Street London EC2V 7WC
Executive team	Ruth Owen OBE - Chief Executive Marcus Missen - Executive Director – Partnerships, Advocacy and Impact Sanjiv Ralhan FCCA - Group Finance Director Michael Lowney FCMA CGMA - Financial Planning Director Jon Forde - Executive Director - People Peter James - Executive Director - Operations Vanessa Davies - Executive Director - Quality and Compliance David Slater - Executive Director – Strategy Delivery Nev Wilkinson - Commercial Director

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

About us

We believe in a fair world in which disabled people have the same equal opportunities and choices as non-disabled people. We fight for disabled people's rights, working with our partners to deliver support and life-changing programs.

Welcome from our Chair

Approaching the Future with Confidence

The past few years have presented significant challenges, both for Leonard Cheshire and across the wider social care sector. We have experienced the continued pressures of rising costs, and workforce shortages at some locations. Through it all, our focus has remained clear: to ensure the people we support receive the high-quality care they deserve, and that our charity remains resilient and sustainable for the future.

This past year marked another pivotal stage in our journey. We continued to build on the financial progress made in the prior year and started implementing the next phase of our strategic plan. A key part of this involves reducing the overall number of services we operate, decisions taken with care, but with a firm eye on long-term sustainability. As part of this process, we completed our planned exit from Wales through the sale of several services. These changes are helping us concentrate our resources, improve quality, and ensure our services are well-supported, well-maintained, and able to meet future demand.

Our services support individuals with some of the most complex needs in our communities. In those we now operate, there remains a critical need for investment - in our buildings, in our staff, and in the infrastructure that supports care delivery. Modernising our estate and systems is not only about maintaining compliance or meeting regulatory expectations, it's about ensuring our support remains relevant, competitive, and appropriate to the needs of disabled people in the years to come.

We also want to be in a strong position to respond to strategic opportunities – working with local authorities and the NHS to co-design and deliver new models of care. We know that expectations of social care are changing, and our ambition is to lead that change. We want to demonstrate what best-in-class services for disabled people should look like - services that empower, enable and open up new possibilities.

However, the social care sector remains under enormous financial pressure. Public funding is stretched, and the costs of delivering high-quality care, particularly for individuals with complex needs, continue to rise. This past year, much of our effort has been focused on improving financial resilience and addressing long-standing historical issues. A key part of that work has involved engaging with commissioners to ensure we are fairly paid for the services we provide on their behalf, day in and day out.

These discussions are not always easy. In some cases, despite significant inflationary pressures and other rising costs, local authorities have proposed fee uplifts that do not reflect the true cost of care. In others, we have had to battle to secure payment for care delivered many years ago, sometimes involving unpaid fees totalling millions of pounds. This situation is not sustainable. As Trustees, we cannot allow the charity to subsidise essential care, that should be paid for by public bodies, in ways that jeopardise our ability to deliver care tomorrow. We need local authorities to pay a fair price for the care we provide and to pay on time.

While we have made real progress in becoming a leaner and more efficient organisation, that alone will not deliver the level of funding for investment we need. The reality is that a smaller, more focused Leonard Cheshire will be better placed to meet existing commitments, and invest meaningfully in the future. The funds raised through the sale of services have played a vital role in our financial recovery to date. Further consolidation will enable the transformation and modernisation required to raise standards across all our services – and to truly shift the dial on what we can deliver for disabled people.

As previously reported, the Charity Commission opened a Statutory Inquiry into the administration, governance and management of the charity. The Inquiry examined the extent to which Trustees had adequate oversight of the Charity's finances and whether Trustees had complied with and fulfilled their duties and responsibilities under charity law. Of particular focus was the historical use of restricted funds for other (general) purposes.

These concerns relate to past actions that pre-date the current Trustees and Executive. The current Trustees and Executive has taken decisive steps to address these historical issues – engaging openly and constructively with the Charity Commission. The Commission will be issuing a report, which we welcome, and trust it will acknowledge the steps taken by the current Trustees and Executive to address the past.

As I explained last year, we introduced a new policy to ensure restricted funds are properly recorded and protected, and we committed to replenishing those funds in cash within three years. I am pleased to report that we are ahead of schedule and met that commitment in July 2025, sooner than previously anticipated. During 2024/25, we undertook detailed reviews of historical income and expenditure, to ensure all restricted funds were appropriately allocated and accounted for. This identified an overstatement of restricted funds (£13.6m) as a result of allowable costs (£13.6m) not being charged to the restricted funds in accordance with donor's stated usage. This transfer is shown between funds as part of these audited accounts. We report further on this in a separate statement 'Restricted Reserves' within the Financial Review section of this report. As at 31 March 2025, we reported restricted funds of £7.2 million, with £4.2 million held in a dedicated restricted funds cash account.

Alongside financial stability, the quality and safety of care remains our top priority. Throughout the year, Trustees have continued to receive regular, detailed reporting on service quality. New operational structures, robust auditing, and the introduction of targeted support for service managers have strengthened our ability to monitor and improve quality across all settings. We are now far more confident in our ability to identify concerns and take action early.

Delivering modern, forward-looking care also means investing in the right digital tools and systems. We simply cannot afford to stand still in this area. With digital care planning increasingly expected by regulators, we are making a significant investment in devices, software and Wi-Fi infrastructure across our services. The initial rollout of digital care planning during 2024/25 and into 2025/26 marks the beginning of a wider transformation in how we support staff in their work and enhance care delivery.

Leonard Cheshire has undoubtedly been on a tough journey, but one that has made us stronger. Thanks to the difficult decisions made in recent years, we are now more resilient and more confident about our future. We are becoming a stronger organisation – financially, operationally and strategically – and we can now move forward with renewed purpose.

None of this progress would have been possible without the incredible dedication of our staff, the Executive team and my fellow Trustees. I am deeply grateful to everyone who has contributed to this work, and who continue to share in the ambition of building a better, stronger Leonard Cheshire for the future. I would also like to thank the individuals and organisations who generously support us, enabling us to enhance what we offer disabled people.

CEO's Message

When it was founded more than 75 years ago, our charity offered disabled people residential social care which was pioneering for its time. The charity's growth in subsequent years showed how much demand there was to provide an alternative to hospital wards, which in 1948 were the only accommodation option for many disabled people.

Thankfully, things have moved on with more choices available to disabled people - through support in their own home, in supported living accommodation, residential care and nursing services. That said, the pervasive and long-standing issue of inadequate funding for social care means that disabled people are restricted in what they can access, or choice in the type of support which meets their specific needs - which sometimes just isn't available locally. Policy makers and society can and must do better for these individuals.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

As we reflect on the past year, Leonard Cheshire stands at a pivotal moment in its journey - we need to look back but also forward with bold ambition. Our legacy of providing compassionate, high-quality care to disabled people is one we hold with great pride. We are known and respected for our specialist nursing care, particularly for individuals with complex needs and high-level physical disabilities. This expertise has been central to our identity, and it remains the cornerstone on which we are building our future.

The care sector continues to evolve, and so must we. Over recent years, it has become increasingly clear that to deliver the greatest impact and secure a sustainable future, we must have a greater sense of uniqueness as a provider, be more focussed and specialist. It's about investing in our areas of unique strength and doing this provision better.

Much of our existing infrastructure and service model reflect an earlier approach to disability support. Many of the people we support have complex, nursing intensive needs. Responding more effectively to their needs requires embedding approaches that are more person-centred, holistic and choice driven. It means refining what we do and how we do it, delivering nursing-led care in ways that are innovative, compassionate, and future-proof. Our decision to consolidate is about doing more of what we do best. By realigning our services, we are putting a greater emphasis on specialist provision, particularly for people with higher support needs. This requires development of more contemporary care environments, purpose-built around the people who use them. It means having assistive technology and smart design from the start, ensuring that independence and dignity are not just supported but actively promoted.

To achieve this, we must invest – not only in existing and new buildings, but in people and technology. Many of our buildings need extensive modernisation to ensure they meet the expectations and standards of modern care in future decades. We want to create spaces that are not only fit for purpose, but also empowering and uplifting for the people who live and work in them. Likewise, we need to ensure our workforce is supported, rewarded and invested in. Recruiting and retaining specialist staff has become increasingly challenging across the sector. If we are to meet this challenge, we must be able to offer competitive pay, meaningful development opportunities, and a work environment where people are supported to make the most difference to people we support.

We are also committed to being more responsive to the aspirations of younger disabled people. Traditional care homes do not always meet the expectations of a generation that expects independence, choice, and flexibility. Innovative supported living services, when designed with the right infrastructure and support models, can offer an attractive alternative. We see this as a vital area for development – combining the specialist care we're known for with greater autonomy and control for the people we support. In time, we'll invest responsibly in new services that are designed to support complex health needs while promoting active, independent lives in the heart of local communities.

Our focus now is firmly on the future. While this year has been one of transition and careful consolidation, it has also been about setting the foundation for growth and further refinement of our future strategy. We are taking deliberate steps to ensure that every service we offer aligns with our strategic direction: to become a national and pioneering leader again in specialist disability care. We know this will not be easy, but we believe we are on the right path - not just for us as an organisation, but for the people who rely on us.

This transformation is not only necessary - it is possible. With the continued support of our staff, partners, funders and supporters, and the communities we serve, we are confident that we can deliver on this vision.

Trustees' Report including Strategic Report

The Board of Trustees presents its Trustees' Report, including the Strategic Report for the year ended 31 March 2025 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report.

Over the past year, we have continued to put in place the foundations for Leonard Cheshire's long-term sustainability and success, while driving forward modernisation and quality improvements in our service provision.

We are on a journey to reshape the charity so it can meet the future needs of disabled people with confidence and innovation. Our three-year recovery plan started in early 2022 and in 2024/25 we delivered key activities to improve our financial position and effectiveness. Here we outline progress made last year against our priorities for future periods. These priorities were detailed in our 2023/24 Annual Report and Accounts.

1. Continue to prioritise safe, effective delivery of care and support

a. Rollout of digital care planning and medications management across services.
b. Continue momentum to control and reduce agency worker reliance.
c. Responsibly exit from services where quality improvements are unsustainable.

What we did

- Following testing of care planning software and devices at a service, we reviewed capability, benchmarking against other providers in the marketplace and the future requirements of services.
- We carried out digital surveys of all sites to identify IT and requirements and connectivity solutions.
- In 2025 Q4, we commenced a 12-month rollout programme of digital care planning to work alongside medication managements in our all our England residential services.
- During the 2024/25 financial year, we successfully reduced our reliance on agency staffing through close monitoring, strong oversight, and targeted initiatives to tackle recruitment challenges in key locations. As a result, total agency usage decreased significantly from 431,631 hours (2023/24) to 260,348 hours last year, improving workforce stability at services and reducing these costs.
- The goal of our charity is always to ensure the best possible care and support for people. In 2024/25 we took the difficult decision to close services where, despite concerted efforts by our teams to address quality challenges, we were not confident of embedding improvements long-term at these locations.
- Insurmountable challenges recruiting and retaining management with the right skills and experience, or suitable nursing and care staff, as well changes in demand for the type of service provided, were among factors leading to the closure of some services. Care homes that closed in 2024/25 because of these factors included The Grove in Norfolk, Westwinds in Surrey and Llanhennock Lodge in Wales.

2. Successful delivery of key measures of recovery plan by the end of 2024/25

a. Strategically exit from our provision in Wales, transferring ownership to reputable providers.
b. Define long-term portfolio strategy as part of our wider future organisational strategy and business plan.
c. Continue to build funds for ongoing operational reserves requirements, future modernisation investment needs and to set aside funds to replenish restricted reserves cash.
d. Implement targeted staff reductions in support functions, reducing costs and supporting operational surpluses in coming years.

What we did

- By 2024/25 year end, we had transferred three care and nursing homes to Wales based providers. All supporting living services we previously operated are now being delivered by other organisations. Sales resulted in continuity of care and support for residents, provided by the same staff. The transfer of our last remaining Welsh care service completed in 2025/26.
- We engaged external sector specialists to undertake a review our services and devise a long-term portfolio strategy. This looked at a wide range of factors such as demand, investment needs, location and potential for modernisation or development as we begin a financially sustainable programme of reshaping the estate over the next 5 years.
- Through measures to improve our financial position, including sales of services as going concerns or vacant properties following closures, we improved our cash position during the year.

- We are on track to replenish all restricted reserves in cash by July 2025. During 2024/25 we undertook further detailed examination of historical income and corresponding expenditure to ensure that all restricted funds have been appropriately allocated and accounted for. As at 31 March 2025, we reported restricted funds of £7.2m, with £4.2m in the restricted funds cash account.
- During 2024/25, we implemented targeted restructuring within a small number of support functions leading to 9 redundancies. Overall, our average headcount reduced from 4,245 in 2023/24 to 3,770 in 2024/25, largely due to a reduction in the number of services operated.

3. Refine and agree long-term strategy

a. During course of 2024/25, refine strategic objectives for the future, align to changing market needs, local authority expectations and meeting the needs of younger disabled people.
b. Carry out Board and Executive engagement in Q3 2024/25 to agree future strategic focus.

What we did

- We continued high level conversations with key commissioners, housing and potential development partners, gaining market insights around our current provision, demand for complex nursing and supported living designed to support younger disabled adults make the transition to independent living from school or college.
- A wide range of strategy conversations and engagement about the charity's future long-term direction took place with trustees during 2024/25, both as part of Board agenda items and targeted meetings. An Executive/Board Away Day was held on 30 October 2024; during which information gathered, insights and observations were shared. Following further analysis and financial modelling, a follow up session on our future direction was held with the Board on 3 April 2025.

4. Lobby and campaign for positive change in key Government policy agendas that impact disabled people's daily lives

a. Work independently, and as part of coalitions, to influence positive policy commitments from new Government and ensure change and funding needs are prioritised.
b. Continue to be a strong advocate for effective policy making in inclusive employment and other policy agendas that intersect, such as social security reform.
c. Develop and pilot a new engagement model for Leonard Cheshire to ensure meaningful engagement with people who draw on our services and beyond.

What we did

- In the run up to the UK General Election in July 2024, and through engagement with the Labour Government, we have sought opportunities to push the social care agenda and lobby on wider issues affecting the people we support. This has been via campaigning, coalition working, consultation responses, select committee testimony and departmental/ministerial outreach.
- We lobbied under our own banner and also within coalitions, where we can achieve a strong collective voice. During 2024/25 we undertook campaign and influencing activity as part of the Care & Support Alliance (CSA), Disability Charities Consortium (DCC) and Care England but also via informal and time-limited ad hoc coalitions.
- As a member, we took a lead role in developing and launching the CSA's *'Show Us You Care'* social care campaign, adopted sector-wide across the coalition. Every MP has been contacted via the campaign to date with over 6,000 emails sent to MPs.
- Through our direct influencing, we worked to demonstrate where tackling social care meets the new Government priorities under its *Plan for Change*, and/or where lack of action on social care will negatively impact the government's wider agenda. We also sought to influence additional government funding towards social care.

- We responded and gave evidence to consultations affecting social care, inclusive employment and the people we support. This included securing opportunities for experts-by-lived-experience who we work with to share their personal testimonies.
- Through a new Engagement Steering Group, we trialled methods of engagement with disabled people in our networks and who draw on our services. This work will continue during 2025/26.

The Provision of Care and Support - Our Core Purpose

Leonard Cheshire was the UK's original provider of residential care for disabled people. More than 75 years since we were established, we continue to deliver vital, round-the-clock care and support whilst creating greater choice and independence in the daily lives of individuals.

We specialise in supporting individuals who have very complex needs, including some people who require high levels of nursing care, assistance with multiple long-term conditions, or long periods of rehabilitation. But it's more than that. Our staff work tirelessly to enable people to do the things that matter to them. Looking ahead, we are committed to building on this specialist expertise, designing and delivering services that not only respond to changing needs but actively raise expectations of what support for disabled people looks like and can achieve. We must continue to evolve with society, and not stand still, so we can offer excellent, highly relevant and impactful services to the next generation of disabled people. This means planning for a future in which services are far more personalised, digitally enabled, and shaped by what disabled people want.

Improvement in Care Quality

Ensuring that the people we support are safe and happy is what drives us all. Our goal is to provide not just care, but positive outcomes where individuals can live their best lives. As of 31 March 2025, we had one service in Wales, well regarded for its quality, which we were in the process of transferring to another provider. Across the rest of the UK, 87% of our services are rated as 'good' or 'outstanding' by regulators.

However, we recognise that some services have required improvement and weren't where we wanted them to be. Over the past year, we made getting things right at these locations a top priority, and our efforts are getting clear results.

A newly established Quality and Safeguarding Improvement Team now plays a central role in our operational delivery. Through regular audits of all our services, and data-led monitoring, the team identifies concerns early and supports service managers to take rapid, effective action. Their hands-on, collaborative approach ensures that changes are not only implemented but sustained.

We also undertook a full review of our care and safeguarding policies, with the support of an independent social care expert. New policies were introduced, and existing ones updated to reflect the latest best practice, regulation, and our own expectations about standards.

Investing in Digital

We know that modern, high-quality care relies on up-to-date tools and systems. That's why in 2024/25 we made a significant investment in digital care technology.

Following the success of pilot schemes the previous year, we continued rolling out handheld digital devices and software that enable staff to create, update and share care plans in real time. This technology helps to streamline care delivery, reduce paperwork, and ensure people receive the right support at the right time.

To support the rollout, we are also upgrading infrastructure across our services - improving Wi-Fi connectivity, installing new equipment, and training staff in how to make the most of digital systems. By the end of 2025/26, we aim to have digital care planning in place across all our residential services in England.

Managing Costs and Reshaping

Throughout 2024/25, we continued to take a prudent approach to financial management - carefully controlling agency spend, streamlining operations, and prioritising cost-efficiency without compromising quality. Nevertheless, fee negotiations with some local authorities remain extremely difficult. In too many cases, councils have refused to reflect the true costs of care in their funding, even as inflation and workforce costs rise.

These realities have forced us into difficult decisions. In a small number of cases, where sustainable funding could not be secured, we had no choice but to return contracts or close services. We approach these decisions with great care, always prioritising the wellbeing and dignity of the people we support.

As part of our long-term strategy, we began a managed exit from service provision in Wales during 2024/25. We worked closely with local stakeholders to ensure smooth transitions for residents and staff, transferring services to alternative providers based in Wales.

We completed the sale of three care homes - along with several supported living services. Eithinog care and nursing home remains our only service in Wales, with a sale in 2025/26. In Northern Ireland, six supported living services were successfully transferred to Belfast-based charity Threshold.

These decisions, while difficult, were made to strengthen the long-term sustainability of Leonard Cheshire. Funds raised will be reinvested into upgrading infrastructure, developing staff, and enhancing the quality of care across our remaining services.

Frontline Excellence and Innovation

Despite external pressures, our teams have continued to deliver outstanding outcomes for people we work with. In supporting people to live more independently, pursue activities and learning, enjoy new experiences or do things they never thought possible, the commitment of our staff shines through.

Much of our ability to innovate and enrich lives comes from charitable support. In 2024, we expanded our Assistive Technology and Innovation Hub in the northeast of England and launched a new hub in the northwest. Over 150 disabled people across nine additional services are now benefiting from customised devices and software, following comprehensive assessments.

Our approach doesn't stop with the technology. We're equipping staff with the skills to incorporate these tools into everyday care, improving communication, enabling independence, and unlocking new opportunities for the people we support.

Duncan's Assistive Technology Journey

Duncan, a disabled adult with complex communication needs, wanted more independence in expressing his choices. Our Assistive Technology (AT) team worked with him to find tools that supported his goals.

Using a variety of tools, the team identified Duncan's ability to respond to questions with "yes" and "no", before introducing assistive technology like the BIGmack communicator, enabling him to call for support, and later the iTalk4 device, which added the ability to say "yes", "no" and "excuse me", as well as requesting his communication book.

Duncan's journey with assistive technology has had a meaningful and measurable impact. He has gained greater control over his interactions, which helped reduce frustration.

Duncan is now confident using the technology and looks forward to exploring more advanced communication tools. His story is a powerful reminder that when we provide the right tools, training, and support, disabled people can overcome communication barriers and build greater independence - one button at a time.

Over many years Leonard Cheshire has offered support to help disabled people find and stay in employment. These interventions, through tailored programmes that are centred around the career goals and aspirations of disabled people, can transform lives and open up previously unimaginable opportunities and careers. They also connect the best young disabled talent to leading companies and organisations in the UK who want to create as inclusive workplaces as possible.

Leonard Cheshire, like other organisations, are consistently dismayed at the slow progress made in closing the disability employment gap. Many working age adults want to and can work with the right support, but getting into employment in the first place, staying in a job or getting fair access to promotions is far too hard for too many. It doesn't have to be that way. Lack of awareness, inaccessible recruitment practices, lack of reasonable changes in workplace practices are among the barriers to employment many disabled people face.

We agree with the Government's ambition to support more disabled people into work. We've long called for more investment in employment support programmes for disabled people. For too long there has not been enough support to people who are out of work due to disability, ill health, or a long-term health condition.

We cautiously welcomed the extra £1bn in funding for employment, health and skills support, announced by the Government as part of wider welfare reforms towards the end of 2024/25 in its 'Pathways to Work Green Paper, with the caveat that support needed to be shaped by disabled people's experience. There were other good goals, including removing barriers that stop disabled people trying work because of fear of losing support. But the scale of proposed cuts to Personal Independent Payments and Universal Credit left many disabled people feeling anxious and under attack.

Our concerns about these cuts were shared by many disability organisations, charities and MPs. Following our reaction at the time, as part of the Disability Charities Consortium we later lobbied Government to pause its welfare reform process and instead prioritise a cross-government strategy to lift disabled people out of poverty. This was in addition to influencing work via our membership of the Disability Benefits Consortium and collaboration with other partners. We will set out Leonard Cheshire's full, detailed assessment of the Government's proposals in 2025/26 through our consultation response.

Our Change 100 programme offers paid internships, professional development and mentoring to young disabled talent. It's designed to support the career development of talented university students and recent graduates with any disability or long-term condition. We partner with prestigious organisations, from a diverse range of sectors who believe disability isn't a barrier to a brilliant career.

In 2024/25 we worked with employers to arrange 131 internships. These placements were at organisations such as the Foreign, Commonwealth and Development Office (FCDO), BBC, NHS, the Royal Society of Chemistry, Coca-Cola and Louis Vuitton.

Leonard Cheshire submitted written and oral evidence to a House of Lords Public Services Select Committee Inquiry examining the experiences of young disabled people entering the employment market, including the career and employment support available. The Committee's report, '*Think Work First: The transition from education to work for young disabled people*', was published in October 2024. Change 100 interns participated in two engagement events as part of the Committee's evidence gathering, playing a key part in shaping findings and recommendations.

Ellie - Change 100 Intern Experience

Leonard Cheshire's flagship employment programme, Change 100, is designed to kickstart the careers of university students and recent graduates who have a disability or long-term health condition, by matching them with paid summer internships at leading UK employers.

Ellie, a Fine Arts graduate, began her journey with Change 100 feeling uncertain about her future: "I was so scared. I wanted to get a job, but I didn't know where to go".

Ellie's placement as an HR intern at BMI Group quickly transformed her outlook. Initially apprehensive about entering the workforce, Ellie found her perceptions reshaped:

"I've learnt that the job world isn't as daunting as I thought it would be. I thought it was going to be really scary and cut-throat, but it wasn't."

The experience gave Ellie a newfound appreciation for her own skills.

"If you're doing a degree with competitive or limited job prospects, there are still hundreds of skills you've developed that are valuable in the workplace".

The Policy Environment - Standing up for Social Care

Despite our progress, the environment in which we operate remains among the most difficult in recent memory. Like all providers of publicly funded social care, we face significant external pressures: a stretched workforce, rising costs, inconsistent commissioning practices, and chronic underfunding.

In 2024/25, recruitment and retention continued to be a challenge, particularly in regions where competition for care staff is high. Getting fair fees for care delivered also remains a major issue. Local authorities - under pressure from increasing demand and limited budgets - are often unable or unwilling to reflect actual delivery costs in their funding arrangements. In some cases, we are still seeking overdue payments for care already provided in previous years.

The impact of these financial constraints is compounded by new policy changes. The Chancellor's announcement of increases to Employer National Insurance contributions and the National Living Wage - while welcome for low-paid workers - has further increased the cost base for providers like us. These unfunded rises make the gap between income and outgoings even more difficult to manage. This results in organisations like ours facing stark choices and having to hand back contracts for care delivery, closing services in some cases.

Reform and sustainable funding for social care is more urgent than ever. During 2024/25, Leonard Cheshire continued to work alongside sector partners including Care England and the Care and Support Alliance to advocate for long-term change. Our campaigns have called for fairer fees, better workforce planning, and meaningful investment in a system that at its best enables disabled people to thrive.

We've also engaged with key national conversations - including around the setting up of the Casey Commission - to ensure the voices of disabled people and care providers are heard. This advocacy will remain central to our work in 2025/26 as we seek to shape a more equitable and stable future for the sector.

Our Services at a Glance (as of 31 March 2025):

- **1,050** people supported across care and supported living services
- **50** residential (care and nursing) services
- **58** supported living services
- **778** people lived in our residential care homes
- **272** lived in supported living services
- **835** (80%) were funded by local authorities
- **160** (15%) received NHS Continuing Healthcare funding
- **55** (5%) were privately funded

2.3 Fundraising

In another difficult year for fundraising, we thank both individuals and organisations for their support and generosity. Their donations and fundraising efforts have enabled us to continue to make a positive impact on the lives of disabled people. Fundraising includes legacies and donations, with legacies being the majority of income received. Overall fundraising income exceeded expectations due to the benevolence of our supporters.

As Leonard Cheshire's programmes have decreased, we have a renewed focus on the importance of local communities around our services. Fundraising and voluntary income remains key to our aim of increasing independence and quality of life for disabled people living with us and receiving our care. Thank you to everyone who chose to support Leonard Cheshire over the past year, your support is vital to our work. Here are a few highlights of what your support has helped to achieve:

Every Step Counts!

On 27 April 2025, a record breaking number of runners hit the streets of London for the 45th edition of the London Marathon. Leonard Cheshire's London Marathon team this year was made up of 54 runners, who together raised an incredible figure of over £110,000.

While these runners took part in the largest marathon ever, every day our supporters across the country are doing their own extraordinary things and taking part in their own challenges to raise money to support our work. We are so grateful to each and every one of our supporters, and the impact that their fundraising makes can be seen across our services every day - for example, funds raised by our supporters have helped to fund the rollout of vital and life-changing assistive technology via our Northeast Hub.

As we approach our 20th year of partnership with Howdens, we want to thank them and all of our corporate partners who have supported us with almost £57,000 worth of gifts and gifts-in-kind this year. 7 of our services benefitted from Howdens' generosity this year, with £32,000 worth of kitchen kit and renovations.

Leonard Cheshire's Legacy

Leonard Cheshire, the man who created our charity, also created an incredible legacy. His legacy still shines through; more than 76 years on from the founding of the charity, those who remember the man, or have benefitted from the charity he founded, show their appreciation through a gift in their Will.

The probate delays of the previous year have come to an end, and Leonard Cheshire received £2.6m (2024: £1.81m) from supporters who remembered Leonard Cheshire in their Wills. Their gifts will continue supporting disabled people well into the future, for which we are eternally grateful.

Compliance with Fundraising Standards

Safeguarding people in vulnerable circumstances is a key priority for us. We understand that some individuals we engage with may be in a vulnerable position or may not always have full capacity to make an informed decision about donating. We are committed to acting responsibly and in line with recognised best practice when interacting with anyone who may be at risk or in a potentially vulnerable situation. As per our Policy, Leonard Cheshire will not accept donations where there are reasons to believe the donor may be experiencing vulnerable circumstances.

In 2024/25 we received 4 complaints regarding our fundraising activities (2023/24: 3). None required escalation or referral to external organisations, and all were dealt with internally. Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (CIoF) and the Direct Marketing Association (DMA). All required schemes and standards were complied with.

- £110,000+ Thanks to our 54 London Marathon runners who raised over £110,000 to support Leonard Cheshire's work with disabled people.

- £2.6m The amount we received from our amazing supporters who remembered Leonard Cheshire in their Will.

Running for Change: Anna's London Marathon Journey for Leonard Cheshire

When Anna decided to run the London Marathon, it was about more than the challenge or the medal. Inspired by Leonard Cheshire's work, she aimed to raise money and awareness for a cause close to her heart. "Leonard Cheshire supports situations that could happen to any of us if our lives were suddenly turned upside down," Anna says. "I wanted to do something meaningful."

Anna trained with determination, completing seven half marathons in the lead-up and gradually increasing her distance. On marathon day, she faced unexpected heat but stayed strong, finishing in 4 hours and 17 minutes, raising over £2,000 for Leonard Cheshire. The London crowd provided incredible support, and seeing her fiancé and children at the finish line was unforgettable.

The experience left such a mark that her son made her promise to run it again with him in 10 years when he turns 19.

"Leonard Cheshire, we'll be back to support you again then!" Anna promises.

Our People

At the end of 2024/25, we employed 3,770 people across our UK organisation, with 94% being employed in frontline social care services. Headcount is 8.8% down from the prior year due to a mix of the closure of services, implementation of new operating models within our frontline services and the removal of roles within support functions.

We continued with our pause on all central activity around the recruitment and coordination of volunteers. Services have started to locally source and manage volunteers providing their time across areas including driving, activities, gardening and administrative support.

Our New Operating Model across all our English residential and nursing services went live in two phases on the 1 April and 1 July 2024, covering over 2,000 employees. Building on the reassessment of the care needs of every person we support, we implemented changes to our shift patterns, handover times and breaks and the realignment of our ancillary roles to the needs of the service.

Across our Scottish services we undertook a separate set of consultations in three phases, streamlining our leadership structure at a regional and service level, bringing consistency across our handovers and breaks and finally restructuring our domestic and maintenance teams. In total circa 1,100 staff were consulted with across the three phases.

Elsewhere we sold many of our Welsh services, with staff transferring to the new provider under TUPE legislation. We also withdrew from the Isle of Man during the year having made the decision not to bid for the renewal of the outreach or supported living contracts. There were three services closed during the year with staff made redundant where redeployment was not possible.

We have once again seen a significant number of employee relations cases, which we have continued to robustly defend, up to and including at employment tribunal.

During the year we were audited by the Home Office in relation to our visa sponsorship employees with checks around modern slavery, our documentation and compliance with the visa scheme rules. Wider checks around our right to work documentation and processes for our non-British and Irish employees were also undertaken during the extensive audit. We retained our visa sponsored licence and with no issues raised regarding our Right to Work checks.

During the year we continued work on our people and culture strategy to support the identification and delivery of the changes needed from our recovery plan, the achievement of our strategic objectives and a new organisational culture. Our strategy broke down into four organisational areas of focus:

Registered Manager Development and Retention

Our new induction process implemented aligned to the Skills for Care competency standards framework and assessment tool. We also enhanced our range of learning support and solutions available to our managers.

Recruitment Attraction and Selection

The focus on improving the attraction of candidates has included the following over the year:

- Review of our recruitment channels, identifying ways to build our presence within the market.
- Increasing our reach, using alternative sources and optimising sponsorship visa route.
- Building our employer brand and amplifying our employee offering.
- Building our identity as an inclusive employer, strengthening our messaging around equality, diversity and inclusion, with a particular focus on disability.

With regards to improving our selection processes this focus has been:

- Enhancing the applicant experience.
- Improving the quality and consistency of the selection process.
- Equipping our recruiting managers through training and empowering them to make timely and effective decisions.

Performance Development

Our focus over the past year has been on changing the focus of our performance development policy and practices to strengthen the emphasis on employee development, shifting to a more agile process and broadening the scope of employee engagement. We have been working towards a more positive workplace culture through:

- Developing employee performance in line with our vision, values, and objectives.
- Supporting employees achieving high levels of performance, with a focus on improvement.
- Helping employees feel valued and are encouraged to develop in line with potential.
- Ensuring employees have the support and guidance needed to perform effectively.
- Monitoring and managing performance levels, acknowledging good performance and addressing areas of poor performance, with a view to improvement.

Developing our Culture

We ran our first full employee survey since 2019 and recorded an overall engagement score of 70, against an external sector benchmark of 72. Organisationally our action plan from the survey focused on:

- Leadership & Direction: Clarity of Leonard Cheshire's purpose, future strategy, and operating model to achieve this. Holding regular, engaging, open and honest communications.

- Engage, Recognition & Empower: Identify and own our inefficiencies which are causing unnecessary stress and work, bring clarity and change to these areas through clear communications, recognising and thanking colleagues.

- Operate as one team: Executive Team ownership and presence as a single voice and team, driving/influencing the view, beliefs, and trust of colleagues across the whole organisation in our future. Leading the organisation and colleagues through the change.

We have also focused on improving the Health and Wellbeing support offered to our employees through our approach, offering and support provided. We have had a particular focus on Financial Wellbeing and broadening our benefits to include WageStream and new, additional, Employee Assistance offerings.

Recruitment

The care sector continues to be a challenging and competitive to recruit within, with the sector continuing to see saturation of vacancies and uncertainty around the future of overseas sponsorship.

We have seen a reduced number of applications and offers over the year, which in part is down to our reduced number of Services but also the challenges in attracting candidates into the sector. Over the financial year, we hired and onboarded just under 1,000 new front workers into our Services.

We continued our Trustee recruitment, complementing our Board with Digital and Care leadership expertise and experience.

We continue to offer interviews to all disabled applicants and provide reasonable adjustments both during the application process and within the workplace for all successful candidates. Our benefits also include additional support to disabled persons through our Disability Sickness and Disability Leave Support.

Colleague Networks

We have a range of colleague networks aimed at strengthening communication and engagement across the workplace.

Equality, Diversity, and Inclusion (EDI) networks

Our aim is to create a diverse and inclusive workplace, where colleagues feel able to be themselves and valued for their individual contribution. We have three employee-led EDI networks:

- Disability Employee Network (DEN)
- Women's Network
- Cultural Diversity and Inclusion (CDI) Network

We have continued working with our networks over the past year to support them to build the strength and reach of these networks to our colleagues.

The Women's Network achieved success following their relaunch at the start of 2024 with several well attended sessions throughout the year.

We received reaccreditation of our Disability Confident Leader status, which we have now held since 2018, demonstrating that our processes, practices, and policies support the recruitment and development of our disabled employees.

Colleague Support Network

The relaunch of the Staff Association into the Colleague Support Network has been well received by employees with new representatives coming forward. A key driver of the change was to move the forum to one of two-way communication, feedback, and positive, proactive engagement on change with colleagues. In addition to the name, branding, and positioning of the new network, the operating structures were reviewed, roles and responsibilities clarified, documented and the Terms of Reference and handbook were updated.
A training package was created and launched specifically for representatives, with 88 training sessions, spread over 16 different courses completed.

Developing our People

We continue striving to optimise the Apprenticeship Levy, supporting colleagues to gain job related skills and knowledge, as well as accredited qualifications.

Within England we have offered 15 different apprenticeship qualifications, ranging from Level 2 to Level 7 and across Scotland we have provided Level 6, Level 7 and Level 9 Health and Social Care Scottish vocational qualifications along with Level 7 management qualifications to enable staff to meet their registration requirements for Scottish Social Services Council.

The 15 different subjects across frontline and support services roles:

- Adult care worker, Level: 2
- Business Administration: Level 3
- Data protection and information governance practitioner, Level 4
- Data technician, Level: 3
- Facilities management supervisor, Level: 3
- Facilities manager, Level: 4
- Lead adult care worker, Level: 3
- Lead practitioner in adult care, Level: 4
- Leader in adult care, Level: 5
- Learning and skills teacher, Level: 5
- Operations or departmental manager, Level: 5
- People Professional Level 5
- Property maintenance operative, Level: 2
- Senior Leader Apprenticeship Level 7 (with Rosalind Franklin Programme)
- Senior people professional, Level: 7

Financial Review

Our results for the 12 months ending 31 March 2025 include the results of our subsidiaries which are detailed further in Note 16, alongside a description of the principal activity of the subsidiaries. Our overall surplus of £0.7m, which includes the proceeds of asset sales, compares to a surplus of £0.5m in 2023/24 and continues the improvements Leonard Cheshire has achieved in financial stability since 2022/23 when a deficit of £11.1m was recorded. Key initiatives, which were implemented in 2023/24, are underway and include maintaining sufficient capital reserves and continuing with a transformation programme to ensure Leonard Cheshire has a platform for future financial stability and delivery of its modernisation programme. We continue to make improvements and the Board has responded to the issues raised as part of the Charity's Commission Statutory Inquiry. This is discussed further below.

Total income of £141.2m shows a reduction on prior year (2023/24 - £151.8m) due to the closure of a number of services and disposal of assets in line with our strategies for financial stability. As in prior years, most of our income was received for providing social care services within the United Kingdom to support disabled people to live independent lives. Social Care income reduced to £131.4m (2023/24 - £139.5m) with net expenditure of £6.8m reducing by £1.0m from prior year (2023/24 - £7.8m).

Programme related income reduced to £0.8m (2023/24: £1.1m) following a cessation of international activities during the prior year. Net programme expenditure remained at £0.3m (2023/24: £0.3m). Income from donations and legacies increased by £0.4m to £3.4m (2023/24: £3.0m) with an increased proportion received from legacies; the cost of raising funds decreased resulting in the net surplus from such activities increasing to £2.8m (2023/24: £2.0m). Non-charitable income of £0.3m related to the pension termination surplus in the year (2023/24: £0.5m, being the release of Covid grants from deferred income) and investment income increased to £1.1m (2023/24: £0.3m) due to increased cash held on deposit in 2024/25.

A gain on property disposals of £4.1m, (2023/24: £7.4m) as in the prior year, was made in furtherance of our desire to hold higher cash balances. Net charitable expenditure of £7.5m was a £0.8m improvement on 2023/2024. The net movement in funds increased by £0.7m during the year (2023/24: £0.5m).

Cash held at 31st March 2025 of £26.7m is substantially higher than last year (2023/24: £17.2m) due primarily to the asset disposal programme. Excluding £1.7m of service users' funds held in trust, £25.0m of Leonard Cheshire's cash was held across current and interest earning deposit accounts, including a bank account opened in April 2022 containing £4.2m of receipts where there are donor restrictions on how the money is spent.

Overall funds at 31st March 2025 increased to £85.7m (31st March 2024: £84.2m), the bulk of which was held in property assets (including net book value of freehold land & building of £40.6m). Unrestricted income reserves increased to £76.9m (2023/24: £60.6m) and Restricted funds decreased by £15.5m to £7.2m (2023/24: £22.7m) of which £4.2m (2023/24: £1.7m) was held in cash. This reduction was driven by a review of historical transactions and reclassification of expenditure to the correct funds within restricted and unrestricted. A cash replenishment programme has continued whereby all restricted income received in cash by Leonard Cheshire, remaining unspent, is to be held in a separate bank account. In July 2025 the final transfer of £0.73m was made to replenish the restricted cash bank account to the full level required.

Restricted Reserves

Following several years of over spending on projects and expansion of activity ahead of increased income, an accumulation of net deficits resulted in cash reserves falling below a critical level. This led to the previous Board of Trustees filing a serious incident report with the Charity Commission in April 2022 that resulted in the Charity Commission opening a Statutory Inquiry in December 2022.

At the time of publication, the Inquiry is ongoing, and the Charity Commission has not published a final report.

During the Statutory Inquiry the Charity Commission became aware that cash donated as restricted funds had been spent for general purposes in addition to the use of general reserves.

These events predate the current Board, who are committed to being transparent about the historical events. The current Board of Trustees and Executive have fully co-operated with the Statutory Inquiry in an open and transparent way, and made addressing the historical issues a priority.

The charity, led by the Board of Trustees, has taken several significant actions:
a. Commenced a 3-year Recovery Plan.
b. Strengthened financial controls.
c. Strengthened the governance frameworks and practices.
d. Performed a comprehensive review to ensure that restricted income has been correctly recorded and expenditure correctly allocated against it.
e. Commenced replenishing restricted reserves with cash.

A Board Resolution was passed in October 2024 endorsing the plan and methodology for replenishing liquid restricted reserves within 3 years, i.e. by 1 July 2027, with the reinstated cash funds being used as specified by the donors.

Due to historically poor IT systems and finance processes, the charity was not able to identify all eligible expenditure related to specific restricted funds, resulting in an understatement of expenditure on restricted activities. We have completed detailed analysis of movements in restricted funds resulting in the restricted reserves falling to £7.2m at 24/25 year end after reallocations of £13.6m following a detailed review of expenditure.

In July 2025 the final replenishment payment of £0.73m was made into the restricted funds bank account.

Reserves Policy Statement

Leonard Cheshire maintains an approved Reserves Policy to ensure financial resilience and long-term sustainability. The policy requires the retention of an operational reserve comprising readily accessible, unrestricted funds. These reserves provide protection against financial uncertainty, support the charity's ability to respond to unforeseen events, and enable continued investment in the sustainability and improvement of services.

The Trustees have determined that a prudent level of reserves should be equivalent to between three and six months of net core operating expenditure. Net core operating expenditure is the cost of running LCD's services and other operations, adjusted for reliable recurring income from secure commissioning contracts and self-billing arrangements. This range reflects consideration of the risks associated with Leonard Cheshire's income streams, potential unexpected costs (such as major capital repairs or regulatory requirements), and the organisation's ongoing operational commitments. Maintaining reserves within this range ensures that Leonard Cheshire can continue delivering essential services even during periods of financial or operational disruption.

At 31 March 2025, free reserves (defined as unrestricted funds excluding those tied up in fixed assets and designated funds) stood at £19.2 million, equivalent to approximately 6 months of core operating expenditure. This level is slightly above the upper level of the target range set by the Trustees. In line with the Reserves Policy, the Trustees have agreed a plan to invest surplus free reserves in service modernisation. It is also noted that in calculating reserve coverage, core operating expenditure is partially offset by recurring income from service contracts, which helps to mitigate financial risk and support ongoing operational stability.

Going Concern

In accordance with the Charities Statement of Recommended Practice (SORP 2019) and Financial Reporting Standard 102, the Trustees have assessed the Charity's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

As part of this assessment, the Trustees have considered the Charity's financial position, future plans, and the principal risks and uncertainties facing the organisation. This includes a review of:

- The latest financial forecasts and cash flow projections, including sensitivity analysis on key assumptions.
- The strategic plan for service modernisation and estate reconfiguration.
- The timing and value of planned disposals of non-core services.
- The capital investment programme and associated funding strategy.
- The adequacy of the Charity's reserves and liquid funds.
- Wider sector risks including workforce pressures, inflation, commissioning trends, and regulatory changes.

The Trustees have approved a multi-year capital investment programme intended to modernise the Charity's estate and improve the quality, sustainability, and impact of its services. The programme is funded through a combination of operational surpluses (cash generated from operating surplus is forecast at £31m) and planned disposals, with over £40 million of disposal proceeds expected between FY25/26 and FY30/31. Capital investment over the same period totals approximately £79 million.

Despite the scale of investment, the Charity is forecast to maintain a positive cash position and adequate unrestricted reserves throughout the planning period. Cash balances are projected to always remain above £20 million, with sufficient headroom to absorb adverse financial scenarios. A prudent approach has been taken in forecasting income, cost inflation, and investment phasing, with flexibility to adjust timing if required.

The Trustees are satisfied that the Charity has appropriate systems of financial management and risk control, and that it is able to respond effectively to changing circumstances through phased delivery of its investment programme, efficiency measures, and close engagement with commissioners and regulators.

Based on this assessment, the Trustees have concluded that there are no material uncertainties that cast significant doubt on the Charity's ability to continue as a going concern. The financial statements are therefore prepared on the going concern basis.

Principal Risks and Uncertainties

The Trustees are ultimately responsible for risk management. This year, the risk agenda again focuses on financial recovery and associated measures, as well as care quality and future strategy. The ongoing underfunding by central government of social care across the sector remains a concern for us and other providers. Recent policy decisions around Employer National Insurance and National Wage have resulted in additional costs which must be funded.

Fee negotiations with local authorities are progressing based on the actual cost of care provision, including the changing needs of service users and inflationary impacts.

The financial risk management objective is to consolidate the portfolio to achieve a financially sustainable operation. We have strengthened our resources in the areas of quality, safeguarding and regulatory compliance. Where we have exited from services, we have done so in a way that is responsible, seeking to achieve the best outcomes for residents through working with partners.

The Board of Trustees retains overall responsibility for ensuring that Leonard Cheshire maintains robust systems of internal control, risk management, and audit to manage risk effectively and make the most of opportunities. Consideration of risk and opportunity is embedded in our decision-making, planning, and performance monitoring.

The Board approves the Corporate Risk Register, including the organisation's Risk Appetite across different risk categories. The Executive Team continuously monitors risks and implements mitigations, while each Board Committee reviews the risks relevant to its delegated areas of responsibility. The Board of Trustees maintains oversight of the full Corporate Risk Register. The Audit, Risk and Finance Committee has delegated authority to ensure that the risk management framework remains effective and approves and oversees the internal audit programme, which addresses key risk areas.

Our most significant risks and mitigating actions are set out in the following table, in no particular order:

Potential risk:	**Action taken to mitigate:**
Insufficient funding to support care services	- Regular monitoring of local authority fees and payments, with plan focused on securing inflationary fee uplifts and fee recovery. - Individual care needs assessment defined to identify required fee increases in line with care needs. - Robust negotiations with local authorities. - Continued regular monitoring of agency staff usage, with focus on targeted recruitment strategy and colleague retention through training, career development, wellbeing and other programmes. - Future strategy further defined with input from external expertise and key stakeholders. Primary focus on nursing for disabled people with acute needs and supported living, building on our strengths.

	- Active engagement in Government policy discussions around reform of social care and future funding.
Loss of public trust	- Ongoing review of Governance frameworks and policies, ensuring continued alignment with Charity Governance Code. - All policies and guidelines have been updated. Mechanisms in place for ongoing monitoring of compliance with policies and guidelines, Board and Committee approval levels, operational quality and safety. - Compliance with relevant regulations and proactive engagement with regulators, including proactive cooperation with the Charity Commission on the Statutory Inquiry. Proactive management of media, government, and civil society relationships.
Failure to meet safe quality standards	- Ongoing delivery of projects aimed at strengthening: a) people (capacity, capability, culture), b) practices (policies, guidelines, training, monitoring), c) tools (digital care plans, medication system). - Programme of internal audits and service reviews, with delivery of improvement plans by services supported by specialist quality teams. - Use real-time data to detect quality issues early. - Rigorous safeguarding, serious incident, health and safety, recruitment, and whistle blowing procedures in place. - Executive and Quality & Safety Committee oversight.
Serious breach of information or cyber security; failure to uphold rights of all individual data subjects	- Started roll out of our Digital Social Care Records programme. - Retired several unsupported legacy systems and replaced and upgraded out of date hardware. - Widened the roll-out of identify management, single sign-on, and MFA. - Provided training from the Better Security, Better Care programme. Contracted with Wanstor to provide a managed endpoint security service.
Failure to manage 3-year Recovery Plan such that cost savings are not realised or adverse outcomes to service delivery are experienced	- Recovery plan continuing to deliver savings and funding agreed with Board. - Monthly monitoring of key deliverables by Executive and Quarterly by Board. - Continuing to strengthen financial controls with external advisors, with implementation of enhanced management reporting and financial systems.
Not maintaining a clear focus on developing future strategy of organisation and priorities alongside recovery plan	- Board continuing to be engaged in developing future strategy. - Ongoing consultation with local authorities and ICBs on their expectations for future care provision and areas of strategic priority. - Future focus of strategy defined and agreed by Board. - External consultations engaged in review of portfolio and alignment to future strategy with 5-10 year plan.
Unforeseen circumstances result in cash being required for other key priorities	- The Going Concern model is updated annually as part of statutory audit, on basis of worse case, likely case and best case, and realistic downside assumptions are factored in. - Assumptions within the Going Concern are monitored on an ongoing basis, both internally and with external advisors. - Quarterly forecasting is undertaken.

Plans for Future Periods

Leonard Cheshire is on a journey of modernisation as we reshape and resize the charity for the future, so it is sustainable and remains relevant.

Important steps forward in 2024/25 built on the progress made. You can see in other parts of this report how we have performed against our key priorities for the year.

The full modernisation of the charity and its services will take time. Fully achieving our ambitions for our care provision, transforming what we currently deliver, is a long-term project.

At the end of 2024/25, important milestones had been met as work to strengthen the financial position of the organisation, putting in place the foundations for future success. Further funds for future investment were generated and progress towards the digitalisation of services was made. This important activity, a significant investment in our care delivery and quality of provision, will continue at pace during 2025/26.

In the long-term, we want to push the boundaries of what is possible in social care delivery, as we focus on specialist nursing care, particularly for individuals with complex needs and high-level physical disabilities. Wider assistive technology use at our services, and new types of provision to meet the supported living needs and preferences of younger generations of disabled people, are key parts of our vision for the future. We must build funds for responsible investment so we are in a position to make the most of new opportunities in years to come.

It remains the case that social care providers such as Leonard Cheshire continue to face significant challenges because of the current funding environment. Most of our income is derived from our provision of publicly funded social care so we are acutely exposed to the financial pressures many local authorities are under – with demand for care provision continuing to rise. We have extremely limited options to raise the level of funding necessary for widespread modernisation of our provision, through investment in buildings, technology, our offer to staff or new services.

As well as reducing our staffing and other costs where we can, we will continue to strategically exit some provision to release funds that can help us improve the quality and impact of our services for disabled people. This consolidation, however hard, is essential if we are to achieve our ambitions for services, helping us to fundamentally transform the support available to disabled people where we operate.

In 2024/25, working closely with Trustees, we used external specialist sector and other expertise to further shape our longer term strategy. Additional activity to refine and agree key elements of our strategic direction will continue in 2025/26.

Social care reform and funding remain our priority advocacy areas. In coalitions and independently, we will continue to work with disabled people to push government and local authorities for positive changes in policies and funding.

Our plans for the next period remain broadly the same in key areas, with some refinement.

1. Continue to prioritise safe, effective delivery of care and support

a. Further rollout of digital care planning and medications management across services.
b. Continue momentum to control and reduce agency worker reliance.
c. Responsibly exit from services where quality improvements are unsustainable.

2. Successful delivery of key measures of recovery plan by the end of 2025/26

a. Complete our strategic exit from our provision in Wales, transferring ownership of last remaining service. Transfer delivery of our Alcohol Related Brain Injury Unit to another reputable provider.

b. Continue to build funds for ongoing operational reserves requirements, future modernisation and investment needs.
c. Implement targeted staff reductions in support functions, reducing costs and supporting operational surpluses in coming years.

3. Refine and agree long-term strategy

a. During 2025/26 we will further refine our strategic objectives for the future, aligned to the latest information on changing market needs, local authority expectations and meeting the needs of younger disabled people.
b. Undertake further detailed analysis external expertise to identify and put in place the foundations for future strategic success.

4. Lobby and campaign for positive change in key government policy agendas that impact disabled people's daily lives

a. Work independently and as part of coalitions to influence positive policy commitments from government, ensuring change is delivered and funding needs are prioritised.
b. Continue to be a strong advocate for social care reform and other policy agendas that intersect, such as social security reform.
c. Guided by our Engagement Steering Group, continue to develop and pilot a new engagement model for Leonard Cheshire to ensure meaningful engagement with people who draw on our services and beyond to:

- strengthen our service proposition
- inform future strategy and
- ensure our policy and advocacy is rooted in lived experience.

Streamlined Energy and Carbon Reporting

Environmental Intentions

Leonard Cheshire recognises the pressing global challenges of climate change and the charity's responsibility to minimise its environmental impact. We remain committed to reducing our energy, fuel, water, and waste consumption while maintaining our focus on sustainability. Additionally, we are acutely aware that individuals with disabilities are disproportionately affected by climate change and are more vulnerable to its adverse effects.

Environmental Approach

We recognise the importance of environmental responsibility and aim to reduce our carbon footprint, operate sustainably, and minimise waste in all our operations.

Key Actions:

- Reduce energy usage in our facilities by investing in energy-efficient technologies and adopting renewable energy sources.
- Implement sustainable procurement practices by choosing environmentally friendly suppliers and products along with procuring renewable energy.
- Promote recycling and waste reduction initiatives across all offices, care homes, and service locations.

During 2024/25, we continued to build upon our previous initiatives, delivering tangible results through our Net Zero Values:

- Promote recycling and waste reduction initiatives across all offices, care homes, and service locations.
- Prioritising the maintenance of existing resources to ensure efficient output.

- Working with suppliers to improve reporting on waste performance to evidence how we are making a positive impact on waste management. Our recycling percentage in April is at 49.2%, this is steady increase from the 31.6% as of April last year and is due to a concerted programme of communication to make better use of the recycling and food bins. We can see good evidence of the increase in food waste; in April 2024 food weights were at 2,892KG whereas in April 2025 it has risen to 9,315KG.
- Increasing requirements on suppliers regarding net zero commitments.
- Procuring renewable energy through our supply chain to have a positive impact on reducing our carbon footprint.
- Minimising waste production through better procurement and waste management.
- Ensuring efficient resource utilisation.
- Increasing self-generated energy capabilities.
- Offsetting unavoidable carbon emissions.

2024/25 Progress

Since our baseline reporting period of 2019/20, Leonard Cheshire has delivered a cumulative reduction in emissions. For the 2024/25 reporting year:

We achieved a 23.7% overall carbon reduction over the year, equating to 1864 tCO2e.

Scope 1 Emissions: Continued reductions due to the consolidation of service premises and the sustained practice of home working for office based staff.

New efficient gas boilers were installed where replacements were necessary, further lowering emissions.

Scope 2 Emissions: Further declines were achieved by:

- Implementing advanced heating control systems and smart metering.
- Expanding the use of motion detection lighting and timers.
- Continued reduced energy use in office spaces due to hybrid working arrangements.
- LED lighting was installed replacing older less efficient fittings when fittings failed as well as LED roll outs as part of improvement works.

Scope 3 Emissions: Further declines were achieved by:

There was positive movement on reducing personal vehicle travel from previous years linked to the use of public transport and increased hybrid working set ups. Reduced employee numbers would have contributed to this along with the reduction in Company Vehicles from previous years. A reduction in company car provisions, resulting in employees using personal vehicles for work-related travel had an impact on these figures reducing further.

These improvements are anticipated to increase in future years, supported by our ongoing investment in digital solutions that reduce the need for travel.

Looking Forward to 2025/26

We will:

- Reduce energy usage in our facilities by investing in energy-efficient technologies and adopting renewable energy sources.
- Implement sustainable procurement practices by choosing environmentally friendly suppliers and products. Using online portals from suppliers to monitor and manage energy use helps us to analyse data to support strategic investment into infrastructure for continued reduction in carbon emissions.

- Promote recycling and waste reduction initiatives across all offices, care homes, and service locations. A successful waste management strategy provides economic and environmental benefits by diverting waste from landfill, and into revenue streams. Waste diverted from landfill can be used to generate renewable energy as well as Grade-A recyclables resulting in a reduced level of potent Green House Gas (GHG) emissions such as Methane and Carbon Dioxide.

By maintaining our commitment to sustainability, Leonard Cheshire strives to reduce its environmental footprint while continuing to support and empower individuals with disabilities. Our further progress in 2024/25 underscores our dedication to achieving Net Zero by 2050.

Carbon footprint (Greenhouse gas emissions)

		2024/25	2023/24	Baseline	YOY Variation
Type of emissions	**Activity**	**tCO2e**	**tCO2e**	**tCO2e**	**%**
Direct (Scope 1)	Services Gas	2,827	4,351	4,026	-35.0%
	Services Oil	910	1,120	1,295	-18.7%
	Services LPG	719	684	555	5.1%
	Company Vehicle	126	176	290	-28.2%
Energy Indirect (Scope 2)	Services Electricity	1,232	1,342	2,361.0	-8.3%
Other Indirect (Scope 3)	Personal Vehicle	184	188	714	-2.5%
Total gross emissions (tCO2e)		**5,997**	**7,861**	**9,241**	
Total energy consumed (kWh)		29,733,062	39,506,404		

Intensity metric

Number of employees (FTE's)	2606.0	3019.0	3822.0
Tonnes of CO2e per employee	2.30	2.60	2.42

Assessment parameters

Baseline year	1 April 2020–31 March 2021
Reporting organisation	Leonard Cheshire Disability
Reporting period covered	1 April 2024–31 March 2025
Organisational boundaries	Location based emissions under operational control
Methodology used	These calculations were conducted using the GHG Reporting Protocol – Corporate Standard. GHG emissions are calculated in accordance with the UK government's reporting guidelines for company reporting and 2024 GHG conversion factors for company reporting were used. Reporting represents location based emissions where Leonard Cheshire have operational control. Data feeding the reporting has been gathered from supplier data along with internal records and where incomplete data sets have been found, estimates have been included by extrapolating the comparative data where we have full information available.
External verification	Energy Managers Association Lead Assessor

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Structure, Governance and Management

Registration

The registered name of the Charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland, and the Scottish registered charity number is SC005117. The address of the registered office is Regus, The News Building, 3rd Floor, 3 London Bridge Street, London SE1 9SG. It is governed by the Memorandum and Articles of Association, which were last amended on 22 February 2023.

Objects and public benefit
The objects of the Charity are to relieve the consequences of physical and/or mental disability by the provision, in the United Kingdom and overseas, of accommodation, services and support for the spiritual, social, physical and mental wellbeing of disabled people, by such means as are charitable, whatever their race, nationality, creed, sex or age.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2024/25. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Details of our charitable activities, achievements and performance are included in our Trustees' Report, including the Strategic Report.

Governance and operating structure

The **Board of Trustees** (the 'Board') meets at least four times a year.

Each year, it approves the annual budget and reviews the strategic plan of the Charity. Trustees set the strategic direction for the Charity. The Board of Trustees have delegated authority to the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an Executive Team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level.

At the commencement of 2024/25, there are four board committees comprising: Audit, Risk and Finance, People and Operations, Remuneration and Nominations, and Quality and Safety.

The **People and Operations Committee** is chaired by Valerie Todd. The Committee meets at least four times per year. It is responsible for:

– Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best-in-class employer of choice.
– Maintaining an overview of people and operations - related policies and practices in relation to all staff.
– Overseeing the development and delivery of the organisation's People Strategy, including recruitment, remuneration, training and development, and health and wellbeing.

The Committee approves the pay review evaluation and pay increases for staff in general. This is based on the principles of transparency, equity and fairness.

The **Quality and Safety Committee** is chaired by Julian Spurling. The Committee meets at least four times per year. It is responsible for:

– Ensuring that the delivery of quality of service, compliance and care to the individual is a key focus of our activity.
– Making safety, effectiveness and customer experience central to the development, delivery and measurement of our services, by assessing care quality, customer and staff experience measurement data.
– Ensuring that learning and development needs are identified and appropriately met.
– Supporting innovation and the development of new care pathways.
– Ensuring that performance standards and policy changes relating to quality, healthcare and social outcomes are met.
– Receiving and considering reports relating to serious incidents in the provision of social care services.

The **Audit, Risk and Finance Committee** is chaired by Stephen Billingham. The Committee meets at least four times per year and combines the responsibilities of the former Audit and Risk Committee, and Finance Committee, including:

– Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate.
– Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
– Considering the appointment, remuneration, effectiveness, and independence of internal and external auditors.
– Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgments contained therein.
– Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow.
– Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management.
– Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed.
– Recommending financial policies that are reserved to the Board, including the reserves policy.

The **Remuneration and Nominations Committee** is chaired by Neil Goulden. The Committee meets on an as-required basis. It is responsible for:

– Overseeing and planning Board and Committee governance arrangements related to membership, succession, composition, skills, training, diversity and appraisal of Trustees and the CEO.
– Monitoring and ensuring an effective Board composition, including identifying and recommending new members of the Board, succession planning, Trustee skills assessment and mapping of skills to corporate needs.
– Overseeing strategy for reward and remuneration of Executive Team members.

In reviewing the pay of our Key Management Personnel we ensure that pay for this group is proportional, justifiable, and defensible. In line with good practice, market benchmarking is undertaken to assess the current positioning of the groups pay in the market.

The Brightmine pay survey (not-for-profit sector) is used as our primary source, a highly credible survey, widely used in our sector to assess market pay. The major charities are well-represented in the survey, which includes data for over 350 organisations in the charity sector. In addition, a qualitative review of a range of published executive pay information is undertaken, by consulting financial reports of a range of large and medium-scale charities. Where executive pay information is available, data from appropriate care and disability-related organisations has been included in this exercise.

Director duties statement

Trustees, as directors of Leonard Cheshire, must act in accordance with a general set of duties, laid down in law and guidance from regulators. Trustees are obliged to report on how they have complied with their duty in regard to matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

In summary a director of a charitable company must act in a way he or she considers, in good faith, would be most likely to promote the success of the charity and the achievement of its charitable purposes. In doing this, a director would need to consider, amongst other things:

– The likely consequences of any decision in the long term.
– The interests of the company's employees.
– The Trustees have had regard to the need to foster the business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the charity during the financial year.
– The impact of the company's operations on the community and the environment.
– The desirability of the company maintaining a reputation for high standards of business conduct; and
– The need to act fairly as between members of the company.

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to further advice, information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviours expected of volunteers, staff and other stakeholders. The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

The Trustee Board sets and agrees the overall strategic direction of Leonard Cheshire. This is based on recommendations from the CEO and Executive Team, following appropriate scrutiny and challenge. Trustee decision making considers the Charity's sustainability and long-term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers through its People Strategy and workforce insight initiatives overseen by the People and Operations Committee. We have a strong working relationship with the Colleague Support Network (formerly Staff Association) who continue to play a key role in gathering the views of our colleagues across Leonard Cheshire. The Colleague Support Network Chair is invited to attend the People and Operations Committee.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the Charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent.

The Trustees of Leonard Cheshire are the sole members of the Charity, and the Charity is not run in the interests of the members but in the objects of the Charity.

Appointment and induction of Trustees

All vacancies for Trustees are externally advertised. The Remuneration and Nominations Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees.

We place particular emphasis on the representation of disabled people.

New Trustees receive induction material and training, as well as additional training throughout their appointment.

The Trustees review the composition of the Board at regular intervals and decide whether there is a need to change the skill base. Trustees initially serve for a three-year period and then may be re-appointed for a further term of three years. In exceptional circumstances, an additional term of up to three years may be considered.

Emoluments

In 2024/25, Trustees received no emoluments.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so. The Charity also purchased and maintained throughout the financial year Trustees', Directors' and Officers' liability insurance in respect of itself and its directors.

Post-balance sheet events

Subsequent to year end, in August 2025, ARBI Belfast was sold for £0.6m (£75k of which was deferred consideration) and in September 2025 Eithinog / Arfon in Wales was sold for £1.3m.

In July 2025, a final transfer of £0.7m was made into a restricted cash bank account to replenish current assets held in restricted funds. This, and the Charity Commission Statutory Inquiry, are discussed further in the Financial Review.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



Neil Goulden
Chair, Board of Trustees

Date: 28 November 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also the Directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



Neil Goulden
Chair of Trustees



Stephen Billingham
Chair of the Audit, Risk and Finance Committee; Remuneration and Nominations Committee

Date: 28 November 2025

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEONARD CHESHIRE DISABILITY

Opinion

We have audited the financial statements of Leonard Cheshire Disability (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' report (incorporating the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Strategic Report and 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 our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Report, the Trustees (who are also the Directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

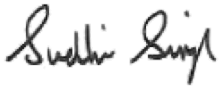
- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of this report

This report is made solely to the parent 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 Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and Trustees 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 parent charitable company and the parent charitable company's members as a body and the parent charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)
for and on behalf of
MHA
Statutory Auditor
London, United Kingdom

Date: 3 December 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

LEONARD CHESHIRE DISABILITY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	*Total funds 2024 £000*
Income from:						
Donations and legacies	4	**2,593**	**815**	**-**	**3,408**	*2,968*
Government support - Covid 19		**-**	**-**	**-**	**-**	*544*
Charitable activities	5	**132,021**	**191**	**-**	**132,212**	*140,595*
Other trading activities		**-**	**-**	**-**	**-**	*5*
Pension termination surplus		**319**	**-**	**-**	**319**	*-*
Investments	6	**1,116**	**-**	**-**	**1,116**	*340*
Net gains on fixed asset disposals		**4,095**	**-**	**-**	**4,095**	*7,372*
Total income		**140,144**	**1,006**	**-**	**141,150**	*151,824*
Expenditure on:						
Raising funds	7	**652**	**-**	**-**	**652**	*997*
Charitable activities	8,9	**136,717**	**2,936**	**11**	**139,664**	*148,886*
Total expenditure		**137,369**	**2,936**	**11**	**140,316**	*149,883*
Net gains on investments	15	**1,121**	**-**	**-**	**1,121**	*416*
Net income/(expenditure)		**3,896**	**(1,930)**	**(11)**	**1,955**	*2,357*
Transfers between funds	22	**13,602**	**(13,602)**	**-**	**-**	*-*
Other recognised gains/(losses):						
Impairment of fixed assets	14	**(99)**	**-**	**-**	**(99)**	*-*
Actuarial losses on defined benefit pension schemes	28	**(1,171)**	**-**	**-**	**(1,171)**	*(1,847)*
Net movement in funds		**16,228**	**(15,532)**	**(11)**	**685**	*510*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000	*Total funds 2024 £000*
Reconciliation of funds:						
Total funds brought forward		**60,630**	**22,687**	**857**	**84,174**	*83,664*
Net movement in funds		**16,228**	**(15,532)**	**(11)**	**685**	*510*
Total funds carried forward		**76,858**	**7,155**	**846**	**84,859**	*84,174*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 41 to 78 form part of these financial statements.

LEONARD CHESHIRE DISABILITY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 552847

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2025 £000	*2024 £000*	*2024 £000*
Fixed assets					
Intangible assets	13		**3,167**		*3,734*
Tangible assets	14		**55,232**		*64,287*
Investments	15		**5,583**		*4,327*
			63,982		*72,348*
Current assets					
Debtors: Amounts falling due within one year	17	**11,556**		*16,531*	
Investments	18	**13**		*15*	
Cash at bank and in hand	25	**26,666**		*17,199*	
		38,235		*33,745*	
Current liabilities					
Creditors: Amounts falling due within one year	19	**(13,778)**		*(18,353)*	
Net current assets			**24,457**		*15,392*
Total assets less current liabilities			**88,439**		*87,740*
Creditors: Amounts falling due after more than one year	20		**(125)**		*(330)*
Provisions for liabilities	21		**(3,445)**		*(3,298)*
Net assets excluding pension liability / asset			**84,869**		*84,112*
Defined benefit pension scheme liability / asset	28		**(10)**		*62*
Total net assets			**84,859**		*84,174*
Charity funds					
Endowment funds	22		**846**		*857*
Restricted funds	22		**7,155**		*22,687*
Unrestricted funds	22		**76,858**		*60,630*
Total funds			**84,859**		*84,174*

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Neil Goulden
Chair of Trustees



Stephen Billingham
Chair of the Audit, Risk and Finance Committee; Remuneration and Nominations Committee

Date: 28 November 2025

The notes on pages 41 to 78 form part of these financial statements.

LEONARD CHESHIRE DISABILITY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 552847

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2025 £000	*2024 £000*	*2024 £000*
Fixed assets					
Intangible assets	13		**3,167**		*3,734*
Tangible assets	14		**55,232**		*64,286*
Investments	15		**5,583**		*4,327*
			63,982		*72,347*
Current assets					
Debtors: Amounts falling due after more than one year	17	**273**		-	
Debtors: Amounts falling due within one year	17	**9,995**		*14,335*	
Investments	18	**13**		*15*	
Cash at bank and in hand		**26,442**		*17,117*	
		36,723		*31,467*	
Current liabilities					
Creditors: Amounts falling due within one year	19	**(14,337)**		*(18,555)*	
Net current assets			**22,386**		*12,912*
Total assets less current liabilities			**86,368**		*85,259*
Creditors: Amounts falling due after more than one year	20		**(125)**		*(330)*
Provisions for liabilities			**(3,445)**		*(3,294)*
Net assets excluding pension liability / asset			**82,798**		*81,635*
Defined benefit pension scheme liability / asset	28		**(10)**		*62*
Total net assets			**82,788**		*81,697*
Charity funds					
Endowment funds			**846**		*857*
Restricted funds			**7,109**		*22,602*
Unrestricted funds			**74,833**		*58,238*
Total funds			**82,788**		*81,697*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Company's net movement in funds for the year was £1,091k *(2024 - £503k)*.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Neil Goulden
Chair of Trustees



Stephen Billingham
Chair of the Audit, Risk and Finance Committee; Remuneration and Nominations Committee

Date: 28 November 2025

The notes on pages 41 to 78 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £000	*2024 £000*
Cash flows from operating activities			
Net cash used in operating activities	24	**(162)**	*(2,958)*
Cash flows from investing activities			
Bank interest	6	**998**	*262*
Rent from investment properties	6	**118**	*78*
Proceeds from the sale of tangible fixed assets and investment properties		**11,585**	*17,128*
Purchase of tangible fixed assets	14	**(3,072)**	*(1,296)*
Net cash provided by investing activities		**9,629**	*16,172*
Change in cash and cash equivalents in the year		**9,467**	*13,214*
Cash and cash equivalents at the beginning of the year		**17,199**	*3,985*
Cash and cash equivalents at the end of the year	25	**26,666**	*17,199*

The notes on pages 41 to 78 form part of these financial statements

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

1. General information

The charitable company is a private company limited by guarantee, without share capital, incorporated in England and Wales. The registered number is: 00552847 and the charity number is: 218186.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost basis of accounting as modified for the valuation of investments at market value.

Leonard Cheshire Disability meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2025. In addition, the results of the wholly owned subsidiaries: The Leonard Cheshire Foundation (Isle of Man) Limited; Leonard Cheshire Trading Limited; Leonard Cheshire Services CIC and Leonard Cheshire International have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line-by-line basis, and the balances and transactions between Group companies are eliminated on consolidation.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The parent charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity, and the Group statement of cash flows included in these financial statements includes the cash flows of the parent charity.

2.2 Going concern

In accordance with the Charities Statement of Recommended Practice (SORP 2019) and Financial Reporting Standard 102, the Trustees have assessed the Charity's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

As part of this assessment, the Trustees have considered the Charity's financial position, future plans, and the principal risks and uncertainties facing the organisation. This includes a review of:

- The latest financial forecasts and cash flow projections, including sensitivity analysis on key assumptions.
- The strategic plan for service modernisation and estate reconfiguration.
- The timing and value of planned disposals of non-core services.
- The capital investment programme and associated funding strategy.
- The adequacy of the Charity's reserves and liquid funds.
- Wider sector risks including workforce pressures, inflation, commissioning trends, and regulatory changes.

The Trustees have approved a multi-year capital investment programme intended to modernise the Charity's estate and improve the quality, sustainability, and impact of its services. The programme is funded through a combination of operational surpluses and planned disposals, with over £40 million of disposal proceeds expected between FY25/26 and FY30/31. Capital investment over the same period totals approximately £79 million.

Despite the scale of investment, the Charity is forecast to maintain a positive cash position and adequate unrestricted reserves throughout the planning period. Cash balances are projected to always remain above £20 million, with sufficient headroom to absorb adverse financial scenarios. A prudent approach has been taken in forecasting income, cost inflation, and investment phasing, with flexibility to adjust timing if required.

The Trustees are satisfied that the Charity has appropriate systems of financial management and risk control, and that it is able to respond effectively to changing circumstances through phased delivery of its investment programme, efficiency measures, and close engagement with commissioners and regulators.

Based on this assessment, the Trustees have concluded that there are no material uncertainties that cast significant doubt on the Charity's ability to continue as a going concern. The financial statements are therefore prepared on the going concern basis.

2. Accounting policies (continued)

2.3 Income

Donations are recognised in income upon receipt. Gift Aid receivable is included in income when there is a valid declaration from the donor and the donation has been received.

Income for our UK and international programme activity is recognised when we are entitled to recognise it as a result of our performance. Income received in advance is deferred, and is included as a liability until the conditions of entitlement are met, at which point the income is recognised and the liability released. Where entitlement occurs before income is received, the income is accrued and included in current assets.

Where the Charity receives gifts of goods or services in kind, of a measurable value to the Charity, the gift is included as both income and expenditure, with both elements recognised in the statement of financial activities when the benefit is received.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established, and it can be measured with reasonable accuracy.

Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received. Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is from the supply of services under contractual arrangements and is recognised when the service has been provided.

Income from other trading activities includes income from trading activities to raise funds for the Charity. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable, and the amount is measurable.

Investment income consists of dividends, interest received and rents from investment properties; and is shown gross as the amount received in the year before deduction of any associated costs.

Covid-19 income consists of government support for specific Covid-19 related costs, such as the infection control and the job retention scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Grant income is recognised in the financial statements when the conditions have been fulfilled and the Charity becomes entitled to payment. When a grant is received but the conditions have not been met, recognition is deferred to future accounting periods. Deferred grant income at the year-end is included in creditors.

2. Accounting policies (continued)

2.4 Expenditure

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

The cost of raising funds for donations and legacies income is the cost relating to voluntary contributions as well as costs relating to marketing, branding and increasing public awareness of the Charity. The costs of charitable activities include all expenditure directly relating to the objectives of the Charity.

Support costs have been allocated to the cost of raising funds and the appropriate charitable activity in accordance with Charities SORP. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs.

The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full-time equivalent employees allocated to each activity during the financial year. The categorisation and allocation of these support costs is detailed in Note 9. They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustees expenses, trustees insurance, internal/external audit costs and other professional fees, and have been allocated proportionately across charitable activities.

Any irrecoverable VAT is either charged to the SOFA within the item of expense to which it relates or capitalised as part of the cost of the related asset, as appropriate.

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease. Any lease incentives (such as rent-free periods) are spread over the life of the lease or the period to the first rent review, whichever falls earlier.

2.5 Termination payments

Termination payments are recognised when employment is terminated by the Charity before the normal retirement date or end of employment contract. Termination costs are recognised when the Charity can no longer withdraw the offer of the benefits or when the Charity recognises any related restructuring costs.

2. Accounting policies (continued)

2.6 Pensions

Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS102. The following elements are charged to the SOFA:

1. The service costs of pension provision relating to the period, together with the cost of any benefits relating to past service;
2. The net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities; and
3. The actuarial gain or loss on scheme assets and liabilities.

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if the group is able to recover the surplus.

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet, as appropriate.

In line with FRS 102, where there is insufficient information to appropriately calculate an employer's scheme assets or liabilities in respect of multi-employer pension schemes, defined benefit pension schemes are accounted for and disclosed as defined contribution schemes.

They are recognised using discounted future cashflows in respect of funding deficit reduction plans and are presented within Provisions for Liabilities.

Defined contribution pension scheme costs represent the contributions payable for the period. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Currently, employer contribution for pension is between 4% and 11% *(2024 - 4% - 11%).*

2. Accounting policies (continued)

2.7 Liability Policies

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The Charity has recognised specific provisions for:

1. Dilapidations on leasehold properties – this relates to the estimated future cost of building work required when vacating leasehold premises;
2. Redundancy costs – these costs are payable where notification of intended redundancy was made before year end;
3. Annual Leave Provision – annual leave provision represents a potential liability due to working time directive case law;
4. Other provisions – these represent estimates of future expenditure on a number of matters such as pensions where the outcome is not known with certainty.

The Group is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

2.8 Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The functional currency of the entity and all active subsidiaries is the pound sterling.

Transfers of monies between the UK and foreign countries are translated at the spot rate of exchange at the date of the transaction.

Transactions denominated in foreign currencies are translated at the average rate of exchange for the month in which the transaction occurred.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

2.9 Volunteers

The charity appreciates the hard work and dedication of its volunteers. 85 *(2024 - 85)* volunteers engaged in a number of activities supporting our social care services, fundraising and campaigning.

The contribution of volunteers is not recognised in the accounts as it is impractical to value given the absence of a reliable measurement basis.

2. Accounting policies (continued)

2.10 Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 (except for IT equipment where the limit is £400) is capitalised and depreciation or amortisation (as appropriate) is charged at the following annual rates on cost:

1. Freehold land and buildings and improvements to freehold land and buildings at 2 percent per annum;
2. Leasehold properties and improvements to leasehold properties over the remaining period of the lease;
3. Furniture, fittings, equipment and vehicles at 5-25 percent per annum; and
4. Intangible assets amortised at 10 percent per annum to reflect the likely useful life of such assets, our major component being the organisational back-office system, MS Dynamics.

Freehold and leasehold properties are not revalued and are included at their depreciated historic cost. Freehold land is not depreciated except where it is not possible to separate the land from the buildings. Assets under the course of construction are not depreciated until they are brought into use.

If an indication of any impairment to the carrying value of tangible assets existed at the balance sheet date, the asset’s recoverable amount is estimated and an impairment loss recognised in the fund to which the asset relates.

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently measured at fair value, which reflects market conditions at the balance sheet date.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or end of owner occupation.

Gains or losses arising from changes in the fair values of investment properties are included in the SOFA in the year in which they arise.

Programme related investments are made to provide charitable benefits and are stated at original cost and are amortised over the length of the period of the associated management agreement or the period over which the investment will provide benefit where this is shorter.

2. Accounting policies (continued)

Investments are included in the financial statements at closing price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy. If the capital grant has conditions attached which would require repayment, we recognise a liability for the grant once the condition such as an irrecoverable decision to dispose of the asset, are met.

2.11 Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied.
2. Assets purchased using restricted funds then become unrestricted assets once funds have been reallocated and form part of the unrestricted reserves, reducing over the useful life of the asset. If an asset is part-funded through restricted reserves, the asset is part restricted to the same proportion as the funds used and depreciated accordingly. Upon disposal, unless otherwise specified in the restriction any funds from disposal are returned to the Unrestricted funds.
3. Spend is applied to the Restricted funds in line with the restrictions applicable, this may be through direct costs or allocation of attributable overhead costs.
4. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained.
5. Expendable endowment funds can be used for general purposes.
6. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity.
7. Previously, designated funds have been set aside at the discretion of the Trustees for specific purposes, but which otherwise form part of the unrestricted Group designated funds, some of which is for future capital developments for the long-term use of its service users. These funds were received at service level with a preference but no legal restriction as to their use. However designated funds no longer needed to be segregated from unrestricted funds for internal project purposes, a decision made by the Board, and have therefore been amalgamated at year end.

The pension reserve reflects the difference between the net assets and liabilities of the pension schemes, measured on an FRS 102 basis.

The Charity committed to replenishing liquid restricted reserves to the level of unrespect restricted cash received and as of July 2025, a final transfer was made to the restricted bank account.

The Charity's Reserve Policy is discussed in the Financial Review section.

2.12 Other Policies

Funds belonging to people who use our services that are held by us in safe custody on their behalf are separately recorded as both cash and liabilities on the balance sheet.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

1. Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established, and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.
2. Defined benefit pension scheme surplus – At the year end, the actuarial roll-forward valuation report from the Actuary to The Pension Trust Growth Plan reported a net pension asset of £1,378k. When the valuation gives rise to a potential asset position, the Board of Trustees is required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being “An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan.” In using the word “shall”, the emphasis is placed upon the Board of Trustees to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the Board of Trustees has considered the value at which the Charity can benefit from either (1) refunds from The Pension Trust Growth Plan or (2) reduced contributions to The Pension Trust Growth Plan. As the Board of Trustees intends the Charity to continue to participate in The Pension Trust Growth Plan, the likelihood of a refund being due from The Pension Trust Growth Plan has been deemed as remote and not practically achievable. Accordingly, the Actuary and Board of Trustees have made an impairment charge on the asset reducing the net position at the year ended 31 March 2025 to £NIL.

Estimates:

1. Defined benefit pension scheme (Note 28). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the asset depend on a number of factors including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension asset in the balance sheet. The assumptions reflect historical experience and current trends.
2. Investment properties (Note 15). This year, the Charity has obtained external valuations of investment properties. In the prior year, Directors’ valuation of investment properties were undertaken by a qualified RICS employee.
3. Provisions (Debtors). The charity has made provision for potential non-recoverability of debtor balances when invoices are 365 days past its due date. This is based on a 10% provision on debts outstanding with local Authorities or NHS bodies. An additional provision of 90% is held against all debts with self or other funders over 365 days past due.

4. Income from donations and legacies

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000
Donations	704	144	**848**
Legacies	1,889	671	**2,560**
	2,593	815	**3,408**

	Unrestricted funds 2024 £000	*Restricted funds 2024 £000*	*Total funds 2024 £000*
Donations	*999*	*160*	*1,159*
Legacies	*173*	*1,636*	*1,809*
Government support - Covid-19	*544*	*-*	*544*
	1,716	*1,796*	*3,512*

5. Income from charitable activities

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Total funds 2025 £000
Income from charitable activities - Social care	131,431	-	**131,431**
Income from charitable activities - International services	-	-	**-**
Income from charitable activities - UK Programmes	590	191	**781**
	132,021	191	**132,212**

	Unrestricted funds 2024 £000	*Restricted funds 2024 £000*	*Total funds 2024 £000*
Income from charitable activities - Social care	*139,365*	*126*	*139,491*
Income from charitable activities - International services	-	*25*	*25*
Income from charitable activities - UK Programmes	*565*	*514*	*1,079*
	139,930	*665*	*140,595*

6. Investment income

	Unrestricted funds 2025 £000	Total funds 2025 £000
Bank interest	998	**998**
Rent from investment properties	118	**118**
	1,116	**1,116**

	Unrestricted funds 2024 £000	*Total funds 2024 £000*
Bank interest	*262*	*262*
Rent from investment properties	*78*	*78*
	340	*340*

7. Expenditure on raising funds

	Unrestricted funds 2025 £000	Total funds 2025 £000
Fundraising	652	**652**

	Unrestricted funds 2024 £000	*Restricted funds 2024 £000*	*Total funds 2024 £000*
Fundraising	*885*	*112*	*997*

8. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total 2025 £000
Social care	135,677	2,571	11	**138,259**
UK Programmes	756	365	-	**1,121**
Campaigning	284	-	-	**284**
	136,717	2,936	11	**139,664**

	Unrestricted funds 2024 £000	*Restricted funds 2024 £000*	*Total 2024 £000*
Social care	*146,653*	*650*	*147,303*
International services	*277*	*4*	*281*
UK Programmes	*1,005*	*79*	*1,084*
Campaigning	*218*	*-*	*218*
	148,153	*733*	*148,886*

9. Analysis of expenditure by activities - by type

	Activities undertaken directly 2025 £000	**Support costs 2025 £000**	**Total funds 2025 £000**
Social care	116,130	22,129	**138,259**
UK Programmes	914	207	**1,121**
Campaigning	239	45	**284**
	117,283	22,381	**139,664**

	Activities undertaken directly 2024 £000	*Support costs 2024 £000*	*Total funds 2024 £000*
Social care	*124,247*	*23,056*	*147,303*
International services	*281*	*-*	*281*
UK Programmes	*881*	*203*	*1,084*
Campaigning	*195*	*23*	*218*
	125,604	*23,282*	*148,886*

Analysis of support costs

	Total funds 2025 £000	*Total funds 2024 £000*
Management & Admin	**8,090**	*7,935*
Finance, IT and purchasing	**11,504**	*12,097*
Human resources	**2,348**	*2,405*
Governance	**439**	*845*
	22,381	*23,282*

10. Governance costs

	2025 **£000**	*2024* *£000*
Auditor's remuneration - Audit of the financial statements	**195**	*695*
Auditor's remuneration - Preparation of the financial statements	**32**	*-*
Auditor's remuneration - Other non-audit services	**4**	*7*
Amounts payable to previous auditors in respect of additional costs for the prior year audit	**206**	*80*
Internal Audit	**-**	*62*
Governance and professional support for Trustees	**2**	*1*
	439	*845*

11. Staff costs

	Group 2025 £000	*Group 2024 £000*	**Company 2025 £000**	*Company 2024 £000*
Wages and salaries	**86,319**	*89,007*	**85,543**	*88,662*
Social security costs	**7,495**	*6,711*	**7,470**	*6,686*
Other pension costs	**3,360**	*3,189*	**3,351**	*3,182*
Other staff benefits	**204**	*188*	**204**	*188*
	97,378	*99,095*	**96,568**	*98,718*

Wages and salaries include termination and redundancy payments totalling £1,405,000 *(2024 - £1,461,085)*, made up of contractual payments of £1,296,121 *(2024 - £1,328,025)* and non-contractual payments of £108,879 *(2024 - £133,059)*. The non-contractual payments were made to 9 employees *(2024 - 13 employees)* under the authority of the Trustees as being in the best interest of the Charity. There were no associated liabilities at the year end.

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

	Group 2025 No.	*Group 2024 No.*	**Company 2025 No.**	*Company 2024 No.*
Staff	**3,765**	*4,245*	**3,742**	*4,218*

11. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2025 No.	*Group 2024 No.*	**Company 2025 No.**	*Company 2024 No.*
Social care	**2,418**	*2,832*	**2,408**	*2,819*
Campaigning	**5**	*3*	**5**	*3*
UK Programmes	**18**	*23*	**18**	*23*
Governance	**5**	*4*	**5**	*4*
Support	**160**	*157*	**160**	*157*
	2,606	*3,019*	**2,596**	*3,006*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**21**	*17*
In the band £70,001 - £80,000	**11**	*9*
In the band £80,001 - £90,000	**4**	*6*
In the band £90,001 - £100,000	**2**	*2*
In the band £100,001 - £110,000	**2**	*1*
In the band £110,001 - £120,000	**1**	*2*
In the band £120,001 - £130,000	**1**	*2*
In the band £130,001 - £140,000	**1**	*1*
In the band £140,001 - £150,000	**2**	*1*
In the band £150,001 - £160,000	**1**	*1*
In the band £160,001 - £170,000	**1**	-

11. Staff costs (continued)

	2025 £000	2025 Staff	*2024 £000*	*2024 Staff*
Defined contribution schemes	**334**	**50**	*307*	*40*
	334	**50**	*307*	*40*

The Key Management Personnel of the Charity consist of 12 members of the Executive Board *(2024 - 7)*. Key Management Personnel include the total number of staff who were on the Executive Board, including those who left. The total amount of remuneration and benefits paid to the Key Management Personnel are as follows:

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Remuneration and benefits	**1,583**	*1,043*	**1,583**	*1,043*
	1,583	*1,043*	**1,583**	*1,043*

12. Trustees' remuneration and expenses

During the year ended 31 March 2025, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, expenses totalling £1,884 were reimbursed or paid directly to 4 Trustees *(2024 - £671 to 1 Trustee)*. These expenses were in respect of travel and subsistence.

13. Intangible assets

Group and Company

	Intangible assets £000
Cost	
At 1 April 2024	**7,629**
At 31 March 2025	**7,629**
Amortisation	
At 1 April 2024	**3,895**
Charge for the year	**567**
At 31 March 2025	**4,462**
Net book value	
At 31 March 2025	**3,167**
At 31 March 2024	*3,734*

Intangible Assets include £5,156k Cost for Microsoft Dynamics software cost and NBV of £2,851k at 31 March 2025.

14. Tangible fixed assets

Group

	Freehold land and buildings £000	Leasehold properties £000	Furniture, fittings equipment and vehicles £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2024	**79,840**	**5,345**	**52,871**	**1,355**	**139,411**
Additions	**1**	**-**	**1,670**	**1,401**	**3,072**
Transfers to investment properties	**(228)**	**-**	**-**	**-**	**(228)**
Disposals	**(10,427)**	**(38)**	**(7,019)**	**-**	**(17,484)**
Transfers between classes	**98**	**-**	**2,197**	**(2,295)**	**-**
At 31 March 2025	**69,284**	**5,307**	**49,719**	**461**	**124,771**
Depreciation					
At 1 April 2024	**31,446**	**4,707**	**38,971**	**-**	**75,124**
Charge for the year	**1,319**	**35**	**3,049**	**-**	**4,403**
Transfers to investment properties	**(93)**	**-**	**-**	**-**	**(93)**
On disposals	**(4,108)**	**(38)**	**(5,848)**	**-**	**(9,994)**
Impairment charge	**-**	**-**	**99**	**-**	**99**
At 31 March 2025	**28,564**	**4,704**	**36,271**	**-**	**69,539**
Net book value					
At 31 March 2025	**40,720**	**603**	**13,448**	**461**	**55,232**
At 31 March 2024	*48,394*	*638*	*13,900*	*1,355*	*64,287*

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

14. Tangible fixed assets (continued)

Company

	Freehold land and buildings £000	Leasehold properties £000	Furniture, fittings equipment and vehicles £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2024	**79,840**	**5,345**	**52,814**	**1,355**	**139,354**
Additions	**1**	**-**	**1,668**	**1,401**	**3,070**
Transfers to investment properties	**(228)**	**-**	**-**	**-**	**(228)**
Disposals	**(10,427)**	**(38)**	**(6,960)**	**-**	**(17,425)**
Transfers between classes	**98**	**-**	**2,197**	**(2,295)**	**-**
At 31 March 2025	**69,284**	**5,307**	**49,719**	**461**	**124,771**
Depreciation					
At 1 April 2024	**31,446**	**4,707**	**38,915**	**-**	**75,068**
Charge for the year	**1,319**	**35**	**3,049**	**-**	**4,403**
Transfers to investment properties	**(93)**	**-**	**-**	**-**	**(93)**
On disposals	**(4,108)**	**(38)**	**(5,792)**	**-**	**(9,938)**
Impairment charge	**-**	**-**	**99**	**-**	**99**
At 31 March 2025	**28,564**	**4,704**	**36,271**	**-**	**69,539**
Net book value					
At 31 March 2025	**40,720**	**603**	**13,448**	**461**	**55,232**
At 31 March 2024	*48,394*	*638*	*13,899*	*1,355*	*64,286*

15. Investment property

Group and Company

	Investment properties £000
Valuation	
At 1 April 2024	**4,327**
Transfers from tangible fixed assets	**135**
Revaluation	**1,121**
At 31 March 2025	**5,583**

The group holds 18 investment properties with individual values ranging from £10,500 to £725,000 at 31 March 2025. This year, the Charity has obtained external valuations of investment properties. In the prior year, Directors' valuation of investment properties were undertaken by a qualified RICS employee. The valuations of these residential properties assess the market value on sale, mainly applying a direct comparison market approach. The valuations are based on vacant possession or subject to tenancies based on the occupation status at the valuation date.

16. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2024 and 31 March 2025.

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Dormant
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire International	Republic of Ireland	10616088	Limited by guarantee	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820	Limited by shares	Trading

All trading subsidiaries have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The carrying values on the company Balance Sheet for the subsidiaries are: Leonard Cheshire Trading Limited £100; The Leonard Cheshire Foundation (Isle of Man) Limited £100; Leonard Cheshire Services CIC £1 and Leonard Cheshire International £NIL.

All subsidiaries registered in England and Wales operate from the following registered office: Regus - The News Building Third Floor, 3 London Bridge Street, London, England, SE1 9SG.

The subsidiaries registered in the Isle of Man operate from the following registered office: Thie Quinney, Fairfield Avenue, Romsey, Isle of Man, IM8 2LS.

16. Subsidiaries (continued)

Leonard Cheshire Trading Limited

Leonard Cheshire Trading Ltd ceased its trading in May 2022. The company is now dormant.

Summary of assets and liabilities	2025 £'000	*2024 £'000*
Assets	**-**	-
Liabilities	**(273)**	*(273)*
Total	**(273)**	*(273)*

Leonard Cheshire Foundation (Isle of Man) Limited

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2025 and 31 March 2024 is shown below. Leonard Cheshire Foundation (Isle of Man) Limited financial statements have not been prepared on a going concern basis due to the ending on the Manx contract effective January 2025.

Summary of statement of financial activities	2025 £'000	*2024 £'000*
Incoming resources	**543**	*567*
Resources expended	**(580)**	*(551)*
Net expenses/income	**(37)**	*16*

Summary of assets and liabilities		
Assets	**1,185**	*1,219*
Liabilities	**(48)**	*(45)*
Total	**1,137**	*1,174*

Leonard Cheshire Services CIC

The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2025 and 31 March 2024 is shown below.

Summary of statement of financial activities	2025 £'000	*2024 £'000*
Incoming resources	**25,827**	*26,969*
Resources expended	**(26,196)**	*(26,778)*
Net expenses/income	**(369)**	*191*

Summary of assets and liabilities		
Assets	**2,435**	*4,862*
Liabilities	**(1,228)**	*(3,286)*
Total	**1,207**	*1,576*

17. Debtors

	Company 2025 £000	*Company 2024 £000*
Due after more than one year		
Amounts owed by group undertakings	**273**	*-*

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Due within one year				
Trade debtors	**8,248**	*13,309*	**6,007**	*8,795*
Amounts owed by group undertakings	**-**	*-*	**876**	*2,644*
Prepayments and accrued income	**3,308**	*3,222*	**3,112**	*2,896*
	11,556	*16,531*	**9,995**	*14,335*

18. Current asset investments

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Listed investments	**13**	*15*	**13**	*15*

The Trustees consider the value of the investments to be supported by their underlying assets.

These investments relate to publicly quoted shares.

19. Creditors: Amounts falling due within one year

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Other loans	**205**	*-*	**205**	*-*
Trade creditors	**2,851**	*2,809*	**2,842**	*2,793*
Amounts owed to group undertakings	**-**	*-*	**959**	*1,155*
Other taxation and social security	**2,203**	*3,754*	**2,202**	*3,746*
Other creditors	**4,091**	*5,340*	**4,084**	*4,755*
Accruals and deferred income	**4,428**	*6,450*	**4,045**	*6,106*
	13,778	*18,353*	**14,337**	*18,555*

Amounts owed to group undertakings are unsecured, and no interest is charged.

The overdraft facility of £5m is secured against the properties listed in Note 14.

Other creditors includes £1.53m received for grants that may need to be returned to the funder if agreement is not obtained to use it for alternative purposes now that the original grant programme is no longer going ahead. It also includes pension and other payroll liabilities.

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Deferred income				
Deferred income at 1 April 2024	**2,453**	*3,578*	**2,139**	*3,198*
Resources deferred during the year	**2,383**	*2,453*	**2,054**	*2,139*
Amounts released from previous periods	**(2,453)**	*(3,578)*	**(2,139)**	*(3,198)*
Deferred income at 31 March 2025	**2,383**	*2,453*	**2,054**	*2,139*

Deferred income represents the payment of fees in advance.

20. Creditors: Amounts falling due after more than one year

	Group 2025 £000	*Group 2024 £000*	Company 2025 £000	*Company 2024 £000*
Other loans	**125**	*330*	**125**	*330*

The loan balance falling due after more than one year relates to a £300k loan from a UK charitable foundation, with £205k is due to be repaid in 25/26 and £95k due to be repaid 26/27. A further loan of £30k has no repayment plan in place.

21. Provisions

Group	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Grants £'000	Pension £'000	Other £'000	Total £'000
At 1 April 2024	519	615	572	1,026	113	453	**3,298**
Charged to the SOFA	754	664	139	405	-	-	**1,962**
Credited to the SOFA	(175)	-	-	-	-	-	**(175)**
Amount utilised	-	(615)	(572)	-	-	(453)	**(1,640)**
At 31 March 2025	**1,098**	**664**	**139**	**1,431**	**113**	**-**	**3,445**

Company	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Grants £'000	Pension £'000	Other £'000	Total £'000
At 1 April 2024	519	615	572	1,026	113	449	**3,304**
Charged to the SOFA	754	664	139	405	-	-	**1,962**
Credited to the SOFA	(175)	-	-	-	-	-	**(175)**
Amount utilised	-	(615)	(572)	-	-	(449)	**(1,646)**
At 31 March 2025	**1,098**	**664**	**139**	**1,431**	**113**	**-**	**3,445**

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings; the timings and amounts of the outflows can be uncertain and subject to negotiation.

The provision for annual leave represents a potential liability due to working time directive case law, in relation to average pay for statutory annual leave.

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 24/25 but where the payments will be made in 25/26.

The grants liability relates to repayment of two capital grants. These relate to monies received from the Surrey Primary Care Trust (PCT) which was used to purchase the ‘Westwinds’ service; and from West Kent Primary Care Trust (PCT) which was used to purchase the 'Shore Lodge' service. Westwinds was no longer operational at March 2024 and is expected to be sold during 2025/26. Shore Lodge ceased operations in April 2025 and conditions existed at 31st March 2025 for both properties such that the grant repayment on sale of the service, at an amount equivalent to the estimated net sales proceeds less share retained by Leonard Cheshire, has been recognised.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See Note 28 for further details.

22. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds						
Designated funds						
Designated Funds	**8,111**	**-**	**-**	**(8,111)**	**-**	**-**
General funds						
General Funds	**48,456**	**140,144**	**(138,468)**	**21,713**	**(99)**	**71,746**
Revaluation reserve	**4,001**	**-**	**-**	**-**	**1,121**	**5,122**
Pension reserve	**62**	**-**	**1,099**	**-**	**(1,171)**	**(10)**
	52,519	**140,144**	**(137,369)**	**21,713**	**(149)**	**76,858**
Total Unrestricted funds	**60,630**	**140,144**	**(137,369)**	**13,602**	**(149)**	**76,858**
Endowment funds						
Albert Alexander fund	**11**	**-**	**(11)**	**-**	**-**	**-**
Kirby Worthington fund	**111**	**-**	**-**	**-**	**-**	**111**
St. Michaels home	**735**	**-**	**-**	**-**	**-**	**735**
	857	**-**	**(11)**	**-**	**-**	**846**
Restricted funds						
Legacy - Swift	**6,591**	**-**	**(457)**	**(1,304)**	**-**	**4,830**
Social care	**14,018**	**815**	**(2,114)**	**(10,627)**	**-**	**2,092**
UK programmes	**1,902**	**191**	**(365)**	**(1,644)**	**-**	**84**
International services	**176**	**-**	**-**	**(27)**	**-**	**149**
	22,687	**1,006**	**(2,936)**	**(13,602)**	**-**	**7,155**
Total of funds	**84,174**	**141,150**	**(140,316)**	**-**	**(149)**	**84,859**

22. Statement of funds (continued)

In respect of the Group and Company;

All the listed Endowment funds i.e., Albert Alexander Fund, Kirby Worthington Fund and St Michaels Home are permanent endowments with restricted purposes. St Michael's Home is a linked trust of which Leonard Cheshire Disability is the sole trustee.

The only individually material restricted fund relates to Swift. All other restricted funds have been aggregated as they are not considered individually material and have similar purposes. Social care relates to residential and supported living services; UK programmes relates to community-based outreach programmes and International services relate to disability inclusion projects overseas.

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas. Included within restricted funds is £966k (2024 - £1.5m) relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per Charity law.

In the year to March 2025, the Charity has undertaken a review of all restricted funds in light of the Statutory Inquiry opened by the Charity Commission. As a result the Charity has identified transfers totalling £13.6m from restricted to unrestricted reserves, which has been reflected in these Annual Accounts.

Funds previously designated by the Charity of £8.1m have been transferred to unrestricted reserves in the year ending 31 March 2025. The Trustees have reviewed and designations previously assigned are no longer needed and therefore these funds are appropriate to be classified as unrestricted funds.

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £000	*Income £000*	*Expenditure £000*	*Gains/ (Losses) £000*	*Balance at 31 March 2024 £000*
Unrestricted funds					
Designated funds					
Designated Funds	*8,111*	-	-	-	*8,111*
General funds					
General Funds	*48,943*	*149,619*	*(149,039)*	*(1,067)*	*48,456*
Revaluation reserve	*4,435*	-	-	*(434)*	*4,001*
Pension reserve	*(8)*	-	-	*70*	*62*
	53,370	*149,619*	*(149,039)*	*(1,431)*	*52,519*
Total Unrestricted funds	*61,481*	*149,619*	*(149,039)*	*(1,431)*	*60,630*
Endowment funds					
Albert Alexander fund	*11*	-	-	-	*11*
Kirby Worthington fund	*111*	-	-	-	*111*
St. Michaels home	*735*	-	-	-	*735*
	857	-	-	-	*857*
Restricted funds					
Legacy - Swift	*6,591*	-	-	-	*6,591*
Social care	*13,121*	*1,915*	*(761)*	*(257)*	*14,018*
UK programmes	*1,465*	*516*	*(79)*	-	*1,902*
International services	*149*	*31*	*(4)*	-	*176*
	21,326	*2,462*	*(844)*	*(257)*	*22,687*
Total of funds	*83,664*	*152,081*	*(149,883)*	*(1,688)*	*84,174*

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £000	Restricted funds 2025 £000	Endowment funds 2025 £000	Total funds 2025 £000
Tangible fixed assets	54,497	-	735	**55,232**
Intangible fixed assets	3,167	-	-	**3,167**
Investment property	5,583	-	-	**5,583**
Current assets	30,969	7,155	111	**38,235**
Creditors due within one year	(13,778)	-	-	**(13,778)**
Creditors due in more than one year	(125)	-	-	**(125)**
Provisions for liabilities and charges	(3,455)	-	-	**(3,455)**
Total	76,858	7,155	846	**84,859**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £000	*Restricted funds 2024 £000*	*Endowment funds 2024 £000*	*Total funds 2024 £000*
Tangible fixed assets	*56,769*	*6,783*	*735*	*64,287*
Intangible fixed assets	*3,734*	-	-	*3,734*
Investment property	*4,327*	-	-	*4,327*
Current assets	*17,461*	*16,162*	*122*	*33,745*
Creditors due within one year	*(18,095)*	*(258)*	-	*(18,353)*
Creditors due in more than one year	*(330)*	-	-	*(330)*
Provisions for liabilities and charges	*(3,236)*	-	-	*(3,236)*
Total	*60,630*	*22,687*	*857*	*84,174*

24. Reconciliation of net movement in funds to net cash flow from operating activities

		Group 2025 £000	*Group 2024 £000*
Net income for the year (as per Statement of Financial Activities)		**1,955**	*2,357*
Adjustments for:			
Amortisation, depreciation and impairment charges	13,14	**5,069**	*5,423*
Rent from investment properties	6	**(118)**	*(78)*
Bank interest	6	**(998)**	*(262)*
Decrease in debtors	17	**4,975**	*5,067*
Decrease in creditors	19,20	**(4,780)**	*(7,227)*
Revaluation of investment properties	15	**(1,121)**	*(416)*
Gains on the disposal of fixed assets	14	**(4,095)**	*(7,372)*
Difference between pension contributions and total pension expenses	28	**(1,198)**	*(1,677)*
Increase in provisions	21	**147**	*1,227*
Decrease in value of current asset investments	18	**2**	*-*
Net cash used in operating activities		**(162)**	*(2,958)*

25. Analysis of cash and cash equivalents

	Group 2025 £000	*Group 2024 £000*
Cash in hand	**24,976**	*15,312*
Service users' funds held in trust	**1,690**	*1,887*
Total cash and cash equivalents	**26,666**	*17,199*

26. Analysis of changes in net debt

	At 1 April 2024 £000	Movements £000	At 31 March 2025 £000
Cash at bank and in hand	**17,199**	**9,467**	**26,666**
Debt due within 1 year	**-**	**(205)**	**(205)**
Debt due after 1 year	**(330)**	**205**	**(125)**
Liquid investments	**15**	**(2)**	**13**
	16,884	**9,465**	**26,349**

27. Contingent liabilities

There are two banking guarantees totalling £332k *(2024 - £332k)* that have been provided by Barclays Bank to two external parties. The figure is made up of two individual guarantees, one for £200k *(2024 - £200k)* and one for £132k *(2024 - £132k).* They are secured against the properties listed in Note 14.

Contingent liabilities primarily comprise of potential liabilities arising from matters relating to disposal of property funded by means of a Capital Grants where the Charity is liable for up to 98% of the disposal proceeds should the properties be sold. The net book value of the properties subject to such grant refund obligations at 31 March 2025 was £1.2m *(2024 - £1.8m).*

28. Pension commitments

Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 4% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt out. Employer contributions for these staff members are 4% of pensionable salary.

The total cost of the schemes in 2025 was £3,032,005 *(2024 - restated £3,051,281).*

The Group operates a number of defined benefit pension schemes.

The Charity has obtained a FRS 102 actuarial valuation for The Pension Trust Growth Plan. Other defined benefit pension funds have been accounted for as defined contribution schemes in line with FRS 102 as there is insufficient information available to properly apply defined benefit accounting.

28. Pension commitments (continued)

The value of the schemes' defined benefit liabilities have been measured using the projected unit method. The schemes' assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer. The overall expected rate of return on the net schemes' assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class. The schemes hold quoted securities, and these have been valued at bid-price.

Further information on the Charity's defined benefit pension schemes is provided below. The major assumptions used by the actuaries are disclosed in this note.

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan ("The Plan"). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2025 is £NIL *(2024 - £NIL)*. A surplus cap of £1,378,000 was applied during the year.

Scheme liabilities have been based on liability information as at 30 September 2024 updated to 31 March 2025 by a qualified actuary. The most recent funding valuation was completed as at 30 September 2024 resulting in a deficit of £2.2m, using unaudited asset values. Audited assets subsequently confirmed as £54.72m, reducing the deficit from £2.2m to £1.93m at 30 September 2024.

Member contributions are payable as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the year commencing 1 April 2025 is £1,440,000 *(2024 - £1,917,000).*

Clwyd Pension Fund – LGPS Scheme

The Clwyd Pension Fund (the Fund) related to a small number of staff who joined the charity's service in Dolywern. The net pension surplus recognised in the balance sheet at 31 March 2025 is £NIL *(2024 - £72,000 asset).* The defined benefit pension scheme was wound up on 28 November 2024. All member benefits were secured with an insurance company. The trustees confirmed that a surplus of £320,000 remained after meeting all obligations, which was refunded to the charity after the year end. The resulting gain after fees of £318,616 is recognised within other income in the Statement of Financial Activities. The Charity no longer has any defined benefit obligations in respect of this scheme.

Isle of Man Local Government Superannuation Scheme – LGPS Scheme

Isle of Man Local Government Superannuation Scheme relates to a small number of staff who previously worked in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2025 is £10,000 *(2024 - £10,000).* A full actuarial valuation was carried out at 31 March 2022.

Employer contributions to be paid for the year commencing 1 April 2025 is £NIL *(2024 - £NIL).*

28. Pension commitments (continued)

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2025 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2025 %	*At 31 March 2024 %*
Discount rate	**4.80 - 5.73**	*4.75 - 4.90*
Future salary increases	**2.85 - 3.12**	*2.95 - 3.95*
Future pension increases	**1.93 - 2.66**	*1.96 - 2.80*
Inflation assumption (RPI)	**3.12**	*3.18 - 3.50*
Inflation assumption (CPI)	**2.70 - 2.85**	*2.70 - 2.95*

	At 31 March 2025 Years	*At 31 March 2024 Years*
Mortality rates (in years)		
- for a male aged 65 now	**19.6 - 21.5**	*19.6 - 21.4*
- at 65 for a male aged 45 now	**21.0 - 23.1**	*21.1 - 22.9*
- for a female aged 65 now	**23.8 - 24.7**	*23.8 - 24.8*
- at 65 for a female aged 45 now	**25.2 - 26.2**	*25.2 - 26.3*

The Group's share of the assets in the scheme was:

	At 31 March 2025 £000	*At 31 March 2024 £000*
Equities	**690**	*1,126*
Bonds	**19,242**	*41,577*
Property	**5,946**	*6,017*
Cash and other liquid assets	**25,419**	*8,298*
Total fair value of assets	**51,297**	*57,018*

28. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2025 £000	*2024 £000*
Current service costs		
Current service costs	**-**	*19*
	-	**19**
Amounts included in interest and other finance costs		
Net interest payment	**-**	*(2)*
Expenses	**269**	*207*
	269	**205**
Amounts recognised in other comprehensive income		
Return on plan assets	**(4,400)**	*(3,278)*
Experience losses arising on defined benefit obligations	**(749)**	*(271)*
Changes in assumptions underlying the present value of plan liabilities	**4,824**	*85*
Minimum fund requirement basis impairment charge	**(846)**	*1,617*
	(1,171)	**(1,847)**

Movements in the present value of the defined benefit obligation were as follows:

	2025 £000
Opening defined benefit obligation	**56,145**
Liabilities extinguished on termination of scheme	**(1,697)**
Interest cost	**2,747**
Contributions by scheme participants	**3**
Actuarial gains	**(4,075)**
Benefits paid	**(3,194)**
Closing defined benefit obligation	**49,929**

28. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025 £000
Opening fair value of scheme assets	**57,018**
Assets distributed on termination of scheme	**(2,014)**
Expected return on assets	**2,713**
Actuarial losses	**(4,400)**
Contributions by employer	**1,440**
Contributions by scheme participants	**3**
Benefits paid	**(3,194)**
Expenses	**(269)**
Closing fair value of scheme assets	**51,297**

The amount included in the Balance Sheet in respect of the defined benefit pension plan is as follows:

	2025 £000	*2024* *£000*
Fair value of plan assets	**51,297**	*57,018*
Present value of plan liabilities	**(49,929)**	*(56,145)*
Minimum fund requirement basis impairment charge	**(1,378)**	*(811)*
	(10)	*62*

28. Pension commitments (continued)

Other matters

Leonard Cheshire, along with a number of other employers with pension schemes administrated under an umbrella trust by the Trustee of The Pensions Trust (TPT), remains aware of a third-party challenge to several member benefit changes made to its now closed defined benefit Pension Scheme. The outcome of the case is uncertain but should the decision go against the Charity it reserves the right to counter claim for any losses arising as a result of poor administration of the scheme. At this time, the Scheme Trustee remains of the view that all scheme changes are valid and has received legal advice to continue to administer the scheme on that basis. The current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0-£10m of liability.

The Virgin Media Limited v NTL Pension Trustees II Limited decision, handed down by the High Court on 16 June 2023 considered the implications of Section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met.

Following an appeal on 25 July 2024, the Court of Appeal upheld the High Court's decision, that the statutory actuarial confirmation was required, and without this, alterations to schemes were void. There is, however, potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments.

At this stage, given the continued uncertainty in respect of potential legislative intervention, no assessment of historical documentation relating to amendments has been completed for any of the group's defined benefit pension schemes. Also, there are similarities between this case and the ongoing TPT legal case given they both relate to the validity of scheme rule changes. Any potential impact of the Virgin Media finding on the TPT schemes will be assessed by the Trustee following the findings of the ongoing TPT legal case.

As a result, at this stage, it is not possible to estimate any potential impact of the Virgin Media ruling.

29. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £000	*Group 2024 £000*
Not later than 1 year	**915**	*822*
Later than 1 year and not later than 5 years	**1,582**	*1,166*
Later than 5 years	**2,636**	*2,104*
	5,133	*4,092*

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2025 £000	*Group 2024 £000*
Operating lease rentals	**1,841**	*2,309*

30. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £74k *(2024 - £81k)*. All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 19.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £25,311k *(2024 - £26,430k)* of invoiced sales. The resultant intercompany liability is reflected in creditors as shown in Note 19.

No Trustees donations were made in year *(2024 - £NIL).*

31. Post balance sheet events

Subsequent to year end, in August 2025, ARBI Belfast was sold for £575k (£75k of which was deferred consideration) and in September 2025 Eithinog / Arfon in Wales was sold for £1.275m.

In July 2025, a final transfer of £730k was made into a restricted cash bank account to replenish current assets held in restricted funds. This, and the Charity Commission Statutory Inquiry, are discussed further in the Financial Review section.

APPENDIX
FOR THE YEAR ENDED 31 MARCH 2025

Thank you

Charitable trusts, corporate partners and other supporters:
A very big thank you to following who have supported Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous.

Corporate Partners
Bagnall Holding Co
DHL Supply Chain
Donald Mackenzie Limited
F. W. Frost Ltd
Goldman Sachs
Halo Staffing
Howdens Joinery
Inclusive Technologies Ltd
Inverness Crazy Golf
Kimbolton School
Madison Performance Group
Netflix UK
Netley Marsh Steam & Craft Show
Nisa Making A Difference Locally
St. Giles, Farnborough

Legators
Yvonne Albrow
Mrs K Aldrich
Phyllis May Alexander
Mrs Freda Allfrey
Mr Martin Amyas Arnold Blake
Maj Gen Thomas Anthony Boam
Mr Colin Edward Bridges
Gillian Brown
Mrs Wendy Calver
Mr David George Cooke
Miss Athene Jardine Cooper
Diana Mary Cottingham
Mrs Elizabeth Joan Crook
Charles Neil Doherty
Mr Barrie Dennis Dulson
Mr Gary Michael Eastley
Mr David Huxley Firth
Jeanne Elizabeth Corfield Fish
Mrs S Francis
Patricia Frogson
Mr Royce Norman Rogers Gifford
Eileen Mary Gullery
Mr John Roland Herbert
Betty Patricia Holden
Mr Rex Smerdon Hutchinson
Grace Olive Jones
Dr Anne Templeton Lambie
Betty Lila Lee
Mr Dennis David Lyon
Mr Brian Massey
Mr Leslie Howard Meads

Mr Edwin Louis Micallef
George Alan Milnes
Mrs Margaret Morgan
Mrs Muriel Frances Mortimore
Mr Ian Douglas Ogilvie
Mr Maurice James Payne
Mr Stanley Pearson
Miss Olivia Chiara Maria Pelosi
Mr Frank Samuel Phoenix
Mr Albert Arthur Pinching
Mr Brian Edward Arthur Pocock
Mr Derek Puncher
Mr John Rawding
Miss Ann Rubinstein
Christine Ann Simpson
Christine Ann Simpson
Mrs Eileen Mary Somerton
Mrs Margaret Ann Sparks
Mr John Charles Stephens
Mrs Doris Josephine Stovell
Mrs Jessie Swan
Mr John Trevor Thomas
Josephine Denise Thrasher
Mr Cedric John Virgin
Mr Anthony Herbert Wakeford
Mrs Patricia Ann Wakeford
Mr Michael Owen Charles Wauchope
Mrs Ella Lynda Williams
Hazel Mary Withers
Dr Charles Ronald Worthing

Charitable Trusts and other supporters
Antelope Trust
The Armstrong Family Trust
The Barbour Foundation
The Bill Brown 1989 Charitable Trust
Brian Wilson Charitable Trust
Chapman Charitable Trust
Charities Aid Foundation
Chiltern Charitable Trust
Copley May Foundation
D C Moncrieff Charitable Trust
The Dandy Charitable Trust
The Derek Raphael Charitable Trust
Denise Coates Foundation
Dorothy Irene Raven Will Trust
The E Alec Colman Charitable Fund
E B M Charitable Trust
Edgar Ralph Dore Trust
Enkalon Foundation
Friends of Pound House, Dorking
The George and Susan Gluck Foundation
The Gilander Foundation
Gowling WLG (UK) Charitable Trust
The Hedley Denton Charitable Trust

APPENDIX
FOR THE YEAR ENDED 31 MARCH 2025

The Henry Bloom Noble Healthcare Trust
The Hospital Saturday Fund
The Ian Askew Charitable Trust
The Ian Fleming Charitable Trust
The J Reginald Corah Foundation Fund
J S Innes Charitable Trust
James T Howat Charitable Trust
The James Wise Charitable Trust
The John Cowan Foundation
The Linden Charitable Trust
The Lord Faringdon Charitable Trust
The Loseley Christian Trust
The Magnus Trust
The Medicash Foundation
The Meikle Foundation
The Michael and Anna Wix Charitable Trust
The Michael Cornish Charitable Trust
Midcounties Co-operative Community Fund
Mrs Fawzy's Jersey Trust 1990
Mrs J B Wood's Charitable Trust
The Mrs Yvonne Flux Charitable Trust
The National Lottery Community Fund
The Payback Time Trust
PF Charitable Trust
The Primula Trust
The Privy Purse Charitable Trust
The Ronald Miller Foundation
The Samuel and Freda Parkinson Trust
The S M B Trust
Stelios Philanthropic Foundation
Thomas Grierson Memorial Trust
The Tompkins Foundation
Totara Charitable Trust
The Ursula Keyes Trust
The Wyn and Ken Lo Memorial Foundation

LEONARD CHESHIRE DISABILITY

England & Wales - Charity number 218186

Accounts



Annual Report and Accounts 2023/24

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Leonard Cheshire

Contents

1.	**About us**	**1**
	Welcome from our Chair	2
	Message from our CEO	4
2.	**Trustees' Report including Strategic Report**	**6**
	Care and Support	11
	Employment	16
	Fundraising	19
	Our People	21
	Financial Review	24
	Principal Risks and Uncertainties	31
	Plans for Future Periods	34
	Structure, Governance and Management	36
3.	**Statement of Trustees' Responsibilities**	**41**
4.	**Auditors' Report**	**43**
5.	**Financial Statements**	**48**
6.	**Thank you**	**103**
7.	**Who's who**	**105**
8.	**Principal advisors**	**107**

1. About us

We believe in a fair world in which disabled people have the same equal opportunities and choices as non-disabled people. We fight for disabled people's rights, working with our partners to deliver support and life-changing programmes.



A welcome from our Chair, Neil Goulden

Beginning to turn the corner



Neil Goulden
Chair of Trustees

This past year was again an important one for the Charity. In my first full year as Chair, we began consolidating the progress made during 2022/23 and put in place further necessary measures for the longer-term financial health of the organisation.

Our charity is founded on the belief that disabled people should have the freedom to live the lives they choose, and our staff support this to happen through our social care delivery, employment programmes and advocacy work. Every disabled person should be able to live on the same terms as people without disabilities, with the same opportunities and choices.

Vital support is provided by the charity day-to-day, to people with complex and challenging needs. Disabled people rely on our inspirational, hard-working staff. We have a dedicated and committed workforce who place the wellbeing and happiness of people at our services above all else. As we navigate our way through what is still a challenging period for the charity, we remain focused on ensuring the highest quality of care possible for the people we support and the longevity of that support.

As reported last year, the Charity made a 'serious incident report' to the Charity Commission in April 2022 due to the serious financial issues facing the charity. After some initial investigations, in December 2022 the Charity Commission launched a Statutory Inquiry into the administration, governance and management of the charity, and in particular to determine the extent to which Trustees had adequate oversight of the Charity's finances and whether Trustees had complied with and fulfilled their duties and responsibilities under charity law. The Charity Commission's Inquiry is ongoing.

It is important to note that the issues which gave rise to the Statutory Inquiry pre-date the current Board of Trustees, which I joined as Chair in April 2023. The current Trustees are committed to the turnaround plan which will return Leonard Cheshire to a stable and sustainable financial position. We are making good progress in this respect and, with the inclusion of the proceeds of asset sales, I am pleased to report a small £0.5m surplus (2023: £11.1m deficit) in 2023/24, with £15.3m (2023: £2.2m) of own cash, which includes £1.7m (2023: £1.9m) of receipts where donor restrictions on spending the money apply, on the balance sheet as at 31 March 2024.

The new Trustees are fully co-operating with the Statutory Inquiry in an open and transparent way. We have reported on the historical issues, outlined our turnaround plan and reported on progress and future commitments.

A key area of focus for the Charity Commission is whether historically restricted funds had been spent for other (general) purposes. This concern relates to past actions and the current Trustees have agreed a new policy for the recording and protection of restricted funds and are committed to replenishing restricted reserves in cash over the next 3 years. We report further on the Statutory Inquiry in a separate statement 'Restricted Reserves' within the Financial Review on page 24 of this report.

All social care providers face huge challenges recruiting and retaining staff at their services. This is particularly acute for organisations like Leonard Cheshire who are heavily reliant on public sector funding. The whole sector needs investment and reform. We have consistently pressed Government for this and will continue to make this call.

While we have prioritised frontline staff for pay increases in recent years, if we do not get fair levels of funding for services we provide, then our ability to better reward staff for the vital work they do is unavoidably compromised. This impacts our recruitment efforts. Not being able to get the right staff undermines the quality of care we can provide, and indeed threatens its ongoing viability at some locations.

With progress being made, we remain focused on improving what we deliver at services, getting the right people to work with us, and negotiating contracts that reflect our costs fairly.

Over the course of 2023/24 difficult decisions had to be made to close some services. No one on the Board or in the Executive underestimates the profound impact that ending long-standing provision has on people affected or the worry this can cause.

While our turnaround is far from complete, we have come a very long way from 2022 when the Charity's financial situation was particularly severe – a period of very stark choices. For the first time in many years, the Charity has now made a small surplus. Although this includes funds received from the sale of property, improving our cash position was vital. We are also making progress towards reducing expenditure in response to considerable ongoing pressures in the sector. Trustees have agreed a balanced budget for 2024/25 as we start to turn a corner with the medium-term goal of consistently returning operating surpluses in future years. This will mean we can further build up reserves and have the level of funds required for widespread modernisation, investment in our people, buildings and social care innovation. We want to become the first choice for people requiring support, pushing the boundaries of what is possible in social care. Achieving this across all our provision will inevitably involve becoming a smaller organisation initially, operating fewer services but being able to do more for the people we support - before growing again in a responsible way and exploring new opportunities that meet the needs of disabled people long-term.

Our work is only possible with good leadership. Ruth and her Executive Team have been successful in beginning to change the direction of the Charity towards a sustainable future.

I would like to also take this opportunity to pay tribute to the support of my fellow Trustees, all of whom are volunteers. During the course of 2023/24 we saw some further retirements from the Board and some appointments in key areas to ensure we have the right mix of directly relevant experience and expertise. We now have an entirely new Board in place, reflecting the changed focus, immediate priorities, future direction and ambitions of the Charity.

While tough times are still ahead of us, we remain determined to further strengthen the Charity and secure a bright future for it. We are ambitious about the potential to modernise and improve the delivery of our services, so they are future fit and remain relevant for future generations.

My heartfelt thanks to everyone who has supported Leonard Cheshire or played a part in our journey over the past year.

A message from our CEO, Ruth Owen

Starting to see the benefits



Dr Ruth Owen
CEO

Every day our staff do remarkable things to support disabled people to achieve their goals and aspirations. This is work everyone connected with the charity should be immensely proud of, as I am.

A huge amount has been achieved with people we support, as we worked in partnership with disabled individuals to attain greater independence or their personal goals. There is so much more we want to do, achieving even greater levels of care and quality in our services, so we are not complacent.

We will always strive to improve the quality of care and support our residents receive. Modernising and changing the way our care and support is delivered, so it is at the levels we aspire for, with better processes and technological systems behind this, will take time. But we've taken important steps forward in this journey as we look to invest in these areas, within our means.

In 2023/24 we focussed attention on further improving the quality of our services to disabled people - including the staffing behind these. During the year, we invested in key teams that support our services around quality, regulatory compliance and safeguarding. In May 2023, a permanent Executive Director for Quality and Compliance started with us – with a remit to drive forward improvements. At the same time, we've taken early steps towards digitalising care management. There is a phased rollout of systems now being prepared for, following successful pilots.

We have also moved forward to secure a better, sustainable future for the charity, and are starting to see the financial benefits of tough recent decisions. We can take confidence from what has been achieved to date, not only in our financial position but the work we did to improve our staffing, leadership, processes, and oversight.

The financial progress we made during 2023/24 inspired confidence from major stakeholders. For example, our relationship with our Bank returned to business as usual during the year. We have started building up financial reserves, have increased our cash in bank and have not used an overdraft facility since towards the end of 2022/23. Because of the vital services we deliver, our previous financial position also prompted considerable scrutiny and engagement by care regulators, but we have now resumed our usual relationship with these key partners.

As 2023/24 came to a close, we were able to look back at our achievements, but also start work to shape the long-term future of Leonard Cheshire.



Conversations and engagement with potential partners continue. We are undertaking analysis about opportunities to modernise and transform what we can offer. We will also be talking to staff, people who use our services and those who do not widely, including young disabled people.

As with many social care providers we continue to operate in very challenging environment, with the bulk of what we offer funded by local authorities and to a lesser extent the NHS. Money remains tight for future investment to achieve our ambitions. Local authority budgets for social care remain under intense pressure and we can struggle to get funding that meets the true cost of care we deliver for individuals with intensive needs. Innovative approaches that use technology to create greater independence and choice have to, in the main, be funded by grants from other charitable organisations and foundations. At the same time, we need to invest in our buildings, infrastructure and people.

We have now embarked on the third year of our three-year financial recovery plan. Huge milestones have once again been reached and I'm indebted to Trustees, my Executive, the wider leadership team, staff and our supporters for their support in getting us to this point in our ongoing journey.

2.

Trustees' Report including Strategic Report



The Board of Trustees presents its Trustees Report, including the Strategic Report for the year ended 31 March 2024 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report.

Since 2022 we have been putting in place the foundations for Leonard Cheshire's long-term sustainability and success. We are on a journey to reshape and modernise the charity so it can effectively meet the future needs of disabled people.

Our three-year recovery plan started in early 2022 and last year was another important one as we delivered key activities to improve our financial position, as well as effectiveness in other key areas. Here we outline our progress in 2023/24 against our priorities for future periods. These priorities were detailed in our previous 2022/23 Annual Report and Accounts.

1. Continue to prioritise the safe, effective delivery of care in our UK services

    a. Review and improve our quality, safeguarding and improvement teams.

    b. Reduce our reliance on agency workers.

What we did

- We invested in additional capacity for our quality, safeguarding and compliance teams.

- We created a new role of Executive Director of Quality and Compliance, giving increased visibility of these issues at Executive and Board level and tasked with driving forward improvements.

- We put in place a reshaped Quality and Compliance team. Four quality and compliance specialists were recruited, and we implemented an annual plan of audit for every service. We also created two new mental capacity and safeguarding roles to support services.

- We continued to build on our pioneering work at our Hill House assistive technology hub, with further rollouts of life changing devices and software. An additional hub was launched to support more care homes in the north-east and north-west of England, after funding was successfully secured.

2. Three-year turnaround plan initiated in 2022 that returns Leonard Cheshire to being cash positive by the end of financial year 2023/24 on a full year basis

    a. Review portfolio of UK services to improve financial sustainability and increase liquidity

    b. Negotiate fair fee increases with care funders to address inflationary increases and additional support needs of people who use our services

    c. Over time, it is the charity's intention to support its restricted funds with a higher level of liquid assets.

    d. Restructure central support functions aligned to future strategic focus.

    e. Further consolidate programmes portfolio.

What we did

- We achieved our goal of having a small financial surplus at year-end through the recovery measures taken, albeit after taking into account proceeds from a disposal programme.
- As part of these recovery measures, we reviewed all our services against criteria such as financial performance, quality, agency use, demand and future investment needs.
- We took the difficult decision to close services where we were not confident of being able to sustain improvements in care quality, where recruitment challenges were insurmountable or where levels of investment needed were prohibitive. We supported funding local authorities to identify suitable alternative support as much as possible, as well as putting in place dedicated support to assist residents and families impacted.



- We took a robust approach to fee negotiations with local authorities. This led to an average uplift in fees received of 6.35% in 2023/24, valued at more than £8m.
- Following senior management review, we took measures to further strengthen our oversight and recognition of restricted income and expenditure during previous years, but there is still more to do.
- As a result of this work, following year end, we proposed and agreed with the Charity Commission to replenish restricted cash reserves over the next 3 years.
- We began work on a review of central support functions during the year to define what our needs would be for 2024/25 and 2025/26, in line with organisational priorities and changes in services.
- During 2023/24 we completed our exit from international programme work, passing over delivery to other organisations where possible. As well as our delivery of social care for disabled people through residential, nursing and supported living services we continued to promote employment of young people with disabilities, through Change 100, training and consultancy and advocacy.

3. Influence change in society for disabled people to have greater opportunities of choice for how they live and work

    a. Influence national policies, strategies and standards in social care.

    b. Increase the impact of Change 100 (internship programme) and our training and consultancy support for employers.

    c. Influence the inclusive employment agenda in the context of new approaches from Government.

    d. Lobby and influence to ensure adequate support for disabled people during the cost-of-living crisis.

What we did

- Lobbied, alongside others, to secure additional funding for social care under the Local Government Settlement.
- As part of the Care Support Alliance, we took a lead role in preparing a pre- and post-election social care campaign – to launch in 2024/25 to highlight what lack of social care support and funding means at a local and national level.





- Demonstrated the impact of the cost-of-living crisis on disabled people and inadequacy of distribution of government support. Released research showing the vital Household Support Fund was not getting to many disabled households. We called for better promotion of the fund, better guidance to local authorities, and continued extension of the fund as a necessary lifeline for disabled people.
- Joined successful advocacy to uprate benefits in line with the usual September inflation rate.
- Joined successful advocacy to prevent the mass closure of rail ticket offices.
- Responded to government consultations, including: Care Workforce Pathway, Care Data Matters, Rebalancing Social Care (Wales), Disability Action Plan, Work Capability Assessment: Activities and Descriptors, Changes to rail ticket offices, Spring and Autumn budgets, Local Government Settlement, and Welsh Government Taxi and Private Hire Vehicle (Wales) Bill White Paper.
- Gave oral evidence to the House of Commons Work and Pensions Committee Disability Employment Inquiry and to the House of Lords Public Services Committee inquiry on the Transition from education to employment for young people. As part of the latter, we supported the inquiry to organise two engagement sessions with Change 100 interns to share their experiences. We also submitted written evidence to the Work and Pensions Committee inquiries into benefit levels in the UK and the cost of living.
- Remodelled Change 100 to involve employer partners significantly more in the recruitment and onboarding of interns. We supported employers to interview a selection of potential disabled interns.
- Disabled students and graduates were given increased support before their internship as well as additional opportunities to network and meet accessible and inclusive employers.
- We created new marketing and other materials as part of plans for future promotion of the Change 100 programme to more disabled young people and employers.



Care and Support

We provide specialist support to disabled people including those who have extremely complex care needs. Every day, the staff we have in our residential, nursing and supportive living services fulfil a remarkable and essential role. Our staff are passionate about keeping people safe, well and happy. We never forget the importance of making our services as welcoming as possible and feel like home for the period they are at a Leonard Cheshire service.

One of our specialisms is providing nursing care for individuals who require extensive support or long-term rehabilitation. We strive to create an environment where people

who live with us are supported to achieve their goals, however big or small, gaining as much independence and choice as possible in their daily lives. Our charity was created by a man who was a pioneer of his time, and this pioneering spirit lives on in the work of our care services as we explore new, innovative ways to support people.

Some of the people who live with us require 24/7 care, intensive nursing, and a high staff-to-individual ratio to make sure their essential care needs are met. People can require extra assistance and care as their conditions progress. They may also need new types of support as they begin to experience additional age-related conditions. Specialist support of the kind Leonard Cheshire delivers is inevitably expensive to provide.

A lot of the extra support we offer to individuals is not currently funded by local authorities but can make a vast difference to the lives of disabled people in our services. Life changing opportunities like access to assistive technology, to onsite physiotherapy or some social activities have to be paid for through our own fundraising or charitable grants from elsewhere. We will continue to advocate for these to be part of what local authorities fund, as they are crucial for the individuals.

The 2023/24 financial year was again an extremely challenging one for all providers in social care. Recruitment remained difficult at some locations with some core costs high. Nationwide pressures on local authority funding for social care remains a pressing concern.

As a charity, we need to ensure that the funding we receive is fair and reflects the complexity and cost of the support provided. During the year, we continued to have robust discussions with local authorities that fund care and support of people living at our services. We regrettably had no option but to close some underperforming services.

We've been changing the way we operate so that our services are run as future fit and appropriately funded as they can be. During 2023/24, as part of our financial recovery, we put in place a new operating model for our services. This will help ensure the right care for residents based on current needs, with our core costs paid for and a more consistent approach to how we deliver care and support. The model covers everything from how services get the best deals on items they use regularly, to staffing levels, roles, shift patterns and the referrals we can accommodate.

We've continued to drive down our agency use over the course of 2023/24. This is vital to ensure that people living with us don't have a constant flow of new faces providing their care. Doing this means we can deliver quality improvements at services much more easily and sustainably. It also helps us control costs.

As of 31 March 2024:

- We supported 1,515 people through care and supported living services
- We had 54 residential services (care and nursing homes)
- We had 33 supported living services
- 1,204 (79%) of people living in our care and supported living services were funded through, local authorities. NHS continuing healthcare funding supported 221 people with complex acute and ongoing needs (15%). We also had 90 (6%) privately funded residents

In 2023/24 we made a concerted effort to reduce vacancies in our services, focusing on those locations with the highest volume. Every vacancy is a missed opportunity to make a difference to the life of a disabled person in need. We are continuing to monitor vacancy levels closely and supporting services to fill any spaces. We have also increased the use of respite care to fill vacancies, taking out of county placements where possible.

Work on Avila House, a new 'extra care' service in Worthing, was completed in November 2023, having been developed in partnership with West Sussex County Council. Avila House comprises brand new self-contained flats for 20 working age disabled people to live independently. Leonard Cheshire staff are there to provide support for some tasks such as personal care, all based on individual preferences and need. If tenants have an emergency they can't cope with, 24/7 support is also available.

We took the difficult decision to close some services where we could not see a long-term future for them. In these challenging circumstances we always try to manage closures as sensitively as we can. Like many social care providers working in the current environment, we face difficult choices. Closures in 2023/24 occurred for a variety of reasons. These included concerns around the sustainability of quality improvements, difficulties recruiting staff at some locations with high agency use, drops in demand and prohibitive levels of investment being required to meet future need.

1,515

people supported through care and supported living services

79%

of people living in our care and supported living services were funded through, local authorities



Delivering the best quality of care and support possible is always our priority. Across the UK, 84.5% of our services are rated as 'good' or 'outstanding' by regulators. But we want to do better and drive-up quality at all our services.

We've now introduced additional staffing and enhanced the structures we had in place to support improvements in care delivery. A new permanent Executive Director of Quality and Compliance was recruited and started with the charity in May 2023. They are leading our quality and compliance activity, giving increased visibility of any issues identified. We've now strengthened our quality and compliance team, with redefined roles and specialists undertaking internal audits as part of annual plans for every service. Mental capacity and safeguarding roles are also in place to assist staff at services around any challenges. Towards the end of 2023/24 we also established a new quality and safeguarding improvement team within operational delivery. They are working with service managers to ensure any compliance issues or safeguarding concerns raised by internal audits are resolved and fully addressed, with support from other teams as necessary.

The safety and wellbeing of people we support remains our guiding principle. The charity is committed to responsibly increasing the level of digitalisation and use of technology at our services, as funds permit. During 2023/24 we began pilots in two services using new systems for digital care planning and management. Twelve additional services have been selected for initial wider roll out of these new systems in 2024/25. Ultimately, we want all our services to have good digital connectivity and making the most of available technology that benefit residents.



A resident during one of their physiotherapy sessions.

Work continues towards reshaping and modernising our care services, so they remain relevant to future generations and are attractive to younger disabled people. With many services requiring investment, we have undertaken a portfolio strategy to understand which services have the greatest needs and where there may be opportunities for new services, adaptation of existing ones, or reprovision through partnerships with others. Conversations with commissioning local authorities, regulators and other organisations who share our goals are ongoing as we further define our future direction.

Over the year we pushed again, along with other providers and disability organisations, for reform of social care and increased funding so that more disabled people can access high-quality person-centred care in a way which is flexible and supports their needs and aspirations. You can read more about our advocacy work later in this report.



Boosting independence at Bennett Court

A recently opened service is now supporting disabled people to live independently in Nailsea, near Bristol.

Bennett Court, developed with partners, is now home to 12 tenants with learning disabilities, with staff on hand to support people with daily tasks and learning new skills.

Tom is one of the tenants and enjoying life in his new home. “I can be more independent. It’s going well,” he said.

He enjoys mixing with his new friends at Bennett Court. “We’ll meet in each other’s flats during the day and cook in the evening.”

Tom likes to do all his shopping for meals, assisted by his support workers and goes to a local gardening group with some of the other tenants. All the tenants enjoy exploring the local area and going for walks.

He is happy to note that the nearest pub, is very close to Bennett Court. “We like going out for drinks!” he enthused.

Tom looks after his health too, thanks to sessions with a personal trainer. He’s also searching for a job or volunteer work, supported by staff to achieve these ambitions.

Disabled people in the UK are far less likely to be in employment than others who are not disabled.

Employment

181

Internships arranged in 2023/2024 with employers

The employment gap between disabled and non-disabled people has been consistently high. It's true that more disabled people are in employment than ever before, but levels vary widely between different types of disability and progress closing the gap shows signs of slowing. In recent decades during any given year, just over half of disabled people were in employment, compared to four in five people of working age without disabilities.

And it's not for want of trying. Even now, despite increased awareness, disabled people all too often can face wide ranging challenges getting started with a career that matches their abilities and aspirations. For those in work, inaccessible work practices and lack of adjustments or flexibility can mean individuals sometimes feel forced out of their jobs. Despite legislation against discrimination, prejudice, or barriers caused by problematic employment and recruitment practices, can result in disabled jobhunters and employees missing out on opportunities.

Sometimes employers want to attract and retain disabled talent. They just don't know how to effectively. Others are leading the way in this space.

While some disabled people cannot work because of their conditions, there is a huge amount of disabled talent out there which companies and organisations are not benefiting from. Through our flagship Change 100 internship programme for disabled graduates and students, our work supporting organisations become more inclusive, as well as advocacy and influencing work – we are doing all we can to unlock the jobs market for disabled people.

In 2023/24 we reshaped the way we delivered Change 100. Our employer partners are now significantly more involved in the recruitment and onboarding of their interns. We fully support our partners to interview and meet a selection of potential interns from our talent pool of disabled students and graduates.

We have also extended our Professional Development Programme for Change 100 candidates.

This means young people get more support prior to their placement and further opportunities to network and meet with accessible and inclusive employers throughout their internship.

In 2023/2024 we worked with employers to arrange 181 internships. These placements were at organisations such as MacMillan, Coca-Cola, BBC, Christie's auction house and the Civil Service.

During the year, Change 100 alumni described their experience of the transition between education and employment to a House of Lords inquiry. These opportunities, in November 2023 and March 2024, allowed our Change 100 alumni to give positive examples to decision-makers of what has been beneficial to them, as well as highlight what improvements were needed to increase the employment of disabled people.

"I would say that the skills I developed most were my communication skills. I have often struggled with writing emails, but my placement helped me to develop confidence in this area. Because of my condition, I can sometimes find it difficult to communicate. However, Change 100 helped me to network and develop friendships, which in turn has boosted my confidence."
– Eve, Change 100 intern

"I would absolutely 100 percent recommend Change 100 to someone else. It's really opened up my mindset to all of the possibilities of the working world. The programme is a great testing ground to explore your skills and it's ok to make mistakes. I felt a great sense of relief from being able to be my authentic self at the workplace. As someone starting off in their careers, I would urge people to definitely get on the programme."
– Salasa, previous Change 100 participant

Our Training and Consultancy team continues to support a range of organisations across the corporate, public and voluntary sectors, working with them to remove barriers, build inclusive workplaces and service provision, understand and adopt a best practice. Some of the organisations we worked with during 2023/24 included RNLI, Greater London Authority, The Treasury, Royal Society of Chemistry, The Health Foundation, the Commonwealth Parliamentary Association (CPA), Scouts, and Natural England.

With so many young disabled people struggling to start their careers and gain employment we know there's more we want to do. In coming years, we will be looking at other ways to support more young people, expanding our programmes and exploring opportunities for further partnerships.

Kickstarting careers

Our flagship Change 100 employment programme is designed to kickstart the careers of university students and recent graduates who have a disability or long-term health condition, by matching them with paid summer internships at leading UK employers.

Archie, who at the time was studying at the London School of Economics, secured a placement as an Impact intern at 10X Banking in 2023/24.

"I am really developing my communication skills which is helping me to develop my relationship with staff. I am also learning about the technical areas of finance which is helping me to develop my expertise," they said of their internship.

"Usually, getting additional adjustments and support is a long process, however, Change 100 arranged my additional requirements two months before my placement which has really helped me to settle in. I am receiving support around Zoom captions and Text to speech software which has supported my disability."

"It's been a great opportunity to have work experience with an employer and having the backing of the Change 100 programme has helped with my confidence. I would recommend the programme because you're guaranteed to receive the right type of support."

Leonard Cheshire's Training and Consultancy Team worked with The Health Foundation to review accessibility of one of its premises. The two organisations will partner again in 2024/25 for a further review of policies and practices relating to disability inclusion at The Health Foundation.

Supporting inclusion

"The Health Foundation is committed to embracing equity, diversity and inclusion by building and sustaining an open, inclusive and supportive environment which affirms the rights of individuals to be treated equitably and with respect. The detailed report and recommendations provided by Leonard Cheshire will help us to ensure that our physical workspace aligns with this commitment."





▼ Change 100 Intern Archie addresses fellow interns at a Professional Development event at The Foundry, London.

Fundraising

Our values of Positive, Proud and Pioneering are shared by the people and organisations that so generously choose to support us. We thank the thousands of people who donate to Leonard Cheshire, so they can positively impact the lives of disabled people. We are in awe of the individuals who proudly fundraise on our behalf, so disabled people can experience the quality of life they deserve. And we are grateful to the organisations who help fund our pioneering work, such as our innovative approach to Assistive Technology, to give greater independence to the disabled people who live with us. Thank you to everyone who chose to support Leonard Cheshire in the past year – we are truly grateful for your support. Here are just a few of our highlights:

Keep on running!

Our runners came out in force during the year as we recruited the largest post-Covid19 Leonard Cheshire London Marathon team. Over 100 Leonard Cheshire runners were set to pound the streets of London on Sunday 21 April 2024 – and in so doing raised over £140,000. The London Marathon is probably the most visible day in the UK's fundraising calendar, but we know that each and every day people are doing extraordinary things to raise money to support our work with disabled people. We're in awe of everything you do to build a more inclusive world for disabled people – thank you.

£140,000+

Thanks to the fantastic fundraising efforts of our supporters who ran the London Marathon, more than £140,000 was raised for Leonard Cheshire.



Leonard Cheshire supporter Nick running the Virgin Money London Marathon

In 2023/2024 we received over £1.81m from amazing supporters who remembered Leonard Cheshire in their Will.

Remembering Leonard Cheshire

The man Leonard Cheshire created the ultimate legacy by setting up the charity that still proudly carries his name today. More than 75 years on from this, people who remember Leonard Cheshire through a gift in their Will typically make up nearly two thirds of our annual donated income.

2023/2024 was a challenging year for the sector as probate delays had a real and detrimental effect on how quickly income from gifts in Wills is received by the benefiting charities. Despite this, we still received £1.81m (2023: £3.5m) from amazing supporters who remembered Leonard Cheshire in their Will. Their gifts mean they will continue to support disabled people well into the future, for which we are eternally grateful.

Compliance with fundraising standards

In 2023/24 we received 3 complaints regarding our fundraising activities (2022/23: 8). None required escalation or referral to external organisations, and all were dealt with internally. Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (CIoF) and the Direct Marketing Association (DMA). All required schemes and standards were complied with.



Our People

At the end of 2023/24, we employed 4,137 people across our UK organisation, with 95% being employed in frontline or support roles for our social care services. The headcount figure is 4% down overall from the prior year. The 4% reduction follows the voluntary and compulsory redundancy programmes in Support Services roles.

In 2023/24 we maintained a pause on all central activity around recruitment and coordination of volunteers. Locally sourced and managed volunteers support a small number of our services.

The organisation's recovery plan and its financial stability continued to be our priority focus. In people terms this required a further significant programme of consultation. Whilst our recovery plan in the prior financial year was focused on role reduction across our Support Services, in the last year focus switched to our frontline services with the introduction of the new operating model.

Our new operating model builds on a new costing model and reassessment of the care needs of every person we support.

Following this review we consulted with more than 2,000 employees on changes to shift times, handovers, rest breaks and removal of some ancillary roles, to bring consistency and substantial savings across our residential and nursing services in England.

The scale of change the organisation has undergone has brought with it an inevitable increase in the number of employee relations cases. With decisions continuing to be financially driven rather than employee experience led, cases ranged from informal through to tribunal cases which were strongly defended.

During the year we set out our People Strategy through to 2027. This will support the delivery and embedding of the changes needed from our recovery plan, the achievement of our future strategic objectives and a new organisational culture.

We identified the following five areas of strategic focus:

Registered Manager Development and Retention

Competency based learning and development framework for the updated requirements of the Registered Management roles. Assess the management

At the end of the financial year, we employed 4,137 people across our UK organisation, with 95% being employed in frontline or support roles for our social care services.

community against competencies, and design learning solutions to address the gaps.

Recruitment Attraction and Selection

Improve all aspects of recruitment to build our profile within the market and aid the attraction of prospective applicants and enhance the recruitment experience from application to appointment.

Performance Development

Employees know what is expected and, they have the support and tools to perform at their best. Provide better induction and probation support, everyone receiving regular feedback, and support to continually develop and maintain their wellbeing.

Developing our Culture

Develop a compassionate culture where all experience the very best place to work and volunteer with inclusivity at our core. Create the environment of engagement, collaboration, and support everyone's development, safety, health, and wellbeing.

People Services and Support

Technology enabled, rightsized and customer focused HR delivery model of embedded HR support focused on colleague development and service improvements through data driven decisions with relevant and engaging policies and procedures.

The need for flexibility is recognised as organisational priorities, challenges, and the wider sector continues to evolve and change, requiring our agility in our response and focus.

Recruitment

The care sector continues to be a challenging and a fiercely competitive market for us to recruit within, with the sector continuing to see saturation of vacancies. We have seen a marked increase in applications for our frontline roles, up 47% on prior year with the number of offers reducing to 1,500 which is reflective of the smaller number of services in the year. Of the 1,500 offers, 88% accepted and joined us in a frontline role during the year, all positively helping to drive down agency usage and cost.

As part of building our employer brand and reach we have expanded our profile and developed new relationship with Civvy Street (a publication for ex-armed forces personnel) and Restless, an app and website aimed at the 50+ market. This is in addition to a continued presence within the local communities around our Services through job fairs, local publications, and targeted social media campaigns.

We also recruited a new Board of Trustees, including Chair and new Committee Chairs for the People and Operations, and the Audit, Risk and Finance Committees.

Colleague Networks

We have a range of colleague networks aimed at strengthening communication and engagement across the workplace.

Equality, Diversity, and Inclusion (EDI) networks

Our aim is to create a diverse and inclusive workplace, where colleagues feel able to be themselves and valued for their individual contribution. We have three employee-led EDI networks:

The need for flexibility is recognised as organisational priorities, challenges, and the wider sector continues to evolve and change, requiring our agility in our response and focus.

- Disability Employee Network (DEN)
- Women's Network
- Cultural Diversity and Inclusion (CDI) Network

We have been working with the networks over the past year to support them to build the strength and reach of these networks to our colleagues.

The Women's Network achieved success during the year with their relaunch and their well-received sessions with our Chief Executive and external speakers.

Colleague Support Network

We have a well-established network focused on broad-based engagement with its employees. During the year we undertook an extensive review of the former Staff Association, leading to its relaunch and new identity as the Colleague Support Network.

- 'Colleague' signals an empowered approach to engagement: We are all colleagues working together, regardless of status, to make Leonard Cheshire a better organisation.
- 'Support' emphasises the commitment to supporting colleagues across Leonard Cheshire.
- 'Network' highlights that they seek to connect and work across boundaries.

The Colleague Support Network has continued to provide trusted support to colleagues through formal consultations and engagement processes of the past year.

Developing our People

We continue striving to optimise the Apprenticeship Levy, supporting colleagues to gain job-related skills and knowledge, as well as accredited qualifications.

Over the past year, we provided apprenticeships from level 2 to level 7, across 15 different subjects across frontline and support services roles:

- Adult care worker
- Healthcare assistant practitioner
- Lead adult care worker
- Lead practitioner in adult care
- Senior healthcare support worker
- Leader in adult care
- Team leader / supervisor
- Business administration
- Chartered manager (degree)
- Operations or departmental manager
- Senior leader
- Coaching professional
- Data protection and information governance practitioner
- Senior production chef
- Data technician

There was no staff satisfaction survey completed in 2023/24. However, there was a survey in 2024/25, and we are reviewing results and implementation plans.

Financial Review

The overall surplus, which includes proceeds of assets sales, of £0.5m achieved for 2023/24 represents a significant improvement from the deficit of £11.1m recorded last year. It reflects a number of key initiatives taken during the year to ensure that Leonard Cheshire retains adequate capital reserves and is a continuation of its operational transformation programme to remain financially sustainable in the future. As noted below, the Charity Commission's ongoing Statutory Inquiry has had a significant influence over the decisions taken, in particular with regard to increasing liquid reserves.

Total income of £151.8m was in line with last year (2022/23: £152.6m), most of which was received for providing social care services within the United Kingdom to support disabled people to live independent lives. Social Care income was broadly flat at £139.5m (2022/23: £141.8m) with net expenditure of £7.8m reducing by £4.2m from last year (2022/23: £12.0m).

Programme related income reduced to only £1.1m (2022/23: £4.9m) primarily due to a cessation of international activities during the year. Net programme expenditure reduced to £0.3m (2022/23: £1.5m) consistent with the cessation of international activities.

Income from donations and legacies declined to £3.0m (2022/23: £4.5m) with a reduced proportion received from legacies; the cost of raising funds decreased resulting in the net surplus from such activities reducing to £2.0m (2022/23: £2.9m).

Other non-charitable income during the year included recognition of Covid-19 support grants of £0.5m (2022/23: £0.1m) released from deferred income, as the charity is now content there is no requirement to repay the grants received and investment income of £0.3m (2022/23: £0.1m) from cash balances held on deposit account. Trading activities remained minimal.

A gain on property disposals of £7.4m (2022/23: £1.1m) was made in furtherance of our desire to hold higher cash balances. This, together with a £12.4m reduction in net charitable expenditure drove the £11.6m increase in overall net income to £2.4m (2022/23: net expenditure £9.3m) as compared with last year.

The net movement in funds increased by £0.5m during the year (2022/23: net charge of £11.1m), an improvement of £11.6m reflecting the reduced net expenditure. Actuarial losses on the defined benefit pension schemes were broadly flat at a charge of £1.8m (2022/23: charge £1.8m).

Cash held at 31st March 2024 of £17.2m is substantially higher than last year (31st March 2023: £4.0m) due primarily to the asset disposal programme. Excluding £1.9m of service users' funds held in trust,

£15.3m of Leonard Cheshire's cash was held across current and interest earning deposit accounts; this includes a bank account containing £1.7m of receipts where donor restrictions on spending the money apply, this has been in place since April 2022.

Overall funds at 31st March 2024 remained flat at £84.1m (31st March 2023: £83.7m), the bulk of which was held in property assets (net book value of freehold land & building of £48.4m). Unrestricted income reserves of £60.6m (2022/23: £61.5m) included £8.1m (2022/23: £8.1m) in relation to funds donated without legal restriction where we have designated spend at particular services in line with preferred donor wishes.

Restricted funds increased by £1.4m to £22.7m (2022/23: £21.3m) of which £1.7m (2022/23: £1.9m) was held in cash. A cash replenishment programme has begun whereby all restricted income received in cash by Leonard Cheshire, remaining unspent, is to be held in a separate bank account within the next 3 years.

Restricted reserves

The new Board of Trustees and Executive are committed to being transparent about the historical events that led to the previous Board of Trustees filing a serious incident report with the Charity Commission, and that resulted in the Charity Commission opening a Statutory Inquiry. The new Board of Trustees and Executive are fully co-operating with the Statutory Inquiry in an open and transparent way and are addressing the historical issues.

In 2017, the Charity embarked on a 5-year strategy (2017-22). Building upon the social care heritage in the UK and the global movement the founder created, the ambition was to continue extending Leonard Cheshire's impact in communities, and to increase the Charity's reach by supporting more disabled people in developing the skills and confidence that would aid their journeys to fulfilling and independent lives.

In subsequent years expenditure exceeded income, with drivers being expansion of activity ahead of related funding, and investment in key strategic projects, such as technology infrastructure.

The cumulative effect of continuing net deficits during 2019 to 2021 of approximately £25m, resulted in cash reserves falling to a critical level following which the previous Board filed a serious incident report with the Charity Commission in April 2022. This led to the Charity Commission opening a Statutory Inquiry in December 2022. At the time of publication, the Inquiry is ongoing, and the Charity Commission has not published a final report.

The Statutory Inquiry examines the administration, governance, and management of the charity. In particular:

- The extent to which the Trustees had adequate oversight of the Charity's finances.
- Whether the Trustees had complied with and fulfilled their duties and responsibilities as trustees under charity law.

During the Statutory Inquiry the Charity Commission became aware that cash donated as restricted funds had been spent down along with general reserves.

The Charity Commission has yet to publish its Statutory Inquiry findings but has expressed the view that the historical use of cash donated as restricted funds for purposes other than for which they were given amounted to a breach of trust. The Charity Commission has stated "The Charity used restricted liquid income as general funds and spent it down whilst assigning the value of the income to other pre-owned assets".

As reported in the 2019/20 Annual Report and Accounts, the previous Board approved changing the Reserves Policy from a 'free reserves' measure to one set in terms of liquidity i.e. cash in bank and managed investments.

Since filing the Serious Incident Report, the Charity, led by a new Board of Trustees, has taken several significant actions:

a. Commenced a 3-year Recovery Plan.

b. Strengthened financial controls.

c. Strengthened governance frameworks and practices.

d. Performed a comprehensive review to ensure that restricted income has been correctly recorded and expenditure correctly allocated against it.

e. Commenced replenishing restricted reserves with cash.

Due to historically poor IT systems and finance processes, the Charity was not able to identify all eligible expenditure related to specific restricted funds, resulting in an understatement of expenditure on restricted activities. This was addressed in the 2022-23 financial statements resulting in opening restricted funds of £21.3m as at 1 April 2023.

The 2023/24 Annual Report and Accounts reflects detailed analysis of current year movements in addition to the substantial exercise conducted last year. We continue not to charge centrally incurred costs to restricted funds in relation to running our services.

As reported in these 2023/24 accounts, the cash position of the Charity has improved and we concluded the 2023/24 financial year with the Charity having £15.3m in own cash, of which £1.7m is held in a separate account specifically set up to hold restricted income received from April 2022.

The new Board is committed to replenishing restricted reserves in cash within 3 years, whilst also ensuring that Leonard Cheshire retains sufficient operating liquidity to secure its longevity and continued support for disabled individuals.

The Board acknowledges that both these priorities impact donors and beneficiaries directly and that organisational instability, if replenishment of restricted reserves in cash was made too quickly, could affect confidence in the Charity and the Sector.

A Board Resolution has been passed in October 2024 endorsing the plan and methodology for replenishing liquid restricted reserves within 3 years, i.e. by 1 July 2027, with the reinstated cash funds being used as specified by the donors. The cash will be sourced primarily from divestment, in line with the existing 3-year Recovery Plan. To the extent that future expenditure can be offset against the £15.9m restricted funds (excluding fixed assets) as currently stated, the Board retains the option to reduce replenishment consistent with stated donor restrictions.

The Board has approved a new Liquidity and Reserves Policy such that:

a. Unrestricted cash and liquid assets will be held sufficient that the Charity is able to meet its forecast financial commitments as they fall due within the following 12 months.

b. Income received, both past and future, with donor restrictions will be held in segregated cash accounts until expensed in line with donor wishes.

Previously, the Policy required a minimum total level cash and managed investments to be held to ensure that the Charity was able to meet its financial commitments as they fell due and deliver on its strategic objectives, making an allowance for future risks and their potential financial consequences.

Going concern

The Trustees have considered operational liquidity using projected cashflows under Base Case and Severe but Plausible downside scenarios that extend to 31 March 2027 when assessing the appropriateness of applying the going concern basis in preparation of these consolidated and company financial statements.

Leonard Cheshire continues to undergo significant change to ensure that the services it offers are fit for purpose and can be delivered on a sustainable basis in the future. This involves a combination of asset disposals, fee increases to recognise the true cost of delivery and reduction in operational overheads, alongside which there will be significant reinvestment in, and redevelopment of its services.

These initiatives represent the key drivers underpinning our cashflow projections, together with replenishment of restricted income into liquid form over the next 3 years.

The projected cost of running existing services takes full account of the significant budget changes as announced in the Autumn 2024 Budget, in relation to increases in Employers' National Insurance contributions and minimum wage rate. Prudent assumptions have been made for annual fee inflation and staff cost of living awards, however anticipated further direct cost and efficiency savings in those services arising from ongoing initiatives are ignored. Head office and non-frontline care staff costs are targeted to reduce significantly, however only a proportion of those savings are included in the projections.

Current cash balances remain healthy following recent asset disposals. Modelled EBITDA to March 2027 excluding further expected asset disposals is considered sufficient to invest in essential technology systems' upgrades, maintain Leonard Cheshire's property portfolio to an acceptable standard and replenish unspent restricted income cash balances.

Anticipated discretionary expenditure in relation to upgrading and repurposing of services in line with our strategic aims has been excluded from the going concern review, as have future asset disposals which are a prerequisite to fund those plans together with net operational cashflow.

Taking into account the current liquidity of Leonard Cheshire, ongoing initiatives on fee income recovery and cost base rationalisation, the Trustees consider that Leanard Cheshire will maintain sufficient operational liquidity for a period of at least 12 months such that it is appropriate to prepare these financial statements on a going concern basis.

Streamlined Energy and Carbon Reporting

Environmental Intentions

Leonard Cheshire recognises the pressing global challenges of climate change and the charity's responsibility to minimise its environmental impact.

We remain committed to reducing our energy, fuel, water, and waste consumption while maintaining our focus on sustainability.

Additionally, we are acutely aware that individuals with disabilities are disproportionately affected by climate change and are more vulnerable to its adverse effects.

Environmental Approach

We recognise the importance of environmental responsibility and aim to reduce our carbon footprint, operate sustainably, and minimise waste in all our operations.

Key Actions:

- Reduce energy usage in our facilities by investing in energy-efficient technologies and adopting renewable energy sources.
- Implement sustainable procurement practices by choosing environmentally friendly suppliers and products.
- Promote recycling and waste reduction initiatives across all offices, care homes, and service locations.

During 2023/24, we continued to build upon our previous initiatives, delivering tangible results through our Net Zero Values:

- Prioritising the maintenance of existing resources.
- Working with suppliers to improve reporting on waste performance.
- Increasing requirements on suppliers regarding net zero commitments.
- Procuring renewable energy.
- Minimising waste production.
- Ensuring efficient resource utilisation.
- Transitioning from gas and oil to electric systems.

- Increasing self-generated energy capabilities.
- Offsetting unavoidable carbon emissions.

2023/24 Progress

Since our baseline reporting period of 2019/20, Leonard Cheshire has delivered a cumulative reduction in emissions. For the 2023/24 reporting year:

We achieved a **3.5% overall carbon reduction** over the year, equating to 285 tCO2e.

Scope 1 Emissions: Continued reductions due to the consolidation of service premises and the sustained practice of home working for office-based staff. New efficient gas boilers were installed where replacements were necessary, further lowering emissions.

Scope 2 Emissions: Further declines were achieved by:

- Replacing lighting with energy-efficient alternatives.
- Implementing advanced heating control systems and smart metering.
- Expanding the use of motion-detection lighting and timers.
- Continued reduced energy use in office spaces due to hybrid working arrangements.

Scope 3 Challenges

Despite positive strides in Scopes 1 and 2, Scope 3 emissions increased marginally due to:

- The internalisation of compliance-related Fire Risk Assessments, transferring some travel emissions from Scope 1 to Scope 3.
- A reduction in company car provisions, resulting in employees using personal vehicles for work-related travel.

These increases are anticipated to stabilise in future years, supported by our ongoing investment in digital solutions that reduce the need for travel.

Looking Forward to 2024/25

We will:

- Reduce energy usage in our facilities by investing in energy-efficient technologies and adopting renewable energy sources.
- Implement sustainable procurement practices by choosing environmentally friendly suppliers and products.
- Promote recycling and waste reduction initiatives across all offices, care homes, and service locations.

By maintaining our commitment to sustainability, Leonard Cheshire strives to reduce its environmental footprint while continuing to support and empower individuals with disabilities. Our progress in 2023/24 underscores our dedication to achieving Net Zero by 2050.

Carbon Footprint (Greenhouse Gas Emissions)

Type of emissions	Activity	tCO2e 2023/24	tCO2e 2022/23	tCO2e Baseline	YOY Variance	Baseline Variance
Direct (Scope 1)	Services Gas	4,351	3,325	4,026	130.9%	108.1%
	Services Oil	1,120	1,258	1,295	89.0%	86.5%
	Services LPG	684	659	555	103.8%	123.2%
	Company Vehicle	176	169	290	104.1%	60.7%
Energy Indirect (Scope 2)	Services Electricity	1,342	1,838	2,361	73.0%	56.8%
Other Indirect (Scope 3)	Personal Vehicle	188	880	714	21.4%	26.3%

Intensity metric

	2023/24	2022/23	Baseline
Number of employees (FTE's)	2,876	3,655	3,822
Tonnes of CO2e per employee	2.73	2.15	2.46

Assessment parameters

Baseline year	2019/20
Reporting organisation	Leonard Cheshire Disability
LCD Environmental Leads	Vanessa Davies, Executive Director, Quality and Compliance
Reporting period covered	1 April 2023–31 March 2024
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification 2019 baseline	Supported by Energy Managers Association Lead Assessor

Principal Risks and Uncertainties

The Trustees are ultimately responsible for risk management.

This year, the risk agenda continues to focus on financial recovery and associated measures, as well as care quality and future strategy. The ongoing underfunding by central government of social care across the sector remains a concern for us and other providers.

Fee negotiations with local authorities are progressing based on the actual cost of care provision, including the changing needs of service users and inflationary impacts.

The financial risk management objective is to consolidate the portfolio to achieve a financially sustainable operation which generates surpluses.

We have strengthened our resources in the areas of quality, safeguarding and regulatory compliance. Where we have exited from services, we have done so in a way that is responsible, seeking to achieve the best outcomes for residents through working with partners.

The Audit, Risk and Finance Committee reviews the Charity's risk register. The Committee also approves the annual risk based internal audit plan, receives internal audit reports and progress updates.

Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities.

Our most significant risks and mitigating actions are set out in the following table, in no particular order:

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	– Regular monitoring of Local Authority fees and payments, with plan focused on securing inflationary fee uplifts and fee recovery. – Individual care needs assessment defined to identify required fee increases in line with care needs. – Robust negotiations with Local Authorities. – Ongoing review and reduction of operating costs: reduction in agency costs through improved controls, recruitment, and retention of permanent staff. Reducing non-labour costs through improved controls. – Future strategy being defined with primary focus on nursing, supported living and extra care, as priority areas valued by Local Authorities, and review of portfolio being undertaken. – Advocacy on 'fair cost of care'.
Loss of public trust	– Governance frameworks and practices enhanced and aligned with Charity Governance Code. – All policies and guidelines being updated, Board and Committee approval levels defined, operational, quality and safety policies completed and being operationalised. – Compliance with relevant regulations and proactive engagement with Regulators, including proactive cooperation with the Charity Commission on the Statutory Inquiry, including disclosure in Annual Report and Accounts. – Proactive management of media, government, and civil society relationships.
Failure to meet safe quality standards	– Three-pronged approach to strengthening: a) people (capacity, capability, culture), b) practices (policies, guidelines, training, monitoring), c) tools (digital care plans, medication system). – Baseline audit of all services undertaken, with action plans defined and delivery monitored. – All operation, quality and safety policies and guidelines updated and being rolled out. – Digital care plans and medication management being implemented. – Clinical guidelines in place with clear instructions to staff. – Rigorous safeguarding, serious incident, health and safety, recruitment, and whistle blowing procedures in place. – Executive and Quality & Safety Committee oversight.

Potential risk:	Action taken to mitigate:
Serious breach of information or cyber security; failure to uphold rights of all individual data subjects	– Executive level ownership and support for information Governance and Security issues. – Monitoring and maintenance of the Data Processing Management System and business ownership for data processing activities. – Data protection policies built into terms and conditions for all staff. – Mandatory staff training undertaken on Information Governance and Security. – IT security policies in place. – Firewalls, automatically updated anti-virus software and email/internet filtering. – Multi-factor authentication for accessing IT systems and VPN to encrypt information.
Failure to manage 3-year Recovery Plan such that cost savings are not realised or adverse outcomes to service delivery are experienced	– Recovery plan to deliver savings and funding agreed with Board. – Monthly monitoring of key deliverables by Executive and Quarterly by Board. – Revised Delegation of Authority implemented and costs being controlled. – Strengthening financial controls. – Investment made in strengthening service quality and safety. Incl. investment in digital care and medication systems and staff capacity in key roles.
Not maintaining a clear focus on developing future strategy of organisation and priorities alongside recovery plan	– Board engaged in developing future strategy. – Local Authorities consulted on their expectations for future care provision and areas of strategic priority. – Recovery plan decisions made in context of future strategy.
Insufficient cash generated to replenish the restricted legacy cash balance within the 3-year timeframe of the plan	– The divestment strategy is forecast to deliver more cash than is required for the replenishment. – The divestment plan is ongoing monitored and reported to Board quarterly, and any emerging risks will be identified. – If required, additional divestment will be made to meet the replenishment requirements, as we proceed with reshaping our portfolio in line with the future strategy.
Unforeseen circumstances result in cash being required for other key priorities aside from the replenishment of restricted funds	– The Going Concern model is updated annually as part of statutory audit, on basis of worse case, likely case and best case, and realistic downside assumptions are factored in. – The Going Concern model will include replenishment requirements. – Assumptions within the Going Concern are monitored on an ongoing basis. – If required, additional divestment will be identified to meet replenishment requirements, as we proceed with reshaping our portfolio in line with the future strategy.

Plans for Future Periods

Leonard Cheshire is on a journey of modernisation as we reshape and resize the charity for the future. Important steps forward have been made during 2023/24. You can see in other parts of this report how we have performed against our goals and targets to date.

But achieving what we ultimately want to achieve for the charity and people we support through our care delivery and employment programmes will take time.

At the end of 2023/24, we were just over two years into our three-year recovery plan, set in February 2022. We are still putting in place the foundations for the future, making the changes necessary to improve our financial position and build funds for investment in key areas at an appropriate time, such as digitalisation of services. This essential work will continue in 2024/25.

Our long-term goal is to push the boundaries of what is possible in social care delivery, as we focus on nursing, supported living and extra care services. We will be exploring the potential of wider assistive technology use at our services, and new types of provision to meet the needs and preferences of younger generations of disabled people – all centred around creating greater independence and choice.

But we have to be realistic, and the change will take time. Operating in a challenging funding environment, our options for raising funds for investment in our buildings, technology, and staff are very limited. While we continue to streamline and reduce costs where we can – we will have to consolidate our operations. However hard, this means strategically exiting some provision to release funds that can help us improve the quality and impact of our retained residential services for disabled people.

Further work to define and agree our longer-term strategy will take place with Trustees in 2024/25.

Our charity has always fought for disabled people to have the same equal opportunities and choices as non-disabled people. Working in coalitions and independently, we will continue to be push Government and local authorities for positive changes in policies that benefit disabled people in their daily lives – particularly around areas such as social care reform and disability employment, as well as advocate for funding beyond that required for basic care. This is essential to set a higher standard of acceptable care.

Our other priorities for next year are:

1. **Continue to prioritise safe, effective delivery of care and support**

    a. Rollout of digital care planning and medications management across services.

    b. Continue momentum to control and reduce agency worker reliance.

    c. Responsibly exit from services where quality improvements are unsustainable.

2. **Successful delivery of key measures of recovery plan by the end of 2024/25**

    a. Strategically exit from our provision in Wales, transferring ownership to reputable providers.

    b. Define long-term portfolio strategy as part of our wider future organisational strategy and business plan.

    c. Continue to build funds for ongoing operational reserves requirements, future modernisation investment needs and to set aside funds to replenish restricted reserves cash.

    d. Implement targeted staff reductions in support functions, reducing costs and supporting operational surpluses in coming years.

3. **Refine and agree long-term strategy**

    a. During course of 2024/25 refine strategic objectives for the future, aligned to changing market needs, Local Authority expectations and meeting the needs of younger disabled people.

    b. Carry out Board and Executive engagement in Q3 2024/25 to agree future strategic focus.

4. **Lobby and campaign for positive change in key Government policy agendas that impact disabled people's daily lives**

    a. Work independently and as part of coalitions to influence positive policy commitments from new Government and ensure change and funding needs are prioritised.

    b. Continue to be a strong advocate for effective policy making in inclusive employment and other policy agendas that intersect, such as social security reform.

    c. Develop and pilot a new engagement model for Leonard Cheshire to ensure meaningful engagement with people who draw on our services and beyond to (a) strengthen our service proposition, (b) inform future strategy and (c) ensure our policy and advocacy is rooted in lived experience.

Structure, Governance and Management

Registration

The registered name of the Charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland and the Scottish registered charity number is SC005117. The address of the registered office is Regus, The News Building, 3rd Floor, 3 London Bridge Street, London SE1 9SG. It is governed by the Memorandum and Articles of Association, which were last amended on 22 February 2023.

Objects and public benefit

The objects of the Charity are to relieve the consequences of physical and/or mental disability by the provision, in the United Kingdom and overseas, of accommodation, services and support for the spiritual, social, physical and mental wellbeing of disabled people, by such means as are charitable, whatever their race, nationality, creed, sex or age.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2023/24. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Details of our charitable activities, achievements and performance are included in our Trustees' Report, including the Strategic Report.

Governance and operating structure

The **Board of Trustees** (the 'Board') meets at least four times a year.

Each year, it approves the annual budget and reviews the strategic plan of the Charity. Trustees set the strategic direction for the Charity. The Board of Trustees have delegated authority to the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an Executive Team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level.

At the commencement of 2023/24, there were five board committees: Audit and Risk, Finance, Governance and Nominations, People, and Quality and Safeguarding. From July 2023, following an extensive review of governance arrangements, there are four board committees comprising: Audit, Risk and Finance, People and Operations, Remuneration and Nominations, and Quality and Safety.

The **People and Operations Committee** is chaired by Valerie Todd. The Committee meets at least four times per year. It is responsible for:

- Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best-in-class employer of choice.
- Maintaining an overview of people and operations- related policies and practices in relation to all staff.
- Overseeing the development and delivery of the organisation's People Strategy, including recruitment, remuneration, training and development, and health and wellbeing.

The Committee approves the pay review evaluation and pay increases for staff in general. This is based on the principles of transparency, equity and fairness.

The **Quality and Safety Committee** is chaired by Julian Spurling (previously Michele Golden). The Committee meets at least four times per year. It is responsible for:

- Ensuring that the delivery of quality of service, compliance and care to the individual is a key focus of our activity.
- Making safety, effectiveness and customer experience central to the development, delivery and measurement of our services, by assessing care quality, customer and staff experience measurement data.
- Ensuring that learning and development needs are identified and appropriately met.
- Supporting innovation and the development of new care pathways.
- Ensuring that performance standards and policy changes relating to quality, healthcare and social outcomes are met.

- Receiving and considering reports relating to serious incidents in the provision of social care services.

The **Audit and Risk Committee** was chaired by Philip Cassidy until July 2023. The Committee has now merged with the Finance Committee to create the Audit, Risk and Finance Committee from July 2023.

The **Audit, Risk and Finance Committee** is chaired by Stephen Billingham. The Committee meets at least four times per year and combines the responsibilities of the former Audit and Risk Committee, and Finance Committee, including:

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate.
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- Considering the appointment, remuneration, effectiveness, and independence of internal and external auditors.
- Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgments contained therein.
- Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow.
- Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management.
- Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed.
- Recommending financial policies that are reserved to the Board, including the reserves policy.

The **Governance and Nominations Committee** was chaired by Hilary Sears until July 2023. From July 2023, it has been reconstituted as the **Remuneration and Nominations Committee** and is chaired by Neil Goulden. The Committee meets on an as-required basis. It is responsible for:

- Overseeing and planning Board and Committee governance arrangements related to membership, succession, composition, skills, training, diversity and appraisal of Trustees and the CEO.
- Monitoring and ensuring an effective Board composition, including identifying and recommending new members of the Board, succession planning, Trustee skills assessment and mapping of skills to corporate needs.
- Overseeing strategy for reward and remuneration of Executive Team members.

Director duties statement

Trustees, as directors of Leonard Cheshire, must act in accordance with a general set of duties, laid down in law and guidance from regulators. Trustees are obliged to report on how they have complied with their duty in regard to matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

In summary a director of a charitable company must act in a way he or she considers, in good faith, would be most likely to promote the success of the charity and the achievement of its charitable purposes. In doing this, a director would need to consider, amongst other things:

- The likely consequences of any decision in the long term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to more advice, information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviours expected of volunteers, staff and other stakeholders. The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

The Trustee Board sets and agrees the overall strategic direction of Leonard Cheshire. This is based on recommendations from the CEO and Executive Team, following appropriate scrutiny and challenge. Trustee decision making considers the Charity's sustainability and long- term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers through its People Strategy and workforce insight initiatives overseen by the People and Operations Committee. We have a strong working relationship with the Colleague Support Network (formerly Staff Association) who continue to play a key role in gathering the views of our colleagues across Leonard Cheshire. The Colleague Support Network Chair is invited to attend the People and Operations Committee.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent.

The Trustees of Leonard Cheshire are the sole members of the charity, and the charity is not run in the interests of the members but in the objects of the charity.

Appointment and induction of Trustees

All vacancies for Trustees are externally advertised. The Remuneration and Nominations Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees.

We place particular emphasis on the representation of disabled people.

New Trustees receive induction material and training, as well as additional training throughout their appointment.

The Trustees review the composition of the Board at regular intervals and decide whether there is a need to change the skill base. Trustees initially serve for a three- year period and then may be re-appointed for a further term of three years. In exceptional circumstances, an additional term of up to three years may be considered.

Emoluments

In 2023/24, Trustees received no emoluments.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so. The Charity also purchased and maintained throughout the financial year Trustees', directors' and officers' liability insurance in respect of itself and its directors.

Post-balance sheet event

Subsequent to the year end, in July 2024 two South Wales services, Ty Cwm and Danybryn, were sold for £2.95m and £3.5m respectively (see note 25 in the Financial Statements).

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 11 December 2024.



Neil Goulden
Chair, Board of Trustees

3.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Leonard Cheshire Disability for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In the case of each Trustee in office at the date the Trustees' Report is approved:

- So far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

4.

Auditors' Report

Independent auditors' report to the members and trustees of Leonard Cheshire Disability

Report on the audit of the financial statements

Opinion

In our opinion, Leonard Cheshire Disability's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2024; the Consolidated Statement of Financial Activities, the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, including the Strategic Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report, including the Strategic Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Report, including the Strategic Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and parent charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- understanding and evaluating the group and parent charitable company's control environment specifically as it relates to preventing and detecting irregularities and fraud;
- discussions with management, trustees and the group's legal advisors regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- identifying and testing journal entries, including journal entries where we identified particular risk criteria; and
- challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Frances Cucinotta
(Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

13 December 2024.

5.

Financial Statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2024 £'000**	Totals 2023 £'000	Notes
Income and Endowments from:						
Donations and legacies	1,172	1,796	-	**2,968**	4,496	3A
Charitable Activities – Social Care	139,365	126	-	**139,491**	141,819	
Charitable Activities – International Programmes	-	25	-	**25**	3,443	3D
Charitable Activities – UK Programmes	565	514	-	**1,079**	1,494	3E
Other trading activities	4	1	-	**5**	17	
Government support – Covid-19	544	-	-	**544**	132	3C
Investment income	340	-	-	**340**	104	4
Net gain/(loss) on fixed asset disposals	7,629	(257)	-	**7,372**	1,068	
Total	**149,619**	**2,205**	**-**	**151,824**	**152,573**	
Expenditure on:						
Raising funds	885	112	-	**997**	1,628	5
Charitable Activities – Social Care	146,654	649	-	**147,303**	153,797	5
Charitable Activities – International Programmes	277	4	-	**281**	3,882	5
Charitable Activities – UK Programmes	1,005	79	-	**1,084**	2,573	5
Campaigning	218	-	-	**218**	408	5
Total	**149,039**	**844**	**-**	**149,883**	**162,288**	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2024 £'000**	Totals 2023 £'000	Notes
Revaluation of investment properties	416	-	-	**416**	464	11
Net income/(expenditure)	**996**	**1,361**	**-**	**2,357**	**(9,251)**	
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	(1,847)	-	-	**(1,847)**	(1,800)	21
Net movement in funds	**(851)**	**1,361**	**-**	**510**	**(11,051)**	
Reconciliation of funds:						
Total funds brought forward	61,481	21,326	857	**83,664**	94,715	
Total funds carried forward	**60,630**	**22,687**	**857**	**84,174**	**83,664**	17

All activities relate to continuing operations. The Group has no recognised gains or losses except those included above and, therefore, no separate statement of recognised gains and losses has been prepared.

The Notes on pages 57 to 102 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2024

Company Number 00552847

Charity number 218186

	2024 £'000	2023 £'000	Notes
Fixed assets			
Tangible assets	**64,287**	76,995	9
Intangible assets	**3,734**	4,299	10
Investments	**4,327**	4,761	11
Total fixed assets	**72,348**	**86,055**	
Current assets			
Investments	**15**	15	12
Debtors	**16,531**	21,598	13
Cash at bank and in hand	**17,199**	3,985	14
Total current assets	**33,745**	**25,598**	
Liabilities			
Creditors: Amounts falling due within one year	**(18,353)**	(25,430)	15
Net current assets	**15,392**	168	
Total assets less current liabilities	**87,740**	86,223	
Creditors: Amounts falling due after more than one year	**(330)**	(480)	15
Provisions for liabilities	**(3,298)**	(2,071)	16
Net assets excluding defined benefit pension asset/liability	**84,112**	83,672	
Defined benefit pension scheme asset/(liability)	**62**	(8)	21
Total net assets	**84,174**	**83,664**	

	2024 £'000	2023 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**22,687**	21,326	17
Unrestricted funds			
Designated	**8,111**	8,111	17
General	**48,456**	48,943	17
Revaluation reserve	**4,001**	4,435	17
Pension reserve	**62**	(8)	17
Total unrestricted funds	**60,630**	**61,481**	
Total Charity funds	**84,174**	**83,664**	

The financial statements on pages 48 to 102 were approved by the Trustees on 13 December 2024 and signed on their behalf by:



Neil Goulden
Chair of Trustees



Stephen Billingham
Chair of the Audit, Risk and Finance Committee

Company Balance Sheet

as at 31 March 2024

Company Number 00552847

Charity number 218186

	2024 £'000	2023 £'000	Notes
Fixed Assets			
Tangible assets	**64,286**	76,990	9
Intangible assets	**3,734**	4,299	10
Investments	**4,327**	4,761	11
Total fixed assets	**72,347**	**86,050**	
Current Assets			
Investments	**15**	15	12
Debtors	**14,335**	17,338	13
Cash at bank and in hand	**17,117**	3,801	14
Total current assets	**31,467**	**21,154**	
Liabilities			
Creditors: Amount falling due within one year	**(18,555)**	(24,155)	15
Net current assets/(liabilities)	**12,912**	(3,001)	
Total assets less current liabilities	**85,259**	83,049	
Creditors: Amount falling due after more than one year	**(330)**	(480)	15
Provisions for liabilities	**(3,294)**	(2,071)	16
Net assets excluding defined benefit pension asset/(liability)	**81,635**	80,498	
Defined benefit pension scheme asset/(liability)	**62**	(8)	21
Total net assets	**81,697**	**80,490**	

	2024 £'000	2023 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**22,602**	21,241	17
Unrestricted funds			
Designated	**8,080**	8,185	17
General	**46,095**	45,780	17
Revaluation reserve	**4,001**	4,435	17
Pension reserve	**62**	(8)	17
Total unrestricted funds	**58,238**	**58,392**	
Total Charity funds	**81,697**	**80,490**	

The net change in funds for the year of the parent Charity was £0.51m (2023: net deficit of £11.05m). This includes Gift Aid of £190,868 (2023: £376,076) from Leonard Cheshire Services CIC.

The financial statements on pages 48 to 102 were approved by the Trustees on 13 December 2024 and signed on their behalf by:



Neil Goulden
Chair of Trustees



Stephen Billingham
Chair of the Audit, Risk and Finance Committee

The Notes on pages 57 to 102 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	Reference	**2024 £'000**	2023 £'000
Cash flows from operating activities:			
Net cash (used in)/generated from operating activities	**A**	**(2,958)**	**2,245**
Cash flows from investing activities:			
Dividends, interest and rents from investments		**340**	104
Proceeds from the sale of tangible assets and investment properties *		**17,128**	2,132
Purchase of tangible assets		**(1,296)**	(1,187)
Purchase of intangible assets		**-**	(3)
Net cash generated from investing activities		**16,172**	**1,046**
Change in cash and cash equivalents in the reporting year		**13,214**	3,291
Cash and cash equivalents at the beginning of the reporting year		**3,985**	694
Cash and cash equivalents at the end of the reporting year	**Note 14**	**17,199**	**3,985**

* In the proceeds from the sale of tangible assets are proceeds of £16.28m from the sale of property, plant and equipment, and £0.84m from the sale of investment property.

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	2024 £'000	2023 £000
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting year (as per the Statement of Financial Activities)	**2,357**	(9,251)
Adjustments for:		
Amortisation, depreciation and impairment charges	**5,423**	6,028
Amortisation on programme related investment	**-**	20
Revaluation of investment properties	**(416)**	(464)
Dividends, interest and rents from investment	**(340)**	(104)
Gains on the sale of fixed assets	**(7,372)**	(1,076)
Difference between pension contributions and total pension expenses	**(1,677)**	(1,583)
Decrease in debtors	**5,067**	6,587
(Decrease)/Increase in creditors	**(7,227)**	5,343
Increase/(Decrease) in provisions	**1,227**	(3,255)
Net cash (used in)/generated from operating activities	**(2,958)**	**2,245**

Notes to the financial statements

For year ending 31 March 2024

1. Accounting policies and basis of preparation of financial statements

General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – "Accounting and Reporting by Charities" and with applicable accounting standards in the United Kingdom, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost basis of accounting as modified for the valuation of investments at market value.

The charitable company is a private company limited by guarantee, without share capital, incorporated in England and Wales. The registered number is: 00552847 and the charity number is: 218186.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. The trustees are confident that accounting for the charity as a going concern is appropriate.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

No separate statement of financial activities (SOFA) has been presented for the parent charity alone, as permitted by Section 408 of the Companies Act 2006.

The SOFA and balance sheet consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings.

The Charity is a public benefit entity.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The parent charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity, and the Group statement of cash flows included in these financial statements includes the cash flows of the parent charity.

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2024. In addition, the results of the wholly owned subsidiaries: The Leonard Cheshire Foundation (Isle of Man) Limited; Leonard Cheshire Trading Limited; Leonard Cheshire Services CIC; Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line-by-line basis, and the balances and transactions between Group companies are eliminated on consolidation.

Income Policies

Donations are recognised in income upon receipt. Gift Aid receivable is included in income when there is a valid declaration from the donor and the donation has been received.

Income for our UK and international programme activity is recognised when we are entitled to recognise it as a result of our performance. Where income is received in advance, it is deferred and is included as a liability until the conditions of entitlement are met, at which point the income is recognised and the liability released. Where entitlement occurs before income is received, the income is accrued and included in current assets.

Where the Charity receives gifts of goods or services in kind, of a measurable value to the Charity, the gift is included as both income and expenditure, with both elements recognised in the statement of financial activities when the benefit is received.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established, and it can be measured with reasonable accuracy.

Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received. Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is from the supply of services under contractual arrangements and is recognised when the service has been provided.

Income from other trading activities includes income from both trading activities to raise funds for the Charity and income from sale of merchandise. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable, and the amount is measurable.

Investment income consists of dividends, interest received and rents from investment properties; and is shown gross as the amount received in the year before deduction of any associated costs.

Covid-19 income consists of government support for specific Covid-19 related costs, such as the infection control and the job retention scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Grant income is recognised in the financial statements when the conditions have been fulfilled and the Charity becomes entitled to payment. When a grant is received but the conditions have not been met, recognition is deferred to future accounting periods. Deferred grant income at the year-end is included in creditors.

Expenditure Policies

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

The cost of raising funds for donations and legacies income is the cost relating to voluntary contributions as well as costs relating to marketing, branding and increasing public awareness of the Charity. The costs of charitable activities include all expenditure directly relating to the objectives of the Charity.

Support costs have been allocated to the cost of raising funds and the appropriate charitable activity in accordance with Charities SORP. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs.

The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full-time equivalent employees allocated to each activity during the financial year. The categorisation and allocation of these support costs is detailed in note 5. They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustees expenses, trustees insurance, internal/external audit costs and other professional fees, and have been allocated proportionately across charitable activities.

Any irrecoverable VAT is either charged to the SOFA within the item of expense to which it relates or capitalised as part of the cost of the related asset, as appropriate.

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease. Any lease incentives (such as rent-free periods) are spread over the life of the lease or the period to the first rent review, whichever falls earlier.

Going concern

The Trustees have considered operational liquidity using projected cashflows under Base Case and Severe but Plausible downside scenarios that extend to 31 March 2027 when assessing the appropriateness of applying the going concern basis in preparation of these consolidated and company financial statements.

Leonard Cheshire continues to undergo significant change to ensure that the services it offers are fit for purpose and can be delivered on a sustainable basis in the future. This involves a combination of asset disposals, fee increases to recognise the true cost of delivery and reduction in operational overheads, alongside which there will be significant reinvestment in, and redevelopment of its services.

These initiatives represent the key drivers underpinning our cashflow projections, together with replenishment of restricted income into liquid form over the next 3 years.

The projected cost of running existing services takes full account of the significant budget changes announced by the Chancellor of the Exchequer in relation to increases in Employers' National Insurance contributions and Minimum wage rate. Prudent assumptions have been made for annual fee inflation and staff cost of living awards, however anticipated further direct cost and efficiency savings in those services arising from ongoing initiatives are ignored. Head office and non-frontline care staff costs are targeted to reduce significantly, however only a proportion of those savings are included in the projections. Current cash balances remain healthy following recent asset disposals. Modelled EBITDA to March 2027 excluding further expected asset disposals is considered sufficient to invest in essential technology systems' upgrades, maintain Leonard Cheshire's property portfolio to an acceptable standard and replenish unspent restricted income cash balances.

Anticipated discretionary expenditure in relation to upgrading and repurposing of services in line with our strategic aims has been excluded from the going concern review, as have future asset disposals which are a prerequisite to fund those plans together with net operational cashflow. Taking into account the current liquidity of Leonard Cheshire, ongoing initiatives on fee income recovery and cost base rationalisation, the Trustees consider that Leanard Cheshire will maintain sufficient operational liquidity such that it is appropriate to prepare these financial statements on a going concern basis.

Pensions

Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS102. The following elements are charged to the SOFA:

1. The service costs of pension provision relating to the period, together with the cost of any benefits relating to past service;

2. The net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities; and

3. The actuarial gain or loss on scheme assets and liabilities.

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if the group is able to recover the surplus.

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet, as appropriate.

In line with FRS 102, where there is insufficient information to appropriately calculate an employer's scheme assets or liabilities in respect of multi-employer pension schemes, defined benefit pension schemes are accounted for and disclosed as defined contribution schemes.

They are recognised using discounted future cashflows in respect of funding deficit reduction plans and are presented within Provisions for Liabilities.

Defined contribution pension scheme costs represent the contributions payable for the period. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Currently, employer contribution for pension is between 4% and 11% (2023: 4% - 11%).

Liability Policies

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The Charity has recognised specific provisions for:

1. Dilapidations on leasehold properties – this relates to the estimated future cost of building work required when vacating leasehold premises;

2. Redundancy costs – these costs are payable where notification of intended redundancy was made before year end;

3. Annual Leave Provision – annual leave provision represents a potential liability due to working time directive case law;

4. Other provisions – these represent estimates of future expenditure on a number of matters such as pensions where the outcome is not known with certainty.

The Group is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The functional currency of the entity and all active subsidiaries is the pound sterling.

Transfers of monies between the UK and foreign countries are translated at the spot rate of exchange at the date of the transaction.

Transactions denominated in foreign currencies are translated at the average rate of exchange for the month in which the transaction occurred.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

Volunteers

The charity appreciates the hard work and dedication of its volunteers. 85 (2023: 75) volunteers engaged in a number of activities supporting our social care services, fundraising and campaigning.

The contribution of volunteers is not recognised in the accounts as it is impractical to value given the absence of a reliable measurement basis.

Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 (except for IT equipment where the limit is £400) is capitalised and depreciation or amortisation (as appropriate) is charged at the following annual rates on cost:

1. Freehold land and buildings and improvements to freehold land and buildings at 2 percent per annum;

2. Leasehold properties and improvements to leasehold properties over the remaining period of the lease;

3. Furniture, fittings, equipment and vehicles at 5-25 percent per annum; and

4. Intangible assets amortised at 10 percent per annum to reflect the likely useful life of such assets, our major component being the organisational back-office system, MS Dynamics.

Freehold and leasehold properties are not revalued and are included at their depreciated historic cost. Freehold land is not depreciated except where it is not possible to separate the land from the buildings. Assets under the course of construction are not depreciated until they are brought into use.

If an indication of any impairment to the carrying value of tangible assets existed at the balance sheet date, the asset's recoverable amount is estimated and an impairment loss recognised in the fund to which the asset relates.

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently measured at fair value, which reflects market conditions at the balance sheet date.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or end of owner occupation.

Gains or losses arising from changes in the fair values of investment properties are included in the SOFA in the year in which they arise.

Programme related investments are made to provide charitable benefits and are stated at original cost and are amortised over the length of the period of the associated management agreement or the period over which the investment will provide benefit where this is shorter.

Investments are included in the financial statements at closing price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy. If the capital grant has conditions attached which would require repayment, we recognise a liability for the grant once the condition such as an irrecoverable decision to dispose of the asset, are met.

Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied.

2. Assets purchased using restricted funds then become restricted assets and form part of the restricted reserves, reducing over the useful life of the asset. If an asset is part-funded through restricted reserves the asset is part restricted to the same proportion as the funds used and depreciated accordingly. Upon disposal, unless otherwise specified in the restriction any funds from disposal are returned to the Unrestricted funds.

3. Spend is applied to the Restricted funds in line with the restrictions applicable, this may be through direct costs or allocation of attributable overhead costs.

4. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained.

5. Expendable endowment funds can be used for general purposes.

6. Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity.

7. Designated funds which have been set aside at the discretion of the Trustees for specific purposes, but which otherwise form part of the unrestricted Group designated funds some of which is for future capital developments which are for the long-term use of its service users. These funds were received at service level with a preference but no legal restriction as to their use.

The pension reserve reflects the difference between the net assets and liabilities of the pension schemes, measured on an FRS 102 basis.

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of funds targets take into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk.

In recognition of the need to ensure that adequate liquid reserves are held, the Trustees have approved a new Reserves Policy such that:

a. Unrestricted cash and liquid assets will be held sufficient that the Charity is able to meet its forecast financial commitments as they fall due within at least the following 12 months.

b. Income received, both past and future, with donor restrictions will be held in segregated cash accounts until it is spent in line with donor wishes.

With regard to new income this policy has been in place since April 2022 and in respect of past income, the new policy takes account of the planned replenishment of liquid restricted funds over the next 3 years.

Previously, the Reserves Policy required a minimum total level of cash and managed investments to be held to ensure that the Charity was able to meet its financial commitments as they fell due and deliver on its strategic objectives, making an allowance for future risks and their potential financial consequences.

The Charity's Reserve Policy is discussed in the Financial Review section.

Other Policies

Funds belonging to people who use our services that are held by us in safe custody on their behalf are separately recorded as both cash and liabilities on the balance sheet.

Critical Accounting Judgements and Estimation Uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual costs.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

1. Defined benefit pension scheme (note 21). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the asset depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension asset in the balance sheet. The assumptions reflect historical experience and current trends.

2. Investment properties (note 11). This year, the Charity has undertaken Directors' valuation of investment properties by a qualified RICS employee. In the prior year, external valuations were obtained.

3. Provisions (Debtors). The charity has made provision for potential non-recoverability of debtor balances when invoices are 365 days past its due date. This is based on a 10% provision on debts outstanding with local Authorities or NHS bodies. An additional provision of 90% is held against all debts with self or other funders over 365 days past due.

Judgements

These accounts include judgements as noted below.

1. Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established, and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

2. Defined benefit pension scheme surplus – The net surplus at 31 March 2024 of £480,000 on The Pension Trusts Growth Plan scheme and £331,000 in Clwyd Pension Fund has not been recognised in these financial statements, and therefore capped, as it is not currently possible to demonstrate that this is recoverable by the charity.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2024

	Year ended 31 Mar 2024				Year ended 31 Mar 2023			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2024 £'000**	Unrestricted funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2023 £'000**
Income & Endowments from:								
Donations and legacies	1,172	1,796	-	**2,968**	3,469	1,027	-	4,496
Charitable Activities – Social Care	139,365	126	-	**139,491**	141,495	324	-	141,819
Charitable Activities – International Programmes	-	25	-	**25**	-	3,443	-	3,443
Charitable Activities – UK Programmes	565	514	-	**1,079**	870	624	-	1,494
Other trading activities	4	1	-	**5**	17	-	-	17
Government support – Covid-19	544	-	-	**544**	132	-	-	132
Investment income	340	-	-	**340**	104	-	-	104
Gain on property disposal	7,629	(257)	-	**7,372**	1,059	9	-	1,068
Total	**149,619**	**2,205**	**-**	**151,824**	**147,146**	**5,427**	**-**	**152,573**
Expenditure on:								
Raising funds	885	112	-	**997**	1,626	2	-	1,628
Charitable Activities – Social Care	146,654	649	-	**147,303**	152,455	1,342	-	153,797
Charitable Activities – International Programmes	277	4	-	**281**	546	3,336	-	3,882
Charitable Activities – UK Programmes	1,005	79	-	**1,084**	1,458	1,115	-	2,573
Campaigning	218	-	-	**218**	408	-	-	408
Total	**149,039**	**844**	**-**	**149,883**	**156,493**	**5,795**	**-**	**162,288**
Revaluation of investments	416	-	-	**416**	464	-	-	464
Net (expenditure)/income	**996**	**1,361**	**-**	**2,357**	**(8,883)**	**(368)**	**-**	**(9,251)**
Other recognised losses:								
Actuarial losses on defined benefit pension schemes	(1,847)	-	-	**(1,847)**	(1,800)	-	-	(1,800)
Net movement in funds	**(851)**	**1,361**	**-**	**510**	**(10,683)**	**(368)**	**-**	**(11,051)**
Reconciliation of funds:								
Total funds brought forward	61,481	21,326	857	**83,664**	72,164	21,694	857	94,715
Total funds carried forward	**60,630**	**22,687**	**857**	**84,174**	**61,481**	**21,326**	**857**	**83,664**

3. Income

3A. Donations and legacies

	Restricted £'000	Unrestricted £'000	**Total 2024 £'000**	Restricted £'000	Unrestricted £'000	Total 2023 £'000
Legacies	1,636	173	**1,809**	740	2,772	**3,512**
Donations (Note 3B)	160	999	**1,159**	287	697	**984**
Total (Donations & Legacies)	**1,796**	**1,172**	**2,968**	**1,027**	**3,469**	**4,496**

£0.13m (2023: £0.49m) of legacies have been notified but not accrued in line with our legacy policy.

3B. Detail of Total Donations

	Total 2024 £'000	Total 2023 £'000
Individual Giving	**698**	410
Other donations	**117**	190
Regional and Local fundraising	**129**	161
Trusts and Foundations	**51**	110
Events	**107**	83
Corporate – Cash	**57**	18
Major Donors	**-**	12
Total	**1,159**	**984**

3C. Government support – Covid-19

Funder type	Total 2024 £'000	Total 2023 £'000
Local Authority Support	**544**	132
Total	**544**	**132**

This is the release of previously deferred income (Covid-19 support), where the conditions for recognition are met, and no refund is expected.

The following projects received support from these organisations:

3D. Charitable activities – International Programmes

				Year Ended 31 March 2024		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind – Education for Life	AAIK/ LNG/100523	-	30	**30**
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health *	PIN60L3H1, PIN60L3H2	-	(97)	**(97)**
	Other Grants & Contracts			-	92	**92**
Total				**-**	**25**	**25**

* Some projects have cash refunded where the grant has not been utilised, or adjustments made to previously accrued income

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - Innovating Pathways	300055-107	-	527	**527**
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	816	**816**
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind-Education for Life	AAIK/ LNG/100523	-	828	**828**
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	24	**24**
	UK Foreign, Commonwealth & Development Office	Inclusive Preparedness-Giving Voice Through Pictures and Words	66294	-	33	**33**
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health		-	331	**331**

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	-	2	**2**
Governments and Institutions	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with Disabilities in Asia and Pacific	4500446521	-	16	**16**
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh		-	114	**114**
		Disability Inclusive Development Programme (DID) Kenya		-	52	**52**
		Disability Inclusive Development Programme (DID) Tanzania		-	239	**239**
		Disability Inclusive Development Programme (DID) Nepal		-	126	**126**

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Corporates, Individuals, Trusts & Foundations	Motability Foundation	UK– Accessible Taxis User Research		-	145	**145**
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/ LC/20-22	-	33	**33**
	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	44	**44**
Corporates, Individuals, Trusts & Foundations	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	61	**61**
	Other Grants & Contracts			-	52	**52**
Total				**-**	**3,443**	**3,443**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Year Ended 31 March 2024		
Funder type	**Funder**	**Project Name**	**Project/ grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru *	20071186	(43)	-	**(43)**
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	53	**53**
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	168	**168**
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	19	**19**
Corporates, Individuals, Trusts & Foundations	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	63	**63**
	Various	Change 100 internships		565	15	**580**
	Other Grants & Contracts			43	196	**239**
Total				**565**	**514**	**1,079**

* Some projects have cash refunded where the grant has not been utilised, or adjustments made to previously accrued income

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	129	**129**
	National Lottery - Sport England	Randall Close - Road to Me		-	146	**146**
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	-	102	**102**
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	23	**23**
	Southwark Council	Southwark Advice Plus		-	45	**45**
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	99	**99**
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London*	LON/1/6	-	(56)	**(56)**
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	45	**45**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	191	**191**
Governments and Institutions	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	8	**8**
	Sport England	All Active Together	2020029655	-	22	**22**
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	101	**101**
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries*	20123152	-	(3)	**(3)**
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do		-	(786)	**(786)**
	Bank Workers Charity	Bank Workers Charity		19	-	**19**
	3I	Changing Futures London		-	30	**30**
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	145	**145**
	Gallaher Limited	TechWorks Project Delivery & Mgmt		-	82	**82**

* Some projects have cash refunded where the grant has not been utilised, or adjustments made to previously accrued income

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/ Grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing *	SSSTSG 20-23/26	(113)	135	**22**
	Various	Change 100 internships		735	2	**737**
	Other Grants & Contracts			229	164	**393**
Total				**870**	**624**	**1,494**

* Some projects have cash refunded where the grant has not been utilised, or adjustments made to previously accrued income

4. Investment income

	2024 £'000	2023 £'000
Bank interest	262	7
Rent from investment properties	78	97
Total	**340**	**104**

5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	**Total 2024 £'000**	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	**Total 2023 £'000**
Fundraising	662	335	-	**997**	1,302	309	17	**1,628**
Total costs of raising funds	**662**	**335**	**-**	**997**	**1,302**	**309**	**17**	**1,628**
Charitable activities								
Social care	100,854	25,248	21,201	**147,303**	105,977	23,574	24,246	**153,797**
International services	83	198	-	**281**	1,395	2,346	141	**3,882**
UK Programmes	763	118	203	**1,084**	1,926	267	380	**2,573**
Campaigning	168	27	23	**218**	389	19	-	**408**
Total charitable activities	**101,868**	**25,591**	**21,427**	**148,886**	**109,687**	**26,206**	**24,767**	**160,660**
Total resources expended	**102,530**	**25,926**	**21,427**	**149,883**	**110,989**	**26,515**	**24,784**	**162,288**

The above table analyses by expense category the costs related to the fundraising and charitable activities of the Group. These costs include both primary costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The direct staff costs include employed and agency staff and associated direct employment costs whilst all other operational costs are included in other direct costs. The allocated support costs, which also include an element of staff and other operational costs, are apportioned across the specific activities in accordance with the number of full-time equivalent employees allocated to each activity at the end of the financial year.

5. Total resources expended (continued)

The categorisation and allocation of these support costs is shown in the table below.

	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	**Total 2024 £'000**	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	**Total 2023 £'000**
Support costs								
Fundraising	-	-	-	**-**	7	8	2	**17**
Social care	5,840	12,982	2,379	**21,201**	10,240	11,660	2,346	**24,246**
International services	-	-	-	**-**	59	68	14	**141**
UK Programmes	56	124	23	**203**	160	183	37	**380**
Campaigning	6	14	3	**23**	-	-	-	**-**
Total	**5,902**	**13,120**	**2,405**	**21,427**	**10,466**	**11,919**	**2,399**	**24,784**

6. Governance cost

	2024 £'000	2023 £'000
Internal Audit	**62**	**29**
External Audit		
Audit services current year	**695**	**400**
Amounts payable to auditors in respect of additional costs for the prior year audit	**80**	**211**
Non-audit services	**7**	**18**
Governance and professional support for Trustees	**1**	**1**
Total	**845**	**659**

The total Trustee expenses incurred by LCD or reimbursed during the year was £671 (2023: £924) which related to travel and subsistence. The number of Trustees who were reimbursed was 3 (2023: 1).

The audit fees shown above are exclusive of VAT.

7. Group net expenditure

	2024 £'000	2023 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	**4,858**	5,452
Amortisation – intangible fixed assets	**565**	575
Programme related investments amortisation	**8**	20
Operating lease rentals:		
Property	**1,826**	1,619
Equipment	**483**	744
Auditors' remuneration – external audit	**857**	611
Auditors' remuneration – other	**7**	18
Exchange rate loss/(gains)	**1**	(22)

8. Staff costs

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Wages and salaries	**87,546**	86,578	**87,202**	86,189
Social security costs	**6,711**	7,645	**6,686**	7,616
Other pension costs	**3,189**	3,548	**3,182**	3,539
Other staff benefits	**188**	350	**188**	350
Redundancy costs	**1,461**	2,552	**1,460**	2,542
Total	**99,095**	**100,673**	**98,718**	**100,236**

The provision for redundancies to be paid at 31 March 2024 (included above) is £572,139 (2023: £771,000). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year-end date, yet still on a best estimate basis.

8. Staff costs (continued)

The average monthly headcount for the Group was 4,245 staff (2023: 4,489 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Group 2024 Staff FTE	2023 Staff FTE
Volunteering	**-**	2
Social care	**2,832**	2,947
International	**-**	17
Campaigning	**3**	-
UK Programmes	**23**	46
Governance	**4**	-
Support	**157**	119
Total	**3,019**	**3,131**

The average monthly headcount for the company was 4,218 staff (2023: 4,336 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Company 2024 Staff FTE	2023 Staff FTE
Volunteering	**-**	2
Social care	**2,819**	2,933
International	**-**	17
Campaigning	**3**	-
UK Programmes	**23**	46
Governance	**4**	-
Support	**157**	119
Total	**3,006**	**3,117**

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group 2024 Staff	2023 Staff	Company 2024 Staff	2023 Staff
£60,001 - £70,000	**17**	23	**17**	23
£70,001 - £80,000	**9**	11	**9**	11
£80,001 - £90,000	**6**	5	**6**	5
£90,001 - £100,000	**2**	4	**2**	4
£100,001 - £110,000	**1**	6	**1**	6
£110,001 - £120,000	**2**	1	**2**	1
£120,001 - £130,000	**2**	1	**2**	1
£130,001 - £140,000	**1**	1	**1**	1
£140,001 - £150,000	**1**	1	**1**	1
£150,001 - £160,000	**1**	1	**1**	1
£220,001 - £230,000	**-**	1	**-**	1
Total	**42**	**55**	**42**	**55**

In addition to the amounts above, pension contributions in respect of higher paid employees were as follows. The total remuneration (including pension contributions) of the highest paid director for the year ended 31 March 2024 was £159,157. In 2023, the highest paid director was an interim and not on payroll and as such no contributions were made to pension or other benefits.

	2024 £'000	2024 Staff	2023 £'000	2023 Staff
Defined contribution schemes	**307**	**40**	**317**	**53**

Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2024 (2023: £nil).

The Charity has purchased insurance to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

Key management personnel

The key management personnel of the Charity consists of the Executive Board, in 2024 7 members (2023: 11). The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Remuneration and benefits	**1,043**	**1,598**	**1,043**	**1,598**

9. Tangible assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2023	90,908	5,696	1,288	62,793	**160,685**
Additions	283	-	700	313	**1,296**
Disposals	(11,351)	(351)	-	(10,868)	**(22,570)**
Transfers	-	-	(633)	633	**-**
As 31 March 2024	**79,840**	**5,345**	**1,355**	**52,871**	**139,411**
Accumulated depreciation and impairments					
At 1 April 2023	34,617	4,998	-	44,075	**83,690**
Charge for the year	1,499	42	-	3,317	**4,858**
Disposals	(4,670)	(333)	-	(8,421)	**(13,424)**
At 31 March 2024	**31,446**	**4,707**	**-**	**38,971**	**75,124**
Net book value at 31 March 2024	**48,394**	**638**	**1,355**	**13,900**	**64,287**
Net book value at 31 March 2023	56,291	698	1,288	18,718	**76,995**

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

After undertaking the impairment review, no (2023: £nil) impairment charges against fixed assets are deemed to be required.

Details of the properties disposed during the year are as shown below.

Disposal Sales - FY2023/24

Sale Type	Service	Proceeds (£'000)	Status
VP	Eversheds Suther	539	Sale completed Apr 23
VP	DLDS Birch Way	532	Sale completed May 23
VP	The Risings, Exeter	669	Sale completed May 23
VP	Agate House	4,700	Sale completed Jun 23
VP	Greenhill House	2,000	Sale completed Oct 23
VP	Alder House	3,000	Sale completed Oct 23
VP	Chiltern House	4,800	Sale completed Mar 24
	Completed Sales	**16,240**	

VP = Vacant possession

9. Tangible assets – Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2023	90,908	5,696	1,288	62,712	**160,604**
Additions	283	-	700	313	**1,296**
Disposals	(11,351)	(351)	-	(10,844)	**(22,546)**
Transfers	-	-	(633)	633	**-**
As 31 March 2024	**79,840**	**5,345**	**1,355**	**52,814**	**139,354**
Accumulated depreciation and impairments					
At 1 April 2023	34,617	4,998	-	43,999	**83,614**
Charge for the year	1,499	42	-	3,315	**4,856**
Disposals	(4,670)	(333)	-	(8,399)	**(13,402)**
At 31 March 2024	**31,446**	**4,707**	**-**	**38,915**	**75,068**
Net book value at 31 March 2024	**48,394**	**638**	**1,355**	**13,899**	**64,286**
Net book value at 31 March 2023	56,291	698	1,288	18,713	**76,990**

10. Intangible assets – Group and Company

	Intangible assets £'000	**Total £'000**
Cost		
At 1 April 2023	7,629	**7,629**
Additions	-	**-**
Disposals	-	**-**
At 31 March 2024	7,629	**7,629**
Accumulated amortisation and impairments		
At 1 April 2023	3,330	**3,330**
Charge for the year	565	**565**
Disposals	-	**-**
At 31 March 2024	3,895	**3,895**
Net book value at 31 March 2024	**3,734**	**3,734**
Net book value at 31 March 2023	4,299	**4,299**

Intangible assets consist of computer software systems used to run significant business processes.

11. Investments – Group and Company

	Investment properties £'000	Programme related investments £'000	**Total £'000**
At 1 April 2023	4,753	8	**4,761**
Amortised in year	-	-	**-**
Disposals	(850)	-	**(850)**
Revaluation	424	(8)	**416**
At 31 March 2024	**4,327**	**-**	**4,327**

The group holds 18 investment properties with individual values ranging from £180,000 to £400,000 at 31 March 2024. This year, the Charity has undertaken Directors' valuation of investment properties by a qualified RICS employee. In the prior year, external valuations were obtained. The valuations of these residential properties assess the market value on sale, mainly applying a direct comparison market approach. The valuations are based on vacant possession or subject to tenancies based on the occupation status at the valuation date.

12. Current Asset Investments – Group and Company

	2024 £'000	2023 £'000
Opening market value at 1 April 2023/1 April 2022	**15**	15
Gain on revaluation	**-**	-
Closing market value at 31 March	**15**	**15**

The Trustees consider the value of the investments to be supported by their underlying assets. These investments relate to publicly quoted shares.

13. Debtors

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade debtors	**13,309**	16,802	**8,795**	11,746
Amounts owed by group undertakings	-	-	**2,644**	956
Prepayments	**428**	752	**428**	752
Accrued income	**2,794**	4,044	**2,468**	3,884
Total	**16,531**	**21,598**	**14,335**	**17,338**

The amounts owed by group undertakings are not interest bearing and are repayable on demand.

In respect of the Group, included in trade debtors is £2.8m (2023: £2.2m) of provision for doubtful debts. At Company level, bad debt provisions of £2.2m (2023: £1.9m) have been provided for.

14. Cash at bank and in hand

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Group / company funds	**15,312**	2,170	**15,230**	1,986
Service users' funds held in trust	**1,887**	1,815	**1,887**	1,815
Total	**17,199**	**3,985**	**17,117**	**3,801**

Cash held at 31st March 2024 of £17.2m is substantially higher than last year (31st March 2023: £4.0m) due primarily to the asset disposal programme. Excluding £1.9m of service users funds held in trust, £15.3m of Leonard Cheshire's cash was held across current and interest earning deposit accounts; this includes a bank account containing £1.7m of receipts where donor restrictions on spending the money apply, this has been in place since April 2022.

The Group has an overdraft facility available of £5m, which is secured against the properties listed in Note 9. This facility can be used should the Group require additional working capital.

Bank guarantees exist, these are summarised in Note 22.

15. Creditors

Amounts falling due within one year	**Group 2024 £'000**	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Trade creditors	**2,809**	3,704	**2,794**	3,703
Amounts owed to group undertakings	**-**	-	**1,155**	1,750
Taxation and social security	**3,754**	6,428	**3,745**	4,359
Other creditors	**3,360**	4,457	**2,775**	3,904
Service users' funds	**1,980**	1,924	**1,980**	1,924
Accruals	**3,997**	5,339	**3,967**	5,317
Deferred income	**2,453**	3,578	**2,139**	3,198
Total	**18,353**	**25,430**	**18,555**	**24,155**
Amounts falling due after more than one year				
Loan	**330**	480	**330**	480
Total	**330**	**480**	**330**	**480**

Deferred income represents the payment of fees in advance. During the year the Group received income of £2,453,176 which related to future years (2023: £3,578,359). The decrease in the current year is included in the cash balance.

Amounts owed to group undertakings are unsecured, and no interest is charged.

The overdraft facility of £5m is secured against the properties listed in Note 9.

Other creditors includes £1.57m received for grants that may need to be returned to the funder if agreement is not obtained to use it for alternative purposes now that the original grant programme is no longer going ahead. It also includes pension and other payroll liabilities.

The loan balance falling due after more than one year relates to a £300,000 loan from a UK charitable foundation and is due to be repaid in 25/26 - £205,000, 26/27 - £95,000; and a further loan of £30,000 from an individual is repayable in 25/26.

16. Provisions for liabilities and charges

Group	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Grants £'000	Pension £'000	Other £'000	**Total £'000**
At 1 April 2023	477	333	771	-	486	4	**2,071**
Charged to the SOFA	90	615	572	1,026	113	453	**2,869**
Credited to the SOFA	(8)	-	(119)	-	(287)	-	**(414)**
Amount utilized	(40)	(333)	(652)	-	(199)	(4)	**(1,228)**
At 31 March 2024	**519**	**615**	**572**	**1,026**	**113**	**453**	**3,298**

Company	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Grants £'000	Pension £'000	Other £'000	**Total £'000**
At 1 April 2023	477	333	771	-	486	4	**2,071**
Charged to the SOFA	90	615	572	1,026	113	450	**2,865**
Credited to the SOFA	(8)	-	(119)	-	(287)	-	**(414)**
Amount utilized	(40)	(333)	(652)	-	(199)	(5)	**(1,228)**
At 31 March 2024	**519**	**615**	**572**	**1,026**	**113**	**449**	**3,294**

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings; the timings and amounts of the outflows can be uncertain and subject to negotiation.

The provision for annual leave represents a potential liability due to working time directive case law, in relation to average pay relating to statutory annual leave.

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 23/24 but where the payments will be made in 24/25.

The grants liability relates to repayment of a capital grant received from the Surrey Primary Care Trust (PCT) which was used to purchase the 'Westwinds' service. This service is no longer operational and is expected to be sold during 2025/26. Conditions exist at 31st March 2024 such that the grant repayment on sale of the service, at an amount equivalent to the estimated net sales proceeds less share retained by Leonard Cheshire, has been recognised.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See note 21 for further details.

17. Total funds – Group

Group – movement in funds	Balance at 1 April 2022 £'000	Year ending 31 March 2023 Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2023 £'000	Year ending 31 March 2024 Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2024 £'000
Restricted Funds									
Legacy - Swift	**6,591**	-	-	-	**6,591**	-	-	-	**6,591**
Social care	**13,246**	1,218	(1,343)	-	**13,121**	1,915	(761)	(257)	**14,018**
UK programmes	**1,840**	741	(1,116)	-	**1,465**	516	(79)	-	**1,902**
International services	**17**	3,468	(3,336)	-	**149**	31	(4)	-	**176**
Total	**21,694**	**5,427**	**(5,795)**	**-**	**21,327**	**2,462**	**(844)**	**(257)**	**22,687**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	-	-	-	**11**	-	-	-	**11**
Kirby Worthington Fund	**111**	-	-	-	**111**	-	-	-	**111**
St. Michaels Home	**735**	-	-	-	**735**	-	-	-	**735**
Total	**857**	**-**	**-**	**-**	**857**	**-**	**-**	**-**	**857**
Unrestricted income funds									
Designated funds	**5,055**	3,519	(463)	-	**8,111**	-	-	-	**8,111**
General funds	**62,852**	143,614	(157,353)	(170)	**48,943**	149,619	(149,039)	(1,067)	**48,456**
Revaluation reserve	**4,290**	-	-	145	**4,435**	-	-	(434)	**4,001**
Pension reserve	**(33)**	-	-	25	**(8)**	-	-	70	**62**
Total	**72,164**	**147,132**	**(157,816)**	**-**	**61,481**	**149,619**	**(149,039)**	**(1,431)**	**60,630**
Total Funds	**94,715**	**152,560**	**(163,611)**	**-**	**83,665**	**152,081**	**(149,883)**	**(1,688)**	**84,174**

17. Total funds – Company

Company – movement in funds	Balance at 1 April 2022 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2023 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2024 £'000
	Year ending 31 March 2023					Year ending 31 March 2024			
Restricted Funds									
Legacy - Swift	**6,591**	-	-	-	**6,591**	-	-	-	**6,591**
Social care	**13,160**	1,219	(1,343)	-	**13,036**	1,915	(761)	(257)	**13,933**
UK programmes	**1,840**	741	(1,116)	-	**1,465**	516	(79)	-	**1,902**
International services	**17**	3,468	(3,336)	-	**149**	31	(4)	-	**176**
Total	**21,608**	**5,428**	**(5,795)**	**-**	**21,241**	**2,462**	**(844)**	**(257)**	**22,602**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	-	-	-	**11**	-	-	-	**11**
Kirby Worthington Fund	**111**	-	-	-	**111**	-	-	-	**111**
St. Michaels Home	**735**	-	-	-	**735**	-	-	-	**735**
Total	**857**	**-**	**-**	**-**	**857**	**-**	**-**	**-**	**857**
Unrestricted income funds									
Designated funds	**5,025**	3,519	(359)	-	**8,185**	-	-	(105)	**8,080**
General funds	**59,812**	142,627	(156,489)	(170)	**45,780**	148,593	(147,316)	(962)	**46,095**
Revaluation reserve	**4,290**	-	-	145	**4,435**	-	-	(434)	**4,001**
Pension reserve	**(33)**	-	-	25	**(8)**	-	-	70	**62**
Total	**69,094**	**146,146**	**(156,848)**	**-**	**58,392**	**148,593**	**(147,316)**	**(1,431)**	**58,238**
Total Funds	**91,559**	**151,574**	**(162,643)**	**-**	**80,490**	**151,055**	**(148,160)**	**(1,688)**	**81,697**

In respect of the Group and Company;

The only individually material restricted fund relates to Swift. All other restricted funds have been aggregated as they are not considered individually material and have similar purposes. Social care relates to residential and supported living services; UK programmes relates to community-based outreach programmes and International services relate to disability inclusion projects overseas.

All the listed Endowment funds i.e., Albert Alexander Fund, Kirby Worthington Fund and St Michaels Home are permanent endowments with restricted purposes. St Michael's Trust is a linked trust of which Leonard Cheshire Disability is the sole trustee.

Given that the cash position for the Group is a net positive £15.3m and the Company is £15.2m (excluding service user funds), it is expected that certain property or other assets will be required to meet the future obligations arising from the restricted funds obligations.

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas. Included within restricted funds is £1.5m (2023: £1.1m) relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per Charity law.

18. Analysis of net assets between funds

Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2024 £'000**	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2023 £'000**
Fixed assets	64,830	6,783	735	**72,348**	77,258	8,062	735	**86,055**
Investments	15	-	-	**15**	15	-	-	**15**
Debtors	16,531	-	-	**16,531**	7,580	14,018	-	**21,598**
Cash	15,332	1,745	122	**17,199**	1,914	1,949	122	**3,985**
Current liabilities	(18,095)	(258)	-	**(18,353)**	(22,727)	(2,703)	-	**(25,430)**
Net current (liabilities)/ assets	**13,783**	**1,487**	**122**	**15,392**	**(13,218)**	**13,264**	**122**	**168**
Long term liabilities	(3,628)	-	-	**(3,628)**	(2,551)	-	-	**(2,551)**
Pension (liabilities)/ assets	62	-	-	**62**	(8)	-	-	**(8)**
Total	**75,047**	**8,270**	**857**	**84,174**	**61,481**	**21,326**	**857**	**83,664**
Restricted funds re-plenishment obligation	(14,417)	14,417	-	**-**	n/a	n/a	n/a	**n/a**
Total	**60,630**	**22,687**	**857**	**84,174**	**61,481**	**21,326**	**857**	**83,664**

18. Analysis of net assets between funds (continued)

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2024 £'000**	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2023 £'000**
Fixed assets	64,829	6,783	735	**72,347**	77,253	8,062	735	**86,050**
Investments	15	-	-	**15**	15	-	-	**15**
Debtors	14,335	-	-	**14,335**	3,320	14,018	-	**17,338**
Cash	15,250	1,745	122	**17,117**	1,815	1,864	122	**3,801**
Current liabilities	(18,297)	(258)	-	**(18,555)**	(21,452)	(2,703)	-	**(24,155)**
Net current (liabilities)/ assets	**11,303**	**1,487**	**122**	**12,912**	**(16,302)**	**13,179**	**122**	**(3,001)**
Long term liabilities	(3,624)	-	-	**(3,624)**	(2,551)	-	-	**(2,551)**
Pension (liabilities)/ assets	62	-	-	**62**	(8)	-	-	**(8)**
Total	**72,570**	**8,270**	**857**	**81,697**	**58,392**	**21,241**	**857**	**80,490**
Restricted funds re-plenishment obligation	(14,332)	14,332	-	**-**	n/a	n/a	n/a	**n/a**
Total	**58,238**	**22,602**	**857**	**81,697**	**58,392**	**21,241**	**857**	**80,490**

In respect of the Group and Company;

The Company does not currently retain sufficient cash and other liquid assets to cover the balance of restricted funds after taking account the net book value of fixed assets donated with restrictions or acquired from restricted funds.

The Company has agreed a cash replenishment programme such that all income received, both past and future with donor restrictions will, in the future, be held in segregated bank accounts. This replenishment programme commenced for new funds with effect from April 2022 such that as at 31 March 2024 a total of £1.7m is held in segregated bank accounts. With respect to historical income, the replenishment programme commenced in financial year 2024/25. This replenishment programme is planned to be completed within the next 3 years taking account of relevant expenditure which will be charged to those accounts as incurred. Cash for the historical replenishment programme is expected to be sourced from the sale of fixed assets, existing unrestricted cash deposits and future trading surpluses. At 31 March 2023 this obligation with respect to restricted funds was presented as an undocumented inter-fund loan within debtors. At 31 March 2024, this replenishment obligation has been reflected separately in the table above.

19. Lease commitments

At 31 March the Group had annual payments under non-cancellable operating leases as follows:

	Property £'000	Vehicle £'000	Equipment £'000	**2024 Total £'000**	Property £'000	Vehicle £'000	Equipment £'000	**2023 Total £'000**
Within 1 year	484	219	119	**822**	1,220	298	166	**1,684**
Between 2 to 5 years	939	133	94	**1,166**	1,185	206	208	**1,599**
After 5 years	2,104	-	-	**2,104**	712	-	3	**715**
Total	**3,527**	**352**	**213**	**4,092**	**3,117**	**504**	**377**	**3,998**

The Group has no current capital expenditure commitments.

20. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2023 and 31 March 2024

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Dormant
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire Trading Limited	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820	Limited by Shares	Trading
Leonard Cheshire International	Republic of Ireland	I0616088	£1	Dormant
Leonard Cheshire USA Inc.	Delaware, USA	7313137	Limited by guarantee	Dormant

All trading subsidiaries have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The carrying values on the company balance sheet for the subsidiaries are: Leonard Cheshire Trading Limited £100; The Leonard Cheshire Foundation (Isle of Man) Limited £100; Leonard Cheshire Services CIC £1 and Leonard Cheshire International £nil.

All subsidiaries registered in England and Wales operate from the following registered office: Regus - The News Building Third Floor, 3 London Bridge Street, London, England, SE1 9SG.

The subsidiaries registered in the Isle of Man operate from the following registered office: Thie Quinney, Fairfield Avenue, Romsey, Isle of Man, IM8 2LS.

The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

The USA subsidiary operates from the following registered office: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE 19934, County of Kent.

The Board of Trustees have approved the decision to wind up the Leonard Cheshire International and Leonard Cheshire USA subsidiaries in July 2022.

20. Subsidiaries (continued)

Leonard Cheshire Trading Limited

The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy. A summary of its financial statements for the year ended 31 March 2024 and 31 March 2023 is shown below.

Leonard Cheshire Trading Ltd ceased its trading in May 2022, therefore the results for the year ended 31 March 2023 only include activities for two months ending in May 2022. The company is now dormant.

Summary of statement of financial activities	2024 £'000	2023 £'000
Incoming resources	-	5
Resources expended	-	(12)
Net (expenses)	**-**	**(7)**
Summary of assets and liabilities		
Assets	-	-
Liabilities	**(273)**	(273)
Total	**(273)**	**(273)**

Leonard Cheshire Foundation (Isle of Man) Limited

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2024 and 31 March 2023 is shown below. Leonard Cheshire Foundation (Isle of Man) Limited financial statements have not been prepared on a going concern basis due to the ending on the Manx contract effective January 2025.

Summary of statement of financial activities	2024 £'000	2023 £'000
Incoming resources	**567**	520
Resources expended	**(551)**	(613)
Net (expenses) / income	**16**	**(93)**
Summary of assets and liabilities		
Assets	**1,219**	1,188
Liabilities	**(45)**	(30)
Total	**1,174**	**1,158**

Leonard Cheshire Services CIC

The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2024 and 31 March 2023 is shown below.

Summary of statement of financial activities	2024 £'000	2023 £'000
Incoming resources	**26,969**	28,536
Resources expended	**(26,778)**	(28,176)
Net income	**191**	**360**
Summary of statement of financial activities		
Assets	**4,862**	5,237
Liabilities	**(3,286)**	(3,645)
Total	**1,576**	**1,592**

21. Pension schemes

Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 4% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 4% of pensionable salary.

The total cost of the schemes in 2024 was £1,995,347 (2023 £2,000,000).

Defined benefit pension schemes

The Charity operates a number of defined benefit schemes. The charity has obtained FRS 102 actuarial valuations for The Pension Trust Growth Plan, the Clwyd Pension Fund and the Isle of Man pension fund. Other defined benefit pension funds have been accounted for as defined contribution schemes in line with FRS 102 as there is insufficient information available to properly apply defined benefit accounting.

The value of the schemes' defined benefit liabilities have been measured using the projected unit method. The schemes' assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer. The overall expected rate of return on the net schemes' assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class. The schemes hold quoted securities, and these have been valued at bid-price.

Further information on the Charity's defined benefit pension schemes is provided below. The major assumptions used by the actuaries are disclosed in this note.

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan ("The Plan"). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2024 is £nil (2023: £nil). A surplus cap of £480,000 was applied during the year.

Scheme liabilities have been based on liability information as at 30 September 2021 updated to 31 March 2024 by a qualified actuary. The most recent funding valuation was completed as at 30 September 2021 resulting in a deficit of £6,615,000. This valuation has been updated for accounting purposes at 31 March 2024 by a qualified actuary.

Member contributions are payable as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the year commencing 1 April 2024 is £1,917,000 (2023 £1,900,000).

Clwyd Pension Fund – LGPS Scheme

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The net pension surplus recognised in the balance sheet at 31 March 2024 is £72,000 (2023: £69,000 asset). A full actuarial valuation was carried out at 31 March 2022. Employer contributions to be paid for the year commencing 1 April 2024 is £nil (2023: £nil).

Isle of Man Local Government Superannuation Scheme – LGPS Scheme

Isle of Man Local Government Superannuation Scheme relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2024 is £10,000 (2023: £10,000). A full actuarial valuation was carried out at 31 March 2022.

Employer contributions to be paid for the year commencing 1 April 2024 is £nil (2023: £nil).

21. Pension schemes (continued)

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2024 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2024 (per annum)	At 31 March 2023 (per annum)
Financial assumptions		
Discount rate	**4.75-4.90%**	4.80-4.90%
Rate of increase in salaries	**2.95-3.95%**	2.85-3.95%
Rate of increase pensions :	**1.96-2.80%**	1.95-2.85%
Inflation assumption (RPI)	**3.18-3.50%**	3.21%
Inflation assumption (CPI)	**2.70-2.95%**	2.70-2.85%
Demographic assumptions		
Mortality		
Male pensioner at age 65	**19.6-21.4**	19.6-21.5
Female pensioner at age 65	**23.8-24.8**	23.8-24.7
Male non-pensioner at age 65 in 20 years	**21.1-22.9**	21.0-23.1
Female non-pensioner at age 65 in 20 years	**25.2-26.3**	25.4-26.2

Balance sheet pension (asset)/liability summary	**Value at 31 March 2024 £'000**	Value at 31 March 2023 £'000
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM Surplus	**(62)**	(59)
Other schemes (Dyfed and South Yorkshire Pension Scheme)	**-**	67
Total	**(62)**	**8**

21. Pension schemes (continued)

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2024 £'000	Proportion	Value at 31 March 2023 £'000	Proportion
Equities	813	274	39	**1,126**	**1.98%**	374	0.63%
Bonds	40,836	719	22	**41,577**	**72.92%**	36,707	62.20%
Property	5,918	91	8	**6,017**	**10.55%**	6,835	11.58%
Cash/liquidity and other	7,409	887	2	**8,298**	**14.55%**	15,102	25.59%
Total	**54,976**	**1,971**	**71**	**57,018**		**59,018**	

Balance sheet impact	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2024 £'000	Value at 31 March 2023 £'000
Present value of funded obligations	(54,496)	(1,568)	(81)	**(56,145)**	(56,686)
Fair value of scheme assets	54,976	1,971	71	**57,018**	59,018
Effect of asset ceiling	(480)	(331)	-	**(811)**	(2,273)
Total	**-**	**72**	**(10)**	**62**	**59**
SOFA impact					
Current service cost	-	19	-	**19**	59
Expenses	206	1	-	**207**	202
Net interest cost	-	(3)	1	**(2)**	1
Total	**206**	**17**	**1**	**224**	**262**

21. Pension schemes (continued)

Analysis of amount recognised in the SOFA as unrealised gains/(losses)	Year ending 31 March 2024 £'000	Year ending 31 March 2023 £'000
Other gains	-	4
Return on plan assets – (losses)	(3,278)	(22,608)
Experience (losses) arising on plan liabilities	(271)	(2,331)
Effect of changes in demographic and financial assumptions – gains	85	21,119
Effects of changes in the amount of surplus that is not recoverable – gain	1,617	2,016
Total recognised in other comprehensive income – losses	**(1,847)**	**(1,800)**

Reconciliation of present value of scheme liabilities Change in the present value of the defined benefit obligations	Year ending 31 March 2024 £'000	Year ending 31 March 2023 £'000
Opening defined benefit obligation	56,686	76,315
Service cost	19	28
Interest cost	2,684	2,083
Contributions by employees	5	4
Actuarial losses / (gains)	175	(18,788)
Benefits paid	(3,424)	(2,956)
Closing defined benefit obligation	**56,145**	**56,686**

Reconciliation of present value of scheme assets and actual return on assets Change in the fair value of the scheme assets	Year ending 31 March 2024 £'000	Year ending 31 March 2023 £'000
Opening fair value of the scheme assets	59,018	80,494
Interest income	2,842	2,223
Admin expenses	(207)	(202)
Return on plan assets excluding interest	(3,289)	(22,608)
Contributions by employer	2,073	2,063
Contributions by employees	5	4
Benefits paid	(3,424)	(2,956)
Closing fair value of the scheme assets	**57,018**	**59,018**
Return on plan assets including interest	**(447)**	**(20,385)**

21. Pension schemes (continued)

Other defined benefit pension schemes

The Charity operates several other multi-employer / LGPS schemes defined benefit schemes as follows:

- TPT Growth plans 1 & 2 pension schemes – These are smaller defined benefit schemes that the Charity participates in. These schemes have been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. The net present value of future contributions is £72,484 (2023: £155,173).

- The TPT Growth plan 3 is a defined contribution scheme, the scheme also has a defined benefit underpin. However, there is insufficient information available to account for this underpin on a defined benefit basis. As such the underpin has been accounted for under defined contribution accounting in line with FRS102. The net present value of underpin is £nil. The annual employer contributions of the defined contribution scheme itself is £73,899 (2023: £88,678).

- The TPT Growth plan 4 pension scheme – This is included as part of the DC schemes noted earlier in this note; however, it is also included here for reference as it is part of the TPT Growth plan series, annual employer contributions are £120 (2023: £120).

- The Scottish Voluntary sector pension scheme – It is a smaller defined benefit scheme that the Charity participates in. This scheme has been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. Net present value of future contributions is £635 (2023: £4,218).

Other matters

Leonard Cheshire, along with a number of other employers with pension schemes administrated under an umbrella trust by the Trustee of The Pensions Trust (TPT), remains aware of a third-party challenge to several member benefit changes made to its now closed defined benefit Pension Scheme. This challenge will be heard in the High Court of Justice during 2025, with findings expected to be published towards the end of that year. The outcome of the case is uncertain but should the decision go against the Charity it reserves the right to counter claim for any losses arising as a result of poor administration of the scheme. At this time, the Scheme Trustee remains of the view that all scheme changes are valid and has received legal advice to continue to administer the scheme on that basis. The current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0-£10m of liability.

The Virgin Media Limited v NTL Pension Trustees II Limited decision, handed down by the High Court on 16 June 2023 considered the implications of Section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met.

Following an appeal on 25 July 2024, the Court of Appeal upheld the High Court's decision, that the statutory actuarial confirmation was required, and without this, alterations to schemes were void. There is, however, potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments.

At this stage, given the continued uncertainty in respect of potential legislative intervention, no assessment of historical documentation relating to amendments has been completed for any of the group's defined benefit pension schemes. Also, there are similarities between this case and the ongoing TPT legal case given they both relate to the validity of scheme rule changes. Any potential impact of the Virgin Media finding on the TPT schemes will be assessed by the Trustee following the findings of the ongoing TPT legal case.

As a result, at this stage, it is not possible to estimate any potential impact of the Virgin Media ruling.

22. Contingent liabilities

The Charity is a company limited by guarantee and, in the event of a winding-up, the members are committed to pay £1 each. All members are Trustees.

There are two banking guarantees totalling £332,200 (2023: £332,200) that have been provided by the bank to two external parties. The figure is made up of two individual guarantees, one for £200,000 (2023: £200,000) and one for £132,200 (2023: £132,200).

Contingent liabilities primarily comprise of potential liabilities arising from matters relating to disposal of property funded by means of a Capital Grants where the Charity is liable for up to 98% of the disposal proceeds should the properties be sold. The book value of the properties subject to such grant refund obligations at 31 March 2024 was £1.8m (2023: £2.5m).

23. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2023: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 15.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £26,429,902 of invoiced sales (2023: £28,631,000). The resultant intercompany liability is reflected in creditors as shown in Note 15.

No Trustees donations were made in year (2023: £nil).

24. Financial instruments

	Notes	**Group 2024 £'000**	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Financial assets at fair value through statement of financial activities					
Investments	12	**15**	15	**15**	15
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	13	**-**	-	**2,644**	956
Trade debtors	13	**13,309**	16,802	**8,795**	11,746
Accrued income	13	**1,239**	2,024	**913**	1,864
Accrued legacies	13	**1,555**	2,020	**1,555**	2,020
Cash and cash equivalents	14	**17,199**	3,985	**17,117**	3,801
Total		**33,317**	**24,846**	**31,039**	**20,402**
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	15	**-**	-	**1,155**	1,750
Trade creditors	15	**2,808**	3,704	**2,794**	3,073
Other creditors	15	**3,360**	4,457	**2,775**	3,904
Accruals	15	**3,997**	5,339	**3,967**	5,317
Service users' funds	15	**1,980**	1,924	**1,980**	1,924
Loans	15	**330**	480	**330**	480
Total		**12,475**	**15,904**	**13,001**	**17,078**

25. Post-balance sheet event

Subsequent to year end, in July 2024 two South Wales services, Ty Cwm and Danybryn, were sold for £2.95m and £3.5m respectively.

6.

Thank you

Charitable trusts, corporate partners and other supporters:

A very big thank you to following who have supported Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous.

Corporate Partners

Anderson Quigley
BNY Mellon
Ecclesiastical Insurance Group
Halo Staffing
Howdens Joinery
Inclusive Technology Limited
INCO Academy – Work In Tech, supported by Google.org
John Lewis Partnership CIF
Madison Performance Group
NISA Making a Difference Locally
Meon Valley Stud
Meridian Business Solutions
Morgan Stanley
Odgers Berndtson
Wilsons Solicitors LLP
The Wise Group

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Mr George Anstey Webb
Mr Michael Drake Whitear
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Dr Charles Ronald Worthing

Charitable Trusts and other supporters

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The Dandy Charitable Trust
Denise Coates Foundation

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Dorothy Irene Raven Will Trust

EBM Charitable Trust

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European Social Fund

Generation Foundation

The George and Susan Gluck Foundation

The Gerald Bentall Charitable Trust

The Gilander Foundation

Gowling WLG (UK) Charitable Trust

Hospital Saturday Fund

The J Reginald Corah Foundation Fund

J S Innes Charitable Trust

James Paton's Trust

James T Howat Charitable Trust

The John Cowan Foundation

The Joseph Strong Frazer Trust

Kass Charitable Trust

The Linden Charitable Trust

Lloyds Bank Foundation

The Lord Faringdon Charitable Trust

The Loseley Christian Trust

The Magnus Trust

The Meikle Foundation

The Michael and Anna Wix Charitable Trust

Motability Foundation

Motorola Solutions Foundation

Mrs AA Clutterbuck's Charitable Trust

Mrs J B Wood’s Charitable Trust

The National Lottery Community Fund

The Payback Time Trust

The Privy Purse Charitable Trust

The Ronald Miller Foundation

The Samuel and Freda Parkinson Trust

The SMB Charitable Trust

Sport England

Stelios Philanthropic Foundation

The Tompkins Foundation

Totara Charitable Trust

West of England Combined Authority

The Willan Charitable Trust

The Wyn and Ken Lo Memorial Foundation

7.

Who's who

Trustees and Senior Officers in 2023/24

Founder

The Late Group Captain Lord Cheshire, VC, DSO, DFC

Current Trustees

Neil Goulden (Chair)
Remuneration and Nominations Committee (appointed trustee 31 March 2023)

Michele Golden (Vice Chair, from January 2024)
Remuneration and Nominations Committee; Chair of the Quality and Safety Committee (until September 2024) (appointed trustee 1 September 2022)

David Porter
Audit, Risk and Finance Committee; People and Operations Committee (from June 2024); (appointed trustee 10 January 2023)

Valerie Todd
Chair of the People and Operations Committee; Remuneration and Nominations Committee (appointed trustee 1 July 2023)

Stephen Billingham
Chair of the Audit, Risk and Finance Committee; Remuneration and Nominations Committee (appointed trustee 20 July 2023)

John Cowman
Quality and Safety Committee (appointed trustee 1 July 2023)

Julian Spurling
Chair of the Quality and Safety Committee (from September 2024); People and Operations Committee (appointed trustee 1 July 2023)

David Green
Audit, Risk and Finance Committee (appointed trustee 1 July 2023)

Stuart Secker
Audit Risk and Finance Committee (appointed trustee 1 September 2023)

Marcia Shekerdemian KC
People and Operations Committee (appointed trustee 1 June 2024)

Holly Spiers
Quality and Safety Committee (appointed trustee 1 June 2024)

Austen Reid
Audit Risk and Finance Committee (appointed trustee 1 June 2024)

Debi Marriott-Lavery
People and Operations Committee (appointed trustee 1 September 2024)

Graeme Betts CBE
Quality and Safety Committee (appointed trustee 1 November 2024)

Other Trustees in year 2023/24

Hilary Sears
People and Operations Committee; Remuneration and Nominations Committee (retired 5 October 2023)

Philip Cassidy
Former Chair of the Audit, Risk and Finance Committee (retired 19 July 2023)

Anne Goodman
Finance and Turnaround Committee (retired 19 June 2023)

Executive Team

Chief Executive
Ruth Owen OBE

Chief Financial Officer
Since July 2024 the senior finance role is being fulfilled by a suitably qualified contractor.

Stuart Dean (September 2023 – July 2024)

Nigel Armitt (interim until September 2023)

Executive Director – People
Jon Forde

Executive Director – Operations
Peter James

Executive Director of Quality and Compliance
Vanessa Davies (from May 2023)

Executive Director – Partnerships, Advocacy and Impact
Marcus Missen

Executive Director – Strategy Delivery
David Slater

Commercial Director
Nev Wilkinson

Company Secretary
Marcus Missen (from December 2024)

Karolina Walkowicz (July 2024 – December 2024)

Daniel James-Partridge (December 2023 – July 2024)

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants
and Statutory Auditors
1 Embankment Place
London WC2N 6RH

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Legal

Leonard Cheshire uses a range of legal advisors including:

Bevan Brittan

Fleet Place House
2 Fleet Place
London EC4M 7RF

Eversheds Sutherland LLP

1 Wood Street
London EC2V 7WC

Leonard Cheshire
Regus, The News Building
3rd Floor
3 London Bridge Street
London
SE1 9SG

leonardcheshire.org
@LeonardCheshire

LEONARD CHESHIRE DISABILITY

England & Wales - Charity number 218186

Accounts



Annual Report and Accounts 2022/23

leonardcheshire.org

Leonard Cheshire

Contents

1.	**About us**	**1**
	Welcome from the Chair	2
	A message from the CEO	4
2.	**Trustees' report**	**6**
	Live	**7**
	Learn	**11**
	Work	**13**
	Fundraising	17
	Our People	19
	Financial review	22
	Principal risks and uncertainties	33
	Plans for future periods	36
	Structure, governance and management	38
3.	**Statement of Trustees' responsibilities**	**45**
4.	**Auditors' report**	**47**
5.	**Financial statements**	**52**
6.	**Thank you**	**121**
7.	**Who's who**	**123**
8.	**Principal advisors**	**125**

1. About us

We believe in a fair world in which disabled people have the same equal opportunities and choices as non-disabled people. We fight for disabled people's rights, working with our partners to deliver support and life-changing programmes.



Jonathan busy working in his home at Eden Square

Welcome from the Chair

Significant steps forward



Neil Goulden
Chair of Trustees

I was immensely proud to join Leonard Cheshire as its Chair at the very end of the period covered by the Annual Report and Accounts 2022/23.

The charity plays a vital role in the lives of thousands of disabled people every day, delivering essential support and opening doors to opportunity through its inclusive employment work with individuals and organisations.

Last year was an important one, in which strong foundations started to be put in place to address the significant financial issues we had reported in 2021/22. In April 2022, the Board made a serious incident report to the Charity Commission, highlighting the financial challenges faced by the organisation. This followed several years of the charity running deficits , and spending its reserves. A statutory inquiry was subsequently launched by the Commission following this notification. The Inquiry, which continues, is examining the administration, governance, and management of the Charity.

In particular, the Commission is determining:

- The extent to which the trustees had adequate oversight of the Charity's finances
- Whether the trustees had complied with and fulfilled their duties and responsibilities as trustees under charity law.

This relates to historical matters predating the current Board and leadership. We are fully cooperating with the Commission's Inquiry.

I am pleased to say that the strong three-year turnaround being implemented is progressing well. It has included securing increased fees and reducing agency staff spend at services. At the same time we are strengthening our financial and governance frameworks in tandem. This essential work is continuing throughout the course of 2023/24.

We maintain a close, open and constructive relationship with the Charity Commission, updating it as we meet key milestones. The Commission, as well as other key stakeholders, including our Bank, are satisfied that the charity has a robust turnaround plan in place and is making progress in putting it into action.

Some of the measures taken, including pulling out of our international delivery and our UK community programmes, were undeniably difficult for all but vital for the long-term sustainability of the organisation. Our work over the years has left behind a lasting legacy, indelibly changing the lives of individuals and communities.

Ruth and her Executive team are making good progress in reshaping and modernising the charity as it is put once again on a positive path. During the course of last year, there have been a range of new appointments to the Board to complement the work of the Executive team.

People who rely on our services remain at the forefront of everyone's minds as we move forward. The focus of the Board and the Executive is on rebuilding Leonard Cheshire as a quality provider of care and support for disabled adults, ensuring the highest possible standards of delivery at all times. In doing so we need to recognise the financially challenging environment all social care providers operate in, delivering our support in a way that is financially sustainable for the organisation and alongside excellent governance.

We owe it to people we support, our staff and supporters to get this right. Since joining the organisation I have been impressed by the passion and commitment shown by all involved to do just that.

In a relatively short period of time, significant steps forward, recognised by our stakeholders, have already been taken.

We are satisfied with where we are at this stage, as we work together to securing future success and improvements for people we support.

While we are not out of turnaround, with more activity to come in reducing costs, modernising how we operate and increasing income, we have come a long way. We can begin to look further ahead, with the Board and the Executive Team both ambitious about what the charity can achieve in the long term.

Ruth and her Executive team are making good progress in reshaping and modernising the charity as it is put once again on a positive path.



▼ Zahra, a Change 100 intern, at a Professional Development Session

A message from the CEO

A solid foundation



Dr Ruth Owen
CEO

Leonard Cheshire has a proud history of delivering life changing support and accommodation. We were innovators in this field when we were founded in 1948 and this frontline delivery remains at the very core of what we do, day in day out, 365 days a year.

Staff in our UK social care services do vital work that is essential but underfunded. This support must continue to change, modernise, and adapt so it meets the needs of future generations – with an emphasis on continued improvements in quality and pushing the boundaries of what is possible in care delivery. We need to be ready to seize the opportunities from technology and as people's preferences for the type of support they want changes.

Since joining Leonard Cheshire, a huge amount of my time, and that of my wider leadership team, has been devoted to addressing a serious financial crisis which had built up over many years. After many years of operating with large deficits between income and expenditure, we had to start reversing this trend urgently in 2022/23. We have been working to improve the administration, governance, and financial management of the organisation, in line with the Charity Commission's Inquiry and have been updating them on our progress.

We are now over one year into implementing our robust turnaround plan – and although this work is not complete, we are in a much better position.

In 2022/23 we set about major restructuring across the charity to make savings. At the same time, we put concerted effort into securing increased fees, to reflect the true cost of care provided and changing needs. Meanwhile we have driven savings across all our functions, including reducing agency staff use at our services. Other savings have been secured through renegotiation of contracts held, getting better deals from suppliers and exits from activities which were loss making or unsustainable to the charity.

The difficulties we were facing at the start of 2022, meant that we needed to begin consolidating our activities. We have now pulled out from all of our international delivery, as well as community projects in the UK. I do not underestimate the profound impact of these hugely difficult decisions. Where we have exited from programmes, we've strived at all times to do so as responsibly as we could – passing on delivery where possible.

So where are we now and what does the future look like?



▲ A member of staff chats and holds hand with a resident at Danybryn

It's worth looking back to how far we have come since Spring 2022, given that we finished the financial year cash positive. I'd like to thank everyone involved in getting us to this crucial point in our ongoing journey.

Overall, while there is more to be achieved in the coming months and years, our progress has been remarkable. Where there are outstanding challenges, these are being addressed.

We have reduced our exposure to debt and are steadily turning the corner in being able to build up funds for investment in our services. Now we have a solid foundation in place for a sustainable future – at the heart of which will be our social care services and people we support in these.

It goes without saying that we are not complacent. Everyone connected with our amazing charity feels an immense sense of responsibility to people we support to get things right as together we move forward positively. There are no doubt some further difficult choices ahead.

But as we progress our financial turnaround, we are now starting to look at our future strategy to transform Leonard Cheshire for longer-term success. We will be focusing on doing fewer things but doing them exceptionally well.

I am ambitious about what we can achieve together, working in partnership with disabled people in our services, as well as others. We want to be the leading high quality care provider for people with complex disabilities. I want us to be setting the standard for others and shaping discussions on the future of social care in the UK. Meanwhile, we also have an important role to play in helping young disabled people get into employment. We can approach our future with renewed confidence.

2.

Trustees' report



Emilie, staff member, helping Mariusz on his laptop at Moray Lodge

Leonard Cheshire fights for a society in which everyone can thrive.

Live

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 March 2023 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 7 to 44 incorporate the requirements of the Strategic Report.

Every single day of the year, our social care staff are there to support disabled people to have greater levels of independence. We transform lives and open up new opportunities for individuals through the provision of residential and supported living services, sometimes with nursing support for those with the most complex needs. Our staff have specialist knowledge, passion and commitment to strive for the best outcomes for people whose home is a Leonard Cheshire service.

However, we operate in a difficult and challenging environment. The whole of the social care sector remains under huge pressure because of difficulties recruiting staff, inadequate funding and the cost of living crisis.

Turning around Leonard Cheshire's financial position required tough decisions and measures. But at all times we remained focused on sustaining our delivery of frontline services and supporting front line staff in our services the best we can.

We've managed to significantly reduce our agency staff use over the past year, which means better continuity for residents in our care services. Targeted recruitment drives in areas when agency use was high, as well as better oversight and monitoring has been very successful. At the same time, we've taken a robust approach to fees negotiation with local authorities to ensure that residents receive uplifts in line with the true cost of care provision, inflation and changing needs.

Our social care delivery is central to our future as we modernise, reshape and build funds to invest in the highest quality social care services we can.

At the same time, Leonard Cheshire is playing a key role in advocating for social care reform at a national level. We are engaged directly with the Government and working with not-for-profit coalition partners to advocate for a future in which every disabled person can draw on the high quality person-centred support they need to live as they choose.

In the future we look forward to working towards pushing the boundaries of what good social care can do, through innovative approaches as we move forward from financial turnaround.

Despite the pressures of the year, during 2022/23 our care staff achieved some remarkable things, including the innovative use of technology at some services, creating greater opportunities for residents and supporting people to achieve their goals – however big or small.



1,673

people were supported every day through our care services (2021/22: 2,266)

▲ Danielle, staff member, and Alistair, resident, at Ty Cwm.

As of 31 March 2023:

- We supported 1,673 people every day through our care services
- We had 62 residential services (care and nursing homes)
- We had 36 supported living services.

During 2022/23 we opened Bennett Court, a brand new and exciting facility developed with partners. This supports disabled people to live independently in Nailsea, near Bristol. Bennett Court can support up to 12 tenants with learning disabilities, with help available based on need and preferences. Staff are on hand to support people with their daily tasks, get involved in local activities, and achieve personal goals. This could be through volunteering, getting work experience or a job for example.

Where there are concerns about the quality of care and support provided to residents, we will always look at ways to raise standards. In locations where the challenge of recruitment of key staff is particularly severe, and agency use growing, our ability to deliver sustainable improvements is chronically undermined. Last year we took the difficult decision to close the following care homes in these circumstances: Agate House in Bedfordshire, Alder House in Essex and Greenhill House in Somerset.

We are a highly rated provider of care and supported living services in the UK. Across the UK, 82 (84%) of our services are rated as 'good' or 'outstanding' by regulators.

Keeping people safe and delivering care to the highest standards will always be our priority. Towards the end of the financial year, we created a new Executive Director of Quality and Clinical Care position. This role will provide a greater level of visibility of quality, safeguarding and compliance issues to the Executive team. A key activity in 2023/24 will be enhancing the existing structures in place around safeguarding and quality. This will help drive forward improvements in services.



▲ **Jenny** with her online course certificates

Jenny, pictured left, set herself the goal of starting a course with The Open University. Thanks to staff supporting her goal, she's completed her preparatory online courses and started a Psychology with Counselling course.

With Disabled Students' Allowance funding, she received a laptop with software, a new desk to work on, as well as books and lighting to support her studies. Another resident, Jean, set a goal to visit Cisco, the donkey that she has been sponsoring for about 19 years. She hadn't been able to visit during the pandemic, and had an emotional day when she was finally able to see Cisco again.

Residents going for goals

Setting and achieving goals is something we encourage in our services, to support residents to live as independently as they choose. Here are just a few examples of this in action.

At Newlands House, in the peaceful village of Netherseal, Derbyshire, Activities Worker Lisa Fisher told us about some of the goals that had been set and achieved. Corey, pictured right, set a goal to find independence via a powered wheelchair.

Corey had never owned a powered wheelchair before, and the Newlands staff helped him to get accustomed to the controls for use inside, as well as trips out of the service. Lisa said it had expanded his horizons greatly.



▼ **Corey** in his powered wheelchair

Creating opportunities for residents

At Gloucestershire House and Cheltenham Supported Living, "Leonard's Lounge" hosted a Valentine's Day special in support of 'Right Support, Right Care, Right Culture." This was run by residents with the help of Support Worker and Occupational Therapy Student Becky Bennett from UWE, Bristol.

What initially started as a Valentine's event in "Leonard's Lounge", a coffee shop run by residents for residents, has reached new heights. Now, even more residents are involved in the running of their homes, making choices around their interests and personal goals.

Leonard's Lounge is open weekly and run by residents Rachel and Paula. The event the pair ran in February meant they engaged in three main activities: buying ingredients for baking at the local supermarket, baking cakes for the coffee shop, and selling their baked goods in Leonard's Lounge.

With Leonard's Lounge being so successful, service manager Grace Clawley has been working closely with colleagues and residents alike to come up with other roles that can involve and include residents.

The roles were advertised at both Gloucestershire House and Cheltenham Supported Living. Once appointed to a role, each person has a name badge that displays their official job title and also a uniform.

Residents who have taken on roles include Chris.



▲ **Tom** taking on his domestic role

Chris has taken on the role of internal post person. His new role has given him a sense of purpose, a reason to get out of bed and importantly, a sense of responsibility. Chris has got a Royal Mail uniform which he wears whilst on duty. Every day, he meets the Royal Mail post person or administrator Jo at the front door to take delivery of letters and parcels, after which he makes his deliveries around the service.

Prior to becoming Domestic Assistant in communal areas alongside another resident, Tom was one of the infection control 'leads' on the mini-infection control residents audit which Grace developed as part of the main audit. Working alongside Dawn, Tom has learnt all about infection control, remembering what colour mops and cloths are used for different things.

Grace said: "These roles complement the tasks and jobs already being undertaken – I see them as an 'extra benefit to the service'. For myself and the team it is all about inclusion and involvement of residents."



Learn

▲ Johnkeen was supported through a Leonard Cheshire schools programme and went on to become a strong advocate for inclusive education in Kenya

During the course of last year, we took the immensely difficult decision to start withdrawing from Leonard Cheshire's delivery of international work, after 20 years of working in this field.

Sadly, the financial pressures we faced meant we had to make significant savings in our staff costs and related spending across the whole organisation, as we prioritised and protected social care delivery in the UK – which has always been the charity's main source of income.

We worked closely with our funders and partners to exit our international programmes in the most coordinated and responsible way possible. Where possible we transferred delivery to other providers.

58,000+

58,000+ people with disabilities in Africa and Asia supported to get into paid or self employment since the international programmes began

We are immensely proud of what the charity has been able to deliver through our international work. The creation of school places for thousands of children with disabilities, support for new generations of young campaigners, as well as life changing employment opportunities leaves a lasting legacy around the world.

Advocating for inclusion

Johnkeen, was supported to get a school place as part of the inclusive education work we did in Kenya. He remains a strong advocate and campaigner for inclusive education in the country many years later.

Before he was able to get an education, Johnkeen said he faced a lot of challenges. “I was discriminated against. I came up against stigma around my disability and my mental health. I was close to giving up.”

Johnkeen attended inclusive primary and secondary schools which had a huge impact on him, helping him to improve his self-esteem, and it enabled him to build good relationships with non-disabled peers.

55,000+

55,000+ children and young adults with disabilities in Africa and Asia supported to get an education since 2008

“My positive school experience made me want to advocate for the importance of inclusive education. I came out of school and wanted to be a champion for it.”

Johnkeen had seen first hand how vital inclusive education was in reducing discrimination and stigmatisation of people with disabilities, as community attitudes changed. “I advocated for the importance of having more inclusive schools. During my time at high school, there were over 33 schools that incorporated inclusive education, including seven secondary schools. And I believe that number has now increased!”

As Johnkeen, along with many others sharing his goals, continues to strive for improved accessibility in Kenya, the government is also taking action. However, he is well aware that there is still a long way to go: “The government offers vocational training colleges and skills training. But in many education settings, young disabled people are still excluded because of a lack of education about disability and inclusion. And there’s not enough access to assistive devices in education settings too. So, as you can see, despite progress, there’s still work to do. And this is why I’m such a passionate advocate.”

Work

Many disabled people want and are able to work, but all too often experience a hostile employment landscape. Discrimination and stigma, incorrect assumptions about capabilities or lack of access to reasonable adjustments can all play a part in disabled people being locked out of the labour market or hindered in achieving their career goals.

More than 9 million people of working age (16–64) in the UK are disabled. Despite some progress in closing the disability employment gap (the difference between how many disabled people are in work compared to how many non-disabled people are in work) wide disparities remain.

Just over half (53.7%) of disabled people of working age were in employment as of March 2023, which was unchanged from the previous year. The employment rate for people who are not disabled was 82.7%. Between 2014 and January to March 2023, the disability employment gap has reduced by just 4.8 percentage points.

Disabled people don't want special treatment, just a level playing field in which to demonstrate their talent. We lobby Government and work with coalitions of disabled organisations to tackle the barriers that may be holding disabled people back when they are looking for work. Our research has consistently shown that around 1 in 5 recruiting managers are less likely to employ someone with a disability.

We have significant expertise in working with disabled people to support them to overcome barriers to employment. Through our award-winning Change 100 programme we match diverse talent with progressive UK companies and organisations, including some of the biggest name brands in the UK. Paid summer work placements and mentoring are available for disabled students and recent graduates. As well as supporting individuals to kickstart their careers, organisations benefit from guidance and training that helps them create inclusive workplace cultures and practices.

At the same time, our Training and Consultancy team works with organisations to help them develop best practice approaches to disability inclusion. This includes providing bespoke training to teams and managers, supporting organisations

654

Our Training and Consultancy team delivered training to 654 delegates in 2022/23

223

In 2022/23 we supported 223 young people to get paid internships through our Change 100 programme (2021/22: 141)

wishing to progress through the Government's Disability Confident scheme, as well as reviewing and developing inclusive policies and processes. Whatever the challenge organisations are facing, the T&C team can help.

Supporting disabled people into employment in the UK and expanding what we offer in this area will be a key part of our plans for the future – as we put in place the foundations for growing our impact in a sustainable way.

GradEmploy Success

Last year, we celebrated the success of a scheme in Northern Ireland that aimed to turn the tide on the poor employment rates of qualified disabled graduates. The GradEmployNI programme was funded by the UK Government.

Roisin McDermott, Programme Manager, said GradEmploy NI was developed due to the success of our Change 100 programme in England.

"We knew that young people with disabilities can find it more difficult to find employment," she said. "The idea of the programme was to reach out to graduates, learn about their skills and disabilities, and find them a three-to-four-month work placement. Various types of organisations were enthusiastic to offer placement roles.

"We also wanted to build their confidence and business skills. So, we partnered with the University of Ulster Business school. The school delivered a one-week 'bootcamp' and a series of business workshops during their placements."

Twenty-five graduates with physical or hidden disabilities were supported. Almost half have hidden disabilities.

"Our aim for the graduates was that they will have greater job prospects at the end of it," said Roisin. "Also, that they will have an ability to do an interview and have the chance to apply their university learning in a real workplace."

Thanks to the success of the GradEmployNI Programme, one participant, Starr Hamilton, had the chance to gain work experience. Starr's placement was at Fresh Minds Education, a charity organisation based in Antrim.

As a result of the experience she gained, Starr secured full-time employment with another organisation. Now she's looking forward to starting the next chapter of her graduate life, something she did not think would be possible beforehand.

> "I have been watching my confidence grow day by day. I'm making new friendships, connecting with people and not being so into myself as I was before. I was very much a closed book. Whereas now I'm open to the idea of making friends and meeting new people in a way I wouldn't have been before. Without the placement, I don't think I could have secured full-time employment."
>
> **Starr Hamilton**

1180+

In the 10 years of Change 100, the programme has supported over 1180 young people to get paid internships with leading UK employers



▲ Sophie McCrum, National Lottery Heritage Fund intern

Change 100 – Sophie's Story

Change 100 offers disabled students and graduates paid work experience with top organisations. The placements run across a range of industries and sectors. Participants also receive mentorship and take part in a professional development programme too. Running during the summer months, Change 100 is our leading employment programme.

Sophie, a participant in the Change 100 programme, took part in an internship within the engagement team at the National Lottery heritage fund, which distributes grants to projects that sustain and transform the UK's heritage.

As well as a line manager, each Change 100 intern is assigned a mentor. Interns have regular meetings and catch-ups with their mentor, where the mentor will offer advice and support, and answer questions. The intern chooses the focus of each session, meaning it can be tailored to their needs. Sophie said: "The relationship with my mentor was extremely positive and empowering. I hugely benefited from having frequent sessions. They were a great way of checking in with my progress and being able to celebrate it which was encouraging."

Sophie says that she learned a lot about her strengths in the workplace, and what she can offer to employers, but also learned a lot about adjustments: "Before applying for the Change 100 programme, I had never known that asking for adjustments in a job or even during interviews or assessments were something that I could do. The process helped me think about how I could perform my best in an assessment. After the internship, I was able to understand what worked best for me and it encouraged me to think about what I could ask for in future interviews and assessments that would help me preform my best. Overall, it was a hugely positive experience."

Ingeus

The Training and Consultancy Team at Leonard Cheshire work with businesses and organisations to design, develop and deliver bespoke training and consultancy solutions to develop best practice approaches to disability in the workplace, and create impactful organisational change.

An example of their work comes in the form of Ingeus, a service provider who work to help create and improve employment, skills, health and wellbeing within businesses and communities, as well as supporting governments and employers to design and deliver services to solve today's challenges and improve opportunities for all.

Ingeus partnered with Leonard Cheshire for guidance on how to remove barriers, make adjustments and understand the practical actions that advisors should take to enable disabled service users to receive an inclusive and barrier free service.

The first stage of support was facilitating a workshop on disability and the anticipatory adjustments that Ingeus can make for disabled service users. This was followed by the second stage, which involved the delivery of two bespoke "Disability Inclusive Service" workshops. Our training primarily focused on enhancing the understanding of disability and implementing positive, practical changes that advisors could adopt to promote inclusive practices within their processes.

As part of the partnership, Leonard Cheshire seconded a member of staff to Ingeus across each region. The seconded advisors worked with Ingeus employment advisors offering support, information, and advice on how best to support service users to overcome barriers, and potential adjustments that can be made.

The feedback from the training showed that 100% of survey respondents agreed the training had met its objectives and their knowledge, skills and confidence had improved.

Training participants reported that they could now explain what is considered a disability. They could recognise legislation from the Equality Act 2010 related to disability and service provision. They were able to categorise the different models of disability, identify why disability matters to service provision and express what anticipatory adjustments can be made.

"I will apply the learning within my daily role when interacting with service users, probation officers and external providers, to ensure that the provision is inclusive and allows for people with disabilities to actively engage and participate within our ETE service." – Ingeus training participant



Fundraising

People are at the centre of all we do at Leonard Cheshire and this extends to the support we receive from generous people and organisations that fundraise for us, donate to us, or fund our projects and programmes. Thank you to everyone who chose to support Leonard Cheshire in the past year – we are truly grateful for your support. Below are just a few of our highlights:

Continuing to rise to the challenge

Despite the challenges of the ongoing cost of living crisis, the support we received from individuals remained a fundamental part of our fundraising at Leonard Cheshire in 2022/2023.

The reduction from last year in fundraised income reflects significantly reduced staffing and resource currently in this area, because of redundancies during 2022, reduced spend on fundraising activities and closure of programmes and projects.

In 2023 we saw the London Marathon return to its normal April date just six months since the previous event in 2022. We were lucky to have some amazing supporters donning their running shoes and taking to the 26.2 mile course, all raising funds for Leonard Cheshire. In total our supporters raised over £41,000.

£41,000+

Thanks to the fantastic fundraising efforts of our supporters who ran the London Marathon, more than £41,000 was raised for Leonard Cheshire.

Our dedicated supporters continued to donate and show unwavering support to our organisation. There was an incredible response to our Christmas Appeal. Our Christmas story centred around one of our residents, Jane, who has progressive Multiple Sclerosis (MS) and is losing the ability to speak. As part of our assistive tech project, we recorded and 'banked' Jane's voice using specialist technology. This means that she will be able to use her own voice to speak once she is no longer physically able to. Jane is an incredible woman and as a preacher, vicar and lecturer her voice is a huge part of her life, so we are thrilled to be able to give Jane her voice back and future proof her ability to live as she chooses.



Natalie, a resident in Northern Ireland with her Amazon Alexa Echo smart-home device

In 2022/2023 we received over £3.6m from amazing supporters who remembered Leonard Cheshire in their Will.

It's difficult to escape the challenges we're facing as a country, but even during these unsettling times our supporters dug deep and raised £35,661 in response to Jane's story. On top of this, more than 80 individuals signed up to become Leonard Cheshire campaigners; proving again that our supporters are truly committed to building a more inclusive world for disabled people.

A helping hand through technology

Jane's story was one example of the work we are pioneering through our assistive technology hub at Hill House, in Cheshire. In 2022/2023, thanks to further funding from a number of grant-making Trusts and Foundations, we have been able to take what we've learned at Hill House and apply it to other Leonard Cheshire homes across the North West of England. Such funding is vital in our attempts to bring the best integrated person-centred care, utilising cutting-edge technology, to all our residents.

Remembering Leonard Cheshire

Gifts in Wills makes up a significant proportion of our annual donated income. Gifts of any size build a brighter future with more choices and opportunities for disabled people.

In 2022/2023 we received over £3.6m from amazing supporters who remembered Leonard Cheshire in their Will. People like Mabel, a physiotherapist from Bath, who saw and treated many patients from all walks of life both in the hospital where she worked and in their own homes. Mabel became disabled in later life due to arthritis. She empathised with those who lived with disabilities, and she wanted to further the possibilities for those who need it, so she included Leonard Cheshire in her Will. Mabel supported others all through her life and when she died aged 94, through her generosity in leaving a gift in her Will, has continued to support disabled people well into the future, for which we are eternally grateful.



Our People

At the end of the financial year, we employed 4,479 people across our UK organisation, with 92% being employed in front-line social care or support roles. The headcount figure is down 6.3% from the prior year.

In light of the turnaround focus, staffing changes and programmes ending we paused centrally managed volunteering. A small number of volunteers continue to provide much valued support across some of our homes.

The year was dominated by the organisational turnaround, and activities included two rounds of voluntary redundancy and a compulsory redundancy programme, with employees leaving by the end of March 2023. The largest reduction in our headcount was in non-front lines roles, known as Support Services, which saw a reduction of nearly 30% over the prior year, with roles removed across all teams and functions.

In addition, we took the difficult but necessary decision to close our international programmes, closing the majority of our offices and operations across 13 countries within the financial year.

Recruitment

It continues to be a challenging and competitive recruitment landscape for us to work within, with the social care sector saturated with vacancies and our financial challenges making it difficult for us to stand out against upper quartile competitors within the sector.

We have, however, held our own. By maximising the benefits from changes we introduced to our pay for unsociable hours shifts, we received almost 15,000 applications for frontline roles, which was up over 200% from the prior year, during which Covid had continued to have a great influence on the recruitment market.

We continued our targeted recruitment initiatives throughout the year, including:

- Recruiting nurses from Zimbabwe with the final nurses of the seven we recruited arriving during the year. All nurses remain with us and have established themselves as key members of the teams, with all having passed their Objective Structured Clinical Examination (OSCE) qualification which is a legal requirement for them to be able to stay and work in the UK.

At the end of the financial year, we employed 4,479 people across our UK organisation, with 92% being employed in front line or support roles for the front line.

- Our social media 'Make life happen for a Living' recruitment campaign continued; this was focused on recruiting for hard to fill vacancies in our most challenging locations, targeting non care staff to raise awareness of flexible opportunities, and the job satisfaction caring roles provide. The results of the first phase showed significant success with a cost per hire of £254, with the funding coming from Local Authority grants.
- We ran an extension of the campaign, specifically aimed at the older generation, recognising that many who may have retired early, or reduced their working hours, might now – due to the cost of living crisis – be seeking further work on flexible hours.

We are a Disability Confident Leader, having undergone external assessment of our processes around employing, supporting, and developing our disabled colleagues.

As a Disability Confident Leader, we are committed to fully supporting applications received from people with a disability and offer a Guaranteed Interview Scheme. We ensure accessibility throughout the recruitment process and proactively offer reasonable adjustments at all stages. Changes to support each applicant and offered employee are made where possible to meet individual needs.

To support the ongoing employment and support of our disabled employees, Leonard Cheshire has well-established policies and practices in place including Disability Leave.

The identification of barriers and workplace adjustments to support disabled colleagues is integral to our Performance Management process, ensuring that these employees receive the support and development opportunities to thrive at Leonard Cheshire.

Employee Networks

We want Leonard Cheshire to be a diverse and fully inclusive employer, where colleagues can be themselves and feel that they are the core of the organisation.

We have four employee led networks:

- Disability Employee Network (DEN)
- Women
- Pride
- Cultural Diversity and Inclusion

We have been engaging with these networks during the course of the year to support the rebuilding process following the reduction in employee numbers as a result of the financial turnaround. We have looked at how we can rebuild and grow the networks as well as establish a single Equality, Diversity, and Inclusion strategy for Leonard Cheshire. This work continues to be a key focus for us as we develop our policies and practices to ensure that all employees and candidates have full and fair opportunity to join and progress within Leonard Cheshire, with appropriate adjustments being made to support colleagues in their work and progression.

We want Leonard Cheshire to be a diverse and fully inclusive employer, where colleagues can be themselves and feel that they are the core of the organisation.

The Staff Association continues to provide valuable support for colleagues across the organisation but during the year lost its long established Chair through retirement. With a new Chair, we have worked closely to review and refresh the structure and support that the Staff Association brings to colleagues, focusing particularly on how we ensure it is a fluid two way communication forum, and increasing the number of representatives across our front line services.

Developing our People

With the financial turnaround focus this year our development focused predominantly on maximising the Apprenticeship Levy and supporting employees to gain job related skills and knowledge, as well as accredited qualification.

We provided apprenticeships from level 2 to level 7 covering 18 different subjects across frontline and support services roles including:

- Adult Care Worker
- Healthcare Assistant Practitioner
- Production Chef
- Lead Practitioner in Adult Care
- Team Leader / Supervisor
- Advanced Credit Controller Specialist
- Coaching Professional
- Business Administration
- Fundraising

With the organisational challenges we have faced we have reviewed our apprenticeship levy programme and refocused it to include:

- Programme expansion to include new colleagues, improving the recruitment pipeline
- Creation of clear development career pathways
- Expansion of the Leonard Cheshire Learning Academy to include apprenticeship programmes

We also launched a Discovery Insights Leadership Development programme, partnering with Westminster Associates to facilitate the development of the new Leadership Team before rolling the programme out to the Senior Management Team across the organisation.

Supporting our People

The cost of living crisis will have a disproportionate effect on many of our staff when compared with those working across other sectors. We have therefore looked at ways we can support employees which has included loans and advances to address short term requirements and needs.

We have also partnered with WageStream, which is being implemented for all employees and will enable employees to access part of their money earned ahead of payday as well as provide financial tools and benefit entitlement support.

With the move to full home working for our Support Services roles during the pandemic we have continued to provide ongoing support through our employee assistance programme and have started to reestablish regular in person meetings and opportunities for teams and individuals to come together.

Financial review

The financial year 2022/23 was a transformative year. Per the Chair's opening comments, in April 2022 the charity reported a serious incident to the Charity Commission relating to the charity's financial challenges. This triggered a statutory inquiry which is ongoing, the details of which are outlined in the Chair's opening comments.

Whilst the charity has continued to exit unviable situations a significant deficit (£9.3m before actuarial loss) was incurred during the period due in part to continued redundancy and exit costs, increased staff costs owing to a shortage of suitably qualified workers, reduced programme activity, fewer donations and legacies and lower gains on disposal. However, the streamlined headcount and more effective recruitment initiatives position the charity well for the future. Further details of transformation actions are provided in the Going Concern section of this review.

As part of the transformation, and using our professional advisors, we have developed a finance function road map which, amongst other things, will strengthen and improve our financial controls and processes. Specifically, work is already underway to review and strengthen our month end financial controls and processes whilst also improving our financial systems.

Charitable activities

Our major sources of income are fees and grants in respect of social care services, alongside grant income to deliver predominantly UK programmes. Our services and programmes are all delivered with the objective of supporting disabled people to live independent lives, in line with our fundamental purpose. There are great examples throughout this report of how we empower people to live and work as independently and productively as possible.

Social Care financial performance in 2022/23, remained consistent. Income increased year on year, from £133.5m (restated) in 2021/22 to £141.8m in 2022/23 due to a determined effort on fee increases more than offsetting a slight reduction in occupancy. Fee discussions continue and will be regularly reviewed to ensure we obtain an appropriate fee for the services provided.

Our International Programmes show an income of £3.4m compared to £5.1m in 2021/22, with the reduction in income primarily due to the charity consciously exiting certain programmes in 2022/23. Our UK Programmes income reduced from £3.3m in 2021/22 to £1.5m in 2022/23, with the reduction in national lottery funding. Expenditure on charitable activities increased from £159.3m

(restated) in 2021/22 (97.6 per cent of total expenditure) to £160.3m this year (98.7 per cent of total expenditure). The increase in cost was primarily due to higher staff costs in our social care services.

Donations and legacies

Donations and legacies income decreased from £7.6m to £4.5m this year, primarily due to a decrease in legacies. Expenditure on fund raising also decreased from £3.3m to £1.6m, while the ratio of our donations and legacies to the cost of generating voluntary funds increased from 2.3:1 to 2.8:1.

Gain on property disposals

There is a net gain on disposal of properties (including Bungalows 2 & 3 Hill House, 6 Dollis Court, 4 Romulus Close, 2 Thornhill Close and 3 Cranford Avenue) of £1.1m included within the income this year, compared to £4.9m last year.

Total expenditure

Total expenditure before gains/losses on pensions decreased from £163.3m (restated) to £162.3m this year. Our expenditure on activities that directly relate to delivering social care activities increased from £148.1m (restated) to £153.8m, which was primarily the result of increased staff costs, mainly agency, due to a shortage of suitably qualified workers in our social care business.

Net movement in funds

There was an overall net decrease in funds from £94.7m (restated) to £83.7m. The charity is experiencing continuing deficits, because the cost of service delivery is higher than the fees generated. The focus now is to negotiate inflationary fee increases across our social care services, eliminate any residual deficits across our programme activity and further reduce central costs. The deficit on our defined benefit pension schemes marginally decreased from £0.03m to £0.008m, as certain of the groups pension schemes are accounted for as defined contribution schemes in accordance with accounting standards despite having defined benefit features as the information necessary to determine the asset and liability values of the groups share of these multi-employer schemes is not available. The Pension Trust Growth Plan scheme has a surplus restriction that eliminates any surplus entirely. At March 2023 this surplus cap was £2.031m.

Funds/Reserves

Subsequent to the publication of the financial Annual Report and Accounts for the year ended 31 March 2022, a review of the charity's processes for fund accounting, identified that the governance and systems in this area were historically weak. This meant that eligible restricted expenditure had historically been attributed to unrestricted funds rather than restricted funds. Management has completed a review of all available financial information and restated the reserves position as at 1 April 2021 and for the year ended 31 March 2022. As set out in more detail in note 26 to the financial statements, this has resulted in an increase in the level of expenditure allocated against restricted funds.

The total amount of all types of funds held by the Charity totals £83.7m (Restated 2021/22 £94.7m). The total amount of restricted funds, including assets acquired using restricted funds that will be amortized over their life, is £21.3m (Restated 2021/22 £21.7m). This includes £1.1m relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per charity law. The amount of unrestricted funds totals £61.5m (Restated 2021/22 £72.2m).

These overall funds are partially represented by net cash and cash equivalent balances of £2.2m (2021/22 net £1.1m overdrawn because of group funds of £0.2m) but primarily by tangible fixed assets, intangible fixed assets, and investments of £86.1m (2021/22 £91.5m).

The reserves policy was last reviewed in March 2023. We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, adequate working capital, planned development projects and scenario planning for the potential impact of risk, such as an event similar to the Covid-19 pandemic.

The current policy is set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and their possible financial consequences. The target level for those cash and managed investments available should exceed four months of our annualised, risk adjusted cashflow, but should not exceed seven months. The risk adjusted cashflow is the net cashflow excluding property sales with an assumed notional 10% reduction in income levels whilst expenditure continues unchanged.

The reserves policy requires us to have levels of cash and managed investments of between £8.9m and £15.7m. As at 31 March 2023, we had positive cash balances of £2.2m excluding service user funds. The continued delivery of the turnaround plan, principally the property disposal programme, has meant that at the point of signing the financial statements the charity was within its reserves policy even though it was outside of the policy as at March 2023.

Within the overall reserves policy the trustees have reviewed the approach taken to the maintenance of assets related to restricted funds and, with effect from 1 April 2024, it is the charity's intention to support its restricted funds with a higher level of liquid assets (excluding the value of any liquid assets that have been acquired with restricted funds).

Where assets are acquired from restricted funds to be used for activities related to that restricted fund the asset is "allocated" against the fund with depreciation charged against the fund over the life of the asset.

Going Concern

The financial year 2022/23 was the first year of a multi-year turnaround plan that followed successive years of reported deficits at the charity. The actions taken mean that the charity is leaner, more focused and increasingly commercial. A successful disposal programme has also meant that the charity has not needed to use its credit facilities in the nine months to December 2023.

Disposal Sales - FY2023/24

Sale Type	Service	Proceeds £000's	Status
VP *	DLDS Maiden Castle Road	433	Sale completed Apr 23
VP	DLDS Birch Way	427	Sale completed May 23
VP	The Risings, Exeter	538	Sale completed May 23
VP	Agate House	4,605	Sale completed Jun 23
VP	Greenhill House	1,804	Sale completed Oct 23
VP	Alder House	2,812	Sale completed Oct 23
	Completed Sales	**10,619**	

*Vacant possession

Specifically, year one of the turnaround involved 275 redundancies as all central support functions were overhauled, improving the operational efficiency of our care business, a significant reduction in both our UK and international non-care programmes, continued fee negotiations with all of our funders as well as the commencements of a disposal programme to bolster liquidity and fund the restructuring costs.

Year two of the turnaround plan for the financial period 2023/24 targets an overall surplus for the charity and nine months into the financial period this is on track. This will be achieved by the improved efficiency of our social care business, the resolution of any loss-making activities and a specific focus on the financial performance of our Scottish operation further to a change in leadership. The turnaround plan will continue to include property disposals as we consolidate and modernise our portfolio of services and the sale proceeds will continue to boost liquidity.

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements, the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes that extend to 31 March 2025.

Given the overall uncertainty of the wider economic outlook, including the continued financial challenges across the Care Sector, alongside the charity's progression

through its turnaround plan, a number of different scenarios have been considered including a severe but plausible downside scenario. This downside scenario assumes a fee increase for 2023/24 of 6.15% which is lower (with little risk of fluctuation given we are over 9 months into the financial year) than the actual fee increase expected to be achieved for the year of 6.35%. The fee increase assumption for 2024/25 for the downside scenario is a prudent 5%.

From April 2024, the downside scenarios assumes that the National Minimum Wage increases by 10%, non-care staff wage increases by 4% and general inflationary price increases of 4%.

This scenario also only captures disposal proceeds that had already been received at 31 December 2023 despite strong interest in our pipeline and our proven track record to date. In this severe but plausible downside scenario the charity doesn't use its current credit facilities at any time (an uncommitted £5m overdraft facility with Barclays Bank to fund general corporate purposes as at the time of signing the financial statements).

Furthermore, the benefit of several initiatives that are already underway are excluded from the afore mentioned downside and base case scenarios. These include a significant improvement in the financial performance of our Scottish business following the change in leadership. Likewise, we have reassessed the care needs of every England care home resident that we support which, when combined with our new costing model, will provide granular analysis for targeted fee discussions. A similar approach is expected to be extended to our supported living operations. There is also further upside by improved rostering. Consequently, our downside modelling is considered to be very prudent.

However, if the financial recovery did stall, several levers are available to further preserve liquidity. These include using the headroom in our existing credit facilities, increasing our credit lines and increasing the value of our intended pot of disposals, particularly where we have received unsolicited offers. Furthermore, our monthly performance reviews and our short and medium term cash forecasting mean that such a situation should be identified well in advance of it occurring so that there is sufficient time for remedial action to be taken.

Conclusion

Taking into consideration that Leonard Cheshire is now in a positive cash position, is expected to generate a surplus in the financial period ended March 2024 and we are making good progress with the property disposals, the Trustees consider that it is appropriate for the financial statements to be prepared on a going concern basis given there remains adequate liquidity in the base case and downside scenarios.

Balance Sheet

Although the overall debtor balance reduced to £21.6m (£28.2m: Restated 2021/22) this was predominantly driven by a reduction in accrued income to £4.0m (£14.1m: 2021/22) as the prior year backlog billing issue due to poor system processes was resolved. Trade debtors were £16.8m (£12.9m: Restated 2021/22), the increase being driven by the resolution of the prior year's billing issue, which was completed late in the 22/23 year, resulting in the year end debtor build up. Overall creditor balances falling due within one year increased to £25.4m (£21.0m: Restated 2021/22) driven by increases in other creditors, taxation, and deferred income. Our net cash balance (including service users' funds) has increased to £4.0m (£0.7m net of overdraft 2021/22). There was a revaluation of investment properties carried out as at 31 March 2023, which resulted in an unrealised revaluation gain of £0.5m. At year end, we provided for £0.8m of redundancy costs for the redundancy process which is expected to complete in the financial year 2023/24.

Cash flow

Our net cash flow from operating activities increased from £0.001m to £2.2m this year. The positive cash inflow during the year was driven by the one off impact from the reduction in working capital due to the resolution of the prior year billing issues and delayed payment terms agreed with HMRC. We received £2.1m cash (Restated 2021/22: £5.7m per cash flow) from the sale of property, plant and equipment and received £0.1m from investment returns (2021/22: £0.1m). We invested £1.2m in fixed and intangible assets in the year (2021/22: £4.2m). We have £0.6m (split between current and non-current) of external debt as at 31 March 2023 (2022: £0.6m) which primarily relates to a social investment loan, approved by the Welsh Government. On 31 March 2023 we had positive group funds of £2.2m (2021/22: net £1.1m overdrawn). The cash was held in retail bank accounts. Amounts relating to disabled people who use our services of £1.8m (2021/22: £1.8m) were held in trust on their behalf.

Prior year restatements

A number of prior year restatements have been identified which relate to funds, capital grants and VAT. The detailed explanation and impact of these can be found in Note 26.

Fundraising practices

Leonard Cheshire raises funds from the public through individual giving. This includes: direct marketing, both online and offline generating, one-off donations and regular gifts in the form of direct debits/standing orders. We promote and receive gifts in wills and supporters raise money through participating in challenge events such as the London Marathon and Great North Run. We also work with corporate partners and apply to trusts and foundations and other funders, such as the National Lottery, to fund specific projects.

Leonard Cheshire does not exchange or share data with other organisations and have

reduced our use of third-party data for direct mail campaigns. We request evidence of consent for third party communication for each source of data and decide to use the data on a case by case basis in line with the law and the Information Commissioner's Office (ICO) recommendations. Where consent is expressed, it is captured compliantly and recorded on the Leonard Cheshire central customer relationship database.

In 2022/23 we received 8 complaints regarding our fundraising activities (2021/22: 13). None required escalation or referral to external organisations, and all were dealt with internally. Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (CIoF) and the Direct Marketing Association (DMA). All required schemes and standards were complied with. All supporter data, for both individuals and organisations is secured in line with The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679). As the laws about personal data continue to develop, we will update our privacy notice accordingly. We respect the rights of our supporters and their preferences to be erased, removed or forgotten at any point in time on their journey supporting Leonard Cheshire. We place great care to ensure that all of our fundraising practices are carried out in an ethical manner, compliant with all regulatory requirements. This is to ensure that all people, especially those who might be vulnerable are not at risk of encountering unethical practices in relation to Leonard Cheshire. All fundraising communications provide supporters information on how they can contact us via our Supporter Care Team on email or phone; emails also include an option to unsubscribe. Our Fundraising team is trained to help supporters with queries, concerns or to update their communication preferences.

Subsidiaries

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered Company and charity with the Manx Government. This year, incoming resources were £0.52m (2021/22: £0.57m) and total expenditure was £0.61m (2021/22: £0.52m). This means that the Isle of Man services recorded net outgoing resources (loss) of £0.09m (2021/22: incoming resources (profit) of £0.04m).

The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income in 2022/23 was £28.5m (2021/22: £26.1m), and total expenditure was £28.2m (2021/22: £23.8m). It gift-aided £0.3m (2021/22: £0.7m) to the Charity.

The Charity also had a subsidiary, Leonard Cheshire Trading Ltd, which ceased trading in May 2022

Leonard Cheshire International is a subsidiary established in the Republic of Ireland in 2019. Leonard Cheshire USA inc is a subsidiary registered with the tax authorities as a non-profit corporation in the State of Delaware, USA. In July

2022, the Board of Trustees approved the decision to wind up the Leonard Cheshire International and Leonard Cheshire USA subsidiaries – the activity for which is underway and expected to complete by the end of March 2024.

The Charity has two dormant subsidiaries: Leonard Cheshire Trading Ltd, and Leonard Cheshire Trading Ltd (Isle of Man).

During 2022/23, the Charity made the decision to close its regional offices in India, Kenya, Zambia, and Thailand following on from the strategic withdrawal of international program delivery. The closure and deregistration process will be completed in 2023/24.

Streamlined Energy and Carbon Reporting

Environment Intentions

Leonard Cheshire recognises the global challenges presented by climate change and the responsibility it has to reducing the impact of the charity on the environment.

We are therefore committed to reducing our energy, fuel water and waste consumption.

We are particularly mindful that people with disabilities are more likely to be affected by global climate change and are more vulnerable to its negative effects.

Leonard Cheshire is therefore committed to be operating as Net Zero by 2050.

Environmental Approach

The charity has developed our Carbon Reduction Plan and an Environmental Delivery Plan to enable us to set objectives linked to our Net Zero Values to improve on our impact on the environment.

During 2022/23, Leonard Cheshire has continued to use our Carbon Reduction Plan and Delivery Plan to implement our Net Zero Values:

- Maintaining our existing resources
- Buying renewable energy
- Reduce the waste we produce
- We use the resources we need to use
- Electric rather than gas and oil
- Generate more energy ourselves
- Offsetting the carbon which we used

Our Net Zero principles since the baseline reporting period of 2019/20 have delivered an overall carbon reduction in the 2022/23 reporting year of 1,268 tCO2e a 13% reduction.

This reduction was realised in **Scope 1** emissions which continue to be impacted by the reduction in service premises and the move to home working for our office-based workforce. Our environmental initiatives to use less energy are now embedded into our work practices and the organization continues to seek the introduction of more efficient gas boilers where heating systems are replaced, or parts are replaced.

The reduction in **Scope 2** emissions has been achieved through the continued implementation of environmental initiatives to use less energy by replacing lights with energy efficient lights, improved heating control systems, smart metering and only using energy when we need to do so through timers and motion detection lighting. In addition to these initiatives in our services the organization has moved to home working for our office-based staff leading to less **Scope 2** energy consumption within our office premises.

There has however been an increase in **Scope 3** emissions relating to the use of personal vehicles. This has been impacted by bringing the statutory compliance task of completing Fire Risk Assessments in house which had the effect of transferring the carbon from the journeys from **Scope 1** to **Scope 3**, and the reduction of the provision of company cars to our staff which has also had the effect of transferring the carbon from the journeys from **Scope 1** to **Scope 3**, where staff replace the provision of a company car with a personal vehicle.

This negative impact should be limited to 2022/23 and due to the previous investment in IT leading to a reduction in the number of face-to-face meetings where travel is necessary, and this should be reflected in future years reporting figures.

Looking Forward to 2023/24

We have developed a 5-year Environmental Delivery Plan which sets the key environmental objectives for implementation.

The key focus of this plan in 2023/24 focuses on the following activity:

1. Evaluating key areas of our environmental impact to identify improvements.

2. Establish local “Green teams” to drive forward environmental objectives at a local level.

3. Improvements to the quality of our environmental data from our suppliers to make it easier to quantify our environmental impact.

4. Improvements to the quality of our internal environmental impact so information can be shared to drive forward local initiatives.

Baseline Emissions Footprint

Baseline emissions are a record of greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Our baseline figures are from the financial year 2019/20 and have been reported consistently on a yearly basis within our annual report.

Carbon Footprint Reporting

The company's greenhouse gas emissions and energy consumption is reported in tonnes of carbon dioxide equivalent **(tCO2e)** and is broken down as follows:

Carbon footprint (Greenhouse gas emissions)		**2022/2023**		
Type of emissions	**Activity**	**kWh**	**tCO2e**	**% of total**
Direct	Services Gas	18,214,836	3,325	40.8%
(Scope 1)	Services Oil	5,097,958	1,258	15.4%
	Services LPG	3,073,143	659	8.1%
	Company Vehicle	701,129	169	2.1%
Energy Indirect (Scope 2)	Services Electricity	9,503,551	1,838	22.6%
Other Indirect (Scope 3)	Personal Vehicle	879,810	880	10.80%
	Flight	54,906	10	0.12%
	Train	51,049	7	0.09%
Total gross emissions (tCO_2e)			8,146	
Total energy consumed (kWh)		37,576,382		

Intensity metric

Number of employees (FTE's)	**3131**
Tonnes of CO2e per employee	**2.60**

Carbon Footprint (Greenhouse Gas Emissions)

Type of emissions	Activity	tCO2e 2022/23	tCO2e 2021/22	tCO2e Baseline	Year on year variance	Baseline variance
Direct (Scope 1)	Services Gas	3,325	3,877	4,026	85.8%	82.6%
	Services Oil	1,258	582	1,295	216.2%	97.1%
	Services LPG	659	453	555	145.5%	118.8%
	Company Vehicle	169	294	290	57.5%	58.3%
Energy Indirect (Scope 2)	Services Electricity	1,838	1,966	2,361	93.5%	77.8%
Other Indirect (Scope 3)	Personal Vehicle	880	226	714	389.3%	123.2%
	Flight	10	–	112.8	–	8.8%
	Train	7	6	59.5	116.7%	11.8%
	Ferry	–	–	0.2	–	–
	Taxi	–	–	–	–	–
	Overseas Internal Journeys	–	56	–	–	–

Intensity metric

	tCO2e 2022/23	tCO2e 2021/22	tCO2e Baseline
Number of employees (FTE's)	3131	3407	3822
Tonnes of CO2e per employee	2.60	2.19	2.46

Assessment parameters

Baseline year	2019/20
Reporting organisation	Leonard Cheshire Disability
LCD Environmental Leads	Karl Monet, Head of Health, Safety and Environment
Reporting period covered	1 April 2022 – 31 March 2023
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification 2019 baseline	Supported by Energy Managers Association Lead Assessor

Principal risks and uncertainties

The Trustees are ultimately responsible for risk management. As part of a governance review and improvement initiative, the board have approved a new risk management framework which is currently being implemented.

This year, the risk agenda has been dominated by financial turnaround and associated measures, as well as a focus on future strategy, governance, and care quality.

The ongoing underfunding by central government of social care across the sector remains a concern for us and other providers. Fee negotiations with local authorities are progressing based on the actual cost of care provision, including the changing needs of service users and inflationary impacts.

The financial risk management objective is to consolidate the portfolio to achieve a financially sustainable operation which generates surpluses.

Improved oversight of agency staff usage in services, and other controls, are being embedded. We have strengthened our resources in the areas of quality, safeguarding and regulatory compliance. Where we have exited from services, we have done so in a way that is responsible, seeking to achieve the best outcomes for residents through working with partners.

The Audit, Risk and Finance Committee reviews the Charity's risk register. The Committee also approves the annual risk based internal audit plan, receives internal audit reports and progress updates.

Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities.

Our most significant risks and mitigating actions are set out in the following table, in no particular order:

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	– Regular monitoring of Local Authority fees and payments, with plan focused on securing inflationary fee uplifts and fee recovery – Individual care needs assessment being carried out to identify necessary fee increases in line with care needs – Review and reduction of operating costs: Reduction in agency costs through improved controls, recruitment, and retention of permanent staff. Reducing non-labour costs through improved controls – Future strategy being defined with primary focus on care services and review of portfolio being undertaken
Loss of public trust	– Governance frameworks and practices reviewed including self-assessment of compliance with Charity Governance Code, action plan defined and being implemented – All policies and guidelines being reviewed, with Quality and Finance prioritised. Safeguarding and ethical policies updated, and staff trained as appropriate – Compliance with relevant regulations and proactive engagement with Regulators, including proactive cooperation with the Charity Commission on the Statutory Inquiry – Proactive management of media, government, and civil society relationships
Failure to meet safe quality standards	– Recruitment of Executive Director Quality and Clinical Care and strengthening Quality team – Baseline audit of all services undertaken, with action plans being defined. – Investment in operational care quality improvement team – Clinical guidelines in place with clear instructions to staff to ensure the safety of the people we support – Rigorous Safeguarding, Serious Incident, health and safety, recruitment, and whistle blowing procedures – Serious Incidents Policy and Procedures – Safeguarding All Framework & Policy reviewed annually. Comprehensive national guidelines in place – Executive and Quality & Safety Committee oversight

Potential risk:	Action taken to mitigate:
Major disruption to some or all of our activities for prolonged period (e.g. a pandemic similar to Covid-19)	– Executive Management ownership and three stage crisis management plans in place (response, transition, and re-set) – Evaluation of impact around staffing levels and staff morale and wellbeing – Financial modelling and stress testing scenarios in place to ensure resilience and sustainability – Board, Audit, Risk and Finance Committee, People Committee oversight
Serious breach of information or cyber security; failure to uphold rights of all individual data subjects	– Executive Management ownership and support for information Governance and Security issues – Monitoring and maintenance of the Data Processing Management System and business ownership for data processing activities – Data protection policies built into terms and conditions for all staff – Mandatory staff training undertaken on Information Governance and Security – IT security policies in place – Firewalls, automatically updated anti-virus software and email/internet filtering – Multi-factor authentication for accessing IT systems and VPN to encrypt information
Failure to manage turnaround and change programmes such that cost savings are not realised or adverse outcomes to service delivery are experienced	– Turnaround plan to deliver savings and funding agreed with Trustees and key stakeholders and delivery being monitored and updated as necessary – Active engagement with banking partners and other external stakeholders with regular updates – Monthly monitoring of deliverables by Board of Trustees – Revised Delegation of Authority implemented and costs being controlled – Improving credit control arrangements – Strengthening financial controls

Plans for future periods

Since Leonard Cheshire was founded, the world has changed, but not enough for people with disabilities. To continue to deliver impact for many years to come, we are resizing and reshaping for the future.

We believe in a fair and inclusive world, where everyone can live as they choose. Central to our ethos is independence, dignity and respect, with our service to people with disabilities front and centre of everything we do.

In future, Leonard Cheshire will primarily be a high-quality care service provider of residential, nursing and supported living services for people with severe physical disabilities (our core competence).

In future, our services will be purpose designed, technology enabled, well equipped, 'home from home', and situated close to communities, with good transport infrastructure and access to local labour.

Our services will work under a commercial operating model, whereby we are able to provide high standards of care through being paid fair fees based on the changing needs of our residents.

Leonard Cheshire will continue to be a strong advocate for fair cost of care and other policy agendas that support our primary care service area and mission.

We will continue to promote employment of young people with disabilities, through Change 100 and Training & Consultancy and our advocacy.

To build the foundations for the future, over the next three years we are progressing our turnaround plan, set in February 2022.

Our other priorities for next year are:

1. **Continue to prioritise the safe, effective delivery of care in our UK services**

    a. Review and improve our quality, safeguarding and improvement teams.

    b. Reduce our reliance on agency workers.

2. **Three-year turnaround plan initiated in 2022 that returns Leonard Cheshire to being cash positive by the end of financial year 2023/24 on a full year basis**

    a. Review portfolio of UK services to improve financial sustainability and increase liquidity.

    b. Negotiate fair fee increases with care funders to address inflationary increases and additional support needs of people who use our services.

    c. Over time, it is the charity's intention to support its restricted funds with a higher level of liquid assets.

    d. Restructure central support functions aligned to future strategic focus.

    e. Further consolidate programmes portfolio.

3. **Influence change in society for people with disabilities to have greater opportunities of choice for how they live and work**

    a. Infuence national policies, strategies and standards in social care.

    b. Increase the impact of Change 100 (internship programme) and our training and consultancy support for employers.

    c. Infuence the inclusive employment agenda in the context of new approaches from Government.

    d. Lobby and influence to ensure adequate support for disabled people during the cost of living crisis.

Structure, governance and management

Registration

The registered name of the Charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland and the Scottish registered charity number is SC005117. The registered address is Regus, The News Building, 3rd Floor, 3 London Bridge Street, London SE1 9SG. It is governed by the Memorandum and Articles of Association, which were last amended on 22 February 2023.

Objects and public benefit

The objects of the Charity are to relieve the consequences of physical and/or mental disability by the provision, in the United Kingdom and overseas, of accommodation, services and support for the spiritual, social, physical and mental wellbeing of disabled people, by such means as are charitable, whatever their race, nationality, creed, sex or age.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2022/23. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Further detail on the public benefit can be found in the section on Objectives and activities. Details of our charitable activities, achievements and performance are included on pages 7-16.

Governance and operating structure

The Board of Trustees (the 'Board') meets at least four times a year. Each year, we approve the annual budget and review the strategic plan of the Charity. Trustees set the strategic direction for the Charity.

In 2022/23, the Board led a recruitment exercise to identify a new Chair of the Board of Trustees, resulting in the formal appointment of Neil Goulden in March 2023, which followed the retirement of the previous Chair, David Grayson.

The Board of Trustees have delegated authority to Ruth Owen, the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an Executive Team, all of whom are officers of the Charity. Advisers to the charity are listed on page 125.

Individual Trustees also take reasonable steps to ensure there is regular contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level.

In 2022/23, there were five board committees: Audit and Risk, Finance, Governance and Nominations, People, and Quality and Safety. From July 2023, following an extensive review of governance arrangements, there are four board committees comprising: a merged Audit, Risk and Finance Committee, People, Remuneration and Nominations, and Quality and Safety. Trustees for the period of the report are listed on page 123.

The People Committee is chaired by Valerie Todd. It was chaired by Stephen Duckworth until December 2022, and subsequently under Hilary Sears until July 2023. The Committee meets at least four times per year.

It is responsible for:

- Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best-in-class employer of choice
- Maintaining an overview of people-related policies and practices in relation to all staff
- Overseeing the development and delivery of the organisation's People Strategy, including recruitment, remuneration, training and development, and health and wellbeing.

The People Committee approves the pay review evaluation and pay increases for staff in general. This is based on the principles of transparency, equity and fairness.

The Quality and Safety Committee was chaired by Ranald Mair until September 2022 and is now chaired by Michele Golden. This Committee meets at least four times per year.

It is responsible for:

- Ensuring that the delivery of quality of service, compliance and care to the individual is a key focus of our activity
- Making safety, effectiveness and customer experience central to the development, delivery and measurement of our services, by assessing care quality, customer and staff experience measurement data
- Ensuring that learning and development needs are identified and appropriately met
- Supporting innovation and the development of new care pathways
- Ensuring that performance standards and policy changes relating to quality, healthcare and social outcomes are met, and
- Receiving and considering reports relating to serious incidents in the provision of social care services

The Finance Committee was chaired by Adam Wiltshire until March 2023. During the second half of 2022/23, it met on a monthly basis to support the Board in fulfilling its oversight of financial performance.

The Committee has now been merged with the Audit and Risk Committee to create the Audit, Risk and Finance Committee from July 2023, which is chaired by Stephen Billingham.

The Audit and Risk Committee was chaired by Philip Cassidy until July 2023. The Committee met quarterly during 2022/23.

The Committee has now merged with the Finance Committee to create the Audit, Risk and Finance Committee from July 2023.

The Audit, Risk and Finance Committee is chaired by Stephen Billingham. The Committee meets at least four times per year and combines the responsibilities of the former Audit and Risk Committee, and Finance Committee, including:

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Considering the appointment, remuneration, effectiveness, and independence of internal and external auditors

- Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgments contained therein
- Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow
- Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management
- Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed, and
- Recommending financial policies that are reserved to the Board, including the reserves policy

The Governance and Nominations Committee was chaired by Colin Hunter until October 2022, and subsequently by Hilary Sears until July 2023. From July 2023, it has been reconstituted as the Remuneration and Nominations Committee, and is chaired by Neil Goulden. The Committee meets on an as-required basis. It is responsible for:

- Overseeing and planning Board and Committee governance arrangements related to membership, succession, composition, skills, training, diversity and appraisal of Trustees and the CEO
- Monitoring and ensuring an effective Board composition, including identifying and recommending new members of the Board of Trustees, succession planning, Trustee skills assessment and mapping of skills to corporate needs
- Overseeing strategy for reward and remuneration of Executive Team members
- The arrangement for setting annual pay review for key management is based on an annual benchmarking of Leonard Cheshire's pay structure against the charity and social care sectors, and considering affordability.

Advisory Groups

The Customer Council was chaired by Vidar Hjardeng until December 2022.

The Council sought to ensure that the charity is led by people with disabilities in its decision-making, having been comprised of beneficiaries from across the charity including representatives of services, volunteers, and international programmes. The Council has been stood down in its current constitution, reflecting the exit from international delivery and other reshaping across the charity as part of turnaround measures. Alternative options for effective engagement of beneficiaries from our care services and other UK work, in the governance of the charity, are being explored.

Directors duties statement

Trustees, as directors of Leonard Cheshire, must act in accordance with a general set of duties, laid down in law and guidance from regulators. Trustees are obliged to report on how they have complied with their duty in regard to matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

In summary directors of a charitable company must act in a way they consider, in good faith, would be most likely to promote the success of the charity and the achievement of its charitable purposes. In doing this, directors would need to consider, amongst other things:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to more advice, information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviors expected of volunteers, staff and other stakeholders. The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

The Trustees Board sets and agrees the overall strategic direction of Leonard Cheshire. This is based on recommendations from the CEO and Executive Team, following appropriate scrutiny and challenge. Trustee decision making considers the Charity's sustainability and long-term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers through its People Strategy and workforce insight initiatives overseen by the People Committee. We have a strong working relationship with the Staff Association who continue to play a key role in gathering the views of our colleagues across Leonard Cheshire. The Staff Association Chair is invited to attend the People Committee.

Towards the end of 2022, we began planning work to enhance the voice of our staff in shaping the way our organisation operates. This work includes reviewing and refreshing the Staff Association structures and ways of operating. Building on firm foundations, the aim is to empower the Staff Association to strengthen its role in enabling constructive engagement between Leonard Cheshire and its people, and in building a positive workplace culture. The project team, under the sponsorship of the Executive Director People, is partnering with the Staff Association Chair and working with key stakeholders to review, refresh and relaunch the Staff Association during 2023/24.

Leonard Cheshire's ambition is to continue extending our positive impact in communities by supporting disabled people to develop and achieve their potential. This report includes stories of how this is being achieved.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent.

The trustees of Leonard Cheshire are the sole members of the charity, and the charity is not run in the interests of the members but in the objects of the charity.

Appointment and induction of Trustees

All vacancies for Trustees are externally advertised. The Remuneration and Nominations Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees. We place particular emphasis on the representation of disabled people.

New Trustees receive induction material and training, as well as additional training throughout their appointment.

The Trustees review the composition of the Board at regular intervals and decide whether there is a need to change the skill base. Trustees initially serve for a three-year period and then may be re-appointed for a further term of three years. In exceptional circumstances, an additional term of up to three years may be considered.

Emoluments

In 2022/23, Trustees received no emoluments.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so. The Charity also purchased and maintained throughout the financial year Trustees', directors' and officers' liability insurance in respect of itself and its directors.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 2 February 2024.



Neil Goulden
Chair

3.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Leonard Cheshire Disability for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Report is approved:

- So far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

4.

Auditors' report

Independent auditors' report to the members and trustees of Leonard Cheshire Disability

Report on the audit of the financial statements

Opinion

In our opinion, Leonard Cheshire Disability's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2023; the Consolidated Statement of Financial Activities; the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and parent charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- understanding and evaluating the group and charitable company's control environment specifically as it relates to preventing and detecting irregularities and fraud;
- discussions with management, trustees and the group's legal advisors regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- identifying and testing journal entries, including journal entries where we identified particular risk criteria; and
- challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Frances Cucinotta
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

2 February 2024

5.

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2023 £'000**	Restated* Totals 2022 £'000	Notes
Income and Endowments from:						
Donations and legacies	3,469	1,027	-	**4,496**	7,613	3A
Charitable Activities – Social Care	141,495	324	-	**141,819**	133,469	
Charitable Activities – International Programmes	-	3,443	-	**3,443**	5,064	3D
Charitable Activities – UK Programmes	870	624	-	**1,494**	3,303	3E
Other trading activities	17	-	-	**17**	135	
Government support – Covid-19	132	-	-	**132**	3,747	3C
Investment income	104	-	-	**104**	135	4
Gain on property disposals	1,059	9	-	**1,068**	4,894	
Total	**147,146**	**5,427**	**-**	**152,573**	**158,360**	
Expenditure on:						
Raising funds	1,626	2	-	**1,628**	3,291	5
Charitable Activities – Social Care	152,455	1,342	-	**153,797**	148,082	5
Charitable Activities – International Programmes	546	3,336	-	**3,882**	6,867	5
Charitable Activities – UK Programmes	1,458	1,115	-	**2,573**	4,376	5
Campaigning	408	-	-	**408**	674	5
Total	**156,493**	**5,795**	**-**	**162,288**	**163,290**	
Revaluation of investments	464	-	-	**464**	(660)	11
Net (expenditure)/income	**(8,883)**	**(368)**	**-**	**(9,251)**	**(5,590)**	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2023 £'000**	Restated* Totals 2022 £'000	Notes
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	(1,800)	-	-	**(1,800)**	42	21
Net movement in funds	**(10,683)**	**(368)**	**-**	**(11,051)**	**(5,548)**	
Reconciliation of funds:						
Total funds brought forward*	72,164	21,694	857	**94,715**	100,262	
Total funds carried forward	**61,481**	**21,326**	**857**	**83,664**	**94,715**	17

All activities relate to continuing operations. The Group has no recognised gains or losses except those included above and, therefore, no separate statement of recognised gains and losses has been prepared.

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

The Notes on pages 61 to 120 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2023

Company Number 00552847

Charity number 218186

	2023 £'000	Restated * 2022 £'000	Notes
Fixed assets			
Tangible assets	**76,995**	81,997	9
Intangible assets	**4,299**	4,871	10
Investments	**4,761**	4,638	11
Total fixed assets	**86,055**	**91,506**	
Current assets			
Investments	**15**	15	12
Debtors	**21,598**	28,196	13
Cash at bank and in hand	**3,985**	1,988	14
Total current assets	**25,598**	**30,199**	
Liabilities			
Creditors: Amounts falling due within one year	**(25,430)**	(20,993)	15
Net current assets	**168**	9,206	
Total assets less current liabilities	**86,223**	100,712	
Creditors: Amounts falling due after more than one year	**(480)**	(631)	15
Provisions for liabilities	**(2,071)**	(5,333)	16
Net assets excluding defined benefit pension liability	**83,672**	94,748	
Defined benefit pension scheme liability	**(8)**	(33)	21
Total net assets	**83,664**	**94,715**	

	2023 £'000	Restated * 2022 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**21,326**	21,694	17
Unrestricted funds			
Designated	**8,111**	5,055	17
General	**48,943**	62,852	17
Revaluation reserve	**4,435**	4,290	17
Pension reserve	**(8)**	(33)	17
Total unrestricted funds	**61,481**	**72,164**	17
Total Charity funds	**83,665**	**94,715**	

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

The financial statements on pages 52 to 120 were approved by the Trustees on 2 February 2024 and signed on their behalf by:



Neil Goulden
Chair



Stephen Billingham
Chair of the Audit, Risk and Finance Committee

The Notes on pages 61 to 120 form part of these financial statements.

Company Balance Sheet

as at 31 March 2023

Company Number 00552847

Charity number 218186

	2023 £'000	Restated* 2022 £'000	Notes
Fixed Assets			
Tangible assets	**76,990**	81,987	9
Intangible assets	**4,299**	4,871	10
Investments	**4,761**	4,638	11
Total fixed assets	**86,050**	**91,496**	
Current Assets			
Investments	**15**	15	12
Debtors	**17,338**	25,707	13
Cash at bank and in hand	**3,801**	1,916	14
Total current assets	**21,154**	**27,638**	
Liabilities			
Creditors: Amount falling due within one year	**(24,155)**	(21,578)	15
Net current (liabilities)/assets	**(3,001)**	6,060	
Total assets less current liabilities	**83,049**	97,556	
Creditors: Amount falling due after more than one year	**(480)**	(631)	15
Provisions for liabilities	**(2,071)**	(5,333)	16
Net assets excluding defined benefit pension liability	**80,498**	91,592	
Defined benefit pension scheme liability	**(8)**	(33)	21
Total net assets	**80,490**	**91,559**	

	2023 £'000	Restated* 2022 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**21,241**	21,608	17
Unrestricted funds			
Designated	**8,185**	5,025	17
General	**45,780**	59,812	17
Revaluation reserve	**4,435**	4,290	17
Pension reserve	**(8)**	(33)	17
Total unrestricted funds	**58,392**	**69,094**	**17**
Total Charity funds	**80,490**	**91,559**	

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

The net deficit for the year of the parent Charity was £11,070,000 (Restated 2022: net deficit of £6,442,000). This includes a gift aid payment of £706,963 from Leonard Cheshire Services CIC.

The financial statements on pages 52 to 120 were approved by the Trustees on 2 February 2024 and signed on their behalf by:



Neil Goulden
Chair



Stephen Billingham
Chair of the Audit, Risk and Finance Committee

The Notes on pages 61 to 120 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	Reference	2023 £'000	Restated 2022 £'000
Cash flows from operating activities:			
Net cash generated from/(used in) operating activities	**A**	**2,245**	**1**
Cash flows from investing activities:			
Dividends, interest and rents from investments		**104**	135
Proceeds from the sale of tangible assets		**2,132***	5,707
(Purchase) of tangible assets		**(1,187)**	(4,241)
Purchase of intangible assets		**(3)**	(670)
Net cash generated from investing activities		**1,046**	**931**
Change in cash and cash equivalents in the reporting year		**3,291**	932
Cash and cash equivalents at the beginning of the reporting year		**694**	(238)
Cash and cash equivalents at the end of the reporting year	**Note 14**	**3,985**	**694**

*Included in the proceeds of tangible assets are proceeds of £1,812k from property, plant and equipment and proceeds from the sale of investment properties of £320k.

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	2023 £'000	Restated* 2022 £000
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net expenditure for the reporting year (as per the Statement of Financial Activities)	**(9,251)**	(5,590)
Adjustments for:		
Amortisation, depreciation and impairment charges	**6,028**	6,469
Amortisation on programme related investment	**20**	20
Revaluations on investments	**(464)**	660
Dividends, interest and rents from investment	**(104)**	(135)
(Gains) on the sale of fixed assets	**(1,076)**	(4,895)
Difference between pension contributions and current service cost	**(1,583)**	(1,935)
Decrease in stock	**-**	1,486
Decrease/(Increase) in debtors	**6,587**	(526)
Increase/(Decrease) in creditors	**5,343**	**1,325**
(Decrease)/Increase in provisions	**(3,255)**	**3,122**
Net cash generated from/(used in) operating activities	**2,245**	**1**

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

Notes to the financial statements

For year ending 31 March 2023

1. Accounting policies and basis of preparation of financial statements

General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – "Accounting and Reporting by Charities" and with applicable accounting standards in the United Kingdom, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost basis of accounting as modified for the valuation of investments at market value.

Some of the comparative balances from the year ended 31 March 2022 have been restated following the identification of some errors. Further detail can be found in the Restatements section in this note and Note 26.

The charitable company is a private company limited by guarantee, without share capital, incorporated in England and Wales. The registered number is: 00552847 and the charity number is: 218186.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. The trustees are confident that accounting for the charity as a going concern is appropriate.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

No separate statement of financial activities (SOFA) has been presented for the parent charity alone, as permitted by Section 408 of the Companies Act 2006.

The SOFA and balance sheet consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings.

The Charity is a public benefit entity.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The parent charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the parent charity.

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2023. In addition, the results of the wholly-owned subsidiaries: The Leonard Cheshire Foundation (Isle of Man) Limited; Leonard Cheshire Trading Limited; Leonard Cheshire Services CIC; Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

Income Polices

Donations are recognised in income upon receipt. Gift aid receivable is included in income when there is a valid declaration from the donor and the donation has been received.

Income for our UK and international programme activity is recognised when we are entitled to recognise it as a result of our performance. Where income is received in advance, it is deferred and is included as a liability until the conditions of entitlement are met, at which point the income is recognised and the liability released. Where entitlement occurs before income is received, the income is accrued and included in current assets.

Where the charity receives gifts of goods or services in kind, of a measurable value to the charity, the gift is included as both income and expenditure, with both elements recognised in the statement of financial activities when the benefit is received.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received. Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is from the supply of services under contractual arrangements and is recognised when the service has been provided.

Income from other trading activities includes income from both trading activities to raise funds for the Charity and income from sale of merchandise. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable and the amount is measurable.

Investment income consists of dividends, interest received and rents from investment properties; and is shown gross as the amount received in the year before deduction of any associated costs.

Covid-19 income consists of government support for specific Covid-19 related costs, such as the infection control and the job retention scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Grant income is recognised in the financial statements when the conditions have been fulfufilled and the Charity becomes entitled to payment. When a grant is received relating to a future accounting period the amount is deferred to future accounting period. Deferred grant income at the yearend is included in creditors.

Expenditure Policies

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

The cost of raising funds for donations and legacies income is the cost relating to voluntary contributions as well as costs relating to marketing, branding and increasing public awareness of the Charity. The costs of charitable activities includes all expenditure directly relating to the objectives of the Charity.

Support costs have been allocated to the cost of raising funds and the appropriate charitable activity in accordance with Charities SORP. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs.

The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity during the financial year. The categorisation and allocation of these support costs is detailed in note 5. They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustees expenses, trustees insurance, internal/external audit costs and other professional fees, and have been allocated proportionately across charitable activities.

Any irrecoverable VAT is either charged to the SOFA within the item of expense to which it relates or capitalised as part of the cost of the related asset, as appropriate.

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the term of the lease. Any lease incentives (such as rent free periods) are spread over the life of the lease or the period to the first rent review, whichever falls earlier.

Going Concern

The financial year 2022/23 was the first year of a multi-year turnaround plan that followed successive years of reported deficits at the charity. The actions taken mean that the charity is leaner, more focused and increasingly commercial. A successful disposal programme has also meant that the charity has not needed to use its credit facilities in the six months to December 2023.

Disposal Sales - FY2023/24

Sale Type	Service	Proceeds	Status
VP*	DLDS Maiden Castle Road	433	Sale completed Apr 23
VP	DLDS Birch Way	427	Sale completed May 23
VP	The Risings, Exeter	538	Sale completed May 23
VP	Agate House	4,605	Sale completed Jun 23
VP	Greenhill House	1,804	Sale completed Oct 23
VP	Alder House	2,812	Sale completed Oct 23
	Completed Sales	**10,619**	

*Vacant possession

Specifically, year one of the turnaround involved 275 redundancies as all central support functions were overhauled, improving the operational efficiency of our care business, a significant reduction in both our UK and international non-care programmes, continued fee negotiations with all of our

funders as well as the commencements of a disposal programme to bolster liquidity and fund the restructuring costs.

Year two of the turnaround plan for the financial period 2023/24 targets an overall surplus for the charity and nine months into the financial period this is on track. This will be achieved by the improved efficiency of our social care business, the resolution of any loss-making activities and a specific focus on the financial performance of our Scottish operation further to a change in leadership. The turnaround plan will continue to include property disposals as we consolidate and modernise our portfolio of services and the sale proceeds will continue to boost liquidity.

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements, the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes that extend to 31 March 2025.

Given the overall uncertainty of the wider economic outlook, including the continued financial challenges across the Care Sector, alongside the charity's progression through its turnaround plan, a number of different scenarios have been considered including a severe but plausible downside scenario. This downside scenario assumes a fee increase for 2023/24 of 6.15% which is lower (with little risk of fluctuation given we are over 9 months into the financial year) than the actual fee increase expected to be achieved for the year of 6.35%. The fee increase assumption for 2024/25 for the downside scenario is a prudent 5%.

From April 2024, the downside scenarios assumes that the National Minimum Wage increases by 10%, non-care staff wage increases by 4% and general inflationary price increases of 4%.

This scenario also only captures disposal proceeds that had already been received at 31 December 2023 despite strong interest in our pipeline and our proven track record to date.

In this severe but plausible downside scenario the charity doesn't use its current credit facilities at any time (an uncommitted £5m overdraft facility to fund general corporate purposes).

Furthermore, the benefit of several initiatives that are already underway are excluded from the afore mentioned downside scenario. These include a significant improvement in the financial performance of our Scottish business following the change in leadership. Likewise, we have reassessed the care needs of every England care home resident that we support which, when combined with our new costing model, will provide granular analysis for targeted fee discussions. A similar approach is expected to be extended to our supported living operations. There is also further upside by improved rostering. Consequently, our downside modelling is considered to be very prudent.

However, if the financial recovery did stall, several levers are available to further preserve liquidity. These include using the headroom in our existing credit facilities, increasing our credit lines and increasing the value of our intended pot of disposals, particularly where we have received unsolicited offers. Furthermore, our monthly performance reviews and our short and medium term cash forecasting mean that such a situation should be identified well in advance of it occurring so that there is sufficient time for remedial action to be taken.

Conclusion

Taking into consideration that Leonard Cheshire is now in a positive cash position, is expected to generate a surplus in the financial period ended March 2024 and we are making good progress with the property disposals, the Trustees consider that it is appropriate for the financial statements to be prepared on a going concern basis given there remains adequate liquidity in the base case and downside scenarios.

Pensions

Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS102. The following elements are charged to the SOFA:

1. The service costs of pension provision relating to the period, together with the cost of any benefits relating to past service;

2. The net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities; and

3. The actuarial gain or loss on scheme assets and liabilities.

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if we have an unconditional right to a refund of that surplus.

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet, as appropriate.

In line with FRS 102, where there is insufficient information to appropriately calculate an employer's scheme assets or liabilities, defined benefit pension schemes are accounted for and disclosed as defined contribution schemes.

They are recognised using discounted future cashflows in respect of funding deficit reduction plans, and are presented within Provisions for Liabilities.

Defined contribution pension scheme costs represent the contributions payable for the period. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Currently, employer contribution for pension is 11%.

Liability Policies

Basic financial liabilities , including trade and other payables, are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The Charity has recognised specific provisions for:

1. **Dilapidations on leasehold properties** – this relates to the estimated future cost of building work required when vacating leasehold premises;

2. **Redundancy costs** – these costs are payable where notification of intended redundancy was made before year end;

3. **Annual Leave Provision** – annual leave provision represents a potential liability due to working time directive case law.

4. **Other provisions** – these represent estimates of future expenditure on a number of matters such as pensions where the outcome is not known with certainty.

The Group is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The Group's functional and presentation currency is the pound sterling.

Transfers of monies between the UK and overseas offices are translated at the spot rate of exchange at the date of the transaction.

Transactions denominated in foreign currencies are translated at the average rate of exchange for the month in which the transaction occurred.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

Volunteers

The charity appreciates the hard work and dedication of its volunteers. 75 volunteers engaged in a number of activities supporting our social care services, fundraising and campaigning.

The contribution of volunteers is not recognised in the accounts as it is impractical to value given the absence of a reliable measurement basis.

Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

Other financial assets, including investments in equities which are not subsidiaries, are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value is recognised in the statement of financial activities.

Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 (except for IT equipment where the limit is £400) is capitalised and depreciation or amortisation (as appropriate) is charged at the following annual rates on cost:

1. Freehold land and buildings and improvements to freehold land and buildings at 2 percent per annum;

2. Leasehold properties and improvements to leasehold properties over the remaining period of the lease;

3. Furniture, fittings, equipment and vehicles at 5-25 percent per annum; and

4. Intangible assets amortised at 10 percent per annum to reflect the likely useful life of such assets, our major component being the organisational back office system, MS Dynamics.

Freehold functional and leasehold functional properties are not revalued and are included at their depreciated historic cost. Freehold land is not depreciated except where it is not possible to separate the land from the buildings. Assets under the course of construction are not depreciated until they are brought into use.

If an indication of any impairment to the carrying value of tangible assets existed at the balance sheet date, the asset's recoverable amount is estimated and an impairment loss recognised in the fund to which the asset relates.

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently measured at fair value which reflects market conditions at the balance sheet date unless fair value cannot be measured reliably, in which case it is measured at cost less impairment.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or end of owner occupation.

Gains or losses arising from changes in the fair values of investment properties are included in the SOFA in the year in which they arise.

Programme related investments are made to provide charitable benefits and are stated at original cost and are amortised over the length of the period of the associated management agreement or the period over which the investment will provide benefit where this is shorter.

Investments are included in the financial statements at closing price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy, along with the capital grant.

Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied. Over time, it is the charity's intention to support its restricted funds with a higher level of liquid assets;

2. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained;

3. Expendable endowment funds can be used for general purposes;

4. Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity;

5. Designated funds which have been set aside at the discretion of the Trustees for specific purposes but which otherwise form part of the unrestricted Group designated funds some of which is for future capital developments which are for the long term use of its service users. These funds were received at service level with a preference but no legal restriction as to their use.

6. Assets purchased using restricted funds then become restricted assets and form part of the restricted reserves, reducing over the useful life of the asset. If an asset is part-funded through restricted reserves the asset is part restricted to the same proportion as the funds used and depreciated accordingly. Upon disposal, unless otherwise specified in the restriction any funds from disposal are returned to the Unrestricted funds.

7. Spend is applied to the Restricted funds in line with the restrictions applicable, this may be through direct costs or allocation of attributable overhead costs.

The pension reserve reflects the difference between the net assets and liabilities of the pension schemes, measured on an FRS 102 basis.

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of funds targets take into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk.

The reserves policy was reviewed by the former trustees in March 2023. We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, adequate working capital, planned development projects and scenario planning for the potential impact of risk, such as an event similar to the Covid-19 pandemic.

The current policy is set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and their possible financial consequences. The target level for those cash and managed investments available should exceed four months of our annualized, risk adjusted cashflow, but should not exceed seven months. The risk adjusted cashflow is the net cashflow excluding property sales with an assumed notional 10% reduction in income levels whilst expenditure continues unchanged. The Charity's reserve policy is discussed in detail in the Financial Review section and there has been a restatement this year with the detailed impact shown in note 26.

The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds.

Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

Other Policies

Funds belonging to people who use our services that are held by us in safe custody on their behalf are separately recorded as both cash and liabilities on the balance sheet.

Critical Accounting Judgements and Estimation Uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual costs. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

1. Defined benefit pension scheme (note 21). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

2. Investment properties (note 11). The Charity has undertaken several external valuations and some by a qualified RCIS employee, of the investments.

3. Impairment provisions are taken against certain assets where the carrying value is no longer supportable, and prudent estimates may be made as to the appropriate value in order to calculate the required impairment provision.

4. Provisions-debtors. The charity has made provision for potential non recoverability of debtor balances in relation to social care balances. For Local authorities 10% of aged debt over 300 days has been provided for and for private customers 90%.

5. Provisions-redundancy. The charity has made a provision for redundancy and staff termination cost.

6. Provisions-dilapidations. Arising where property leases oblige the charity to cover the cost of restoring properties to their original condition when ending its occupation as those leases terminate.

Judgements

These accounts include judgements as noted below.

1. Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

2. Defined benefit pension scheme surplus – The net surplus at 31 March 2023 of £2,273,000 on the defined benefit pension scheme has not been recognised in these financial statements, and therefore capped, as it is not currently possible to demonstrate that this is recoverable by the charity.

Restatements

A number of prior year adjustments have been identified and incorporated in the financial statements as described below. Further detail can be found in note 26.

Allocation of expenditure to funds

During the year, we identified historical expenditure which should have been classified to restricted activities but had been incorrectly classified as unrestricted in prior periods. The correction of this classification has resulted in a decrease in restricted funds at 1 April 2021 of £8,127,000. There has also been an increase in expenditure classified to restricted activities in the year ended 31 March 2022 of £1,144,000 (split between an increase of £530,000 on Social Care and £614,000 on UK Programmes) and a decrease of £9,000 to International Programmes. The other side of this change is an increase to capital grants.

The total cumulative impact on funds is an increase of £9,262,000 in unrestricted funds.

Accounting for capital grants

The group has previously received grants to support the acquisition of properties used for the provision of care. A number of these grants include terms requiring repayment of the grant (and related gains/losses) on disposal of the buildings. The group had previously recognised as a liability the amount of refundable grant (equivalent to the net book value of the asset, whereas this is contingent on the sale of the property). The liability was amortised through charitable activities income over the life of the asset. This accounting has been corrected to recognise the grant income in full on receipt with a liability to refund being recognised when the disposal of a property is considered likely. This has resulted in an increase in funds at 1 April 2021 of £2,508,087 and a reversal of the amortisation credit through grant income previously recognised in the year ended 31 March 2022 amounting to £90,707. The cumulative error impact of this restatement as at 31 March 2022 when considering the impact from the £9,000 decrease in expenditure described above, is £2,517,000.

VAT accounting

An error has been identified in the recognition of VAT liabilities as at 31 March 2022 as a result of liabilities not being recognised in the ledger but reported correctly on the VAT returns. This has resulted in an increase of VAT liabilities at 31 March 2022 of £918,863 and an increase in Debtors of £918,863. This had no impact on the opening balance as at 1 April 2021.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2023.

	Year ended 31 Mar 2023				Year ended 31 Mar 2022			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2023 £'000**	Restated* Unrestricted funds £'000	Restated* Restricted Funds £'000	Restated* Endowment Funds £'000	**Restated* Totals 2022 £'000**
Income & Endowments from:								
Donations and legacies	3,469	1,027	-	**4,496**	4,888	2,725	-	7,613
Charitable Activities – Social Care	141,495	324	-	**141,819**	133,236	233	-	133,469
Charitable Activities – International Programmes	-	3,443	-	**3,443**	7	5,057	-	5,064
Charitable Activities – UK Programmes	870	624	-	**1,494**	577	2,726	-	3,303
Other trading activities	17	-	-	**17**	126	9	-	135
Government support – Covid-19	132	-	-	**132**	2,197	1,550	-	3,747
Investments	104	-	-	**104**	135	-	-	135
Other including gains/(losses) on disposal of assets	1,059	9	-	**1,068**	4,900	(6)	-	4,894
Total	**147,146**	**5,427**	**-**	**152,573**	**146,066**	**12,294**	**-**	**158,360**
Expenditure on:								
Raising funds	1,626	2	-	**1,628**	3,209	82	-	3,291
Charitable Activities – Social Care	152,455	1,342	-	**153,797**	144,990	3,092	-	148,082
Charitable Activities – International Programmes	546	3,336	-	**3,882**	1,785	5,082	-	6,867
Charitable Activities – UK Programmes	1,458	1,115	-	**2,573**	1,697	2,679	-	4,376
Campaigning	408	-	-	**408**	674	-	-	674
Total	**156,493**	**5,795**	**-**	**162,288**	**152,355**	**10,935**	**-**	**163,290**
Net gains/(losses) on investments	464	-	-	**464**	(660)	-	-	(660)
Net (expenditure)/income	**(8,883)**	**(368)**	**-**	**(9,251)**	**(6,949)**	**1,359**	**-**	**(5,590)**
Other recognised (losses)/gains:								
Actuarial gains on defined benefit pension schemes	(1,800)	-	-	**(1,800)**	42	-	-	42
Net movement in funds	**(10,683)**	**(368)**	**-**	**(11,051)**	**(6,907)**	**1,359**	**-**	**(5,548)**
Reconciliation of funds:								
Total funds brought forward*	**72,164**	**21,694**	**857**	**94,715**	**79,071**	**20,335**	**857**	**100,262**
Total funds carried forward	**61,481**	**21,326**	**857**	**83,664**	**72,164**	**21,694**	**857**	**94,715**

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

3. Income

3A. Donations and legacies

	Restricted £'000	Unrestricted £'000	**Total 2023 £'000**	Restricted £'000	Unrestricted £'000 *Restated	Total 2022 £'000 *Restated
Legacies	740	2,772	**3,512**	2,426	3,855	**6,281**
Donations	287	697	**984**	299	1,033	**1,332**
Total (Donations& Legacies)	**1,027**	**3,469**	**4,496**	**2,725**	**4,888**	**7,613**

Legacies which have been notified but not accrued in line with our legacy policy are £0.5m (2022: £1.0m)

3B. Detail of Total Donations

	2023 Total £'000s	2022 Total £'000s
Individual Giving	**410**	555
Other donations	**190**	92
Regional and Local fundraising	**161**	347
Trusts and Foundations	**110**	5
Events	**83**	43
Corporate – Cash	**18**	142
Major Donors	**12**	37
Corporate – Gifts in Kind	**-**	111
Total	**984**	**1,332**

3C. Government support – Covid-19

	Income received £'000	
Funder type	**2023 £'000s**	2022 £'000s
Job Retention Scheme	**-**	29
Infection Control Fund	**-**	927
Rapid Testing Support	**-**	595
Local Authority Support	**132**	2,196
Total	**132**	**3,747**

The following projects received support from these organisations:

3D. Charitable activities – International Programmes

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - : Innovating Pathways	300055-107	-	527	527
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	816	816
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind- Education for Life	AAIK/LNG/100523	-	828	828
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	24	24
	UK Foreign, Commonwealth & Development Office	Inclusive Preparedness- Giving Voice Through Pictures and Words	66294	-	33	33
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health		-	331	331
	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	-	2	2

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	Funder	Project Name	Project/grant ID	Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with Disabilities in Asia and Pacific	4500446521	-	16	16
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	-	114	114
		Disability Inclusive Development Programme (DID) Kenya		-	52	52
		Disability Inclusive Development Programme (DID) Tanzania		-	239	239
		Disability Inclusive Development (DID) TO53-FCDO-IE (Nepal)		-	126	126
Corporates, Individuals, Trusts & Foundations	Motability Foundation	UK– Accessible Taxis User Research		-	145	145
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	-	33	33

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Corporates, Individuals, Trusts & Foundations	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	44	44
	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	61	61
	Other Grants & Contracts			-	52	52
Total				**-**	**3,443**	**3,443**

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2022		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - : Innovating Pathways	300055-107	-	1,135	1,135
		Girls Education Challenge: Expanding Inclusive Education Strategies for Girls with Disabilities in Kenya	1020513	-	638	638
		Skills for Job Programme - Apprenticeship Model "Inclusion 100"	202865	-	55	55
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	1,515	1,515
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind- Education for Life	AAIK/LNG/100523	-	660	660
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	62	62
	UK Foreign, Commonwealth & Development Office (Funds Received through Enhancing Learning & Research Assistance)	Inclusive Preparedness- Giving Voice Through Pictures and Words	66294	-	41	41

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2022		
Funder type	Funder	Project Name	Project/grant ID	Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	UK Foreign, Commonwealth & Development Office (Funds Received through Sexual Health Marie Stopes International)	Women's Integrated		-	165	165
	European Commission	Fit for the Future		-	3	3
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	-	170	170
		Disability Inclusive Development Programme (DID) Kenya		-	75	75
		Disability Inclusive Development Programme (DID) Tanzania		-	27	27
		Disability Inclusive Development Programme (DID) Nepal		-	9	9
		Disability Inclusive Development Programme (DID) Nepal	94001	-	18	18
	UK Foreign, Commonwealth & Development Office (Funds Received through University College London)	AT2030 - Life Changing Assistive Technology for All	CID3372445	-	18	18

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2022		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	-	35	35
	World Bank Inclusive Education Initiative	Report on gender, disability and education	7202848	-	5	5
	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with Disabilities in Asia and Pacific	4500446521	-	25	25
Corporates, Individuals, Trusts & Foundations	Comic Relief	Tanzania Inclusive Education	1952284	7	-	7
	National Lottery Community Fund	Uganda Livelihoods	10329009	-	102	102
	America India Foundation	First Million Initiative		-	23	23
	London Stock Exchange Group	Access to Livelihoods - Economic Inclusion for women with disabilities in Jaffna, Northern Province, Sri Lanka		-	50	50
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	-	39	39

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

				Year Ended 31 March 2022		
				Unrestricted	Restricted	Total
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**£'000**	**£'000**	**£'000**
Corporates, Individuals, Trusts & Foundations	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	30	30
	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	59	59
	Other Grants & Contracts			-	98	98
Total				**7**	**5,057**	**5,064**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	129	129
	National Lottery - Sport England	Randall Close - Road to Me		-	146	146
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	-	102	102
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	23	23
	Southwark Council	Southwark Advice Plus		-	45	45
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	99	99
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	-	(56)	(56)
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	45	45
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	191	191

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2023		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Unrestricted £'000**	**Restricted £'000**	**Total £'000**
	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	8	8
	Sport England	All Active Together	2020029655	-	22	22
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	101	101
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	-	(3)	(3)
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do**		-	(786)	(786)
	Bank Workers Charity	Bank Workers Charity		19	-	19
	3I	Changing Futures London		-	30	30
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	145	145
	Gallaher Limited	TechWorks Project Delivery & Mgmt		-	82	82
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing	SSSTSG 20-23/26	(113)	135	22
	Various	Change 100 internships		735	2	737
	Other Grants & Contracts			229	164	393
Total				**870**	**624**	**1,494**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2022		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Restated* Unrestricted £'000**	**Restated* Restricted £'000**	**Restated* Total £'000**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	168	168
	Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	-	34	34
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	-	182	182
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	73	73
	Southwark Council	Southwark Advice Plus		-	90	90
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	202	202
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	-	118	118
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	55	55

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2022		
Funder type	Funder	Project Name	Project/grant ID	Restated* Unrestricted £'000	Restated* Restricted £'000	Restated* Total £'000
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) South London	LON/1/5	-	39	39
Governments & Institutions	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	128	128
	Comic Relief	Can Do Southampton	2785722	-	4	4
	UK Community Renewal Fund	Inclusive Workforce	CRF99021	-	83	83
	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	17	17
	Sport England Potentials Fund	Can Do Sport	2017006732	-	75	75
	Third Sector Resilience Fund for Wales Phase 2 Scheme, managed and administered by WCVA on behalf of Welsh Government	E-Commerce: Social Bean Social Enterprise	TSRFfW_027217	-	14	14
	Sport England	All Active Together	2020029655	-	34	34
	Wales Council for Voluntary Action on behalf of Welsh Government: VSRF Small Grant	Volunteering Cymru	VSRF_027188	-	18	18
	The Careers and Enterprise Fund	Change Now - Journey to Work		-	55	55
	Flintshire County Council	Partnership Coordinator	RFX GSC1000436REQ	-	18	18

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes (continued)

				Year Ended 31 March 2022		
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**Restated* Unrestricted £'000**	**Restated* Restricted £'000**	**Restated* Total £'000**
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	19	19
	National Lottery Heritage Fund	Digitising the Sound Archive	OH-18-06111	-	8	8
Governments & Institutions	European Commission	Erasmus+ Programme	2017-2-UK01-KA135-037116 / 2018-2-UK01-KA125-048503 / 2018-1-UK01-ESC13-060133 / 2019-2-UK01-ESC13-062324	-	91	91
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	-	31	31
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do		-	400	400
	Bank Workers Charity	Bank Workers Charity		-	81	81
	3I	Changing Futures London		-	160	160
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	19	19
	Good Things Foundation	Future Digital Inclusion Fund 2020/21		-	20	20
	Other Grants & Contracts			577	490	1,067
Total				**577**	**2,726**	**3,303**

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

** Covid 19 support fund is showing as negative due to an over recognition of funds of £786k in financial year 2021/22 which has been revised in 2022/23.

4. Investment income

	2023 £'000	2022 £'000
Bank interest	7	3
Rent from investment properties	97	132
Total	**104**	**135**

5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	**Total 2023 £'000**	Restated* Direct staff costs £'000	Restated* Other direct costs £'000	Restated* Allocated support costs £'000	**Restated* Total 2022 £'000**
Fundraising	1,302	309	17	**1,628**	2,650	389	252	**3,291**
Total costs of raising funds	**1,302**	**309**	**17**	**1,628**	**2,650**	**389**	**252**	**3,291**
Charitable activities								
Social care	105,977	23,574	24,246	**153,797**	96,282	33,724	18,076	**148,082**
International services	1,395	2,346	141	**3,882**	2,617	4,045	205	**6,867**
Campaigning	389	19	-	**408**	623	45	6	**674**
UK Programmes	1,926	267	380	**2,573**	3,312	525	539	**4,376**
Total charitable activities	**109,687**	**26,206**	**24,767**	**160,660**	**102,834**	**38,339**	**18,826**	**159,999**
Total resources expended	**110,989**	**26,515**	**24,784**	**162,288**	**105,484**	**38,728**	**19,078**	**163,290**

The above table analyses by expense category the costs related to the fundraising and charitable activities of the Group. These costs include both primary costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The direct staff costs include employed and agency staff and associated direct employment costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full-time equivalent employees allocated to each activity at the end of the financial year. The categorisation and allocation of these support costs is shown in the table below.

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

5. Total resources expended (continued)

The categorisation and allocation of these support costs is shown in the table below.

	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	**Total 2023 £'000**	Restated* Management & admin £'000	Restated* Finance, IT and purchasing £'000	Restated* Human resources £'000	**Restated* Total 2022 £'000**
Support costs								
Fundraising	7	8	2	**17**	146	72	34	**252**
Social care	10,240	11,660	2,346	**24,246**	10,509	5,133	2,434	**18,076**
International services	59	68	14	**141**	119	58	28	**205**
Campaigning	-	-	-	**-**	3	2	1	**6**
UK Programmes	160	183	37	**380**	313	153	73	**539**
Total	**10,466**	**11,919**	**2,399**	**24,784**	**11,090**	**5,418**	**2,570**	**19,078**

*Restated to reflect the correction of an error in the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

6. Governance cost

	2023 £'000	2022 £'000
Internal Audit	**29**	**180**
External Audit		
Audit services current year	**400**	**196**
Amounts payable to auditors in respect of additional costs for the prior year audit	**211**	**153**
Non-audit services	**18**	**15**
Governance and professional support for Trustees	**1**	**2**
Total	**659**	**546**

The total Trustee expenses incurred by LCD or reimbursed during the year was £924 (2022; £2,959) which related to travel and subsistence. The number of Trustees who were reimbursed was 1 (2022: 5).

The audit fees shown above are exclusive of VAT.

7. Group net expenditure

	2023 £'000	2022 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	**5,452**	4,881
Amortisation – intangible fixed assets	**575**	537
Programme related investments amortisation	**20**	20
Operating lease rentals:		
Property	**1,619**	1,619
Equipment	**744**	702
Auditors' remuneration – external audit	**611**	349
Auditors' remuneration – other	**18**	18
Exchange rate gains	**(22)**	(79)
Loss on disposal of assets	**1,068**	4,895
Loss on impairment	**-**	1,051

*Loss on disposal of assets in the year end 31 March 2022 is including the net gains on disposals of assets and the related refund of deferred capital grants in respect of 2 properties

8. Staff costs

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Wages and salaries	**86,578**	89,565	**86,189**	89,089
Social security costs	**7,645**	7,053	**7,616**	7,019
Other pension costs	**3,548**	3,996	**3,539**	3,983
Other staff benefits	**350**	293	**350**	292
Redundancy costs	**2,552**	3,990	**2,542**	3,990
Total	**100,673**	**104,897**	**100,236**	**104,373**

The provision for redundancies to be paid at 31 March 2023 (included above) is £771,000 (2022: £2,928,657). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year end date, yet still on a best estimate basis.

8. Staff costs (continued)

The average monthly headcount for the Group was 4,489 staff (2022: 5,043 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	**Group 2023 Staff FTE**	2022 Staff FTE
Volunteering	**2**	14
Social care	**2,947**	3,087
International	**17**	34
Campaigning	**-**	1
UK Programmes	**46**	92
Governance	**-**	1
Support	**119**	178
Total	**3,131**	**3,407**

The average monthly headcount for the company was 4,336 staff (2022: 5,004 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	**Company 2023 Staff FTE**	2022 Staff FTE
Volunteering	**2**	14
Social care	**2,933**	3,073
International	**17**	34
Campaigning	**-**	1
UK Programmes	**46**	87
Governance	**-**	1
Support	**119**	178
Total	**3,117**	**3,388**

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group		Company	
	2023 Staff	2022 Staff	**2023 Staff**	2022 Staff
£60,001 - £70,000	**23**	25	**23**	25
£70,001 - £80,000	**11**	19	**11**	19
£80,001 - £90,000	**5**	3	**5**	3
£90,001 - £100,000	**4**	-	**4**	-
£100,001 - £110,000	**6**	1	**6**	1
£110,001 - £120,000	**1**	1	**1**	1
£120,001 - £130,000	**1**	1	**1**	1
£130,001 - £140,000	**1**	2	**1**	2
£140,001 - £150,000	**1**	1	**1**	1
£150,001 - £160,000	**1**	1	**1**	1
£160,001 - £170,000	**-**	-	**-**	-
£170,001 - £180,000	**-**	1	**-**	1
£180,001 - £190,000	**-**	1	**-**	1
£220,001 - £230,000	**1**	-	**1**	-
£250,001 - £260,000	**-**	1	**-**	1
Total	**55**	**57**	**55**	**57**

The highest paid director was an interim and not on payroll and as such no contributions were made to pension or other benefits. These amounts include compensation payments made to former higher paid employees.

	2023 £'000	**2023 Staff**	2022 £'000	2022 Staff
Defined contribution schemes	**317**	**53**	**394**	**56**

Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2023 (2022: £nil).

The Charity has purchased insurance to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

Key management personnel

The key management personnel of the Charity consists of the Executive Board, in 2023 11 members (2022: 11). The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Remuneration and benefits	**1,598**	**1,661**	**1,598**	**1,661**

9. Tangible fixed assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2022	91,734	5,755	1,544	62,023	**161,056**
Additions	11	-	543	633	**1,187**
Disposals	(837)	(59)	-	(662)	**(1,558)**
Transfers	-	-	(799)	799	**-**
As 31 March 2023	**90,908**	**5,696**	**1,288**	**62,793**	**160,685**
Accumulated depreciation and impairments					
At 1 April 2022	33,228	4,984	-	40,847	**79,059**
Charge for the year	1,613	52	-	3,787	**5,452**
Disposals	(224)	(38)	-	(559)	**(821)**
At 31 March 2023	**34,617**	**4,998**	**-**	**44,075**	**83,690**
Net book value at 31 March 2023	**56,291**	**698**	**1,288**	**18,718**	**76,995**
Net book value at 31 March 2022	58,506	771	1,544	21,176	**81,997**

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Alder House, Lambourne Road, Chigwell, Essex, IG7 6HH; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

After undertaking the impairment review, no impairment charges against fixed assets are deemed to be required. In the prior year, a charge of £1,100,000 was recognised, relating to the carrying value of land, buildings and fixtures and fittings for a property where we were expecting to exit the service offered and did not expect to obtain further value from these assets.

9. Tangible fixed assets – Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2022	91,734	5,755	1,544	61,942	**160,975**
Additions	11	-	543	633	**1,187**
Disposals	(837)	(59)	-	(662)	**(1,558)**
Transfers	-	-	(799)	799	**-**
As 31 March 2023	**90,908**	**5,696**	**1,288**	**62,712**	**160,604**
Accumulated depreciation and impairments					
At 1 April 2022	33,223	4,982	-	40,783	**78,988**
Charge for the year	1,618	54	-	3,777	**5,449**
Disposals	(224)	(38)	-	(561)	**(823)**
At 31 March 2023	**34,617**	**4,998**	**-**	**43,999**	**83,614**
Net book value at 31 March 2023	**56,291**	**698**	**1,288**	**18,713**	**76,990**
Net book value at 31 March 2022	58,511	773	1,544	21,159	**81,987**

10. Intangible assets – Group and Company

	Intangible assets £'000	**Total £'000**
Cost		
At 1 April 2022	7,626	**7,626**
Additions	3	**3**
At 31 March 2023	7,629	**7,629**
Accumulated amortisation and impairments		
At 1 April 2022	2,755	**2,755**
Charge for the year	575	**575**
At 31 March 2023	3,330	**3,330**
Net book value at 31 March 2023	**4,299**	**4,299**
Net book value at 31 March 2022	4,871	**4,871**

Intangible assets consist of computer software systems used to run significant business processes.

11. Investments – Group and Company

	Investment properties £'000	Programme related investments £'000	**Total £'000**
At 1 April 2022	4,610	28	**4,638**
Amortised in year	-	(20)	**(20)**
Disposals	(321)	-	**(321)**
Revaluation	464	-	**464**
At 31 March 2023	**4,753**	**8**	**4,761**

The group holds 19 investment properties with individual values ranging from £175,000 to £375,000 at 31 March 2023. The most recent valuations were performed by third party surveyors as at 31 March 2023 in accordance with practice statements in the valuation standards (The Red Book) published by the Royal Institution of Chartered Surveyors. The valuations of these residential properties assess the market value on sale, mainly applying a direct comparison market approach. The valuations are based on vacant possession or subject to tenancies based on the occupation status at the valuation date.

12. Current Asset Investments – Group and Company

	2023 £'000	2022 £'000
Opening market value at 1 April 2022/1 April 2021	**15**	14
Gain on revaluation	**-**	1
Closing market value at 31 March	**15**	**15**

The Trustees consider the value of the investments to be supported by their underlying assets.

13. Debtors

	Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
Trade debtors	**16,802**	12,870	**11,746**	8,788
Amounts owed by subsidiary undertakings	-	-	**956**	4,663
Prepayments	**752**	1,207	**752**	1,207
Accrued income	**4,044**	14,119	**3,884**	11,049
Total	**21,598**	**28,196**	**17,338**	**25,707**

*Restated to reflect the correction of errors in the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

14. Cash at bank and in hand

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Group / company funds	**2,170**	207	**1,986**	135
Service users' funds held in trust	**1,815**	1,781	**1,815**	1,781
Total	**3,985**	**1,988**	**3,801**	**1,916**

Cash and cash equivalents include the following for the purpose of the Cash Flow Statement:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Group funds	**2,170**	207	**1,986**	135
Service users' funds held in trust	**1,815**	1,781	**1,815**	1,781
Bank overdraft	**-**	(1,294)	**-**	(1,294)
Total	**3,985**	**694**	**3,801**	**622**

Bank guarantees exist, see Note 23.

15. Creditors

Amounts falling due within one year	Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
Bank loans and overdrafts	**-**	1,294	**-**	1,294
Trade creditors	**3,704**	7,690	**3,703**	7,670
Amounts owed to group undertakings	**-**	-	**1,750**	1,199
Taxation and social security	**6,428**	2,488	**4,359**	2,086
Other creditors	**4,457**	1,800	**3,904**	1,800
Service users' funds	**1,924**	1,781	**1,924**	1,781
Accruals	**5,339**	4,448	**5,317**	4,437
Deferred income	**3,578**	1,492	**3,198**	1,311
Total	**25,430**	**20,993**	**24,155**	**21,578**
Amounts falling due after more than one year				
Loan	**480**	631	**480**	631
Total	**480**	**631**	**480**	**631**

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment and the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

Deferred income represents the payment of fees in advance. During the year the Group received income of £3,578,359 which related to future years (2022: £1,500,000). The increase in the current year is included in the cash balance.

Intercompany balances are unsecured and no interest is charged.

The total overdraft facility available is £7,500,000, which is secured against the following properties:

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Alder House, Lambourne Road, Chigwell, Essex, IG7 6HH; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

Other creditors includes amounts received for grants that may need to be returned to the funder if agreement is not obtained to use it for alternative purposes now that the original grant programme is no longer going ahead. It also includes pension and other payroll liabilities.

The loan balance falling due after more than one year relates to a social improvement opportunity in Wales, from the Welsh Government. Leonard Cheshire received £600,000 in the 2018/19 financial year. There is no interest on the loan and it is not secured. £120,000 of this loan is repayable in 2023/24 financial year so has been moved to other creditors.

16. Provisions for liabilities and charges

Group and Company	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Other £'000	Pension £'000	**Total £'000**
At 1 April 2022	1,242	333	2,929	5	824	**5,333**
Charged to the SOFA	16	-	771	-	-	**787**
Amount utilised	(781)	-	(2,929)	(1)	(338)	**(4,049)**
At 31 March 2023	**477**	**333**	**771**	**4**	**486**	**2,071**

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings; the timings and amounts of the outflows can be uncertain and subject to negotiation.

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 22/23 but where the payments will be made in 23/24. Communication to staff has already taken place, it started in May 2022.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See note 21 for further details.

The provision for annual leave represents a potential liability due to working time directive case law, in relation to average pay relating to statutory annual leave.

17. Total funds – Group

Group – movement in funds	Year ending 31 March 2022					Year ending 31 March 2023			
	Restated* Balance at 1 April 2021 £'000	Restated* Incoming resources £'000	Restated* Released resources expended £'000	Gains, (disposals) and transfers £'000	**Restated* Balance at 31 March 2022 £'000**	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	**Balance at 31 March 2023 £'000**
Restricted Funds									
Legacy - Swift	**6,967**	-	(376)	-	**6,591**	-	-	-	**6,591**
Social care	**11,445**	4,599	(2,798)	-	**13,246**	1,218	(1,343)	-	**13,121**
UK programmes	**1,894**	2,625	(2,679)	-	**1,840**	741	(1,116)	-	**1,465**
International services	**29**	5,070	(5,082)	-	**17**	3,468	(3,336)	-	**149**
Total	**20,335**	**12,294**	**(10,935)**	**-**	**21,694**	**5,427**	**(5,795)**	**-**	**21,327**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	-	-	-	**11**	-	-	-	**11**
Kirby Worthington Fund	**111**	-	-	-	**111**	-	-	-	**111**
St. Michaels Home	**735**	-	-	-	**735**	-	-	-	**735**
Total	**857**	**-**	**-**	**-**	**857**	**-**	**-**	**-**	**857**
Unrestricted income funds									
Designated funds	**5,319**	182	(529)	83	**5,055**	3,519	(463)	-	**8,111**
General funds	**69,914**	145,884	(152,444)	(502)	**62,852**	143,614	(157,353)	(170)	**48,943**
Revaluation reserve	**5,786**	-	-	(1,496)	**4,290**	-	-	145	**4,435**
Pension reserve	**(1,948)**	-	-	1,915	**(33)**	-	-	25	**(8)**
Total	**79,071**	**146,066**	**(152,973)**	**-**	**72,164**	**147,132**	**(157,816)**	**-**	**61,481**
Total Funds	**100,263**	**158,360**	**(163,908)**	**-**	**94,715**	**152,560**	**(163,611)**	**-**	**83,665**

17. Total funds – Company

Company – movement in funds	Year ending 31 March 2022 Restated* Balance at 1 April 2021 £'000	Restated* Incoming resources £'000	Restated* Released resources expended £'000	Gains, (disposals) and transfers £'000	Restated* Balance at 31 March 2022 £'000	Year ending 31 March 2023 Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2023 £'000
Restricted Funds									
Legacy - Swift	**6,967**	-	(376)	-	**6,591**	-	-	-	**6,591**
Social care	**11,380**	4,585	(2,805)	-	**13,160**	1,219	(1,343)	-	**13,036**
UK programmes	**1,894**	2,625	(2,679)	-	**1,840**	741	(1,116)	-	**1,465**
International services	**29**	5,070	(5,082)	-	**17**	3,468	(3,336)	-	**149**
Total	**20,270**	**12,280**	**(10,942)**	**-**	**21,608**	**5,428**	**(5,795)**	**-**	**21,241**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	-	-	-	**11**	-	-	-	**11**
Kirby Worthington Fund	**110**	1	-	-	**111**	-	-	-	**111**
St. Michaels Home	**735**	-	-	-	**735**	-	-	-	**735**
Total	**856**	**1**	**-**	**-**	**857**	**-**	**-**	**-**	**857**
Unrestricted income funds									
Designated funds	**5,288**	178	(499)	58	**5,025**	3,519	(359)	-	**8,185**
General funds	**67,748**	144,369	(151,828)	(477)	**59,812**	142,627	(156,489)	(170)	**45,780**
Revaluation reserve	**5,786**	-	-	(1,496)	**4,290**	-	-	145	**4,435**
Pension reserve	**(1,948)**	-	-	1,915	**(33)**	-	-	25	**(8)**
Total	**76,874**	**144,547**	**(152,327)**	**-**	**69,094**	**146,146**	**(156,848)**	**-**	**58,392**
Total Funds	**98,001**	**156,828**	**(163,269)**	**-**	**91,559**	**151,574**	**(162,643)**	**-**	**80,490**

In respect of the Group and Company;

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

The only individually material restricted fund relates to Swift. All other restricted funds have been aggregated as they are not considered individually material and have similar purposes. Social care relates to residential and supported living services; UK programmes relates to community based outreach programmes and International services relate to disability inclusion projects overseas.

All the listed Endowment funds i.e Albert Alexander Fund, Kirby Worthington Fund and St Michaels Home are permanent endowments with restricted purposes. St Michael's Trust is a linked trust of which Leonard Cheshire Disability is the sole trustee.

Given that the cash position for the Group is a net positive £2.2m and the Company is £2.0m (excluding service user funds), it is expected that certain property or other assets will be required to meet the future obligations arising from the restricted funds obligations.

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas. Included within restricted funds is £1.1m relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per Charity law.

Designated funds consist of funds donated to be spent at one of our Social Care services but not restricted to a particular project. These funds were received at a service at a preference but not legal restriction.

18. Analysis of net assets between funds

Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2023 £'000**	Restated* Unrestricted funds £'000 *Restated	Restated* Restricted funds £'000	Endowment funds £'000	**Restated* Total 2022 £'000 *Restated**
Fixed assets	77,258	8,062	735	**86,055**	81,641	9,130	735	**91,506**
Investments	15	-	-	**15**	15	-	-	**15**
Debtors	7,580	14,018**	-	**21,598**	12,481	15,593	122	**28,196**
Cash	1,914	1,949	122	**3,985**	1,988	-	-	**1,988**
Current liabilities	(22,727)**	(2,703)	-	**(25,430)**	(17,964)	(3,029)	-	**(20,993)**
Net current (liabilities)/ assets	(13,218)	13,264	122	**168**	(3,480)	12,564	122	**9,206**
Long term liabilities	(2,551)	-	-	**(2,551)**	(5,964)	-	-	**(5,964)**
Pension liability	(8)	-	-	**(8)**	(33)	-	-	**(33)**
Total	**61,481**	**21,326**	**857**	**83,664**	**72,164**	**21,694**	**857**	**94,715**

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

** Balances include an inter-fund loan from restricted funds to unrestricted funds of £12m (2022: £12.5m). The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds. Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

18. Analysis of net assets between funds (continued)

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2023 £'000**	Restated* Unrestricted funds £'000	Restated* Restricted funds £'000	Endowment funds £'000	**Restated* Total 2022 £'000**
Fixed assets	77,253	8,062	735	**86,050**	81,631	9,130	735	**91,496**
Investments	15	-	-	**15**	15	-	-	**15**
Debtors	3,320	14,018**	-	**17,338**	10,078	15,507	122	**25,707**
Cash	1,815	1,864	122	**3,801**	1,916	-	-	**1,916**
Current liabilities	(21,452)**	(2,703)	-	**(24,155)**	(18,549)	(3,029)	-	**(21,578)**
Net current (liabilities)/ assets	(16,302)	13,179	122	**(3,001)**	(6,540)	12,478	122	**6,060**
Long term liabilities	(2,551)	-	-	**(2,551)**	(5,964)	-	-	**(5,964)**
Pension liability	(8)	-	-	**(8)**	(33)	-	-	**(33)**
Total	**58,392**	**21,241**	**857**	**80,490**	**69,094**	**21,608**	**857**	**91,559**

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

** Balances include an inter-fund loan from restricted funds to unrestricted funds of £12m (2022: £12.5m). The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds. Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

19. Lease commitments

At 31 March the Group had annual payments under non-cancellable operating leases as follows:

	Property	Vehicle	Equipment	2023 £'000 Total	Property	Vehicle	Equipment	2022 £'000 Total
Within 1 year	1,220	298	166	**1,684**	1,272	324	191	**1,787**
Between 2 to 5 years	1,185	206	208	**1,599**	1,190	513	177	**1,880**
After 5 years	712	-	3	**715**	682	-	-	**682**
Total	**3,117**	**504**	**377**	**3,998**	**3,144**	**837**	**368**	**4,349**

20. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2022 and 31 March 2023

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Trading
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire Trading Limited	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820	Limited by Shares £1	Trading
Leonard Cheshire International	Republic of Ireland	I0616088	Limited by guarantee	Trading
Leonard Cheshire USA inc.	Delaware, USA	7313137	Limited by guarantee	Trading

All trading subsidiaries have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The carrying values on the company balance sheet for the subsidiaries are: Leonard Cheshire Trading Limited £100; The Leonard Cheshire Foundation (Isle of Man) Limited £100; Leonard Cheshire Services CIC £1 and Leonard Cheshire International £nil.

All subsidiaries registered in England and Wales operate from the following registered office: 66 South Lambeth Road, London SW8 1RL.

The subsidiaries registered in the Isle of Man operate from the following registered office: Thie Quinney, Fairfield Avenue, Romsey, Isle of Man, IM8 2LS.

The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

The USA subsidiary operates from the following registered office: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE 19934, County of Kent.

The Board of Trustees have approved the decision to wind up the Leonard Cheshire International and Leonard Cheshire USA subsidiaries in July 2022.

20. Subsidiaries (continued)

	2023* £'000	2022 £'000
Leonard Cheshire Trading Limited		
The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.		
*Leonard Cheshire Trading Ltd ceased its trading in May 2022, therefore the results for the year ended 31 March 2023 only include activities for two months ending in May 2022.		
Summary of statement of financial activities		
Incoming resources	**5**	51
Resources expended	**(12)**	(225)
Net (expenses)	**(7)**	**(174)**
Summary of assets and liabilities		
Assets	**-**	33
Liabilities	**(273)**	(308)
Total	**(273)**	**(275)**
Leonard Cheshire Foundation (Isle of Man) Limited		
The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.		
Summary of statement of financial activities		
Incoming resources	**520**	566
Resources expended	**(613)**	(531)
Net (expenses) / income	**(93)**	**35**
Summary of assets and liabilities		
Assets	**1,188**	1,271
Liabilities	**(30)**	(20)
Total	**1,158**	**1,251**
Leonard Cheshire Services CIC		
The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.		
Summary of statement of financial activities		
Incoming resources	**28,536**	**26,511**
Resources expended	**(28,176)**	**(24,341)**
Net income	**360**	**2,170**
Summary of statement of financial activities		
Assets	**5,237**	**7,096**
Liabilities	**(3,645)**	**(5,157)**
Total	**1,592**	**1,939**

21. Pension schemes

Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 4% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 4% of pensionable salary. The total cost of the schemes in 2023 was £2,000,000 (2022 £4,000,000).

Defined benefit pension schemes

The Charity operates a number of defined benefit schemes. The charity has obtained FRS 102 actuarial valuations for The Pension Trust Growth Plan, the Clwyd Pension Fund and the Isle of Man pension fund. Other defined benefit pension funds have been accounted for as defined contribution schemes in line with FRS 102 as there is insufficient information available to properly apply defined benefit accounting.

The value of the schemes' defined benefit liabilities have been measured using the projected unit method. The schemes' assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer. The overall expected rate of return on the net schemes' assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class. The schemes hold quoted securities and these have been valued at bid-price.

Further information on the Charity's defined benefit pension schemes is provided below. The major assumptions used by the actuaries are disclosed in this note.

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2023 is £nil (2022 £nil). A surplus cap of £2,031,000 was applied during the year.

Scheme liabilities have been based on liability information as at 30 September 2021 updated to 31 March 2023 by a qualified actuary. The most recent funding valuation was completed as at 30 September 2021 resulting in a surplus of £6,041,000. This valuation has been updated for accounting purposes at 31 March 2023 by a qualified actuary.

Member contributions are payable as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the year commencing 1 April 2023 is £1,900,000 (2022 £1,900,000).

Clwyd Pension Fund – LGPS Scheme

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The net pension surplus recognised in the balance sheet at 31 March 2023 is £69,000 (2022: £56,000 asset). A full actuarial valuation was carried out at 31 March 2022. Employer contributions to be paid for the year commencing 1 April 2023 is £nil (2022: £nil).

Isle of Man Local Government Superannuation Scheme – LGPS Scheme

Isle of Man Local Government Superannuation Scheme relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2023 is £10,000 (2022: £25,000). A full actuarial valuation was carried out at 31 March 2022. Employer contributions to be paid for the year commencing 1 April 2023 is £nil (2022: £nil).

21. Pension schemes (continued)

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2022 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2023 (per annum)	At 31 March 2022 (per annum)
Financial assumptions		
Discount rate	**4.80-4.90%**	2.60-2.80%
Rate of increase in salaries	**2.85-3.95%**	3.50-4.65%
Rate of increase pensions :	**1.95-2.85%**	2.04 - 3.50%
Inflation assumption (RPI)	**3.21%**	3.52-3.53%
Inflation assumption (CPI)	**2.70-2.85%**	3.00-3.5%
Demographic assumptions		
Mortality		
Male pensioner at age 65	**19.6-21.5**	21.2-24.2
Female pensioner at age 65	**23.8-24.7**	24.1-26.9
Male non-pensioner at age 65 in 20 years	**21.0-23.1**	22.5-23.3
Female non-pensioner at age 65 in 20 years	**25.4-26.2**	24.9-25.7

Balance sheet pension liability summary	**Value at 31 March 2023 £'000**	Value at 31 March 2022 £'000
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM Surplus	**(59)**	**(31)**
Other schemes (Dyfed and South Yorkshire Pension Scheme)	**67**	**64**
Total	**8**	**33**

21. Pension schemes (continued)

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2023 £'000	Proportion	Value at 31 March 2022 £'000	Restated* Proportion
Equities	**134**	**202**	**38**	**374**	**0.63%**	4,036	5.08%
Bonds	**35,985**	**696**	**26**	**36,707**	**62.20%**	47,600	59.91%
Property	**6,712**	**113**	**10**	**6,835**	**11.58%**	8,892	11.19%
Cash/liquidity and other	**14,265**	**836**	**1**	**15,102**	**25.59%**	19,966	25.13%
Total	**57,096**	**1,847**	**75**	**59,018**		**80,494**	

**Proportion percentages have been restated to correct for errors in the percentages disclosed in the prior year.

Balance sheet impact	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2023 £'000	Value at 31 March 2022 £'000
Present value of funded obligations	(55,065)	(1,536)	(85)	**(56,686)**	(76,315)
Fair value of scheme assets	57,096	1,847	75	**59,018**	80,494
Effect of asset ceiling	(2,031)	(242)	-	**(2,273)**	(4,148)
Total	**-**	**69**	**(10)**	**59**	**31**

SOFA impact	TPT £'000	Clywd £'000	IOM £'000	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Current service cost	31	28	-	**59**	28
Expenses	201	1	-	**202**	143
Net interest cost	-	-	1	**1**	18
Total	**232**	**29**	**1**	**262**	**189**

21. Pension schemes (continued)

Analysis of amount recognised in the SOFA as unrealised gains/(losses)	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Other gains/(losses)	**4**	**208**
Return on plan (losses)/assets – (losses)/gains	**(22,608)**	**974**
Experience (losses)/gains arising on plan liabilities	**(2,331)**	**393**
Effect of changes in demographic and financial assumptions – gains	**21,119**	**2,615**
Effects of changes in the amount of surplus that is not recoverable – gain/(loss)	**2,016**	**(4,148)**
Total recognised in other comprehensive income – (losses)/gains	**(1,800)**	**42**

Reconciliation of present value of scheme liabilities Change in the present value of the defined benefit obligations	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Opening defined benefit obligation	**76,315**	81,327
Service cost	**28**	28
Interest cost	**2,083**	1,668
Contributions by employees	**4**	4
Actuarial losses / (gains)	**(18,788)**	(3,007)
Benefits paid	**(2,956)**	(3,705)
Closing defined benefit obligation	**56,686**	**76,315**

Reconciliation of present value of scheme assets and actual return on assets Change in the fair value of the scheme assets	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Opening fair value of the scheme assets	**80,494**	79,447
Interest income	**2,223**	1,649
Admin expenses	**(202)**	(142)
Return on plan assets excluding interest	(22,608)	1,182
Contributions by employer	**2,063**	2,059
Contributions by employees	**4**	4
Benefits paid	**(2,956)**	(3,705)
Closing fair value of the scheme assets	**59,018**	**80,494**
Return on plan assets including interest	**(20,385)**	**2,830**

21. Pension schemes (continued)

Other defined benefit pension schemes

The Charity operates several other multi-employer / LGPS schemes defined benefit schemes as follows:

- TPT Growth plans 1 & 2 pension schemes – These are smaller defined benefit schemes that the Charity participates in. These schemes have been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. The net present value of future contributions is £155,173 (2022: £243,401).

- The TPT Growth plan 3 is a defined contribution scheme, the scheme also has a defined benefit underpin. However there is insufficient information available to account for this underpin on a defined benefit basis. As such the underpin has been accounted for under defined contribution accounting in line with FRS102. The net present value of underpin is £40,000. The annual employer contributions of the defined contribution scheme itself is £88,678 (2022: £142,987).

- The TPT Growth plan 4 pension scheme – This is included as part of the DC schemes noted earlier in this note, however it is also included here for reference as it is part of the TPT Growth plan series, annual employer contributions are £120 (2022: £120).

- The Scottish Voluntary sector pension scheme – It is smaller defined benefit scheme that the Charity participates in. This scheme has been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. Net present value of future contributions is £4,218 (2022: £7,748).

- The Charity participates in a further LGPS, South Yorkshire Pension Fund. The charity no longer has any participation in the scheme, however has a deficit value of £6,250, expected to be fully paid within the next year. As such this amount has been recognised as a liability within the pensions balance noted further above.

- The Charity participates in a further LGPS, Dyfed. As at the year end date the charity has a deficit value of £60,830. The amount is expected to be paid in full within the next year. As such this amount has been recognised as a liability within the pensions balance noted above.

22. Contingent liabilities

There are two banking guarantees (totalling £332,200 (2022: £332,200) that have been provided by the bank to 2 third parties. The figure is made up of 2 individual guarantees, one for £200,000 (2022: £200,000) and one for £132,200 (2022: £132,200).

Contingent liabilities primarily comprise of potential liabilities arising from matters relating to disposal of property funded by means of a Capital Grants. The Charity is liable for up to 98% of the disposal proceeds should the properties be sold. There are currently no plans to dispose of the properties. The book value of the properties subject to such grant refund obligations at 31 March 2023 was £2,536,673.

The Charity has been notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0-£10m of liability. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q1 2025 (and may subsequently be subject to appeal).

23. Company limited by guarantee

The Charity is a company limited by guarantee and, in the event of a winding-up, the members are committed to pay £1 each. All members are Trustees.

24. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2022: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 15.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £28,631,000 of invoiced sales (2022: £23,883,000). The resultant intercompany liability is reflected in creditors as shown in Note 15.

No Trustees donations were made in year (2022: £2,475).

25. Financial instruments

	Notes	Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
Financial assets at fair value through statement of financial activities					
Investments	12	**15**	15	**15**	15
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	13	**-**	-	**956**	3,744
Trade debtors	13	**16,802**	12,870	**11,746**	8,788
Accrued income	13	**2,024**	11,874	**1,864**	8,804
Accrued legacies	13	**2,020**	2,245	**2,020**	2,245
Cash and cash equivalents	14	**3,985**	1,988	**3,801**	1,916
Total		**24,846**	**28,992**	**20,402**	**25,512**
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	15	**-**	-	**1,750**	1,199
Trade creditors	15	**3,704**	7,690	**3,073**	7,670
Other creditors	15	**4,457**	1,800	**3,904**	1,800
Accruals	15	**5,339**	4,448	**5,317**	4,437
Service users funds	15	**1,924**	1,781	**1,924**	1,781
Overdraft	15	**-**	1,294	**-**	1,294
Loans	15	**480**	631	**480**	631
Total		**15,904**	**17,644**	**16,448**	**18,812**

*Restated to reflect the correction of errors in the allocation of expenditure to unrestricted funds, the recognition of grants related to the acquisition of property, plant and equipment and the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

26. Restatement due to prior year issues

A number of prior year adjustments have been identified, these are detailed below along with their impact on the prior year financial statements. The impact of the restatements is the same for both the consolidated and company financial statements.

Allocation of expenditure to funds

During the year, we identified historical expenditure which should have been classified to restricted activities but had been incorrectly classified as unrestricted in prior periods. The correction of this classification has resulted in a decrease in restricted funds at 1 April 2021 of £8,127,000.

There has also been a net increase in expenditure classified to restricted activities in the year ended 31 March 2022 of £1,135,000 (split between an increase of £530,000 on Social Care and £614,000 on UK Programmes and a decrease of £9,000 to International Programmes expenditure).

The total cumulative impact on funds is an increase of £9,262,000 in unrestricted funds as at 31 March 2022.).

Accounting for capital grants

The group has previously received grants to support the acquisition of properties used for the provision of care. A number of these grants include terms requiring repayment of the grant (and related gains/losses) on disposal of the buildings. The group had previously recognised a liability for the amount of the refundable grant. The liability recognised was incorrectly recorded as equal to the net book value of the property, on receipt of the grant. The liability was amortised through charitable activities income over the life of the asset. This accounting has been corrected to recognise the grant income in full on receipt with a liability to refund only being recognised when the disposal of a property is considered likely. This has resulted in an increase in funds at 1 April 2021 of £2,598,794. This reduces to £2,508,087 for the year ended 31 March 2022 (split between creditors: amounts falling due within one year (£70,000) and creditors: amounts falling due in more than one year (£2,438,000). The amortisation credit of £90,707 has been reversed for the year ended 31 March 2022.

VAT accounting

An error has been identified in the recognition of VAT liabilities as at 31 March 2022 as a result of liabilities not being recognised in the ledger but reported correctly on the VAT returns. This has resulted in an increase of VAT liabilities at 31 March 2022 of £918,863 and an increase in Debtors of £918,863. This had no impact on the opening balance as at 1 April 2021.

Restated Consolidated Statement of Financial Activities - Unrestricted

		Unrestricted			
Year ended 31 March 2022	**As previously reported £'000**	**Funds £'000**	**Capital Grant £'000**	**VAT £'000**	**As restated £'000**
Income and Endowments from:					
Donations and legacies	4,888	-	-	-	4,888
Charitable Activities – Social Care	133,327	-	(91)	-	133,236
Charitable Activities – International Programmes	7	-	-	-	7
Charitable Activities – UK Programmes	577	-	-	-	577
Other trading activities	126	-	-	-	126
Government support – COVID	2,197	-	-	-	2,197
Investments	135	-	-	-	135
Other including (losses)/gains on disposal of assets	4,900	-	-	-	4,900
Total	**146,157**	**-**	**(91)**	**-**	**146,066**
Expenditure on:					
Raising funds	3,209	-	-	-	3,209
Charitable Activities – Social Care	145,520	(530)	-	-	144,990
Charitable Activities – International Programmes	1,776	9	-	-	1,785
Charitable Activities – UK Programmes	2,311	(614)	-	-	1,697
Campaigning	674	-	-	-	674
Total	**153,490**	**(1,135)**	**-**	**-**	**152,355**
Net gains/(losses) on investments	(660)	-	-	-	(660)
Net (expenditure)/income	**(7,993)**	**1,135**	**(91)**	**-**	**(6,949)**
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	42	-	-	-	42
Net movement in funds	**(7,951)**	**1,135**	**(91)**	**-**	**(6,907)**
Reconciliation of unrestricted funds:					
Total funds brought forward	68,345	8,127	2,599	-	79,071
Total funds carried forward	**60,394**	**9,262**	**2,508**	**-**	**72,164**

Restated Consolidated Statement of Financial Activities - Restricted

		Restricted			
Year ended 31 March 2022	**As previously reported £'000**	**Funds £'000**	**Capital Grant £'000**	**VAT £'000**	**As restated £'000**
Income and Endowments from:					
Donations and legacies	2,725	-	-	-	2,725
Charitable Activities – Social Care	233	-	-	-	233
Charitable Activities – International Programmes	5,057	-	-	-	5,057
Charitable Activities – UK Programmes	2,726	-	-	-	2,726
Other trading activities	9	-	-	-	9
Government support – COVID	1,550	-	-	-	1,550
Investments	-	-	-	-	-
Other including (losses)/gains on disposal of assets	(6)	-	-	-	(6)
Total	**12,294**	**-**	**-**	**-**	**12,294**
Expenditure on:					
Raising funds	82	-	-	-	82
Charitable Activities – Social Care	2,562	530	-	-	3,092
Charitable Activities – International Programmes	5,091	(9)	-	-	5,082
Charitable Activities – UK Programmes	2,065	614	-	-	2,679
Campaigning	-	-	-	-	-
Total	**9,800**	**1,135**	**-**	**-**	**10,935**
Net gains/(losses) on investments	-	-	-	-	-
Net (expenditure)/income	**2,494**	**(1,135)**	**-**	**-**	**1,359**
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	**2,494**	**(1,135)**	**-**	**-**	**1,359**
Reconciliation of restricted funds:					
Total funds brought forward	28,462	(8,127)	-	-	20,335
Total funds carried forward	**30,956**	**(9,262)**	**-**	**-**	**21,694**

The errors have been corrected by restating each of the effected financial statement line items for the prior period as follows

Consolidated Balance Sheet

	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Year Ended 31 March 2022					
Debtors	27,277	-	-	919	28,196
Total current assets	**29,280**	**-**	**-**	**919**	**30,199**
Creditors: Amounts falling due within one year	(20,144)	-	70	(919)	(20,993)
Net current assets	**9,136**	**-**	**70**	**-**	**9,206**
Creditors: Amounts falling due in more than one year	(3,069)	-	2,438	-	(631)
Total net assets	**92,207**	**-**	**2,508**	**-**	**94,715**
Funds of the Charity					
Restricted income funds	30,956	(9,262)	-	-	21,694
Unrestricted funds – general	51,082	9,262	**2,508**	-	62,852
Total unrestricted funds	**60,394**	**9,262**	**2,508**	**-**	**72,164**
Total charity funds	**92,207**	**-**	**2,508**	**-**	**94,715**

Company Balance Sheet

	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Year Ended 31 March 2022					
Debtors	24,788	-	-	919	25,707
Total current assets	**26,719**	**-**	**-**	**919**	**27,638**
Creditors: Amounts falling due within one year	(20,729)	-	70	(919)	(21,578)
Net current assets	**5,990**	**-**	**70**	**-**	**6,060**
Creditors: Amounts falling due in more than one year	(3.069)	-	2,438	-	(631)
Total net assets	**89,051**	**-**	**2,508**	**-**	**91,559**
Funds of the Charity					
Restricted income funds	30,870	(9,262)	-	-	21,608
Unrestricted funds – general	48,042	9,262	**2,508**	-	59,812
Total unrestricted funds	**57,324**	**9,262**	**2,508**	**-**	**69,094**
Total charity funds	**89,051**	**-**	**2,508**	**-**	**91,559**

Year ended 31 March 2022

Group – movement in funds

	Reported funds balance as at 1 April 2021 £'000	Adjustments to funds FY20/21 balances £'000	**Restated funds balance as at 1 April 2021 £'000**	Reported income resources as at 31 March 2022 £'000	Reported released resources expended as at March 2022 £'000	Reported gain, (disposals) and transfers as at 31 March 2022 £'000	Adjustments to income and resources FY21/22 £'000	Adjustments to released resources expended FY21/22 £'000	**Total restated funds balance as at 31 March 2022 £'000**
Restricted Funds									
Legacy - Swift	**7,514**	(547)	**6,967**	-	-	-	-	(376)	**6,591**
Social care	**13,878**	(2,433)	**11,445**	4,599	(2,644)	-	-	(154)	**13,246**
UK programmes	**4,916**	(3,022)	**1,894**	2,625	(2,065)	-	-	(614)	**1,840**
International services	**2,154**	(2,125)	**29**	5,070	(5,091)	-	-	9	**17**
Total	**28,462**	**(8,127)**	**20,335**	**12,294**	**(9,800)**	**-**	**-**	**(1,135)**	**21,694**
Unrestricted income funds									
Designated funds	**5,319**	-	**5,319**	182	(529)	83	-	-	**5,055**
General funds	**59,188**	10,726	**69,914**	145,975	(153,579)	(502)	(91)	1,135	**62,852**
Revaluation reserve	**5,786**	-	**5,786**	-	-	(1,496)	-	-	**4,290**
Pension reserve	**(1,948)**	-	**(1,948)**	-	-	1,915	-	-	**(33)**
Total	**68,345**	**10,726**	**79,071**	**146,157**	**(154,108)**	**-**	**(91)**	**1,135**	**72,164**
Total Funds*	**97,663**	**2,599**	**100,262**	**158,451**	**(163,908)**	**-**	**(91)**	**-**	**94,715**

*The total funds comprise of restricted funds, unrestricted funds and endowment funds.

Year ended 31 March 2022

Company – movement in funds

	Reported funds balance as at 1 April 2021 £'000	Adjustments to funds FY20/21 balances £'000	**Restated funds balance as at 1 April 2021 £'000**	Reported income resources as at 31 March 2022 £'000	Reported released resources expended as at March 2022 £'000	Reported gain, (disposals) and transfers as at 31 March 2022 £'000	Adjustments to income and resources FY21/22 £'000	Adjustments to released resources expended FY21/22 £'000	**Total restated funds balance as at 31 March 2022 £'000**
Restricted Funds									
Legacy - Swift	**7,514**	(547)	**6,967**	-	-	-	-	(376)	**6,591**
Social care	**13,813**	(2,433)	**11,380**	4,585	(2,651)	-	-	(154)	**13,160**
UK programmes	**4,916**	(3,022)	**1,894**	2,625	(2,065)	-	-	(614)	**1,840**
International services	**2,154**	(2,125)	**29**	5,070	(5,091)	-	-	9	**17**
Total	**28,397**	**(8,127)**	**20,270**	**12,280**	**(9,807)**	**-**	**-**	**(1,135)**	**21,608**
Unrestricted income funds									
Designated funds	**5,288**	-	**5,288**	178	(499)	58	-	-	**5,025**
General funds	**57,022**	10,726	**67,748**	144,460	(152,963)	(477)	(91)	1,135	**59,812**
Revaluation reserve	**5,786**	-	**5,786**	-	-	(1,496)	-	-	**4,290**
Pension reserve	**(1,948)**	-	**(1,948)**	-	-	1,915	-	-	**(33)**
Total	**66,148**	**10,726**	**76,874**	**144,638**	**(153,462)**	**-**	**(91)**	**1,135**	**69,094**
Total Funds*	**95,402**	**2,599**	**98,001**	**156,918**	**(163,269)**	**-**	**(91)**	**-**	**91,559**

*The total funds comprise of restricted funds, unrestricted funds and endowment funds.

6.

Thank you

Charitable trusts, corporate partners and other supporters:

A very big thank you to all those supporters who have made donations to Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous.

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Connecting Scotland Co-Operative Community Fund
Copley May Foundation
CRH Charitable Trust
Cumbria Community Foundation
D J Coleman Charitable Trust
Department For Communities
Department for Health & Social Care
Donald Forrester Trust
EBM Charitable Trust

Enkalon Foundation
Ernest Kleinwort Benson Charitable Trust
European Commission
European Social Fund
Flintshire County Council
Genesis Charitable Trust
Glamorgan Voluntary Services
Gloucestershire Community Foundation
Gloucestershire County Council
Good Things Foundation
Guy Charitable Foundation
Hobson Charity
Holywood Trust
Hull & East Riding Charitable Trust
London Community Response Fund
London Philharmonic Orchestra
Medicash Foundation
Merseyside Community Foundation
Motorola Solutions Foundation
National Lottery Community Fund
National Lottery Heritage Fund
NI Housing Executive
Norwich Freemens Charity
P F Charitable Foundation
Payback Time Trust
Pennington Bequest
Postcode Community Trust
Salford County Coucil
Sandra Charitable Trust
Scope
Sir John Fisher Foundation
Sport England
St Hilda's Trust
Stavros Niarchos Foundation
Stelios Philanthropic Foundation
The Bill Brown 1989 Charitable Trust
The Community Foundation
The Hospital Saturday Fund Charitable Trust
The John Horseman Trust
The Joseph & Annie Cattle Trust
The Mathew Trust
The Openwork Foundation
The Peter Cundill Foundation
The Sir James Reckitt Charity
The Wimbledon Foundation
Thriving Communities Fund
Tompkins Foundation
UK Foreign, Commonwealth & Development Office
Victoria Homes Trust
Wales Council for Voluntary Action
Wandsworth Council
William Brake Foundation
Wolfson Foundation
ZVM Rangoonwala Foundation UK

7.

Who's who

Trustees and Senior Officers in 2022/23

Founder

The Late Group Captain
Lord Cheshire, VC, DSO, DFC

Trustees

Neil Goulden (Chair)
People Committee; Remuneration and Nominations Committee (appointed 31 March 2023)

David Porter
Audit, Risk and Finance Committee (appointed 10 January 2023)

Michele Golden
Chair of the Quality and Safety Committee (appointed 1 September 2022)

Valerie Todd
Chair of the People Committee; Remuneration and Nominations Committee (appointed 1 July 2023)

Stephen Billingham
Chair of the Audit, Risk and Finance Committee; Remuneration and Nominations Committee (appointed 20 July 2023)

John Cowman
Quality and Safety Committee (appointed 1 July 2023)

Julian Spurling
Quality and Safety Committee (appointed 1 July 2023)

David Green
Audit, Risk and Finance Committee (appointed 1 July 2023)

Stuart Secker
Audit, Risk and Finance Committee (appointed 1 September 2023)

Hilary Sears
People Committee; Remuneration and Nominations Committee (retired 5 October 2023)

Philip Cassidy
Former Chair of the Audit, Risk and Finance Committee (retired 19 July 2023)

Anne Goodman
Finance and Turnaround Committee (retired 19 June 2023)

David Grayson CBE
Governance and Nominations Committee; Former Chair of the Board (retired 31 March 2023)

Piers White
Finance and Turnaround Committee (retired 8 March 2023)

Adam Wiltshire
Former Chair of the Finance and Turnaround Committee (retired 25 March 2023)

Stephen Duckworth
Former Chair of People Committee (retired 2 December 2022)

Dr Sylvia Anie
Governance and Nominations Committee; People Committee (retired 30 December 2022)

Vidar Hjardeng
Customer Council, Fundraising Advisory (retired 30 December 2022)

Colin Hunter (Vice Chair)
Governance and Nominations, Committee, Quality and Safety Committee (retired 13 October 2022)

David Pugh
Finance Committee (retired 28 September 2022)

Gareth Davies
Finance Committee (retired 28 September 2022)

Ranald Mair
Audit and Risk Committee, Quality and Safety Committee (retired 28 September 2022)

Shani Dhanda
Quality and Safeguarding Committee, Customer Council (retired 28 September 2022)

Senior Officers

Chief Executive
Ruth Owen

Chief Financial Officer
Stuart Dean (from September 2023) Nigel Armitt (interim until September 2023)
Steve Page (interim – March 2023 until June 2023)

Executive Director – People
Jon Forde

Executive Director – Partnerships, Advocacy and Impact
Marcus Missen

Executive Director – Transformation and Technology
Gavin Bounds (until January 2023)

Executive Director – Operations
Peter James

Executive Director – Strategy Delivery
David Slater

Executive Director – Quality and Clinical Care
Lorraine Lee (interim, April 2023 – July 2023)
Vanessa Davies (from May 2023)

Global ambassadors

Amar Latif
Business and Travel

Olivia Breen
Sport

Josh Wintersgill
Young Entrepreneurs and Tech

Jane Asher
Arts

Lord Puttnam CBE, Hon FRSA, Hon FRPS
Education

Mark Lane
Gardening and Wellbeing

Sophie Morgan
Inclusive Education and Women

Sir Stelios Haji-Ioannou
Business

Robin Sheppard
Catering and Hotel Industry

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants
and Statutory Auditors
1 Embankment Place
London WC2N 6RH

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Legal

Leonard Cheshire uses a range of legal advisors including:

Bates Wells

10 Queen Street Place
London EC4R 1BE

Bevan Brittan

Fleet Place House
2 Fleet Place
London EC4M 7RF

Eversheds Sutherland LLP

1 Wood Street
London EC2V 7WC

Farrer & Co

66 Lincoln's Inn Fields
London WC2A 3LH

Linklaters

One Silk Street
London EC2Y 8HQ

Internal Audit

BDO

55 Baker Street
London W1U 7EU

Leonard Cheshire
Regus, The News Building
3rd Floor
3 London Bridge Street
London
SE1 9SG

leonardcheshire.org
@LeonardCheshire

LEONARD CHESHIRE DISABILITY

England & Wales - Charity number 218186

Accounts



Annual Report and Accounts 2021/22

leonardcheshire.org

Leonard Cheshire

Contents

1. About us	**1**
Welcome from the Chair	2
Message from the CEO	5
2. Trustees' report: Strategic report	**7**
Live	**8**
Learn	**13**
Work	**16**
Fundraising	20
Our People	22
Financial review	25
Principal risks and uncertainties	39
Plans for future periods	42
Structure, governance and management	44
3. Statement of Trustees' responsibilities	**51**
4. Auditors' report	**53**
5. Financial statements	**58**
6. Thank you	**114**
7. Who's who	**116**
8. Principal advisors	**118**

1. About us

We believe in a fair world in which disabled people have the same equal opportunities and choices as non-disabled people. We fight for disabled people's rights, working with our partners to deliver support and life-changing programmes



Respite resident Aubrey in his room with deputy manager Lucy

Welcome from the Chair

Wrestling with challenges



David Grayson CBE (Chair)
Chair of Trustees

Like many other organisations, Leonard Cheshire has been wrestling with some significant financial challenges. Dealing with these has dominated activity at an Executive and Board level. Difficult decisions have had to be taken. Significant progress has already been made to get the charity onto a sustainable foundation but there is more to do.

I believe stakeholders: employees, ex-employees, residents, other service users, partners, funders, regulators and friends of Leonard Cheshire deserve an explanation for what has happened.

Recent years have been hard. There have been the unprecedented challenges of Covid-19 on frontline care delivery, as well as the impact of lost fundraising opportunities over two years. In 2021/22 we started addressing significant and long-term financial problems, that had deepened.

Keeping people safe was the main focus of the Board and Executive throughout, and we had to keep vigilant to the threat posed to the vulnerable people we support, as well as challenges in maintaining staffing levels.

Like the rest of the social care sector, we face the consequences of grossly inadequate long-term funding for adult social care. Recruitment and retention difficulties in frontline social care, exacerbated by Brexit, mandatory vaccination requirements during 2021/22 and competition from other sectors (such as retail and hospitality) have affected us like other providers.

We have now adopted a tougher approach in securing fee uplifts from commissioners, so we can sustainably invest in the frontline, attracting and retaining the best in social care talent – as part of wide measures to reduce agency use and associated costs.

Leonard Cheshire also, with the best of intentions, invested heavily in future proofing the organisation. They have not produced all the intended deliverables. The charity was also spending beyond its means.

The challenging financial situation we have been addressing, has, and will continue to mean, difficult choices about what we are in a position to deliver in 2022/23, and beyond, as we implement a turnaround plan that is necessary for sustainability and longer-term growth.

We will continue to reshape and stress test our organisation, including governance structures and processes, for the future. We will come through this and build forward better.

I am personally enormously grateful to the work of fellow trustees. I also want to thank my predecessor Sally Davis. Half of the year under review covers the final period of her chairmanship. Sally has been a generous and thoughtful mentor and guide to Leonard Cheshire and worked tirelessly for the charity.

While 2021/22 was difficult, this should not detract from the amazing impact that our services and programmes have had on the lives of disabled people, as this report shows. At the same time, we advocated for disabled people to be prioritised in recovery plans as the world emerged from the pandemic. We also kept pressing home the case for increased Government investment in social care and employment support.

A heartfelt thank-you to everyone who works for, volunteers with and supports Leonard Cheshire in making this happen. A particular thank-you to Ruth Owen, our CEO who joined us in February 2021 at the height of the pandemic. Ruth is leading the charity with vision, passion and determination, as we navigate the organisation through testing times.

Keeping people safe was the main focus of the Board and Executive throughout



▼ Rael playing with her friend Lydia

315,357

Number of disabled people directly supported. (2020/21: 71,866)



Our Leonard Cheshire care homes are not all conveniently located or suitable for modern care services. Old buildings are expensive to maintain and to heat. Our care operating model needs to be radically improved. We need to be benchmarking ourselves against the very best care providers.

We are doing important work and have ambitious plans to reimagine and modernise the social care we provide, as a values-led care provider, making the best use of our physical estate, and building on assistive and adaptive technologies use where and when we can. In future, I hope Leonard Cheshire homes can become genuine community hubs.

We want to help more disabled people who can and want to work to do so – both directly through our Change 100 summer internship programme for disabled students and through promoting the work of partners like Purple Space and ValuAble500. And we aspire to empower the advocacy of disabled people so that many more of us can live, learn and earn as we want to do.

When I started my own induction to Leonard Cheshire at the end of 2020, I saw a remarkable video made by our founder at the end of his life. It is his message to the future leaders of the charity. It reminds us of the awesome responsibility we have as stewards of his remarkable legacy. I periodically rewatch his message to us: in a sense, his permission to us, to do what we believe is in the best, long-term interests of the people we exist to serve. This must always be our guide.

▲ Catherine with a colleague at work

Message from the CEO

Strengthening the charity



Dr Ruth Owen
CEO

Having joined Leonard Cheshire in February 2021, I remain inspired by the organisation and the difference it makes.

For around 75 years, Leonard Cheshire staff and volunteers have been changing the lives of people with disabilities for the better. I am always humbled by the commitment and dedication of everyone connected to the charity, who are so passionate about Leonard Cheshire and what it does. This struck me on day one, and it remains the case today.

Frontline care and support, in residential and supported living services across the UK, remains at the core of what we do. Our relationships with key stakeholders, including local authorities, housing associations, and other organisations who share our values – are central to the success of this delivery.

Like many social care providers, we have faced sector-wide challenges in the recruitment and retention of staff. The pandemic deepened many of these pressures. One area of focus in the coming years will be to make Leonard Cheshire the employer of choice for those considering a career in social care, whether school leavers, graduates or career changers.

In 2021/22, we had to address a serious financial challenge that had built up over many years. Rising costs and reduced fundraised income during two years of pandemic exacerbated the situation. This required immediate action, affecting the whole organisation, as we protected frontline care delivery. It required a hard look at the financial viability of many established programmes and projects.

We are in the process of implementing a turnaround plan to significantly strengthen the charity financially, putting in place the foundations for sustainable growth in the future. Good early progress is being made as we reshape, resize and refocus the organisation. Job losses outside of the frontline care and supported living services were sadly inevitable as we began to reduce our overall costs in line with what we can afford. A voluntary redundancy process began in March 2022 as a first step in this journey.

This charity was founded on one man's vision of greater independence for disabled people. But what independence and choice means has changed over the years. We must recognise this, adapt and modernise what



we deliver. We must make Leonard Cheshire more relevant to today's generation of young disabled people, and those to come, as we start transforming the charity into a movement for change to be reckoned with – while recognising the financial challenges we face in the here and now. I would like to thank staff and trustees for all the work that is going on to turnaround a challenging financial position – setting the organisation up for future success.

Good social care opens up independence and choice for disabled people. I want Leonard Cheshire to be shorthand for best in class cutting edge social care, shaped at every stage by disabled people. There have been huge debates about how social care is funded in the future. Proper funding is vital of course, but we need to change the expectation of what good looks like in social care. Leonard Cheshire can and will play a central role in defining this, leading by example. I'd like to thank local authorities who fund many of our care packages for their support over the last year.

Many of the challenges disabled people face today are similar to those I faced as a young disabled woman. Things have got better, but despite equality legislation, disabled people still experience exclusion and discrimination in our communities daily. Many struggle to get the right level of support needed to live the lives they want, based on independence, choice and dignity.

I'm determined Leonard Cheshire will become a far bigger ally in fighting for equality, so that we can together consign these things to the past. We've waited too long for change.

▲ Resident Sally with her husband during a visit

2.

Trustees' report: Strategic report



Scott having a laugh at Moray Lodge

Leonard Cheshire fights for a society in which everyone can thrive.

Live

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 March 2022 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 8 to 50 incorporate the requirements of the Strategic Report.

The pandemic had a profound impact on social care staff and disabled people receiving our support, as well as their families. It also magnified the long-term challenges across the whole sector, from recruitment to funding. Our frontline staff were there for individuals and families during the darkest of days of the pandemic. 2021/22 may have seemed a less daunting prospect for many, as vaccination rates rose, and lockdown measures eased. But for care staff, and the people they support, Covid-19 still presents severe dangers. The pressures our care staff faced during 2021/22 remained significant, and what they achieved once again was remarkable.

Leonard Cheshire is committed to creating greater choice and independence for disabled people. We are now providing care as part of a new housing scheme in Northampton for adults with brain injuries and mental health needs. Moray Lodge is a new build project on the site of a former care home. This followed the opening of Sunny Bay, a supported living service for people with physical disabilities on the Isle of Wight, in March 2021.

We continue to explore opportunities that give disabled people greater choice in where they live and the type of support available, responding to unmet need.

Technology is a powerful tool for independent living, education and employment. It creates choice and opportunities in disabled people's lives that were previously unimaginable. In 2021/22 we continued to look at how technology could be used more widely across our services and programmes in the future. This will be a key area of focus in our future strategic development. In 2021/22 we delivered digital skills training to 5,398 people with disabilities in the UK, Kenya and Bangladesh.

Many services experienced staffing pressures in 2021/22 as a result of the pandemic. Despite mandatory vaccination, maintaining staffing was a challenge at times in some areas as new infection waves occurred across the UK.

Recruitment also remained a challenge for some services. In early 2022 we began a major recruitment drive in these areas, using government money provided to the sector to attract new talent.



2,266

people are supported every day through our care services (2020/21: 2587)

As of 31 March 2022:

- We support 2,266 people every day through our care services
- We have 69 residential services (care and nursing homes)
- We have 56 supported living services.

We are amongst the highest rated providers of care and supported living services in the UK. Across the UK, 93% of our services are now rated as 'good' or 'outstanding' by regulators.

Creating opportunities with innovative technology

Using the latest assistive technology more widely at our services is an important part of our vision to change the way social care is delivered, and what good looks like.

It can be a game changer in creating more choices for people, boosting independence and confidence so that individuals achieve their personal goals.

Almost everyone who lives at Leonard Cheshire's Hill House service, in Cheshire, is now involved in our assistive technology project, which is redefining what's possible for people.

People at Hill House are relishing the opportunity to do so many new things themselves as more options become available, using simple, accessible technology solutions. With the right software and tools, a single iPad or device coupled with a voice assistant like Alexa can enable people to do a lot. People can control their lighting, curtains, or music, or make a call in different ways.

Several people have electronic communication aids mounted on to their powerchairs. This is often software on an iPad or tablet. Throughout the pandemic, the use of assistive technology was never more important. People looked to maintain crucial contact with friends and family, as well as learn new skills. Digital inclusion opens up so many opportunities, and if people want to use it, they receive specialist support to make the assistive technology part of their everyday lives.

▲ Mariuz and Emilie, staff member, at Moray Lodge

The Care Quality Commission have advised us that we are amongst the highest rated providers in England.

Virtual tours of sites like museums, as well as trips to cities in the UK and worldwide are available. These are immensely popular, as are virtual visits to Hill House if people can't go in person.

Derek* is one of the residents at Hill House benefiting from the project. He says:

"The assistive technology has changed my way of thinking and the way I feel about technology, and I am now more independent. There are things I could not do before that I can do now via my Alexa, for example, I can turn my lamp on and off, my TV on and off and my fan too."

Kay is the Assistive Technologist at Hill House. She has seen benefits for staff and residents alike:

"Having the assistive technology has eased the pressure on staff and given them time to do their hands on support work with less pressure. That can only be a positive outcome and have huge wellbeing benefits. We have already seen changes in behaviour and less anxiety because of this technology, and residents are becoming more independent too."

Helping Hitesh achieve his goals

Hitesh has grown in confidence, gained greater independence and now hopes to return to work, after getting support from Leonard Cheshire's Road to Me project.

Through the project, funded by Sport England, we support people with recently acquired disabilities whose physical activities have been interrupted. We work closely with them to develop an individual action plan centred around becoming healthier and more active.

Hitesh was referred to Road to Me by his physiotherapist. He lives with his partner and daughter, and has a health condition which causes his muscles to break down, and leads to weakness and fatigue. There is no known cause or cure, but treatments can manage symptoms.

We have 69 residential services (care and nursing homes)



▲ **Callum*,** one of the residents at Hill House, using his Gridpad communication device to select things he wants to say

*Names have been changed to protect the identity of our residents



Hitesh with Linda doing a straight arm pushdown

Having been highly active all his life, and played sports such as football and cricket, Hitesh's diagnosis in 2010 came as a 'complete shock'. He began attending a neurological unit in late 2014 after things got worse and he started to have falls. A fall in 2019 led to Hitesh fracturing his spine, requiring surgery. Another resulted in a fractured ankle, which led to sepsis.

The Road to Me team worked with Hitesh to achieve personal goals. Initially he had trouble with the weights he was using at the accessible gym, but was soon getting stronger, practicing standing, so he would eventually be able to do things like get into the shower.

The team supported Hitesh, who uses a wheelchair, to make things easier at home. They kept in touch after the project to see how he was getting on, and if they could help further.

"I felt as if I was getting institutionalised," recalled Hitesh of his experiences in hospital before the project. After two hospital stays lasting eight months each, and lengthy periods indoors, Hitesh said attending the project definitely boosted his confidence, as well as helping with his overall strength and dexterity.

"Having the interactive aspect with the team, and others that use the gym, me being able to get out of the house, being part of a community – this has been a big deal to me."

"All the staff at the centre have been brilliant," he added. "The centre is a tremendous institution that has facilitated my rehabilitation physically, and socially into the community. It is a wonderful asset with wonderful staff."

We supported 2,521 disabled people to get active through our inclusive cycling, physical activity and dance programmes in the UK.



◀ Sheila with her teacher Shyrine

At least 33 million children with disabilities are out of school worldwide, and the majority of these are girls.

Learn

Creating school places that may otherwise be out of reach for disabled children has been a key part of our contribution towards building a fairer, more inclusive world over the years.

Every child has the right to an education and going to school is truly life-changing for disabled children and their families. With our partners we have worked in some of the most economically deprived parts of the world to support children into school.

Girls with disabilities are particularly vulnerable to missing out on school places in some low and middle income African countries.

Whether it's addressing misperceptions about disability, inaccessibility in schools or lack of knowledge around inclusive education, Leonard Cheshire made sure that disabled children got the chance they deserved.

We have worked with children, families, teachers and government to deliver change at a local, national and international level.

We supported 5,814 children and young adults with disabilities to get an education in India and across Africa (2020/21: 11,023)



▼ Juliet and her friends, Valarie and Catherine, during their lunch break

Keeping Boke's dreams alive

At the age of 17, Boke was considering dropping out of school forever. Not only did she face barriers and stigma in her community because of her visual impairment, she was also pregnant.

But Leonard Cheshire's Girls' Education Challenge Transition project supported her to go back to school after the birth of her son, so she could keep her dreams alive.

Faced with massive changes in her life, some people in her community had simply shunned her. Others said her family had been cursed for allowing a young girl with a disability to go to school.

> "People verbally abused us. Some would even tell me to abort my daughter's pregnancy. I refused"
>
> **Boke's mother.**

Boke was studying at home because of Covid-19 school closures when she found out she was pregnant.

Our project team had already been supporting Boke. They provided learning materials and reading glasses, and made regular home visits. Now they played a vital role in stopping Boke from leaving education.

The team made it possible for Boke to get counselling and other support throughout her pregnancy and following the birth of her son. They also worked with local government and children's services and challenged the stigmas and misconceptions in the community around disability, that were so hurtful to Boke and her family. The way Boke was treated by her community began changing for the better.

Soon she was convinced that she had to return to school, having built up the confidence to resume her education. "It was very hard to face my fellow learners," Boke says. "But after getting support, I saw sense in going back to school and not putting my life on hold."

Boke is now back in school and sharing parenting duties with her mother. She's successfully balancing her education with looking after her young son, and has a bright future ahead of her.

And she believes that neither being a child with a disability nor a young mother should prevent anyone from accessing an education: "Girls and boys should both be taken to school," she says. "My fellow girls, I would like to advise you to study and continue with your lives."

2,870

We delivered inclusive education training and other direct influencing activities to 2,870 teachers, government representatives, members of Organisation of Persons with Disabilities (OPDs) and other key players (2020/21: 2,916).



▼ Boke at home with her sisters



Changing attitudes and lives

After getting involved in a Leonard Cheshire project, Francis began taking a bigger role in supporting his daughter Selina, who has epilepsy. And now, he is also a strong advocate for inclusive education in his community.

Francis took part in a male mentor scheme in Siaya, Kenya. Through the scheme, fathers learn how to better respond to their children's needs, with many like Francis going on to become role models for others in their communities.

In his part of the country, it was very unusual for men to get involved in the daily care of their daughters, which is often seen as something only mothers should do. "They even question if it is possible, since men around my area are never close to their children," says Francis.

"Through the training sessions, we were shown that parenting and home responsibilities are not gender-based," recalls Francis.

He helped Seline with home learning when her school was closed. He stayed in regular contact with her teachers to check on her progress. Seline is now back at school and things have really improved, with support from the project. "She has created a lot of friends," Francis says. "The children and teachers are no longer scared of her seizures thanks to training and support. Now Seline is more confident."

A local support group was set up by our team in Kenya, so that parents of children with disabilities could share concerns about home life or school. Francis is now the group's coordinator.

Francis wants to encourage other men to do more to support their children. "After going through numerous trainings I saw the need for me to step in and take care of Seline," says Francis. "I would like to urge fellow men to step up and take charge of their families' responsibilities."

▲ Seline's father, Francis, helps her study

5,293

We trained 5,293 parents and male mentors on inclusive education (2020/21: 3,426).

Being in employment and having a meaningful career is an aspiration of many disabled people. It opens up opportunities, and creates choices and independence.

Work

Sadly, it's not a level playing field for disabled people seeking work, with many workplaces and employment practices not inclusive.

Prejudice and lack of awareness still play a part. Despite legislation aimed at tackling discrimination being in place in some countries, and global commitments to tackle the inequalities individuals face, disabled people all too often struggle to get roles that match their talent.

The pandemic was hard for disabled people, who were disproportionately impacted by job loss and loss of income. Before this, disabled people globally were around twice as likely to be unemployed as those without disabilities. In the UK, the gap in employment levels between disabled and non-disabled people has not significantly improved, with only around half of disabled people in employment compared to around 80% of non-disabled people.

Meanwhile official figures show the disability pay gap is actually wider than it was in 2014.

We lobby governments to change policies and practices that hold people with disabilities back from equality of opportunity in the workplace. At the same time, our training and consultancy team supports progressive businesses to be more inclusive.

Through careers programmes that deliver paid internships, careers advice, skills training and support for new business owners, we work with disabled people to achieve their personal career goals.



56,003

We supported 56,003 people with disabilities to seek employment in the UK, Africa and Asia (2020/21: 22,152).

4,836

We supported 4,836 disabled people to seek employment in the UK (2020/21: 1,591).

A perfect outcome for Sakina

Sakina took part in Leonard Cheshire's Change 100 programme in summer 2021, with an internship at Overbury, an office design and refurbishment company. As Sakina says, "it's been perfect – it's worked out very well" – as she is now a full-time employee at Overbury!

Getting a job has not been the only benefit for Sakina – the programme has really built her confidence in the workplace. She says: "I've gained a lot of confidence. Whether it's engaging with people, but also I started to feel more confident about my disability, dyslexia, because the programme has helped me to realise I can ask for things, and that's ok. Now I know what to ask for, and what I'm entitled to."

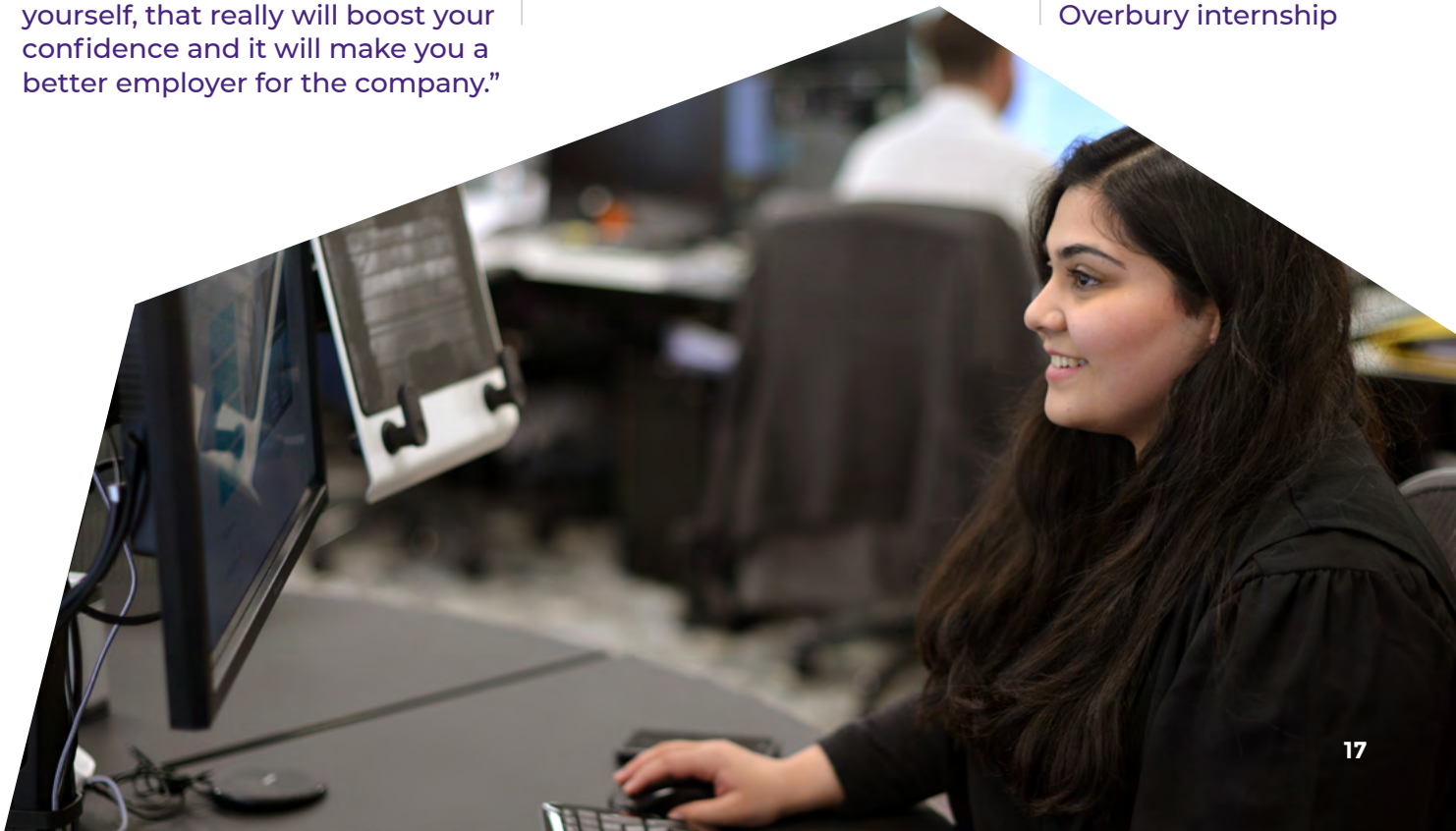
Another aspect of the programme that has really benefited Sakina is the mentorship scheme. Through Change 100, interns are allocated a mentor at the company they work in who will guide them throughout their internship. She says: "Having someone at work to tell you that you can just be yourself, that really will boost your confidence and it will make you a better employer for the company."

And Overbury also feel they have gained a lot from the experience as an employer. They were motivated to become involved in Change 100 as they wanted to diversify their workforce, broaden their talent pool and challenge the business to progress. Chelsea was Sakina's mentor at Overbury during her internship, and as HR and Early Careers Coordinator was one of the driving forces behind Overbury taking part in the programme. She is keen to recommend Change 100 to other employers:

> "Opening your front door to a programme such as this will broaden your business appeal, you'll broaden the candidates available to you, and you'll be bringing skills, culture, thoughts, ideas, energy that you won't get through the normal recruitment process."

141

We supported 141 young people to get paid internships through our Change 100 programme (2020/21: 97).



▼ Sakina working at her desk during her Overbury internship



▲ Rebecca on site during her internship with Overbury

Stelios Awards come back stronger than ever

We were proud and excited to be able to relaunch The Stelios Awards for Disabled Entrepreneurs, with applications opening again in February 2022.

Entrepreneurship is a key route to prosperity for many disabled people, particularly given the challenging employment landscape they can encounter.

Jointly run by the Stelios Philanthropic Foundation and Leonard Cheshire since 2007, the Stelios Awards for Disabled Entrepreneurs UK recognise the exceptional achievements of disabled entrepreneurs who have set up their own company and excel in their chosen business field.

The awards were postponed in 2020 and 2021 due to the pandemic. In lieu of the Awards, Sir Stelios Haji-Ioannou made donations of £150,000 and £86,000 for each year respectively to support Leonard Cheshire's frontline carers during the pandemic.

Previous award winners have included Amar Latif, founder of Traveleyes and broadcaster on BBC and Channel 4.

A supplier of metal polishing products, a Christmas tree grower and the creator of an innovative skill-matching jobs board were among the entrepreneurs who went on to triumph in the 2022 awards. Applications came in from a wide range of sectors including technology, recruitment, sports and rehabilitation, wellbeing, fashion and adaptive clothing.

Joe Waggott, 52, based in Hampshire and originally hailing from Harare, Zimbabwe won the top £30,000 prize. After settling permanently in the UK in December 2005, when political unrest in Zimbabwe left him with just £35 in his pocket, Joe now has a thriving metal polishing supply company. Joe was born with spina bifida, a condition affecting mobility.



Rebuilding Karl's confidence

"From an early age I have experienced a number of mental conditions that have affected my day-to-day life severely. I have had spells of not being able to leave my room let alone my house. No one has ever been able to accurately diagnose my condition, but I have been diagnosed with bipolar disorder and different personality disorders.

I had been working for 15 years and sadly that job come to an end in a distressing fashion. I jumped from job to job just to keep my home. Then in January 2019 I was admitted to hospital. I couldn't function, I was totally broken.

While trying to recover I was put in touch with Leonard Cheshire to try and regain employment. Not only did my advisor help me look for work, he helped with everyday parts of my life. He was brilliant. He asked if I was interested in volunteering with Leonard Cheshire to help rebuild my confidence, and I decided to go for it.

I started as a volunteer research analyst working eight hours a week. Slowly I started to increase my hours and the number of projects I was taking on. It was really helping my mental state and building my confidence. At every step I was reassured that if I was having a bad day or week not to worry.

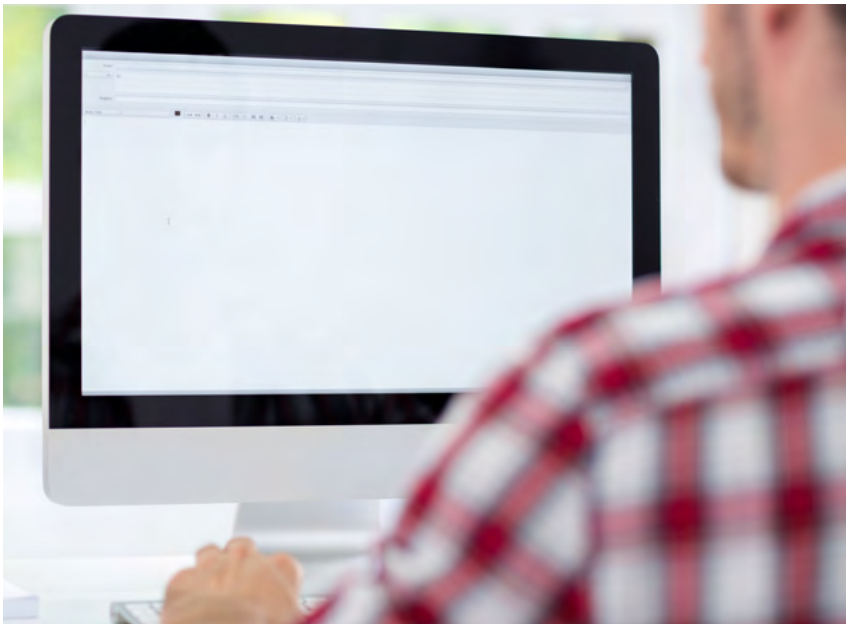
Due to the fantastic support I received I made it a dream to work for Leonard Cheshire. So I was absolutely delighted when I was offered a ten week paid role with Leonard Cheshire's Change 100 programme. And I was even more over the moon when, towards the end of the placement, I was given the chance to apply for a full-time position with Change 100, and I was successful!

I am really enjoying my role. I have support every step of the way, and the freedom to be creative. My managers and my team have really looked after me and helped me become better in the workplace again. They understand when I have bad days and I am not frightened to tell them.

I now feel more confident to deal with the real world. I am still struggling to get out of my home but I am feeling more and more confident that I will overcome that barrier next. Leonard Cheshire have made me feel more at ease with my disabilities and I am in a much better place for it."

"I am really enjoying my role. I have support every step of the way, and the freedom to be creative."





Fundraising

In the past year, we were moved and inspired by the support we received from people, businesses and grant making bodies across the UK. Here are just a few of our highlights:

As we made our way slowly out of the pandemic, teams of Leonard Cheshire runners once again took to the streets in the Great North Run and London Marathon. After nearly two years of virtual races and events, it was fantastic to be able to cheer on people, in person, going to extraordinary lengths for disabled people. Our London Marathon runners included friends Dhrushil, Matthew, Hussain and Rishabh, who all met at medical school in London. Thanks to their fantastic fundraising efforts they raised more than £11,000 for Leonard Cheshire.

Gifts in Wills, large or small, make up nearly four-fifths of our donations. We know that the cost of getting a Will can be a barrier to some people, so we launched our Free Will Service in 2021. This service means anyone can make or update a Will online over the phone or face-to-face with a solicitor, for free.

£6.2m

In 2021/2022, we received over £6.2m from Leonard Cheshire supporters who remembered us in their Wills.

In 2021/2022, we received over £6.2m from Leonard Cheshire supporters who remembered us in their Wills. Supporters like Mr Alan Laurence Price, who was born in 1927, and was a surveyor by profession. Alan's wife lived with Multiple Sclerosis and received at home support from Leonard Cheshire. The couple thought very highly of Leonard Cheshire as a direct result of their positive experiences with us. Inspired by our work and the support given to his family, Alan chose to volunteer for his local Leonard Cheshire residential service. When Alan died at the age of 93 his generosity towards Leonard Cheshire continued by remembering the charity in his Will.



Jo running the London Marathon for Leonard Cheshire

From May 2019 to April 2022 Odgers Berndston staff have raised over £45,000 for our work.

In December 2021, we joined in solidarity with disabled people around the world to celebrate the International Day of Persons with Disabilities (IDPD). With the help of our toolkit, many of our corporate partners took the opportunity to learn more about disability and donated to support our life-changing work.

Staff from executive search firm Odgers Berndston joined in with the IDPD celebrations by competing in a fundraising hand-cycle challenge. The company have been long standing partners of Leonard Cheshire, first through our Change 100 programme and then through choosing us for their Charity partnership. From May 2019 to April 2022 their staff have raised over £45,000 for our work.

Thank you to everyone who chose to support Leonard Cheshire in the past year – we are truly grateful for your support.

£11,000

Thanks to the fantastic fundraising efforts of four friends who ran the London Marathon for us, more than £11,000 was raised for Leonard Cheshire.



Our People strategy is built around our purpose of 'finding great people to do great work and keeping them'.

Our People

We employ around 5,000 people alongside our 3,449 registered volunteers. While Covid-19 restrictions have affected our ability to deploy volunteers in our services over the past two years, we now see opportunities to reposition our volunteering offer in a redefined, services-led volunteer strategy. We take great pride in living our values of 'Proud, Positive and Pioneering' every day. We will continue to take this same purpose-driven approach into the coming year.

We were reaccredited through Investors in People in December 2021. Despite the enormous challenges we have faced over the past two years, the increased burden of responsibility across the organisation and the stretch from the Covid-related workload, we are delighted to have been upgraded by Investors in People to silver status. This is a remarkable achievement and a huge mark of recognition for our wonderful managers and committed, passionate people who have continued to deliver in the most challenging of circumstances.

Standing out in a competitive recruitment market

Finding great people to do great work for our charity continues to be critically important. The challenges we face in such a competitive recruitment market have continued during the past year.

We have introduced a number of new recruitment initiatives this year including:

- Launching a national recruitment campaign for service-based staff under the brand of 'Make life happen for a living', with the voice of our services at the heart of our recruitment message
- Recruiting experienced nurses from Zimbabwe
- Working in partnership with the Department of Health and Social Care and Department for Work and Pensions to assess how we could offer employment to Afghan and Ukrainian refugees

We continue to advertise all of our positions on our careers site. Over the coming year we will focus strongly on internal development opportunities for our people.

We employ around 5,000 people alongside our 3,449 registered volunteers.



▶ Abigail, staff, puts up bunting outside for an event

Championing diversity

We want Leonard Cheshire to be a beacon employer, championing diversity in our workforce. Further employee networks have been launched in the past year in partnership with the Staff Association and are beginning to flourish with Executive Director and CEO sponsorship.

There are self-organised employee networks for:

- Disabled employees
- Women
- Pride
- Cultural Diversity and Inclusion

Increasing the employment and representation of disabled people across our charity is an organisational priority for 2022/23 and future years. This drive will be supported by our policies to give full and fair consideration to applications from disabled people, having regard to their abilities, making appropriate adjustments for our disabled colleagues and supporting their career development as we would for all of our people.

The impact of Covid-19

Throughout the past two years we have faced the extraordinary challenges of the pandemic together. Our whole workforce rose to these challenges under incredibly demanding circumstances. The pandemic affected every aspect of our work – from running our payroll remotely to welcoming our new starters either into virtual teams or into our service teams who were working under incredible pressure. We have focussed our efforts on supporting our wonderful frontline people in a way that has allowed them to focus on providing care and support to our residents and their families. Our people have been truly outstanding and we are incredibly proud of everything they have done.

We want Leonard Cheshire to be a beacon employer, championing diversity in our workforce.



◀ Support worker Rhys operating the HiLo jacuzzi bath at Cossham Gardens

Supporting our people

As the pandemic developed, we continued to identify new ways to support the health and wellbeing of our people and our residents at all times.

We implemented a wide range of initiatives during the pandemic, including reducing the burden on our frontline service managers; flexible working arrangements; redeployment of our people wherever possible to support our frontline services; and regular communication to our people who were absent due to Covid-19.

As we begin to come through the pandemic we will continue to adapt our support, with ongoing access to counselling through our employee assistance programme and person-centred support through our programme 'Here for each other.'

We moved to home-working wherever possible and we continue to engage with our (previously) office-based people to agree future ways of working. We want to understand what has worked well during the pandemic in a virtual world and the areas we need to improve as we move to permanent virtual ways of working for most of our non-services staff.

The voice of our people – learning and looking forward together

As we began to emerge from the pandemic, we opened up a series of conversations with our people to shape our future ways of working. These conversations will be ongoing and will link into the development of our new strategy – we will put the voice of our people at the heart of all we do.

Our Staff Association reaches across Leonard Cheshire and we are committed to building on its strengths, ensuring its future as a two-way voice and forum for our colleagues.



As the pandemic developed, we continued to identify new ways to support the health and wellbeing of our people and our residents at all times.

Financial review

Our scenario planning in the early months of fiscal 2021/22 prepared us for a significant deficit for the year. However, we are very pleased to say that the final result (£5.5m before actuarial gain) is slightly lower than our predicted outcome range of between (£7m) and (£12m), which was due to increased fees agreed with funders. Our social care activities delivered consistent results in the circumstances, but our fundraised and programme related income was severely down on expectations, impacted by the indirect consequences of Covid-19 and International Aid budget cuts.

Charitable activities

Our major sources of income are fees and grants in respect of social care services, alongside grant income to deliver programmes in the UK and globally. Our services and programmes are all delivered with the objective of supporting disabled people to live independent lives, in line with our fundamental purpose. There are great examples throughout this report of how we empower people to live, learn and work as independently and productively as possible.

Social Care financial performance in 2021/22, despite the many obstacles placed in the way by Covid-19, has been very consistent. Income did increase year on year, from £131.3 million in 2020/21 to £133.6 million in 2021/22. This has exceeded our expectations. Occupancy is slightly down year on year; however fee increases being achieved has resulted in a year on year increase in fee income.

Fee discussions are ongoing and annual reviews needs to be done to ensure the charity is obtaining an appropriate fee for the services provided, that appropriately cover the costs of providing those services.

Our International Programmes show an income of £5.1 million compared to £6.0 million in 2020/21, with the reduction in income primarily due to reduced income from the UK Foreign, Commonwealth & Development Office in 2021/22.

Our UK Programmes income reduced from £4.0 million in 2020/21 to £3.3 million in 2021/22, with the reduction of Covid-19 support fund funding. Expenditure on charitable activities increased slightly from £157.7 million in 2020/21 (97.6 per cent of total expenditure) to £159.3 million this year (97.6 per cent of total expenditure). The increase in cost was primarily due to inflation.

Government Support – Covid-19

We received government support of £3.7 million during 2021/22, primarily through the Infection Control Fund, Local Authority support and the Rapid testing support. There has been a significant reduction in funding for the job retention scheme year on year. See note 3C for details.

Donations and legacies

Donations and legacies increased from £6.6 million to £7.6 million this year, primarily due to an increase in legacies, whilst donations have declined. Expenditure on raising funds decreased slightly, from £3.6 million to £3.3 million, while the ratio of our donations and legacies to the cost of generating voluntary funds increased from 1.8:1 to 2.4:1.

Gain on property disposals

There is a net gain on disposal of properties (including Arnold House, White Windows, Edward Road, Friars Close, Parkside, Riverview, Anton House, Barnett Wood Lane and Swansea Cafe) for £4.9m included within the income this year.

Total expenditure

Total expenditure before gains/losses on pensions increased from £161.5 million to £163.3 million this year. Our expenditure on activities that directly relate to delivering social care activities increased from £143.0 million to £148.1 million, which was a result of increased staff costs of £3.1 million. The main reasons for this increase in staff costs were redundancy and settlement costs, pay inflation and pay increases.

At the same time our expenditure on support costs decreased from £20.2 million to £19.1 million.

Net movement in funds

There was an overall net decrease in funds from £97.7 million to £92.2 million. The deficit on our defined benefit pension schemes decreased from £1.9 million to £0.03 million. The charity is experiencing continuing deficits, which are because the cost of service delivery is higher than the fees generated. The focus now is to continue to reduce costs and generate fee uplifts in order the bring the charity back to a position where it generates an operating surplus. Current year and prior year deficits have arose because historically international charitable activities costs

have been exceeding income, furthermore we have seen an increase in central cost whilst the income and returns from social care has been stagnate. Fee increases from local authorities have in the past not been in line with cost inflation.

Reserves

The total amount of all types of funds held by the Group totals £92.2 million (2020/21 £97.7 million. The total amount of restricted funds is £31.0 million (2020/21 £28.5 million). The total amount of unrestricted funds totals £60.4 million (2020/21 £68.4 million). These unrestricted funds include amounts of £5.1 million (2020/21 £5.3 million) designated for future capital developments which are for the long term use of service users – such capital may be expected to be expended over the next two financial years depending upon the progress of the turnaround plan. This then leaves remaining general unrestricted funds of £51.1 million (2020/21 £59.2 million). These overall reserves are partially represented by net cash and cash equivalent balances of £0.7 million (2020/21 -£0.2 million) but primarily by tangible fixed assets and investments totalling £86.5 million (2020/21 £91.0 million).

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk, caused by Covid-19 and other possible sources. In June 2019, the Trustees updated the unrestricted reserves policy to be set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and the possible financial consequences. The target level for those cash and managed investments available should exceed four months of our annualised, risk -adjusted cashflow, but should not exceed seven months. The risk adjusted cashflow is the net cashflow excluding property sales with an assumed notional 10% reduction in income levels whilst expenditure continues unchanged. Based on the 2023/24 budget, this reserves policy requires us to have levels of cash and managed investments of between £8.9 million and £15.7 million. As at 31 March 2022, we had positive cash balances of £2.0 million, including Service User funds of £1.8 million, and overdraft borrowings of £1.3 million. Through the continued execution of the turnaround plan, it is envisaged that net cash and managed investments will be within the targeted range by the financial year ended 31 March 2026.

Going Concern

Several years of reported deficits has impacted the Charity's financial sustainability and reserves leading to a need for negotiating an extension to their overdraft facility with Barclays Bank. A detailed analysis of the Charity Performance and future

cash forecasts was carried out by the new Chief Financial Officer and Finance Director, approved by the Board of Trustees, in November 2021. It was apparent that an urgent Turnaround plan was required to be implemented to avoid breaching the facility and to address the underlying operating model in order return the charity to a positive monthly cash position to achieve financial sustainability.

A new overdraft facility of £10m (previously a £7.5 million facility) was negotiated with Barclays and agreed from 31st July 2022 until the 31st March 2023. The facility will reduce to £7.5m at 31st March 2023. This £7.5m facility is available until 31st March 2025.

As a condition of the increased facility with Barclays, an independent advisor to the bank, Kroll, were appointed to carry out an assessment of the Charity's financial position by reviewing a 3 year integrated model including Cash Forecast, Profit and Loss and Balance Sheet forecast covering the period April 2022 to March 2025. This encapsulated the assumptions used in the turnaround plan to move the Charity into a positive monthly cash position. A condition from the bank was that on a monthly basis Kroll prepare a performance monitoring report showing actual delivery versus the agreed 3 year integrated model highlighting any action that may be required.

The Financial Recovery Plan includes key initiatives to enable the Charity to return to a cash positive position. These are:

- Restructuring of central support functions including staff redundancies.
- Reduction of non-staff expenditure across the charity using support from Kroll to achieve this (including significant reduction in monthly agency cost spend).
- The exit from the Charity's International Operations and significant reduction in scale of UK non-care operations, both of which were making operating deficits.
- Negotiations with care funders to maximise inflationary care fee increases as well as increases to fees in relation to additional support needs of people who use our services.
- Efficiency savings and modernisation of the Charities Social Care Operations: and
- A programme of property disposals.

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes over the period 1st March 2023 to 31st March 2025 from the date of approval of these financial

statements.

Base Case Scenario

The base case scenario flows from the recovery plan. This forms the organisation budget for financial year 2023-24 and a forecast for the year 2024-25. It includes:-

- 5.5%, £7.6m, year on year inflationary increase on care fees in 2023-24 and a further 5.5%, £8.1m, year on year inflationary increase in 2024-25.
- £1.8m increase in Care Fees in 2023-24 and 2024-25 from renegotiation of care packages where the support needs of people who use our services have increased. This represents a 1.3% increase in care income for 2023-24 and a 1.2% increase for 2024-25.
- £1.5m risk contingency for fluctuations in occupancy across our care services in both 2023-24 and 2024-25. Representing a 1.4% decrease in occupancy.
- Increases in staff pay including associated employment costs averaging 6.4%, £5m, across Care staff roles in 2023-24 and 6.4%, £5.4m, in 2024-25. For Management and Support roles an increase of 5% is included in 2023-24, £0.6m, and 5%, £0.6m, in 2024-25.
- Cost of staff redundancy programmes and lower ongoing staff costs that result. 96% of the planned staff reductions will have completed by 31st March 2023.
- Net cost savings from exit from International Operations and UK Non-Care Operations in 2022-23. Including reductions in associated voluntary income and cost.
- The expected proceeds from the disposal of properties that have not completed at the time of this review, net of associated costs of closure and sale, are excluded from this base scenario.
- Targeted programme of central cost savings over the review period.
- Targeted efficiency and delivery improvements to our Social Care Operations with a specific focus on reducing the usage of Agency Staff.
- Increases in costs for care delivery in 2023-24 of 2%, £0.1m, and 2%, £0.1m, in 2024-25.
- Other operational costs increase by 3%, £0.4m, in 2023-24. 2%, £0.1m, in 2024-25.
- Premises costs including Rent, Rates, and Repairs and Maintenance increasing by 5%, £0.5m, in 2022-23. 5%, £0.5m, in 2023-24.
- The Charity has fixed unit rates on Gas and Electricity Utility supplies expiring in the 3rd Quarter of 2023-24. A £1.3m risk for increased utility costs beyond the fixed term has been included in 2023-24 and £2.6m in 2024-25.
- £4.8m of Capital Expenditure in 2023-24 and £5.5m in 2024-25.

In the base case scenario excluding net cash inflows from property disposals, the Charity continues to operate within the credit facility but maintains headroom on the facility throughout. Headroom on the Credit Facility is forecast to be at its lowest points at July 2024 (£1m headroom) and at October 2024 (£1.2m headroom).

Severe but plausible downside scenario

Given the overall uncertainty of the wider economic outlook, including financial challenges across the Care Sector, as well as changing internal conditions as the charity progresses through the recovery plan, a severe but plausible downside scenario was considered.

Severe but plausible scenario details:

- Year on year fee inflation reduces to 5% in 2023-24, £0.7m reduction on the base scenario, and 5% in 2024-25, £1.7m reduction on the base scenario.
- Fee increases from renegotiation of specific care packages reduces to £1.6m in 2022-23 and 2023-24 from £1.8m in both years in the base scenario, a 11% reduction.
- Payroll costs for Care Delivery Staff increases by 6.8% in 2023-24 and 2024-25 from 6.4% in the base scenario. An increase of £0.4m in 2023-24 and £0.7m in 2024-25.
- Agency Staff costs increase by £1m in 2023-24 from £16.8m in the base scenario, 6%. Then increase by £1m in 2024-25 from £17.3m in the base scenario, 5.7%.
- Other Operating Costs increase by £1.9m from £21.6m in the base scenario, 8.8%, in 2023-24 and by £2.8m from £22.1m in the base scenario, 12.7%, in 2024-25.

In this severe but plausible downside scenario The Charity would exceed its credit facility by £1.75m in October 2023. The cash position would continue to deteriorate from this point, exceeding the Credit Facility by £4m by 31st March 2024 and £9.5m by March 2025.

The key mitigations the Charity would need to enact to avoid exceeding the credit facility in this severe but plausible downside scenario are:

- generating cash from future property sales;
- and achieving future fee uplifts and cost savings that are outside of the direct control of the charity.

However, these mitigations are not fully in the control of the Trustees and there is therefore uncertainty as to whether they can be achieved.

Risk Mitigation

The Charity has mitigating actions available including robust daily cashflow monitoring and management. The Turnaround Plan continues to be implemented and closely monitored.

Inflationary Fee Uplifts of 5.24% were achieved in 2022-23 and the Charity has developed a new costing model to better justify the increased fees requested from funders. Fee increases for changes in support needs of £2.2m will be delivered in 2022-23 with £1.6m included in the severe but plausible scenario in both 2023-24 and 2024-25. Through the efficiency and operational improvement plan for Social Care Operations, all individuals in our Residential Services will have their needs reviewed and contracts renegotiated.

A dedicated programme team will be in place to deliver the required improvements and modernisation of Social Care Operations.

Staff pay increases proposed for 2023-24 are lower than included in the severe but plausible scenario whilst still complying with living wage regulations and remaining competitive within the sector. The impact of rates of pay on the ability to recruit and retain staff, compared to more expensive alternatives, will be monitored to control overall costs. Agency Staff costs have been closely reviewed and controlled though 2022-23 leading to a monthly decrease in these costs. The detailed review of our Social Care Operations at an individual operating unit level will continue to support control and reductions of these costs.

Targeted cost savings across the Social Care Operations and Support Functions have been included in operational budgets and will be closely monitored. A review of contracts will be undertaken to reduce expenditure.

Capital Expenditure has been closely controlled in 2022-23 at £1.5m. The base case and severe but plausible scenarios include a return to pre-turnaround levels of capital expenditure, £4.8m in 2023-24 and £5.5m in 2024-25. This will continue to be controlled whilst ensuring that regulatory and safety related improvements are made. Improvements that are not urgent or required to maintain regulatory standards could be deferred in order to support the cash position.

A dedicated Property Disposal Team is in place to support the delivery of the Property Disposal Plan and associated inflow of funds. We have accepted offers totalling £1.8m from the first round of disposals with the sales progressing. £0.55m is expected to be received before the end of March 2023. The remaining £1.2m of sales proceeds are expected to be received by end of May 2023. These cash inflows are excluded from both the base case and the severe but plausible scenario as they are not yet certain. They will provide mitigating, positive cash flows if realised as expected.

Future Property Disposals are planned for 9 properties with estimated proceeds after closure and sale costs of £13.9m forecast to be received by 31st March 2024. The Charity has received offers on properties prior to active marketing indicating sales are likely. We have also received approaches on properties not currently being considered for sale which would be considered if the disposal proceeds fall short of the levels required.

Conclusion

Taking into consideration the financial recovery plan and the associated financial and cashflow forecasts, which has a level of significant doubt, the Trustees consider that it is appropriate for the financial statements to be prepared using a going concern basis, on the basis that there is sufficient liquidity in the base case scenario. This will also enable the Charity to manage operational and financial risks successfully and to allow us to meet our strategic and operational goals over the next 24 months. However, as indicated above there are a number of uncertainties in a severe but plausible downside

scenario that indicates the existence of material uncertainties that may cast significant doubt upon the Charity's ability to continue to operate as a Going Concern. The financial statements do not include the adjustments that would result if the Charity were unable to continue as a going concern.

Balance Sheet

Our main defined benefit pension deficit reduced from £1.9 million to £0.03 million, due to discount rate changes and increases in inflation assumptions. Debtors and creditors primarily stayed consistent with prior year.

Although there is an apparent decrease of £8 million in trade debtors as at 31 March 2022 vs last year, this is predominantly a billing system issue, therefore this £8m has been included in accrued income as at 31 March 2022. We are comfortable with the collectability of all debts that are not provided for.

In July 2022, our bank overdraft was extended to £10 million, this will reduce back to £7.5 million on 1st April 2023.

There was a revaluation of investment properties carried out as at 31 March 2022, which resulted in an unrealised revaluation loss of £660k.

At year end, we provided for £2.9m of redundancy costs for the redundancy process which commenced in March 2022 and continued into the financial year 22/23.

Cash flow

Our net cash flow from operating activities moved from an outflow of £5.1 million to an outflow of £1.1 million this year. We received £6.8 million cash (2020/21: £0.6 million) from the sale of property, plant, and equipment and £0.12 million (2022/21: £0.2 million) cash from investment returns. We invested £4.9 million (2020/21: £5.6 million) of cash in fixed and intangible assets. The Charity has £0.6 million of external debt as at 31 March 2022 (2021: £0.6 million), this primarily relates to a social investment loan, approved by the Welsh Government.

On 31 March 2022 we had positive cash balances of £2.0 million and were using an overdraft facility of £1.3 million (2020/21: credit position £2.5 million). The positive cash is held in retail bank accounts, including £1.8 million (2020/21: £1.6 million) held on behalf of disabled people who use our services. The positive cash is primarily service users cash and as such cannot be used by the charity.

Fundraising practices

Leonard Cheshire raises funds from the public through individual giving. This includes:

Direct marketing both online and offline generating one-off donations; regular gifts in the form of direct debits, and gifts in wills;

Events of various types, including challenge events such as the London Marathon and Great North Run

We also apply to trusts and foundations and other funders, such as lottery and statutory sources, and work with corporate partners to fund specific projects.

In 2021/22 Leonard Cheshire recruited new supporters through online activities, inserts, gifts-in-wills promotions, events, media appeals and payroll activities.

Leonard Cheshire does not exchange or share data with other organisations and have reduced our use of third-party data for direct mail campaigns. We request evidence of consent for third party communication for each source of data and decide to use the data on a case by case basis in line with the law and the Information Commissioner's Office (ICO) recommendations. Where consent is expressed, it is captured compliantly and recorded on the Leonard Cheshire central customer relationship database.

In 2021/22 we received 13 complaints regarding our fundraising activities (2020/21: 10). None required escalation or referral to external organisations, and all were dealt with internally. Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (CIoF) and the Direct Marketing Association (DMA). All required schemes and standards were complied with. All supporter data, for both individuals and organisations is secured in line with The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679). As the laws about personal data continue to develop, we will update our privacy notice accordingly. We respect the rights of our supporters and their preferences to be erased, removed or forgotten at any point in time on their journey supporting Leonard Cheshire. We place great care to ensure that all of our fundraising practices are carried out in an ethical manner, compliant with all regulatory requirements. This is to ensure that all people, especially those who might be vulnerable are not at risk of encountering unethical practices in relation to Leonard Cheshire.

We do this by closely monitoring calls to ensure compliance with regulatory standards and to make sure our supporters have a good experience with our fundraisers. All fundraising communications provide supporters information on how they can contact us via our Fundraising team on email or phone; emails also include an option to unsubscribe. Our Fundraising team is trained to help supporters with queries, concerns or to update their communication preferences.

Subsidiaries

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered Company and charity with the Manx Government. This year, incoming resources were £0.57m (2020/21: £0.67m) and total expenditure was £0.52m (2020/21: £0.64m). This means that the Isle of Man services recorded net incoming resources of £0.05m (2020/21: £0.03m). The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of

Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income in 2021/22 was £26.1 million (2020/21: £25.4 million), and total expenditure was £23.9 million (2020/21: £24.0 million). It gift-aided £0.7 million (2020/21: £0.7 million) to the Charity.

The Charity also has a subsidiary, Leonard Cheshire Trading Ltd. It manages the trading activity within the Leonard Cheshire group, such as our shops (now closed), the on-line sale of merchandise and consultancy services to other businesses. Its income in 2021/22 was £0.05m (2020/21: £0.21m), and total expenditure was £0.23m (2020/21: £0.31m). Post Covid-19 a vast number of shops did not reopen, resulting in income levels falling, however associated expenditure was still incurred, so expenditure remains high. These shops are now all closed. Leonard Cheshire International is a subsidiary established in the Republic of Ireland in 2019. During the year a bank account was opened in Dublin, Irish trustees appointed, and a business plan agreed for 2021/22. LCI is seeking out partnerships and opportunities to pursue its charitable purpose domestically and internationally. Leonard Cheshire USA inc. is a subsidiary, registered with the tax authorities as a non-profit corporation in the State of Delaware, USA. During the year a bank account was opened, and Trustees recruited. A 2021/22 Business Plan has been agreed by the Board and funding opportunities developed.

The Charity has the following dormant subsidiary:

– Leonard Cheshire Trading Limited (IOM). Internationally, the Charity also has registered offices in India, Kenya, Zambia and Thailand, and each office is led by regional programme managers. Together, they provide training and technical support to partners and projects in the regions.

Streamlined Energy and Carbon Reporting

Environment Intentions

Leonard Cheshire recognises the global challenges presented by climate change and the responsibility it has to reducing the impact of the charity on the environment. We are therefore committed to reducing our energy and fuel use as well as waste.

We are particularly mindful that people with disabilities are more likely to be affected by global climate change and are more vulnerable to its negative effects.

Leonard Cheshire is committed to be operating as net zero by 2050, through the implementation of our Net Zero Principles within our organisation.

Leonard Cheshire Net Zero Principles Maintaining Our Existing Resources

Reducing heat loss by keeping on top of our maintenance by doing this we ensure that our buildings are wind and watertight and retain any heat which is used.

Buying Renewable Energy

We switch wherever possible to renewable electricity suppliers, although this does not reduce energy use it means that our power is purchased from green energy providers wherever it is possible to do so.

Reduce The Waste We Produce

We use the resources we need to use wisely this means

- We turn off electrical items when we do not need to use them,
- We only use the water we need to use,
- We only purchase items when they are needed,
- We purchase locally produced food when it is possible to do so and only buy what we need.
- We recycle when we are able to do so

Electric Rather Than Gas and Oil

Using oil and gas to heat our premises contributes to the production of greenhouse gasses which harm our environment. We therefore need to decarbonise our heating wherever it is possible to do so by moving to electric heating that comes from 100% renewable sources.

Examples of the options available include the provision of heat pumps, pew heaters and infra-red panel heaters.

Using petrol or diesel in our vehicles also contributes to the production of greenhouse gases which harm our environment. We therefore need to decarbonise the vehicles that we use by examining how we travel and use hybrid or electric powered vehicles wherever possible.

To embed this concept, we should work with our vehicle suppliers to ensure that any replacement company vehicles provided are either hybrid or electric powered.

Generate More Energy Ourselves

Where the opportunity arises, by forming partnerships with external partners we will explore how we can generate electricity ourselves at our sites from solar PV panels or via wind turbines and small-scale hydroelectric power.

Offsetting our Carbon

We will look at how we can offset our carbon use, either through

- Considering where we can allow vegetation to grow
- Where we can plant trees within the grounds of our services.

This is a natural way of capturing carbon from the air. We will also examine how we can access carbon offsetting schemes to meet our objective of net zero.

Baseline Emissions Footprint

Baseline emissions are a record of greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Our baseline figures are from the financial year **2019/20** and have been reported consistently on a yearly basis within our annual report.

Leonard Cheshire Carbon Emissions

	Baseline Year 2019/20	Reporting Year 2020/21	Reporting Year 2021/22
Type of Emissions	**tCO2e**	**tCO2e**	**tCO2e**
Scope 1	6,165	5,792	5,206
Scope 2	2,361	1,909	1,966
Scope 3	887	163	288
Total Emissions	**9,413**	**7,863**	**7,460**

Net Zero Milestones

In order to continue our progress towards Net Zero we will set the following carbon reduction targets as milestones.

2030 – 25% Carbon Reduction

2040 – 75% Carbon Reduction

2050 – 100% Carbon Reduction (Net Zero)

Carbon Reduction Projects

We will implement and embed our Net Zero Principles within our organisation by commencing the following projects and initiatives

1. Implementation of energy saving technology in our services
2. Implementation of energy generating technology in the form of solar panels and wind generation to enable us to generate our own energy in a way that is sustainable.
3. Implementation of environmental awareness training for our staff
4. Implementation of new technology to enable and support remote meetings saving the need to travel.
5. A project to review how we procure the services we need and how we deliver the tasks which we need to undertake to ensure that they are completed in a way which is sustainable and low impact to the environment.

Our Net Zero principles since the baseline reporting period of 2019/20 have delivered an overall carbon reduction in the 2021/22 reporting year of **1,952 tCO2e a 23% reduction**.

This reduction was primarily realised in **Scope 1** emissions which have been impacted by the reduction in service premises as well as environmental initiatives to use less energy through the introduction of more efficient gas boilers where heating systems are replaced, or parts are replaced. In addition, there has been a review of company vehicles which has reduced the number of vehicles which are owned by the company at our services, fleet cars are not being replaced when

the leases expire, and any new vehicles procured are more fuel and energy efficient with Hybrid and Electric powered models being considered to replace existing stock.

There has been a slight increase in the **Scope 2 and 3** emissions when comparing **2021/2022** emissions against **2020/2021** emissions. The reason for this is that the Covid pandemic has also influenced these emissions through the need to power air conditioning to control airflow in services and the slow return to usual business travel following restrictions due to government lockdowns.

The overall trend when **Scope 2 and 3 2021/22** emissions are compared to the **2019/20 baseline** figures is that there is a reduction from **3,248 tCO2e to 2,255 tCO2e a 36% reduction**.

The reduction in **Scope 2** emissions has been achieved through the implementation of environmental initiatives to use less energy by replacing lights with energy efficient lights, improved heating control systems, smart metering and only using energy when we need to do so through timers and motion detection lighting.

The reduction in **Scope 3** emissions has been achieved through the investment in improved IT systems has led to a reduction overall in the use of staff vehicles to attend meetings at services because these can be completed via online meetings using Microsoft Teams or Zoom Software

The Carbon reduction projects which we will embed in our organisation will be in effect at the time of publication of this document, since we are committed to reducing emissions to achieve **Net Zero by 2050**.

Carbon Footprint Reporting

Carbon footprint (Greenhouse gas emissions)		2021/22	2021/22	
Type of emissions	Activity	kWh	tCO_2e	% of total
Direct	Services Gas	21,207,236	3,877	52.0%
(Scope 1)	Services Oil	2,296,083	582	7.8%
	Services LPG	2,115,409	453	6.1%
	Company Vehicle	636,742	294	3.9%
Energy Indirect (Scope 2)	Services Electricity	9,352,839	1,966	26.3%
Other Indirect (Scope 3)	Personal Vehicle	507,544	226	3.03%
	Flight		0.3	0.00%
	Train		5.9	0.08%
	Ferry		0.3	0.00%
	Taxi		0.2	0.00%
	Overseas Internal Journeys		55.5	0.74%
Total gross emissions (tCO_2e)			7,460	
Total energy consumed (kWh)		36,115,853		

Intensity metric

Number of employees (FTE's)	**3,407**
Tonnes of CO2e per employee	**2.19**

Assessment parameters

Baseline year	2019/20
Reporting organisation	Leonard Cheshire Disability
LCD Environmental Leads	Karl Monet, Head of Health, Safety and Environment
Reporting period covered	1 April 2021–31 March 2022
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification 2019 baseline	Supported by Energy Managers Association Lead Assessor

Principal risks and uncertainties

The Trustees are ultimately responsible for risk management and they are satisfied that appropriate internal control systems and risk management processes are in place.

This year the risk agenda has been dominated by Covid-19. We have worked hard to manage Covid-related risks and make sure our people, including service users and staff, remain safe and well supported.

The Trustees consider that the following framework provides the Charity with adequate measures to reduce the impact of identified risk.

At each meeting, the Board of Trustees reviews the Charity's risk register, serious incidents and health and safety reports. Our response to risks posed by Covid-19 were overseen by lead Trustees, working alongside Executive staff. Trustees received regular updates outside meetings on these activities.

At each meeting, the Audit and Risk Committee also reviews the Charity's risk register plus departmental risk registers on a rotational basis. The Committee also approves the annual risk-based internal audit plan, receives regular internal audit reports and progress updates.

Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities.

Our most significant risks and mitigating actions are set out in the following table, in no particular order:

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	– Five-year strategy with agreed business plan KPIs, e.g. occupancy and absence rates, fee recovery and inflation – Managing staff costs with an enhanced pay framework which pays the living wage across the UK and increases percentage of permanent staff, reducing recruitment and agency costs – Regular evaluation of attraction, recruitment and retention strand of the People Strategy, including Services Employment Framework to continuously optimise retention of staff
Non social care income generation – inability to achieve funding required to meet strategic aims	– Funding targets spread across Global Influencing, Partnerships and Fundraising teams – Investment in recruitment of donors and proactive management of pipeline, including emergency appeals as appropriate – Exploring alternative methods of funding and review and reduction of operating costs
Loss of public trust	– All safeguarding and ethical policies updated, and staff trained as appropriate – Safeguarding Team and Panel established to improve case management and organisational learning – Implementation of current fundraising, governance and impact reporting best practice – Proactive management of media, government and civil society relationships
Failure to meet safe quality standards	– Clinical governance and Quality Assurance Frameworks, including electronic medication system in England and Wales residential services – Rigorous Safeguarding, Serious Incident, health and safety, recruitment and whistle blowing procedures – Serious Incidents Policy and Procedures reviewed and simplified

Potential risk:	Action taken to mitigate:
Major disruption to some or all of our activities for prolonged period (e.g. the Covid-19 pandemic)	– Executive Management ownership and three stage crisis management plans in place (response, transition, and re-set) – Regular evaluation of impact around staffing levels and staff morale and wellbeing – Clinical guidelines in place with clear instructions to staff to ensure customer safety – Financial modelling and stress testing scenarios in place to ensure resilience and sustainability – Board, Finance Committee and Audit and Risk Committee oversight. – Multi-factor authentication for accessing IT systems and VPN to encrypt information
Serious breach of information or cyber security	– Data protection policies built into terms and conditions for all staff – IT security policies in place – Firewalls, automatically updated anti-virus software and e-mail/internet filtering
Failure to uphold the rights of all individual data subjects	– Executive Management ownership and support for Information Governance and Security issues – The monitoring and maintenance of the Data Processing Management System and business level ownership for data processing activities – An Information Governance and Security Training programme – NHS IG Toolkit compliance
Failure to manage turnaround and change programmes such that cost savings are not realised or adverse outcomes to service delivery are experienced.	– Turnaround Plan to deliver savings and funding agreed with Trustees and stakeholders. – Executive level Turnaround Board in place with oversight of the Turnaround plan – Active engagement with banking partners and other external stakeholders with regular updates. – Monthly monitoring of deliverables – Regular reporting to Trustees – Revised Delegation of Authority implemented to enhance control of expenditure – Improved credit control arrangements in place.

Plans for future periods

Since Leonard Cheshire was founded, the world has changed, but not enough for people with disabilities. To continue to deliver impact for many years to come we are resizing and reshaping for the future.

We believe in a fair and inclusive world, where everyone can live as they choose. Central to our ethos is independence, dignity and respect, with our service to people with disabilities front and centre of everything we do.

In future Leonard Cheshire will primarily be a high-quality care service provider of residential, nursing and supported living services for people with severe physical disabilities (our core competence).

In future our services will be purpose designed, technology enabled, well equipped, staffed appropriately, 'home from home', and situated close to communities, with good transport infrastructure and access to local labour.

Our services will work under a commercial operating model, whereby we are able to provide high standards of care through being paid fair fees based on the changing needs of our residents.

Leonard Cheshire will continue to be a strong advocate for fair cost of care and other policy agendas that support our primary care service area and mission.

We will continue to promote employment of young people with disabilities, through Change 100 and Training & Consultancy and our advocacy.

To build the foundations for the future, over the next three years we are implementing a turnaround plan.

Our other priorities for next year are:

1. **Continue to prioritise the safe, effective delivery of care in our UK services**

    a. Implement more controls in services around agency spend.

    b. Implement more controls around managing governance for UK services.

2. **Three-year turnaround plan initiated in 2022 that returns Leonard Cheshire to cash positive by the end of financial year 2023/24 on a full year basis**

    a. Negotiate overdraft facility of £10m until 31st March 2023.

    b. Negotiate fair fee increases with care funders to address inflationary increases and additional support needs of people who use our services.

    c. Restructure central support functions aligned to future strategic focus.

    d. Consolidate programmes portfolio including exiting International Operations and significantly reducing scale of UK non-care operations.

3. **Influence change in society for people with disabilities to have greater opportunities of choice for have how they live, learn and work**

    a. Influence national policies, strategies and standards in social care.

    b. Increase the impact of Change 100 (graduate internship programme) and our training and consultancy support.

    c. Influence the inclusive employment agenda in the context of new approaches from Government.

    d. Lobby and influence to ensure adequate support for disabled people during the cost of living crisis.

Structure, governance and management

Registration

The registered name of the Charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland and the Scottish registered charity number is SC005117. The address of the registered office is 66 South Lambeth Road, London, SW8 1RL. It is governed by the Memorandum and Articles of Association, which were last amended on 23 October 2014.

Objects and public benefit

The objects of the Charity are to relieve the consequences of physical and/or mental disability by the provision, in the United Kingdom and overseas, of accommodation, services and support for the spiritual, social, physical and mental wellbeing of disabled people, by such means as are charitable, whatever their race, nationality, creed, sex or age.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2021/22. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Further detail on the public benefit can be found in the section on Objectives and activities. Details of our charitable activities, achievements and

performance are included on pages 8-19.

Governance and operating structure

The Board of Trustees (the 'Board') meets at least four times a year. Each year, we approve the annual budget and review the strategic plan of the Charity. Trustees set the strategic direction for the Charity. During 2021/22, the Board continued to conduct meetings virtually in response to local guidance on the Covid-19 pandemic, with the exception of one hybrid meeting held in September 2021.

During 2021/22 the Board, led by the Governance and Nominations Committee, formally appointed the new Chair of the Board of Trustees, David Grayson CBE, following a period of transition as Chair Designate, and following on from the retirement of the previous Chair, Sally Davis, in October 2021.

The Board of Trustees have delegated authority to the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an Executive Team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level. In addition, we have appointed five board committees: People, Finance, Audit and Risk, Quality and Safeguarding, and Governance and Nominations.

The People Committee was chaired by Stephen Duckworth until December 2022. It is currently chaired by Hilary Sears. This Committee meets at least three times per year.

It is responsible for:

- Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best-in-class employer of choice
- Maintaining an overview of people-related policies and practices in relation to all staff
- Making recommendations to the Trustee Board on all aspects of the remuneration and terms and conditions of the CEO and Executive team, and
- Ensuring that appropriate levels of executive remuneration and reward is set to support the organisation's strategy.

The People Committee approves the pay review evaluation and pay increases for staff in general, including the Executive Team. This is based on the principles of transparency, equity and fairness.

During 2021/22, the Committee regularly reviewed the ongoing impact of the Covid-19 pandemic on the workforce, including shortfalls in staffing numbers due to self- isolation or sickness. The Committee had oversight of a number of workforce wellness and frontline recruitment initiatives.

In line with good practice, a range of benchmarking assesses the current positioning of our Executive Team's pay in the market to ensure that pay for this group is proportional, justifiable and defensible. The XpertHR Top

Charities survey has been used as our primary source, supplemented by review of the Korn Ferry (formerly Hay Group) Not-for-Profit and Public Sector survey.

The Quality and Safeguarding Committee was chaired by Ranald Mair until September 2022 and is now chaired by Michele Golden. This Committee meets at least three times per year.

It is responsible for:

- Ensuring that the delivery of quality of service, compliance and care to the individual is a key focus of our activity
- Making safety, effectiveness and customer experience central to the development, delivery and measurement of our services, by assessing care quality, customer and staff experience measurement data
- Ensuring that learning and development needs are identified and appropriately met
- Supporting innovation and the development of new care pathways
- Ensuring that performance standards and policy changes relating to quality, healthcare and social outcomes are met, and
- Receiving and considering reports relating to serious incidents in the provision of social care services.

During 2021/22, the Committee has been focused on reviewing the impact of the Covid-19 pandemic on services, including the vaccination programme for staff and service users, and forward planning for the phased restarting of service visitations.

The Finance Committee was chaired by David Pugh until February 2022 and is now chaired by Adam Wiltshire. The Committee supports the Board in fulfilling its global oversight responsibilities in respect of financial performance. It meets at least three times per year.

It is responsible for:

- Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow
- Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management
- Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed, and
- Recommending financial policies that are reserved to the Board, including the reserves policy.

The Audit and Risk Committee was chaired by Richard Brooman until July 2021 and is now chaired by Philip Cassidy. The Committee meets at least three times per year and is responsible for:

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate, including the role of internal audit
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Considering the appointment, remuneration, effectiveness and independence of internal and external auditors
- Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgements contained therein
- Reviewing the effectiveness of the Charity's internal controls, and
- Reviewing the effectiveness of the Charity's framework for risk management.

Auditors PricewaterhouseCoopers LLP have expressed their willingness to continue to act as auditors.

The Governance and Nominations Committee was chaired by Colin Hunter until October 2022. It is now chaired by Hilary Sears.

The Committee is responsible for identifying, recruiting and proposing new members of the Board and the Chief Executive and for their induction, support and development. In addition, the Committee holds regular reviews of Board skills, the composition of the sub-committees and succession planning.

Advisory Groups

The Customer Council was chaired by Vidar Hjardeng until December 2022. It seeks to ensure that Leonard Cheshire is led by people with disabilities in its decision-making, and the Council compromises beneficiaries from across the Charity including representatives of services, volunteers and international programmes.

Director duties statement

Trustees, as directors of Leonard Cheshire, must act in accordance with a general set of duties, laid down in law and guidance from regulators. Trustees are obliged to report on how they have complied with their duty in regard to matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

In summary a director of a charitable company must act in a way he or she considers, in good faith, would be most likely to promote the success of the charity and the achievement of its charitable purposes. In doing this, a director would need to consider, amongst other things:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to more advice, information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviours expected of volunteers, staff and other stakeholders. The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

The Trustee Board sets the strategic direction of Leonard Cheshire and decisions are taken in the context of the current 2017/22 'Supporting Journeys Towards Independence' strategy. This provides for a consistent and coordinated approach to the Trustee Board's decision-making, with Trustees considering the Charity's sustainability and long-term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers through its People Strategy and workforce insight initiatives overseen by the People Committee. Regular surveys are taken to hear and respond to staff views, complemented by a strong working relationship with the Staff Association. The Staff Association Chair attends the People Committee.

The views and ambitions of disabled people are vital to inform Board work and decisions. The Customer Council is an advisory body to the Trustee Board and is chaired by a Trustee with a lived experience of disability.

Our strong business relationships, with suppliers understanding and supporting our vision, have been particularly successful. Examples include receiving pro bono legal support from Linklaters, and the annual Stelios awards, supporting business opportunities for people with a disability.

As an example, the inception and delivery of the financial turnaround plan has been and is being executed whilst balancing the short and long term timescales and the varying needs of our various stakeholders across residents, other service users, customers, employees, suppliers and other partners.

Leonard Cheshire's ambition is to continue extending our positive impact in communities by supporting disabled people to develop and achieve their potential. This report includes stories of how this is being achieved.

As described above in the section "Streamlined Energy and Carbon Reporting", Leonard Cheshire is committed to be operating as net zero by 2050, through the implementation of our Net Zero Principles within our organisation.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent.

The trustees of Leonard Cheshire are the sole members of the charity, and the charity is not run in the interests of the members but in the objects of the charity.

Appointment and induction of Trustees

All vacancies for Trustees are externally advertised. The Governance and Nominations Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees. We place particular emphasis on the representation of disabled people.

New Trustees receive induction material and training, as well as additional training throughout their appointment.

The Trustees review the composition of the Board at regular intervals and decide whether there is a need to change the skill base. Trustees initially serve for a three- year period and then may be re-appointed for a further term of three years. In exceptional circumstances, an additional term of up to three years may be considered.

Emoluments

In 2021/22, Trustees received no emoluments.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so. The Charity also purchased and maintained throughout the financial year Trustees', directors' and officers' liability insurance in respect of itself and its directors.

Customer Council

The views and ambitions of disabled people are at the heart of our work. As part of our broader Customer Engagement Framework we formed the Customer Council in 2017/18 to bring these views even more fully to the centre of our decision making. The Customer Council is an advisory group to the Board of Trustees and the Executive team, to ensure our decision making is led by disabled people. It advises on broad strategic considerations of the organisation.

The Council members reflect a diversity of people with different disabilities, from different geographies and with a variety of experience. It includes residents of our social care services as well as those who have participated in our confidence, skills and employment programmes.

They are passionate about giving a voice to those who may struggle to be heard, championing inclusion in society and helping us to grow our reach and impact. The Customer Council was chaired by Vidar Hjardeng MBE in 2021/22, one of our Trustees who has lived experience of disability.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 28th March 2023.



David Grayson CBE
Chair

3.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Leonard Cheshire Disability for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Report is approved:

- So far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

4.

Auditors' report

Independent auditors' report to the members and trustees of Leonard Cheshire Disability

Report on the audit of the financial statements

Opinion

In our opinion, Leonard Cheshire Disability's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2022; the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's and the parent charitable company's ability to continue as a going concern. In a severe but plausible downside scenario, the group and parent charitable company would exceed available credit facilities during the period of 12 months from the date of approval of these financial statements. In order to avoid this, the group would need to deliver mitigating actions

which may include generating cash from future property sales and achieving future fee income uplifts and cost savings that are outside of the direct control of the charity. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report , including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and parent charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the trustees with regard to actual and potential fraud and non-compliance with laws and regulations;
- reviewing minutes of the Board and Audit and Risk Committee meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing internal audit reports;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating management's controls in place to prevent and detect irregularities;
- testing of journal entries where we identified particular risk criteria;

- obtaining independent confirmations of cash and investment balances at the year end and testing management's year end bank reconciliations;
- reviewing accounting estimates for bias and evaluating whether circumstances producing any bias, represent a risk of material misstatement due to fraud; and
- assessing financial statement disclosures and testing to supporting documentation for compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

31 March 2023

5.

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2022 £'000**	Totals 2021 £'000 *Restated	Notes
Income and Endowments from:						
Donations and legacies	4,888	2,725	–	**7,613**	6,620*	3A
Charitable Activities – Social Care	133,327	233	–	**133,560**	131,291	
Charitable Activities – International Programmes	7	5,057	–	**5,064**	5,995	3D
Charitable Activities – UK Programmes	577	2,726	–	**3,303**	3,984	3E
Other trading activities	126	9	–	**135**	139	
Government support – Covid-19	2,197	1,550	–	**3,747**	4,930	3C
Investments	135	–	–	**135**	151	4
Other including gains/(losses) on disposal of assets	4,900	(6)	–	**4,894**	(12)	
Total	**146,157**	**12,294**	**–**	**158,451**	**153,098**	
Expenditure on:						
Raising funds	3,209	82	–	**3,291**	3,643	5
Charitable Activities – Social Care	145,520	2,562	–	**148,082**	143,013	5
Charitable Activities – International Programmes	1,776	5,091	–	**6,867**	9,683	5
Charitable Activities – UK Programmes	2,311	2,065	–	**4,376**	5,037	5
Campaigning	674	–	–	**674**	159	5
Total	**153,490**	**9,800**	**–**	**163,290**	**161,535**	
Net gain/(losses) on investments	(660)	–	–	**(660)**	286	11

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2022 £'000**	Totals 2021 £'000 *Restated	Notes
Net (expenditure)/income	**(7,993)**	**2,494**	**–**	**(5,499)**	**(8,151)**	
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	42	–	–	**42**	(3,474)	22
Net movement in funds	**(7,951)**	**2,494**	**–**	**(5,457)**	**(11,625)**	
Reconciliation of funds:						
Total funds brought forward	68,345	28,462	857	**97,664**	109,289	
Total funds carried forward	**60,394**	**30,956**	**857**	**92,207**	**97,664**	17

All activities relate to continuing operations. The Group has no recognised gains or losses except those included above and, therefore, no separate statement of recognised gains and losses has been prepared.

In order to produce a combined Statement of Financial Activities (SOFA) and an Income and Expenditure Account, the SOFA has been amended to separate other recognised gains/(losses) from the net outgoing resources result.

*Donations & Legacies and Unrestricted Funds figures for 2021 have been amended, see Note 27 for details.

The Notes on pages 72 to 111 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2022

Company Number 552847

	2022 £'000	2021 £'000 *Restated	Notes
Fixed assets			
Tangible assets	**81,997**	84,600	9
Intangible assets	**4,871**	4,675	10
Investments	**4,638**	6,364	11
Total fixed assets	**91,506**	**95,639**	
Current assets			
Stock	**–**	1,486	
Investments	**15**	14	12
Debtors	**27,277**	27,670	13
Cash at bank and in hand	**1,988**	2,548	14
Total current assets	**29,280**	**31,718**	
Liabilities			
Creditors: Amounts falling due within one year	**(20,144)**	(21,261)	15
Net current assets	**9,136**	10,457	
Total assets less current liabilities	**100,642**	106,096	
Creditors: Amounts falling due after more than one year	**(3,069)**	(4,272)	15
Provisions for liabilities	**(5,333)**	(2,212)	16
Net assets excluding defined benefit pension liability	**92,240**	99,612	
Defined benefit pension scheme liability	**(33)**	(1,948)	22
Total net assets	**92,207**	**97,664**	

	2022 £'000	2021 £'000 *Restated	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**30,956**	28,462	17
Unrestricted funds			17
Designated	**5,055**	5,319	17
General	**51,082**	59,188*	17
Revaluation reserve	**4,290**	5,786	17
Pension reserve	**(33)**	(1,948)	17
Total unrestricted funds	**60,394**	**68,345**	17
Total Charity funds	**92,207**	**97,664**	

*Prior year figure for General funds amended, see Note 27 for details.

The financial statements were approved by the Trustees on 28 March 2023 and signed on their behalf by:



David Grayson CBE
Chair



Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 67 to 113 form part of these financial statements.

Company Balance Sheet

as at 31 March 2022

Company Number 552847

	2022 £'000	2021 £'000	Notes
Fixed Assets			
Tangible assets	**81,987**	84,588	9
Intangible assets	**4,871**	4,675	10
Investments	**4,638**	6,364	11
Total fixed assets	**91,496**	**95,627**	
Current Assets			
Stock	**-**	1,486	
Investments	**15**	14	12
Debtors	**24,788**	24,890	13
Cash at bank and in hand	**1,916**	2,514	14
Total current assets	**26,719**	**28,904**	
Liabilities			
Creditors: Amount falling due within one year	**(20,729)**	(20,702)	15
Net current assets	**5,990**	8,202	
Total assets less current liabilities	**97,486**	103,829	
Creditors: Amount falling due after more than one year	**(3,069)**	(4,272)	15
Provisions for liabilities	**(5,333)**	(2,207)	16
Net assets excluding defined benefit pension liability	**89,084**	97,350	
Defined benefit pension scheme liability	**(33)**	(1,948)	22
Total net assets	**89,051**	95,402	

	2022 £'000	2021 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	857	17
Restricted income funds	**30,870**	28,397	17
Unrestricted funds			
Designated	**5,025**	5,288	17
General	**48,042**	57,022	17
Revaluation reserve	**4,290**	5,786	17
Pension reserve	**(33)**	(1,948)	17
Total unrestricted funds	**57,324**	66,148	
Total Charity funds	**89,051**	**95,402**	

The net deficit for the year of the parent Charity was £7.5 million (2021: net deficit of £12 million).

The financial statements were approved by the Trustees on 28 March 2023 and signed on their behalf by:



David Grayson CBE
Chair



Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 67 to 113 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2022

	Reference	**2022 £'000**	2021 £'000
Cash flows from operating activities:			
Net cash used in operating activities	**A**	**(1,079)**	**(5,059)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		**135**	151
Proceeds from the sale of property, plant and equipment		**6,787**	561
Purchase of property, plant and equipment		**(4,241)**	(4,414)
Purchase of intangible assets		**(670)**	(1,164)
Net cash generated from/(used in) investing activities		**2,011**	**(4,866)**
Change in cash and cash equivalents in the reporting period		**932**	(9,925)
Cash and cash equivalents at the beginning of the reporting period		**(238)**	9,687
Cash and cash equivalents at the end of the reporting year	**Note 14**	**694**	**(238)**

Consolidated Cash Flow Statement

for the year ended 31 March 2022

	2022 £'000	2021 £000 *Restated
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	**(5,499)**	(8,151)*
Adjustments for:		
Amortisation, depreciation and impairment charges	**6,469**	8,283
Amortisation on programme related investment	**20**	20
Losses / (Gains) on investments	**660**	(286)
Dividends, interest and rents from investment	**(135)**	(151)
(Gains)/Losses on the sale of fixed assets	**(4,895)**	12
Difference between pension contributions and current service cost	**(1,935)**	(1,931)
Decrease/(Increase) in stock	**1,486**	(1,486)
Decrease/(Increase) in debtors	**393**	(1,400)
(Decrease)/Increase in creditors	**(765)**	(2,361)
Increase/(Decrease) in provisions	**3,122**	1,698
Net cash used in operating activities	**(1,079)**	**(5,059)**

*Net expenditure figure restated, see Note 27 for details.

	31 March 2021	Cashflows	**31 March 2022**
Reconciliation of net debt			
Cash	**2,548**	(560)	1,988
Bank overdraft	**(2,786)**	1,492	(1,294)
Loans falling due in over more than one year	**(630)**	–	(630)
Total	**(868)**	**932**	**64**

Notes to the financial statements

For year ending 31 March 2022

1. Accounting policies and basis of preparation of financial statements

General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – "Accounting and Reporting by Charities" and with applicable accounting standards in the United Kingdom, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared using the historical cost basis of accounting as modified for the valuation of investments at market value.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. The trustees are confident that accounting for the charity as a going concern is appropriate with the acknowledgement that material uncertainties exist

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. No separate statement of financial activities (SOFA) has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006 .

The SOFA and balance sheet consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings.

The Charity is a public benefit entity.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2022. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Ltd, Leonard Cheshire Trading Ltd, Leonard Cheshire Services CIC, Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its income and expenditure account.

Income Polices

Donations are credited to income on receipt. Gift aid receivable is included in income when there is a valid declaration from the donor and the donation has been received.

Income for our UK and international programme activity is recognised when we are entitled to recognize it as a result of our performance. Where income is received in advance, it is deferred and included as a liability until conditions of entitlement are met, at which point the income is recognised and the liability released. Where entitlement occurs before income is received, the income is accrued and included in current assets.

Where the charity receives gifts of goods or services in kind, of a measurable value to the charity, the gift is included as both income and expenditure, with both elements recognised in the statement of financial activities when the benefit is received.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate. Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received. Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is from the supply of services under contractual arrangements and is recognised when the service has been provided.

Income from other trading activities includes income from both trading activities to raise funds for the Charity and income from sale of merchandise. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable and the amount measurable.

Investment income consists of dividends, interest received and rents from investment properties; and is shown gross as the amount received in the year before deduction of any associated costs.

Covid-19 income consists of government support for specific Covid-19 related costs, such as the infection control and the job retention scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Expenditure Policies

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

The cost of raising funds for voluntary income is the cost of persuading others to make voluntary contributions as well as costs relating to marketing, branding and increasing public awareness of the Charity. The costs of charitable activities include all expenditure directly relating to the objects of the Charity.

Support costs have been allocated to the cost of raising funds and the appropriate charitable activity in accordance with Charities SORP. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity during

the financial year. The categorisation and allocation of these support costs is detailed in note 5.

They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustee expenses, trustee insurance, internal/external audit costs and other professional fees. and have been allocated proportionately across charitable activities.

Any irrecoverable VAT is either charged to the SOFA within the item of expense to which it relates or capitalised as part of the cost of the related asset, as appropriate.

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the term of the lease. Any lease incentives (such as rent free periods) are spread over the life of the lease or the period to the first rent review, whichever falls earlier.

Going Concern

Several years of reported deficits has impacted the Charity's financial sustainability and reserves leading to a need for negotiating an extension to their overdraft facility with Barclays Bank. A detailed analysis of the Charity Performance and future cash forecasts was carried out by the new Chief Financial Officer and Finance Director in November 2021. It was apparent that an urgent Turnaround plan was required to be implemented to avoid breaching the facility and to address the underlying operating model in order return the charity to a positive monthly cash position to achieve financial sustainability.

A new overdraft facility of £10m (previously a £7.5 million facility) was negotiated with Barclays and agreed from 31st July 2022 until the 31st March 2023. The facility will reduce to £7.5m at 31st March 2023. This £7.5m facility is available until 31st March 2025.

As a condition of the increased facility with Barclays, an independent advisor to the bank, Kroll, were appointed to carry out an assessment of the Charity's financial position by reviewing a 3 year integrated model including Cash Forecast, Profit and Loss and Balance Sheet forecast covering the period April 2022 to March 2025. This encapsulated the assumptions used in the turnaround plan to move the Charity into a positive monthly cash position. A condition from the bank was that on a monthly basis Kroll prepare a performance monitoring report showing actual delivery versus the agreed 3 year integrated model highlighting any action that may be required.

The Financial Recovery Plan includes key initiatives to enable the Charity to return to a cash positive position. These are:

- Restructuring of central support functions including staff redundancies;
- Reduction of non-staff expenditure across the charity using support from Kroll to achieve this (including significant reduction in monthly agency cost spend);
- The exit from the Charity's International Operations and significant reduction in scale of UK non-care operations, both of which were making operating deficits;
- Negotiations with care funders to maximise inflationary care fee increases as well as increases to fees in relation to additional support needs of people who use our services;
- Efficiency savings and modernisation of the Charities Social Care Operations; and
- A programme of property disposals

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes over the period 1st March 2023 to 31st March 2025 from the date of approval of these financial statements.

Base Case Scenario

The base case scenario flows from the recovery plan. This forms the organisation budget for financial year 2023-24 and a forecast for the year 2024-25. It includes:-

- 5.5%, £7.6m, year on year inflationary increase on care fees in 2023-24 and a further 5.5%, £8.1m, year on year inflationary increase in 2024-25.
- £1.8m increase in Care Fees in 2023-24 and 2024-25 from renegotiation of care packages where the support needs of people who use our services have increased. This represents a 1.3% increase in care income for 2023-24 and a 1.2% increase for 2024-25.
- £1.5m risk contingency for fluctuations in occupancy across our care services in both 2023-24 and 2024-25. Representing a 1.4% decrease in occupancy.
- Increases in staff pay including associated employment costs averaging 6.4%, £5m, across Care staff roles in 2023-24 and 6.4%, £5.4m, in 2024-25. For Management and Support roles an increase of 5% is included in 2023-24, £0.6m, and 5%, £0.6m, in 2024-25.
- Cost of staff redundancy programmes and lower ongoing staff costs that result. 96% of the planned staff reductions will have completed by 31st March 2023.
- Net cost savings from exit from International Operations and UK Non-Care Operations in 2022-23. Including reductions in associated voluntary income and cost.
- The expected proceeds from the disposal of properties that have not completed at the time of this review, net of associated costs of closure and sale, are excluded from this base scenario.
- Targeted programme of central cost savings over the review period.
- Targeted efficiency and delivery improvements to our Social Care Operations with a specific focus on reducing the usage of Agency Staff.
- Increases in costs for care delivery in 2023-24 of 2%, £0.1m, and 2%, £0.1m, in 2024-25.
- Other operational costs increase by 3%, £0.4m, in 2023-24. 2%, £0.1m, in 2024-25
- Premises costs including Rent, Rates, and Repairs and Maintenance increasing by 5%, £0.5m, in 2022-23. 5%, £0.5m, in 2023-24.
- The Charity has fixed unit rates on Gas and Electricity Utility supplies expiring in the 3rd Quarter of 2023-24. A £1.3m risk for increased utility costs beyond the fixed term has been included in 2023-24 and £2.6m in 2024-25.
- £4.8m of Capital Expenditure in 2023-24 and £5.5m in 2024-25.

In the base case scenario excluding net cash inflows from property disposals The Charity continues to operate within the credit facility but maintains headroom on the facility throughout. Headroom on the Credit Facility is forecast to be at its lowest points at July 2024 (£0.2m headroom) and at October 2024 (£0.0m headroom).

Severe but plausible downside scenario

Given the overall uncertainty of the wider economic outlook, including financial challenges across the Care Sector, as well as changing internal conditions as the charity progresses through the recovery plan, a severe but plausible downside scenario was considered.

Severe but plausible scenario details:

- Year on year fee inflation reduces to 5% in 2023-24, £0.7m reduction on the base scenario, and 5% in 2024-25, £1.7m reduction on the base scenario.
- Fee increase from renegotiation of specific care packages reduces to £1.6m in 2022-23 and 2023-24 from £1.8m in both years in the base scenario, a 11% reduction.
- Payroll costs for Care Delivery Staff increases by 6.8% in 2023-24 and 2024-25 from 6.4% in the base scenario. An increase of £0.4m in 2023-24 and £0.7m in 2024-25.

– Agency Staff costs increase by £1m in 2023-24 from £16.8m in the base scenario, 6%. Then increase by £1m in 2024-25 from £17.3m in the base scenario, 5.7%.
– Other Operating Costs increase by £1.9m from £21.6m in the base scenario, 8.8%, in 2023-24 and by £2.8m from £22.1m in the base scenario, 12.7%, in 2024-25.

In this severe but plausible downside scenario The Charity would exceed its credit facility by £1.75m in October 2023. The cash position would continue to deteriorate from this point, exceeding the Credit Facility by £4m by 31st March 2024 and £9.5m by March 2025.

The key mitigations the Charity would need to enact to avoid exceeding the credit facility in this severe but plausible downside scenario are:

– Generating cash from future property sales; and
– Achieving future fee income uplifts and cost savings that are outside of the direct control of the charity.

However, these mitigations are not fully in the control of the Trustees and there is therefore uncertainty as to whether they can be achieved.

Risk Mitigation

The Charity has mitigating actions available iincluding robust daily cashflow monitoring and management . The Turnaround Plan continues to be implemented and closely monitored.

Inflationary Fee Uplifts of 5.24% were achieved in 2022-23 and the Charity has developed a new costing model to better justify the increased fees requested from funders. Fee increases for changes in support needs of £2.2m will be delivered in 2022-23 with £1.6m included in the severe but plausible scenario in both 2023-24 and 2024-25. Through the efficiency and operational improvement plan for Social Care Operations, all individuals in our Residential Services will have their needs reviewed and contracts renegotiated.

A dedicated programme team will be in place to deliver the required improvements and modernisation of Social Care Operations.

Staff pay increases approved for 2023-24 are lower than included in the severe but plausible scenario whilst still complying with living wage regulations and remaining competitive within the sector. Agency Staff costs have been closely reviewed and controlled though 2022-23 leading to a monthly decrease in these costs. The detailed review of our Social Care Operations at an individual operating unit level will continue to support control and reductions of these costs.

Targeted cost savings across the Social Care Operations and Support Functions have been included in operational budgets and will be closely monitored. A review of contracts will be undertaken to reduce expenditure.

Capital Expenditure has been closely controlled in 2022-23 at £1.5m. The base case and severe but plausible scenarios include a return to pre-turnaround levels of capital expenditure, £4.8m in 2023-24 and £5.5m in 2024-25. This will continue to be controlled whilst ensuring that regulatory and safety related improvements are made. Improvements that are not urgent or required to maintain regulatory standards could be deferred in order to support the cash position.

A dedicated Property Disposal Team is in place to support the delivery of the Property Disposal Plan and associated inflow of funds. We have accepted offers totalling £1.8m from the first round of disposals with the sales progressing. £0.55m is expected to be received before the end of March 2023. The remaining £1.2m of sales proceeds are expected to be received by end of May 2023. Future Property Disposals are planned for 9 properties with estimated proceeds after closure and sale costs of £13.9m forecast to be received by 31st March 2024. The Charity has received offers on properties prior to active marketing indicating sales are likely. We have also received approaches on properties not currently being considered for sale which would be considered if the disposal proceeds fall short of the levels required.

Conclusion

Taking into consideration the financial recovery plan and the associated financial and cashflow forecasts, which has a level of significant doubt, the Trustees consider that it is appropriate for the financial statements to be prepared using a going concern basis, on the basis that there is sufficient liquidity in the base case scenario. This will also enable the Charity to manage operational and financial risks successfully and to allow us to meet our strategic and operational goals over the next 24 months. However, as indicated above there are a number of uncertainties in a severe but plausible downside scenario that indicates the existence of material uncertainties that may cast significant doubt upon the Charity's ability to continue to operate as a Going Concern. The financial statements do not include the adjustments that would result if the Charity were unable to continue as a going concern.

Pensions

Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS102. The following elements are charged to the SOFA:

1. The service costs of pension provision relating to the period, together with the cost of any benefits relating to past service;

2. The net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities; and

3. The actuarial gain or loss on scheme assets and liabilities.

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if we have an unconditional right to a refund of that surplus.

Liabilities for the multi-employer plans, are treated as defined contribution schemes because the liabilities cannot be accurately calculated for an individual employer. They are recognised using discounted future cashflows in respect of funding deficit reduction plans, and are presented within Provisions for Liabilities.

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet, as appropriate.

Defined contribution pension scheme costs represent the contributions payable for the period. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Liability Policies

Basic financial liabilities , including trade and other payables , are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The Charity has recognised specific provisions for:

1. **Dilapidations on leasehold properties** – this relates to the estimated future cost of building work required when vacating leasehold premises;

2. **Proposed redundancy costs** – these costs will be payable where notification of intended redundancy was made before year end;

3. **Annual Leave Provision** – Annual leave provision represents a potential liability due to working time directive case law.

4. **Other provisions** - these represent estimates of future expenditure on a number of matters such as pensions where the outcome is not known with certainty.

The Group is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The Group's functional and presentation currency is the pound sterling.

Transfers of monies between the UK and overseas offices are translated at the spot rate of exchange at the date of the transaction.

Transactions denominated in foreign currencies are translated at rate of exchange at the end of the month in which the transaction occurred.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

Volunteers

The charity appreciates the hard work and dedication of its volunteers. 3,449 volunteers engaged in a number of activities supporting our social care services, fundraising and campaigning.

The contribution of volunteers is not recognised in the accounts as it is impractical to value given the absence of a reliable measurement basis.

Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

Other financial assets, including investments in equities which are not subsidiaries, are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value is recognised in profit and loss.

Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 (except for IT equipment where the limit is £400) is capitalised and depreciation or amortisation (as appropriate) is charged at the following annual rates on cost:

1. Freehold land and buildings and improvements to freehold land and buildings at 2 per cent per annum;

2. Leasehold properties and improvements to leasehold properties over the remaining period of the lease;

3. Furniture, fittings, equipment and vehicles at 5-25 per cent per annum; and

4. Intangible assets amortised at 10 per cent per annum to reflect the likely useful life of such assets, our major component being the organisational back office system, MS Dynamics.

Freehold functional and leasehold functional properties are not revalued and are included at their depreciated historic cost. Freehold land is not depreciated except where it is not possible to separate the land from the buildings. Assets under the course of construction are not depreciated until they are brought into use.

If an indication of any impairment to the carrying value of tangible assets existed at the balance sheet date, the asset's recoverable amount is estimated and an impairment loss recognised in the fund to which the asset relates.

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both. Investment properties are measured initially at cost and subsequently measured at fair value which reflects market conditions at the balance sheet date unless fair value cannot be measured reliably, in which case it is measured at cost less impairment.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or end of owner occupation.

Gains or losses arising from changes in the fair values of investment properties are included in the SOFA in the year in which they arise.

Programme related investments are made to provide charitable benefits and are stated at original cost and are amortised over the length of the period of the associated management agreement or the period over which the investment will provide benefit where this is shorter.

Investments are included in the financial statements at closing price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy, along with the capital grant.

Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied;

2. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained;

3. Expendable endowment funds can be used for general purposes;

4. Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity; and

5. Designated funds which have been set aside at the discretion of the Trustees for specific purposes but which otherwise form part of the unrestricted Group designated funds some of which is for future capital developments which are for the long term use of its service users. These funds were received at a service with a preference but no legal restriction as to their use.

The pension reserve reflects the difference between the net assets and liabilities of the pension schemes, measured on an FRS 102 basis.

The Trustees review the Charity's reserves policy annually. It was restated in July 2019 to be based on cash and managed investments balances, and expressed as levels required to cover 4-7 months of risk-adjusted net expenditure. This is recalculated at least annually, and includes requirements for working capital, estimates for potential impacts of risk areas, and a contingency for unforeseen costs. The Charity's reserves policy is discussed in detail in the financial review section page 27.

Other Policies

Funds belonging to people who use our services that are held by us in safe custody on their behalf are separately recorded as both cash and liabilities on the balance sheet.

Critical Accounting Judgements and Estimation Uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual costs. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

1. Defined benefit pension scheme (note 22). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

2. Investment properties (note 11). The Charity has undertaken several external valuations and some by a qualified RCIS employee, of the investment.

3. Impairment provisions are taken against certain assets where the carrying value is no longer supportable, and prudent estimates may be made as to the appropriate value in order to calculate the required impairment provision.

4. Provisions-debtors. The charity has made provision for potential non recoverability of debtor balances in relation to social care balances. For Local authorities 10% of aged debt over 300 days has been provided for and for private customers 90%.

5. Provisions-redundancy. The charity has made a provision for redundancy and staff termination cost.

6. Provisions-dilapidations. Arising where property leases oblige the charity to cover the cost of restoring properties to their original condition when ending its occupation as those leases terminate.

Management believe that these provisions above (4,5 & 6) are appropriate based on information currently available.

Judgements

These accounts include judgements as noted below.

1. Grant income is recognised in line with relevant performance conditions, and judgement is required in determining whether and to what extent performance conditions have been met.

2. Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

3. Defined benefit pension scheme surplus – The net surplus at 31 March 2022 of £4.1m on the defined benefit pension scheme has not been recognised in these financial statements, and therefore capped, as it is not currently possible to demonstrate that this is recoverable by the charity.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2022.

Income & Endowments from:	
Donations and legacies	
Charitable Activities – Social Care	
Charitable Activities – International	
Programmes	
Charitable Activities – UK Programmes	
Other trading activities	
Government support – Covid	
Investments	
Other including (losses)/gains on disposal of assets	
Total	
Expenditure on:	
Raising funds	
Charitable Activities – Social Care	
Charitable Activities – International	
Programmes	
Charitable Activities – UK Programmes	
Campaigning	
Total	
Net gains/(losses) on investments	
Net (expenditure)/income	
Other recognised (losses)/gains:	
Actuarial (losses)/gains on defined benefit pension schemes	
Net movement in funds	
Reconciliation of funds:	
Total funds brought forward	
Total funds carried forward	

*Donations & Legacies and Unrestricted Funds figures for 2021 amended, see Note 27 for details

	Year ended 31 Mar 2022				Year ended 31 Mar 2021			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2022 £'000**	Unrestricted funds £'000 *Restated	Restricted Funds £'000	Endowment Funds £'000	Totals 2021 £'000 *Restated
	4,888	2,725	–	**7,613**	5,210*	1,410	–	6,620*
	133,327	233	–	**133,560**	129,169	2,122	–	131,291
	7	5,057	–	**5,064**	116	5,879	–	5,995
	577	2,726	–	**3,303**	367	3,617	–	3,984
	126	9	–	**135**	109	30	–	139
	2,197	1,550	–	**3,747**	1,038	3,892	–	4,930
	135	–	–	**135**	150		1	151
	4,900	(6)	–	**4,894**	(12)		–	(12)
	146,157	**12,294**	**-**	**158,451**	**136,147***	**16,950**	**1**	**153,098***
	3,209	82	–	**3,291**	3,635	8	–	3,643
	145,520	2,562	–	**148,082**	137,106	5,907	–	143,013
	1,776	5,091	–	**6,867**	2,509	7,174	–	9,683
	2,311	2,065	–	**4,376**	5,006	31	–	5,037
	674	–	–	**674**	159			159
	153,490	**9,800**	**-**	**163,291**	**148,415**	**13,120**	**-**	**161,535**
	(660)	–	–	(660)	286		–	286
	(7,993)	2,494	–	(5,499)	(11,982)*	3,830	1	(8,151)*
	42	–	–	42	(3,474)		–	(3,474)
	(7,951)	2,494	–	**(5,457)**	(15,456)*	3,830	1	(11,625)*
	68,345	**28,462**	**857**	**97,664**	**83,801**	**24,632**	**856**	**109,289**
	60,394	**30,956**	**857**	**92,207**	**68,345***	**28,462**	**857**	**97,664***

3. Income

3A. Donations and legacies

	Restricted £'000	Unrestricted £'000	**Total 2022 £'000**	Restricted £'000	Unrestricted £'000 *Restated	Total 2021 £'000 *Restated
Legacies	2,426	3,855	**6,281**	724	3,162	**3,886**
Donations	299	1,033	**1,332**	687	2,047*	**2,734***
Total (Donations& Legacies)	**2,725**	**4,888**	**7,613**	**1,411**	**5,209***	**6,620***

Legacies which have been notified but not accrued in line with our legacy policy are £1 .0 million (2020 : £1.4 million)

*Prior year figure for Donations has been amended, see Note 27 for details

3B. Detail of Total Donations

	2022 Total £'000s	2021 Total £'000s *Restated
Individual Giving	**555**	775
Corporate – Gifts in Kind	**111**	583
Regional and Local fundraising	**347**	412
Major Donors	**37**	309
Trusts and Foundations	**5**	290
Corporate – Cash	**142**	158
Other Donations*	**92**	157
Events	**43**	50
Total	**1,332**	**2,734**

*Other donation figure adjusted for prior year, see Note 27 for details

3C. Government support – Covid-19

	Income received £'000	
Funder type	**2022**	2021
Job Retention Scheme	**29**	1,038
Infection Control Fund	**927**	1,811
Rapid Testing Support	**595**	301
Local Authority Support	**2,196**	1,780
Total	**3,747**	**4,930**

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
Governments and Institutions	UK Foreign, Commonwealth and Development Office	Aid Connect - : Innovating Pathways	300055-107	**1,135**	3,025
	UK Foreign, Commonwealth and Development Office	Girls Education Challenge: Expanding Inclusive Education Strategies for Girls with Disabilities in Kenya	1020513	**638**	765
	UK Foreign, Commonwealth and Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	**1,515**	619
	UK Foreign, Commonwealth and Governments Development Office (Funds received through Action Aid)	Leave No Girl Behind Education for Life	AAIK/LNG/100523	**660**	405
	UK Foreign, Commonwealth and Development Office and Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	**62**	230
	UK Foreign, Commonwealth and Development Office	Skills for Job Programme – Apprenticeship Model "Inclusion 100"	202865	**55**	146
	UK Foreign, Commonwealth & Development Office (Funds Received through Enhancing Learning & Research Assistance)	Inclusive Preparedness-Giving Voice Through Pictures and Words	66294	**41**	–
	European Commission	Fit for the Future		**3**	–

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
	UK Foreign, Commonwealth and Development Office (Funds Received through UCL and GDIH)	Life Changing Assistive Technology for All	2015-369-0009 CID-3372445/ A/C-549711	–	29
Governments and Institutions	UK Foreign, Commonwealth and Development Office (Funds Received through Sexual Health Marie Stopes International)	Women's Integrated	94001	**165**	57
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	**170**	12
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Kenya		**75**	–
	UK Foreign, Commonwealth & Development Office (Funds Received through University College London)	AT2030 - Life Changing Assistive Technology for All	CID3372445	**18**	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Tanzania	94001	–	11
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Tanzania		**27**	–
	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	**35**	–

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with	4500446521	**25**	–
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Nepal		**9**	–
	World Bank Inclusive Education Initiative	Report on gender, disability and education	7202848	**5**	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Nepal	94001	**18**	11
Corporates, Individuals, Trusts & Foundations	Comic Relief	Tanzania Inclusive Education	1952284	**7**	183
	Genesis Charitable Trust	Philippines Livelihoods	363790	**-**	96
	National Lottery Community Fund	Uganda Livelihoods	10329009	**102**	35
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	**39**	17
	London Stock Exchange Group	Access to Livelihoods - Economic Inclusion for women with disabilities in Jaffna, Northern Province, Sri Lanka		**50**	–

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		**30**	–
	America India Foundation	First Million Initiative		**23**	–
	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	**59**	–
Other Grants and Contracts				**98**	354
Charitable Activities International Total				**5,064**	**5,995**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	**168**	202
	Department of Health & Social Care	Covid Recovery	2020_089b_ YR1	–	188
	Sport England Core Market Fund	Road to Me	2017010094	–	165
	Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	**34**	142
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	**182**	118
	Southwark Council	Southwark Advice Plus		**90**	90
	Coronavirus Community Support Fund: The National Lottery Community Fund and the UK Government	Virtual Volunteering	20129272	–	81
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	**202**	75
	Wales Council for Voluntary Action	Recovery Fund	VSRF_027188	–	62
	Comic Relief	Can Do Southampton	2785722	**4**	40
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	**128**	–
	Comic Relief	Emergency Support Can Do Virtual	4908568	–	36
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	**73**	58

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**2022**	**2021**
Governments and Institutions	UK Community Renewal Fund	Inclusive Workforce	CRF99021	**83**	–
	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	**17**	–
	Third Sector Resilience Fund for Wales Phase 2 Scheme, managed and administered by WCVA on behalf of Welsh Government'	E-Commerce: Social Bean Social Enterprise	TSRFfW_ 027217	**14**	56
	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	**118**	53
	Sport England Potentials Fund	Can Do Sport	2017006732	**75**	47
	Sport England	All Active Together	2020029655	**34**	–
	Wales Council for Voluntary Action on behalf of Welsh Government: VSRF Small Grant	Volunteering Cymru	VSRF_027188	**18**	36
	Building Connections Fund: partnership between UK Government, The National Lottery Community Fund and the Co-op Foundation	Opening Doors Gloucester	10345732	**-**	44
	The Careers and Enterprise Fund	Change Now - Journey to Work		**55**	36
	Flintshire County Council	Partnership Coordinator	RFX	**18**	46
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	**19**	–
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	**55**	35

Funder type	Funder	Project Name	Project/grant ID	Income received £'000 2022	2021
	National Lottery Heritage Fund	Digitising the Sound Archive	OH-18-06111	**8**	32
	European Commission	Erasmus+ Programme	2017-2-UK01-KA135- 037116 /	**91**	47
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	**31**	24
	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) South London	LON/1/5	**39**	18
	National Lottery Community Fund	Awards for All – Digital Inclusion Scotland		–	8
	National Lottery Community Fund	19: Connecting More People, More Often	20130899	–	10
Corporates, Individuals, Trusts and Foundations	Covid-19 Support Fund: supported by Association of British Insurers	Can Do		**400**	1,500
	Act for Change Fund: Paul Hamlyn Foundation, Esmée Fairbairn Foundation with National Lottery Community Fund	Change Makers	20451/ 34175.01/ Leonard Cheshire	–	119
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing	SSSTSG 20-23/26	–	90
	Bank Workers Charity	Bank Workers Charity		**81**	71
	3I	Changing Futures London		**160**	–
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		**19**	–
	City Bridge Trust	Change London		–	60
	Hyatt Community Grants Fund	Change 100 & Can Do		–	22

Funder type	Funder	Project Name	Project/grant ID	Income received £'000 2022	2021
	Good Things Foundation	Future Digital Inclusion Fund 2020/21		**20**	18
	BBC Children in Need	Strictly Cymru	2020-2014/WA	–	10
	The Wolfson Foundation	Go Digital Salford		–	5
Other Grants and Contracts				**1,067**	340
Charitable Activities UK Programmes Total				**3,303**	**3,984**
Notes 3D and 3E Totals				**8,367**	**9,979**

4. Investment income

	2022 £'000	2021 £'000
Bank interest	3	21
Rent from investment properties	132	130
Total	**135**	**151**

5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	**Total 2022 £'000**	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2021 £'000
Fundraising	2,650	389	252	**3,291**	2,804	619	220	**3,643**
Total costs of raising funds	**2,650**	**389**	**252**	**3,291**	**2,804**	**619**	**220**	**3,643**
Charitable activities								
Social care	96,282	33,725	18,076	**148,083**	91,426	32,487	19,100	**143,013**
International services	2,617	4,045	205	**6,867**	3,496	5,950	237	**9,683**
Campaigning	623	45	6	**674**	25	122	12	**159**
UK Programmes	3,312	525	539	**4,376**	3,939	504	594	**5,037**
Total charitable activities	**102,834**	**38,340**	**18,826**	**160,000**	**98,886**	**39,063**	**19,943**	**157,892**
Total resources expended	**105,484**	**38,729**	**19,078**	**163,291**	**101,690**	**39,682**	**20,163**	**161,535**

The above table analyses by expense category the costs related to the fundraising and charitable activities of the Group. These costs include both primary costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity at the end of the financial year. The categorisation and allocation of these support costs is shown in the table below.

	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	**Total 2022 £'000**	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	Total 2021 £'000
Support costs								
Fundraising	146	72	34	**252**	122	65	33	**220**
Social care	10,509	5,133	2,434	**18,076**	10,622	5,582	2,896	**19,100**
International services	119	58	28	**205**	132	69	36	**237**
Campaigning	3	2	1	**6**	7	3	2	**12**
UK Programmes	313	153	73	**539**	330	174	90	**594**
Total	**11,090**	**5,418**	**2,570**	**19,078**	**11,213**	**5,893**	**3,057**	**20,163**

6. Governance cost

	2022 £'000	2021 £'000
Internal Audit	**180**	**205**
External Audit		
Audit services current year	**196**	**204**
Amounts payable to auditors in respect of additional costs for the prior year audit	**153**	**90**
Non-audit services	**15**	**9**
Governance and professional support for Trustees	**2**	**22**
Total	**546**	**530**

The total Trustee expenses incurred by LCD or reimbursed during the year was £2,959 (2021; £2,002) which related to travel and subsistence. The number of Trustees who were reimbursed were 5 (2021: 4).

The audit fees shown above are exclusive of VAT.

7. Group net expenditure

	2022 £'000	2021 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	**4,881**	5,804
Amortisation – intangible fixed assets	**537**	255
Programme related investments amortisation	**20**	20
Operating lease rentals:		
Property	**1,619**	1,629
Equipment	**702**	499
Auditors' remuneration – audit	**420**	294
Auditors' remuneration – other	**18**	9
Exchange rate losses	**(79)**	80
Gain/(Loss) on disposal of assets	**4,895**	(12)
Loss on impairment	**1,051**	2,224

8. Staff costs

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Wages and salaries	**89,565**	88,384	**89,089**	87,829
Social security costs	**7,053**	7,044	**7,019**	7,001
Other pension costs	**3,996**	4,235	**3,983**	4,217
Other staff benefits	**293**	403	**292**	402
Redundancy costs	**3,990**	1,652	**3,990**	1,617
Total	**104,897**	**101,718**	**104,373**	**101,066**

The provision for redundancies to be paid at 31 March 2022 (included above) is £2,928,657 (2021: £67,046). Redundancy costs are provided for where staff are identified as ""at risk of redundancy"" and consultation has commenced prior to the year end date.

Additional Payments

During the year, the Charity made additional payments of £184,896 to 13 members of staff (2021:£226,295 paid to 19 members of staff). This represents payments made to employees where employment ended with the Charity during theyear. All payments were made in line with the Charity's policies and standard practice. The payments did not meet the definition of an ex-gratia payment under the Charity Commission published guidance and therefore there was no need to obtain authorisation from the commission prior to making the payments.

The average monthly headcount for the Group was 5,043 staff (2021: 5,281 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Group 2022 Staff FTE	2021 Staff FTE
Volunteering	**14**	22
Social care	**3,087**	3,215
International	**34**	40
Campaigning	**1**	2
UK Programmes	**92**	100
Governance	**1**	1
Support	**178**	275
Total	**3,407**	**3,655**

The average monthly headcount for the company was 5,004 staff (2021: 5,246 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Company 2022 Staff FTE	2021 Staff FTE
Volunteering	**14**	22
Social care	**3,073**	3,200
International	**34**	40
Campaigning	**1**	2
UK Programmes	**87**	96
Governance	**1**	1
Support	**178**	275
Total	**3,388**	**3,636**

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group		Company	
	2022 Staff	2021 Staff	**2022 Staff**	2021 Staff
£60,001 - £70,000	**25**	19	**25**	19
£70,001 - £80,000	**19**	16	**19**	16
£80,001 - £90,000	**3**	3	**3**	3
£90,001 - £100,000	**-**	3	**-**	3
£100,001 - £110,000	**1**	2	**1**	2
£110,001 - £120,000	**1**	2	**1**	2
£120,001 - £130,000	**1**	2	**1**	2
£130,001 - £140,000	**2**	1	**2**	1
£140,001 - £150,000	**1**	–	**1**	–
£150,001 - £160,000	**1**	–	**1**	–
£160,001 - £170,000	**-**	–	**-**	–
£170,001 - £180,000	**1**	–	**1**	–
£180,001 - £190,000	**1**	–	**1**	–
£250,001 - £260,000	**1**		**1**	
Total	**57**	**48**	**57**	**48**

These amounts include compensation payments made to former higher paid employees.

	2022 £'000	**2022 Staff**	2021 £'000	2021 Staff
Defined contribution schemes	**394**	**56**	**415**	**56**

Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2022 (2021: £nil).

The Charity has purchased insurance to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

Key management personnel

The key management personnel of the Charity consists of the Executive Board, 2022 11 members (2021: 8). The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group		Company	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Remuneration and benefits	**1,661**	**1,008**	**1,661**	**1,008**

9. Tangible fixed assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000 *Restated	Furniture, fittings equipment and vehicles £'000 *Restated	**Total £'000**
Cost					
At 1 April 2021	93,279	7,778	5,396*	57,052*	**163,505**
Additions	87	–	3,444	711	**4,242**
Disposals	(2,911)	(2,023)	–	(2,739)	**(7,673)**
Transfers	1,279	–	(7,296)	6,999	**982**
As 31 March 2022	**91,734**	**5,755**	**1,544**	**62,023**	**161,056**
Accumulated depreciation and impairments					
At 1 April 2021	34,148	6,309	–	38,448	**78,905**
Impairments	1	625	–	426	**1,052**
Charge for the year	714	73	–	4,093	**4,880**
Disposals	(1,635)	(2,023)	–	(2,120)	**(5,778)**
At 31 March 2022	**33,228**	**4,984**	**–**	**40,847**	**79,059**
Net book value at 31 March 2022	**58,506**	**771**	**1,544**	**21,176**	**81,997**
Net book value at 31 March 2021	59,131	1,469	5,705	18,295	**84,600**

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex. RH10 3HS £1.8m). Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire. GL53 9HD (£2.4m). 627 St Bridget's Ilex, Cl Rustington, Littlehampton. BN16 2RX (£1.6m). 646 Fryers House Romsey. SO51 5OD (3.2m). The values above are Net Book Values.

After undertaking the impairment review there is one impairment charge against fixed assets for the year to 31 March 2022 of £1.1m (2021 £2.2m). This relates to the carrying value of land, buildings and fixtures and fittings for a property where we are expecting to exit the service offered and do not expect to obtain further value from these assets.

The £982k transfer figures includes a £63k transfer to Intangible Assets Note 10 and £1,045k transfer from Investment Properties (Note 11).

*Prior year closing book cost figures for Assets under Construction and Furniture, Fittings, Equipment & Vehicles (FFEV) have been restated as items totalling £4.1m were found within the closing Assets under Construction category that had come into use in the Prior Year, therefore the opening figure for Assets under construction has been adjusted from £9.5m to £5.4m and the FFEV opening figure has been adjusted from £52.9m to £57.0m.

We also restated the assets under construction cost and accumulated depreciation opening balances by £402k to remove fully depreciated Park House assets that had been impaired but have now been written off permanently.

9. Tangible fixed assets – Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000 *Restated	Furniture, fittings equipment and vehicles £'000 *Restated	**Total £'000**
Cost					
At 1 April 2021	93,279	7,778	5,396*	56,971*	**163,424**
Additions	87	–	3,444	711	**4,242**
Disposals	(2,911)	(2,023)	–	(2,739)	**(7,673)**
Transfers	1,279	–	(7,296)	6,999	**982**
As 31 March 2022	**91,734**	**5,755**	**1,544**	**61,942**	**160,975**
Accumulated depreciation and impairments					
At 1 April 2021	34,143	6,308	–	38,385	**78,836**
Impairments	1	624	–	426	**1,051**
Charge for the year	714	73	–	4,092	**4,879**
Disposals	(1,635)	(2,023)	–	(2,120)	**(5,778)**
At 31 March 2022	**33,223**	**4,982**	**–**	**40,783**	**78,988**
Net book value at 31 March 2022	**58,511**	**773**	**1,544**	**21,159**	**81,987**
Net book value at 31 March 2021	59,136	1,470	5,705	18,285	**84,588**

*Prior year closing book cost figures for Assets under Construction and Furniture, Fittings, Equipment & Vehicles restated as items totalling £4.1m were found within the closing Assets Under Construction category that had come into use in the Prior Year, therefore the opening figure for Assets under construction has been adjusted from £9.5m to £5.4m and the FFEV opening figure has been adjusted from £52.9m to £57.0m.

We also restated the assets under construction cost and accumulated depreciation opening balances by £402k to remove fully depreciated Park House assets that had been impaired but have now been written off permanently.

10. Intangible assets – Group and Company

	Intangible assets £'000	**Total £'000**
Cost		
At 1 April 2021	6,893	**6,893**
Transfer from Tangibles WIP	63	**63**
Additions	670	**670**
At 31 March 2022	7,626	**7,626**
Accumulated amortisation and impairments		
At 1 April 2021	2,218	**2,218**
Charge for the year	537	**537**
At 31 March 2022	2,755	**2,755**
Net book value at 31 March 2022	**4,871**	**4,871**
Net book value at 31 March 2021	4,675	**4,675**

Intangible assets consist of computer software systems used to run significant business processes.

11. Investments – Group and Company

	Investment properties £'000	Programme related investments £'000	**Total £'000**
At 1 April 2021	6,316	48	**6,364**
Transfer to fixed assets	(1,046)	–	**(1,046)**
Amortised in year	–	(20)	**(20)**
Revaluation	(660)	–	**(660)**
At 31 March 2022	**4,610**	**28**	**4,638**

Investment properties are included in the balance sheet at fair value. The properties were valued by independent professionally qualified valuers as at 31 March 2022 and our internal experts where external valuation was not practicable.

The external valuers were Bracketts, Vospers and Graves Jenkins. The valuations are to Fair Market Value, with standard assumptions of existing use, good title, and no planning or contamination issues.

Programme related investments are in the form of loans and have been made to facilitate the establishment of new supported living units. They are amortised over the length of the related management agreement or the period over which the investment will provide benefit where this is shorter.

12. Current Asset Investments – Group and Company

	2022 £'000	2021 £'000
Opening market value at 1 April 2021	**14**	10
Gain/(loss) on revaluation	**1**	4
Closing market value at 31 March 2022	**15**	**14**

The Trustees consider the value of the investments to be supported by their underlying assets.

13. Debtors

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	**11,951**	19,954	**8,788**	14,004
Amounts owed by subsidiary undertakings	**–**	–	**3,744**	4,040
Prepayments	**1,207**	1,539	**1,207**	1,528
Accrued income	**14,119**	6,177	**11,049**	5,318
Total	**27,277**	**27,670**	**24,788**	**24,890**

14. Cash at bank and in hand

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Group / company funds	**207**	918	**135**	884
Service users' funds held in trust	**1,781**	1,630	**1,781**	1,630
Total	**1,988**	**2,548**	**1,916**	**2,514**

Cash and cash equivalents include the following for the purpose of the Cash Flow Statement:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Group funds	**207**	918	**135**	884
Service users' funds held in trust	**1,781**	1,630	**1,781**	1,630
Bank overdraft	**(1,294)**	(2,786)	**(1,294)**	(2,957)
Total	**694**	**(238)**	**622**	**(443)**

Bank guarantees exist, see Note 23.

15. Creditors

Amounts falling due within one year	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank overdraft	**1,294**	2,786	**1,294**	2,957
Trade creditors	**7,689**	5,428	**7,670**	5,912
Amounts owed to subsidiary undertakings	**-**	–	**1,199**	1,216
Taxation and social security	**1,570**	2,425	**1,167**	828
Accruals	**4,448**	5,112	**4,437**	5,092
Deferred income	**1,492**	3,066	**1,311**	2,967
Other creditors	**1,800**	–	**1,800**	–
Service users' funds	**1,781**	1,630	**1,781**	1,630
Capital grants	**70**	100	**70**	100
Total	**20,144**	**20,547**	**20,729**	**20,702**
Amounts falling due after more than one year				
Capital grants	**2,439**	3,642	**2,439**	3,642
Loan	**630**	630	**630**	630
Total	**3,069**	**4,272**	**3,069**	**4,272**

Capital grants received are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £70,000 (2021: £100,000) and is shown within 'Amounts falling due within one year'.

Deferred income represents the payment of fees in advance. During the year the Group received income of £1.5 million which related to future years (2021: £3.1 million). The movement in the year has been taken to income.

Intercompany balances are unsecured and no interest is charged;
The total overdraft facility available is £7.5 million, which is secured against the following properties:

Heatherley, Effingham Lane, Copthorne, West Sussex. RH10 3HS (£1.8m) Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire GL53 9HD (£2.4m) 627 St Bridget's Ilex, Cl Rustington, Littlehampton BN16 2RX (£1.6m) 646 Fryers House Romsey SO51 5OD (3.2m). The values stated above are net book values.

Other creditors is an amount that was received for a grant that may need to be returned to the funder if agreement is not obtained to use it for alternative purposes now that the original grant programme is no longer going ahead.

The majority of the loan relates to a social improvement opportunity in Wales, from the Welsh Government. Leonard Cheshire received £600,000 in the 2018/19 financial year. There is no interest on the loan and it is not secured.

16. Provisions for liabilities and charges

Group	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Other £'000	Pension £'000	**Total £'000**
At 1 April 2021	971	–	67	5	1,169	**2,212**
Charged to the SOFA	480	333	2,929	–	–	**3,742**
Amount utilised	(209)	–	(67)	0	(345)	**(621)**
At 31 March 2022	**1,242**	**333**	**2,929**	**5**	**824**	**5,333**

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings; the timings and amounts of the outflows can be uncertain and subject to negotiation.

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 21/22 but where the payments will be made in 22/23. Communication to staff has already taken place, it started in early March 2022.

Other provisions relate to a number of items where the outcome is not known with certainty at the year end.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See note 22 for further details.

The provision for annual leave represents a potential liability due to working time directive case law, in relation to average pay relating to statutory annual leave. This was not provided for in 20/21.

17. Total funds – Group

Group – movement in funds	Balance at 1 April 2020 £'000	Incoming resources £'000 *Restated	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 1 April 2021 £'000 *Restated	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2022 £'000
	Year ending 31 March 2021					Year ending 31 March 2022			
Restricted Funds									
Social care	**19,527**	7,773	(5,769)	(139)	**21,392**	4,599	(2,644)	–	**23,347**
UK programmes	**1,775**	3,172	(31)	–	**4,916**	2,625	(2,065)	–	**5,476**
International services	**3,330**	5,998	(7,174)	–	**2,154**	5,070	(5,091)	–	**2,133**
Total	**24,632**	**16,943**	**(12,974)**	**(139)**	**28,462**	**12,294**	**(9,800)**	**-**	**30,956**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	–	–	–	**11**	–	–	–	**11**
Kirby Worthington Fund	**110**	1	–	–	**111**	–	–	–	**111**
St. Michaels Home	**735**	–	–	–	**735**	–	–	–	**735**
Total	**856**	**1**	**-**	**-**	**857**	**-**	**-**	**-**	**857**
Unrestricted income funds									
Designated funds	**5,909**	677	(514)	(753)	**5,319**	182	(529)	83	**5,055**
General funds	**71,637**	135,478*	(153,165)	5,238	**59,188***	145,975	(153,579)	(502)	**51,082**
Revaluation reserve	**6,658**	–	–	(872)	**5,786**	–	–	(1,496)	**4,290**
Pension reserve	**(403)**	–	1,929	(3,474)	**(1,948)**	–	–	1,915	**(33)**
Total	**83,801**	**136,155***	**(151,750)**	**139**	**68,345***	**146,157**	**(154,108)**	**-**	**60,394**
Total Funds	**109,289**	**153,099***	**(164,724)**	**-**	**97,664***	**158,451**	**(163,908)**	**-**	**92,207**

All listed endowment funds are permanent endowments with restricted purposes. St Michael's Home is a linked charity of which LCD is the trustee.

Given that the cash position for the Group is a net positive £0.7 million including the use of an overdraft facility and holding service user balances, it is expected that certain property or other assets will be required to meet the future obligations arising from the restricted funds obligations.

*Incoming resources for General funds for prior year restated. See Note 27 for more details

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas.

Designated funds consist of funds donated to be spent at one of our Social Care services but not restricted to a particular project. These funds were received at a service at a preference but not legal restriction.

17. Total funds – Company

	Year ending 31 March 2021				Year ending 31 March 2022				
Company – movement in funds	**Balance at 1 April 2020 £'000**	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	**Balance at 1 April 2021 £'000**	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	**Balance at 31 March 2022 £'000**
Restricted Funds					**0**				
Social care	**19,481**	7,744	(5,759)	(139)	**21,327**	4,585	(2,651)	–	**23,261**
UK programmes	**1,775**	3,172	(31)	–	**4,916**	2,625	(2,065)	–	**5,476**
International services	**3,330**	5,998	(7,174)	–	**2,154**	5,070	(5,091)	–	**2,133**
Total	**24,586**	**16,914**	**(12,964)**	**(139)**	**28,397**	**12,280**	**(9,807)**	**–**	**30,870**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	–	–	–	**11**	–	–	–	**11**
Kirby Worthington Fund	**110**	1	–	–	**111**	–	–	–	**111**
St. Michaels Home	**735**	–	–	–	**735**	–	–	–	**735**
Total	**856**	**1**	**–**	**–**	**857**	**–**	**–**	**–**	**857**
Unrestricted income funds									
Designated funds	**5,832**	629	(420)	(753)	**5,288**	178	(499)	58	**5,025**
General funds	**69,861**	134,098	(152,175)	5,238	**57,022**	144,460	(152,963)	(477)	**48,042**
Revaluation reserve	**6,658**	–	–	(872)	**5,786**	–	–	(1,496)	**4,290**
Pension reserve	**(403)**	–	1,929	(3,474)	**(1,948)**	–	–	1,915	**(33)**
Total	**81,948**	**134,727**	**(150,666)**	**139**	**66,148**	**144,638**	**(153,462)**	**–**	**57,324**
Total Funds	**107,391**	**151,642**	**(163,630)**	**–**	**95,402**	**156,918**	**(163,269)**	**–**	**89,051**

All the listed Endowment funds i.e Albert Alexander Fund, Kirby Worthington Fund and St Michaels Home are permanent endowments with restricted purposes. It is a linked charity of which LCD is a trustee.

Given that the cash position for the Company is a net positive £0.6 million including the use of an overdraft facility and holding service user balances, it is expected that certain property or other assets will be required to meet the future obligations arising from the restricted funds obligations.

18. Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2022 £'000**	Unrestricted funds £'000 *Restated	Restricted funds £'000	Endowment funds £'000	**Total 2021 £'000 *Restated**
Fixed assets	84,342	6,428	735	**91,505**	87,796	7,107	736	**95,639**
Net current (liabilities)/ assets	(15,514)	24,528	122	**9,136**	(11,019)*	21,355	121	**10,457***
Long term liabilities	(8,401)	–	–	**(8,401)**	(6,484)	-	-	**(6,484)**
Pension liability	(33)	–	–	**(33)**	(1,948)	-	-	**(1,948)**
Total	**60,394**	**30,956**	**857**	**92,207**	**68,345***	**28,462**	**857**	**97,664***

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2022 £'000**	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2021 £'000**
Fixed assets	84,332	6,428	735	**91,495**	87,785	7,106	736	**95,627**
Net current (liabilities)/ assets	(18,573)	24,442	122	**5,991**	(13,210)	21,291	121	**8,202**
Long term liabilities	(8,401)	–	–	**(8,401)**	(6,479)	-	-	**(6,479)**
Pension liability	(33)	–	–	**(33)**	(1,948)	-	-	**(1,948)**
Total	**57,325**	**30,870**	**857**	**89,052**	**66,148**	**28,397**	**857**	**95,402**

*Net current liabilities restated from prior year - See Note 27 for details

19. Lease commitments

At 31 March the Group had annual payments under non-cancellable operating leases as follows:

	Property	Vehicle	Equipment	2022 £'000 Total	Property	Vehicle	Equipment	2021 £'000 Total
within 1 year	1,272	324	191	**1,787**	1,386	458	221	**2,066**
between 2 to 5 years	1,190	513	177	**1,880**	1,913	928	327	**3,169**
after 5 years	682	–	–	**682**	837	–	–	**837**
Total	**3,144**	**837**	**368**	**4,349**	**4,136**	**1,386**	**548**	**6,072**

20. Capital commitments

At 31 March the Group had commitments for capital expenditure that have not been provided for in the financial statements as follows:

	2022 £'000	2021 £'000
Contracted	**–**	**336**

21. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2021 and 31 March 2022.

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Trading
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire Trading Limited	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820 N/A	Limited by Shares £1	Trading
Leonard Cheshire International	Republic of Ireland	I0616088	Limited by guarantee	Trading
Leonard Cheshire USA inc.	Delaware, USA	7313137	Limited by guarantee	Trading

All trading subsidiaries have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The carrying values on the company balance sheet for the subsidiaries are: Leonard Cheshire Trading Limited £100; The Leonard Cheshire Foundation (Isle of Man) Limited £100; Leonard Cheshire Services CIC £1 and Leonard CheshireInternational £nil.

All subsidiaries registered in England and Wales operate from the following registered office: 66 South Lambeth Road, London SW8 1RL.

The subsidiaries registered in the Isle of Man operate from the following registered office: Unit B Part First Floor, Willow House, Main Road, Onchan, Isle of Man IM3 1AJ.

The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

The USA subsidiary operates from the following registered office: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE 19934, County of Kent.

	2022 £'000	2021 £'000
Leonard Cheshire Trading Limited The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy. A summary of its financial statements for the year ended 31 March 2022 and 31 March 2021 is shown below.		
Summary of statement of financial activities		
Incoming resources	**51**	208
Resources expended	**(225)**	(305)
Total	**(174)**	**(97)**
Summary of assets and liabilities		
Assets	**33**	36
Liabilities	**(308)**	(374)
Total	**(275)**	**(338)**
Leonard Cheshire Foundation (Isle of Man) Limited The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2022 and 31 March 2021 is shown below.		
Summary of statement of financial activities		
Incoming resources	**566**	669
Resources expended	**(521)**	(635)
Net income	**45**	**34**
Summary of assets and liaibilities		
Assets	**1,261**	1,286
Liabilities	**(19)**	(59)
Total	**1,242**	**1,227**
Leonard Cheshire Services CIC The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2022 and 31 March 2021 is shown below.		
Summary of statement of financial activities		
Incoming resources	**26,053**	**25,365**
Resources expended	**(23,883)**	**(23,992)**
Net income	**2,170**	**1,373**
Summary of statement of financial activities		
Assets	**6,176**	**6,930**
Liabilities	**(4,006)**	**(5,557)**
Total	**2,170**	**1,373**

22. Pension schemes

Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 4% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 4% of pensionable salary. The total cost of the schemes in 2022 was £4 million (2021 £4.2 million).

Defined benefit pension schemes

The Charity operates a number of defined benefit pension schemes. Following a risk-based assessment the Charity has obtained an FRS 102 actuarial valuation for its material defined benefit pension schemes.

The value of the schemes' defined benefit liabilities have been measured using the projected unit method. The schemes' assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer. The overall expected rate of return on the net schemes' assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class. The schemes hold quoted securities and these have been valued at bid-price.

Further information on the Charity's defined benefit pension schemes is provided below. The major assumptions used by the actuaries are disclosed in this note.

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan (the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2022 is £nil (2021 £1.7million). A surplus cap of £4.1m was applied during the year.

A full actuarial valuation was carried out at 30 September 2018 by a qualified actuary, independent of the scheme's sponsoring employer. This valuation as at 30 September 2018 showed a deficit valuation of £11.3 million with gross assets of £65.8million and gross liabilities of £77.1 million.

The scheme liabilities at 31 March 2022 have been calculated using the preliminary results of the triennial actuarial valuation as at 30 September 2021. The preliminary valuation showed a deficit of £6.0m with gross assets of £81.2m and gross liabilities of £87.2m.

Member contributions are payable in addition as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the period commencing 1 April 2022 is £1.9million (2021 £1.9million).

Clwyd Pension Fund

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The net pension surplus recognised in the balance sheet at 31 March 2022 is £56,000 (2021: £0.1million liability). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2022 is £0 (2021: £0).

Isle of Man Pension Fund

The IOM Pension Fund (the Fund) relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2022 is £25,000 (2021: £31,000). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2022 is £0 (2021: 0).

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2022 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2022 (per annum)	At 31 March 2021 (per annum)
Financial assumptions		
Discount rate	**2.60-2.80%**	1.75–2.4%
Rate of increase in salaries	**3.50-4.65%**	3.35–3.95%
Rate of increase pensions :	**2.04 - 3.50%**	1.9–2.85%
Inflation assumption (RPI)	**3.52-3.53%**	3.3–3.5%
Inflation assumption (CPI)	**3.00-3.5%**	2.1–2.9%
Demographic assumptions		
Mortality		
Male pensioner at age 65	**21.2-24.2**	21.2–22.6
Female pensioner at age 65	**24.1-26.9**	23.3–25
Male non-pensioner at age 65 in 20 years	**22.5-23.3**	22.6–24.2
Female non-pensioner at age 65 in 20 years	**24.9-25.7**	24.8–27

Balance sheet pension liability summary	**Value at 31 March 2022**	Value at 31 March 2021
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM	**(31)**	**1,880**
Dyfed	**64**	**68**
Total	**33**	**1,948**

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2022 £'000	Proportion	Value at 31 March 2021 £'000	Proportion
Equities	**3,587**	**408**	**41**	**4,036**	**5.08%**	5,552	7%
Bonds	**46,836**	**736**	**28**	**47,600**	**59.91%**	43,462	55%
Property	**8,756**	**124**	**12**	**8,892**	**11.19%**	6,892	8%
Cash/liquidity and other	**19,162**	**804**	**–**	**19,966**	**25.13%**	23,541	30%
Total	**78,341**	**2,072**	**81**	**80,494**		**79,447**	**100%**

Balance sheet impact					Value at 31 March 2022 £'000	Value at 31 March 2021 £'000
Present value of funded obligations	(74,193)	(2,016)	(106)		**(76,315)**	(81,327)
Fair value of scheme assets	78,341	2,072	81		**80,494**	79,447
Effect of asset ceiling	(4,148)	–	–		**(4,148)**	–
Total	**–**	**56**	**(25)**		**31**	**(1,880)**

SOFA impact					Year ending 31 March 2022 £'000	Year ending 31 March 2021 £'000
Current service cost*	–	28	–		**28**	24
Expenses	141	2	–		**143**	142
Net interest cost	16	1	1		**18**	6
Losses on settlements and curtailments					**–**	35
Total	**157**	**31**	**1**		**189**	**207**

*The current service cost includes allowance for the cost of Death In Service benefits and all the expenses of running the scheme (including the PPF levy).

Analysis of amount recognised in the SOFA as unrealised gains/(losses)	Year ending 31 March 2022 £'000	Year ending 31 March 2021 £'000
Net actuarial gains / (losses) recognised in year	**208**	322
Return on plan assets – gains	**974**	1,975
Experience gains arising on plan liabilities	**393**	135
Effect of changes in demographic and financial assumptions – gains / (losses)	**2,615**	(8,278)
Effects of changes in the amount of surplus that is not recoverable – loss	**(4,148)**	2,372
Total recognised in other comprehensive income – (losses)/gains	**42**	**(3,474)**

Reconciliation of present value of scheme liabilities Change in the present value of the defined benefit obligations	Year ending 31 March 2022 £'000	Year ending 31 March 2021 £'000
Opening defined benefit obligation	**81,327**	75,586
Settlement of the South Yorkshire scheme benefit payment	**–**	(1,335)
Introduction of the IOM DB Scheme	**–**	106
Service cost	**28**	24
Interest cost	**1,668**	1,679
Contributions by employees	**4**	4
Losses/(gains) due to benefit changes	**–**	35
Actuarial losses / (gains)	**(3,007)**	8,143
Benefits paid	**(3,705)**	(2,915)
Closing defined benefit obligation	**76,315**	**81,327**

Reconciliation of present value of scheme assets and actual return on assets Change in the fair value of the scheme assets	Year ending 31 March 2022 £'000	Year ending 31 March 2021 £'000
Opening fair value of the scheme assets	**79,447**	76,396
Interest income	**1,649**	1,748
Admin expenses	**(142)**	(142)
Actuarial gains	**1,182**	2,297
Contributions by employer	**2,059**	2,059
Contributions by employees	**4**	4
Benefits paid	**(3,705)**	(2,915)
Closing fair value of the scheme assets	**80,494**	**79,447**
Actual return on scheme assets	**2,830**	**4,044**

Other defined benefit pension schemes

The Charity operates several other multi-employer defined benefit schemes as follows:

- The Scottish Voluntary Sector Pension Scheme. The pension deficit on this scheme of £24,000 (2021 £27,000) will be funded by lump sum payments over the recovery period of 6 years as specified in the most recent triennial valuation;

- The TPT GP3 scheme. The pension deficit on this scheme of £787,000 (2021 £1 million) will be funded by lump sum payments over the recovery period of 4 years as specified in the most recent triennial valuation;

- The South Yorkshire Scheme was previously an active scheme (and last year accounted for as a DB Scheme) but the last member left in 19/20 and we have negotiated a lump sum settlement over a two year period. The pension deficit on this scheme is £81,000 (2021 £145,000);

- In addition, the Charity operates a further smaller, multi-employer defined benefit pension schemes, Dyfed. This scheme has a combined pension deficit of £65,000 (2021: £68,000) and the deficit will be funded by annual payments based on the contribution rates and recovery periods of between 12 and 15 years.

23. Contingent assets and liabilities

The Charity has a legal charge on a property that entitles it to 13.9% of the value of the site should it be developed. The property is currently owned by another organisation which uses it to provide care to people with learning difficulties

The Charity is entitled to 20% of the sale proceeds on a house which is currently occupied by a private individual. There are no current plans to dispose of the property.

There are two banking guarantees (totaling £0.33 million) that have been provided by the bank to 2 third parties. The figure is made up of 2 individual guarantees, one for £200,000 and one for £132,200.

24. Company limited by guarantee

The Charity is a company limited by guarantee and, in the event of a winding- up, the members are committed to pay £1 each. All members are Trustees.

25. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2021: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 15.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £24 million of invoiced sales (2021: £24.0million). The resultant intercompany liability is reflected in creditors as shown in Note 15.

The Charity received a donation of £145,422 from Motability Operations Group, the company which Ruth Owen is Independent Non-Executive Director of.

The Charity received a contribution of £7,800 for hiring 2 internees under the change 100 programme, from a company called Concentrix of which Phillip Cassidy is Executive vice president.

Aggregate donations from Trustees were as follows; £2,475 (2021: £1,000).

26. Financial instruments

	Notes	**Group 2022 £'000**	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Financial assets at fair value through statement of financial activities					
Investments	12	**15**	14	**15**	14
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	13	**–**	–	**3,744**	4,040
Trade debtors	13	**11,951**	19,954	**8,788**	14,004
Accrued income	13	**11,874**	4,907	**8,804**	4,048
Accrued legacies	13	**2,245**	1,270	**2,245**	1,270
Cash and cash equivalents	14	**1,988**	2,548	**1,916**	2,514
Total		**28,058**	**28,679**	**25,497**	**25,876**
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	15	**–**	–	**1,199**	1,216
Trade creditors	15	**7,689**	5,428	**7,671**	5,912
Accruals	15	**4,458**	5,112	**4,437**	5,093
Service users funds	15	**1,781**	1,630	**1,781**	1,630
Overdraft	15	**1,294**	2,786	**1,294**	2,957
Loans	15	**630**	630	**630**	630
Total		**15,852**	**15,586**	**17,012**	**17,438**

27. Restatement due to prior year inter-company issue

In FY21 the Gift Aid payment from CIC to LCD was correctly posted to the balance sheet within the CIC accounts but incorrectly posted to income in group. The error has been corrected by restating each of the affected line items for the prior periods as follows:

Adjusted Consolidated Statement of Financial Activities (extract)

	Pre-restatement Unrestricted Funds £'000	**Restatement £'000**	Post-restatement Unrestricted Funds £'000
Income & Endowments from:			
Donations and legacies	5,924	**(714)**	5,210
Total	**136,861**	**(714)**	**136,147**

Adjusted Consolidated Balance Sheet (extract)

	Pre-restatement 2021 £'000	**Restatement**	Post-restatement 2021 £'000
Unrestricted funds - General	59,902	**(714)**	59,188
Total unrestricted funds	**69,059**	**(714)**	**68,345**

In the Group Balance sheet, the 2021 figure for General funds has reduced from £59,188k to £59,902k

6.

Charitable trusts, corporate partners and other supporters:

A very big thank you to all those supporters who have made donations to Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous.

Thank you

Corporate Partners

Howdens Joinery Ltd
John Lewis Partner Community Investment Fund
JTI UK
Meridian Business Support
Microsoft Corporation
Odgers Berndtson
3i Group PLC
Pets Corner
Accenture
Arco Limited
Next PLC

Legators

Ms Margaret Allen
Mr Alan Anderson
Mr Neville Ball
Ms Margaret Barnett
Miss Gwynedd Braby
Mrs Vera Bramhall
Mr Richard Brightman
Mr John Brooks
Mr Clive Browning
Mr Peter Burgess
Mrs Greta Carreras
Miss Betty Clark
Mr John Coysh
Mrs Muriel Crackles
Mr Brian Davies
Mrs Patricia Davies
Miss Sarah Dean
Mrs Hazel Fallon
Mrs Christine Forsdike
Mr William Freeme
Mrs Kathleen Glover
Ms Eva Goodess
Mr Edward Griffith
Heather Hacker
Mr James Hammer
Mrs Marjorie Harrison
Mr Gordon Harrower
Mr John Hawthorne Nesbitt
Mrs Shirley Hillman
Mrs Doreen Hogg
Mrs Kathleen Holland
Louise Howson
Mrs Marjorie Hudston
Ms Audrey Hughes
Diana Hughes
Lady Agnes Humphrey
Mrs Sybil Hunt
Mrs Joy Huter
Miss Ansley Inch
Mr Douglas Jones
Mrs Irene Kay
Mr William Kennedy
Ms Charlotte Laceby
Mr Harry Latham
Mr John Lovett
Ms Ann Lynch
Ms Sheila Macdonald
Mr Alastair MacLachlan
Mr Geoffrey Markham
Mr Peter Marshall
Mr Robert Mason
Mrs Margaret McColl
Mrs Kathleen Moore
Ms Penelope Noad
Ms Penelope Overend
Esther Padfield
Ms Doris Parker
Sheila Pedley
Miss Janis Perry
Mr Roger Pethybridge
Mrs Phyllis Richards
Miss Joan Sanderson
Mr Richard Shuster
Mr John Shuttleworth
Mr Kenneth Stacey
Pauline Stockton
Bernard Strike
Mr John Todd
Mr James Tomlinson
Miss Margaret Turner
Lady Anne Wake-Walker
Miss Pauline Watts
Lois Weaver
Ms Kathleen Wood
Janet Wright

Charitable Trusts and other supporters

29th May 1961 Charitable Trust
Act for Change Fund
Awards for All Bank Workers Charity
Barnwood Trust
Batchworth Charitable Trust
BBC Children in Need
Broome Family Charitable Trust
Bryan Guinness Charitable Trust
Careers and Enterprise Company
Charities Aid Foundation
Chapman Charitable Trust
Cheshire Community Foundation
City Bridge Trust
Comic Relief
Community Foundation for Surrey
Community Links Bromley
Connecting Scotland
Co-Operative Community Fund
Co-op Local Community Fund
Copley May Foundation CRH Charitable Trust
Cumbria Community Foundation
Direct Line Community Fund

D J Coleman Charitable Trust
Department For Communities
Department for Health & Social Care
Donald Forrester Trust
EBM Charitable Trust
Enkalon Foundation
Ernest Kleinwort Benson Charitable Trust
European Commission
European Social Fund
Flintshire County Council
Genesis Charitable Trust
Glamorgan Voluntary Services
Gloucestershire Community Foundation
Gloucestershire County Council
Good Things Foundation
Groundworks UK
Guy Charitable Foundation
Gwent Association of Voluntary Organisations
Hobson Charity
Holywood Trust
Hull & East Riding Charitable Trust
London Community Response Fund
London Philharmonic Orchestra
Medicash Foundation
Merseyside Community Foundation
Motorola Solutions Foundation
National Lottery Community Fund
National Lottery Heritage Fund
NI Housing Executive
Norwich Freemens Charity
P F Charitable Foundation
Payback Time Trust
Pennington Bequest
Postcode Community Trust
Salford County Council
Sandra Charitable Trust
Scope
Screwfix Foundation
Sir John Fisher Foundation
Sport England
St Hilda's Trust
Stavros Niarchos Foundation
Stelios Philanthropic Foundation
The Bill Brown 1989 Charitable Trust
The Community Foundation
The Hospital Saturday Fund Charitable Trust
The John Horseman Trust
The Joseph & Annie Cattle Trust
The Mathew Trust
The Openwork Foundation
The Peter Cundill Foundation
The Sir James Reckitt Charity
The WImbledon Foundation
Thriving Communities Fund
Tompkins Foundation
UK Foreign, Commonwealth & Development Office
Victoria Homes Trust
Wales Council for Voluntary Action
Wandsworth Council
William Brake Foundation
Wolfson Foundation
ZVM Rangoonwala Foundation UK

7.

Who's who

Trustees and Senior Officers in 2021/22

Patron

The Late Queen Elizabeth II

Founder

The Late Group Captain Lord Cheshire, VC, DSO, DFC

Trustees

David Grayson CBE (Chair)
Governance and Nominations Committee (appointed December 2020; appointed Chair October 2021)

Colin Hunter (Vice Chair)
Governance and Nominations Committee, Quality and Safeguarding Committee (retired October 2022)

Adam Wiltshire
Finance Committee, Audit and Risk Committee (appointed March 2021)

Anne Goodman
Finance Committee, Governance and Nominations Committee (appointed March 2021)

David Pugh
Finance Committee (retired September 2022)

Gareth Davies
Finance Committee (retired September 2022)

Hilary Sears
People Committee, Fundraising Advisory Group (appointed September 2018)

Philip Cassidy
Finance Committee, Audit and Risk Committee (appointed September 2019)

Piers White
Finance Committee (retired March 2023)

Ranald Mair
Audit and Risk Committee, Quality and Safeguarding Committee (retired September 2022)

Shani Dhanda
Quality and Safeguarding Committee, Customer Council (retired September 2022)

Stephen Duckworth
People Committee (retired December 2022)

Dr Sylvia Anie
Governance and Nominations Committee, People Committee (retired December 2022)

Vidar Hjardeng
Customer Council, Fundraising Advisory Group (retired December 2022)

Richard Brooman
Governance and Nominations Committee, Audit and Risk Committee, Fundraising Advisory Group (retired July 2021)

Michele Golden
Chair of the Quality and Safeguarding Committee (appointed September 2022)

David Porter
Finance/Turnaround Committee (appointed January 2023)

Sally Davis
Governance and Nominations Committee, former Chair of the Board (retired October 2021)

Senior Officers

Chief Executive
Ruth Owen

Chief Financial Officer
Andy James (until October 2021)
Nigel Armitt (from November 2021)

Managing Director, UK Community Services
Hugh Fenn (until January 2022)
David Slater (interim) (from February 2022)

Managing Director, Global Influencing and Programmes
Tiziana Oliva (until December 2021)

Executive Director, Marketing and Fundraising
Leslie Davey (interim) (until July 2021) Marcus Missen (from June 2021)

Executive Director, People
Dale Cox (interim) (from April 2021 until Jun 2022) Jon Forde (from May 2022)

Executive Director, Transformation and Technology
Jon Petty (until August 2021)
Gavin Bounds (from November 2021 until Jan 2023)

Global ambassadors

The Late Judy Heumann
Global Ambassador for Advocacy

Amar Latif
Business and Travel

Olivia Breen
Sport

Josh Wintersgill
Young Entrepreneurs and Tech

Jane Asher
Arts

Lord Puttnam CBE, Hon FRSA, Hon FRPS
Education

Mark Lane
Gardening and Wellbeing

Sophie Morgan
Inclusive Education and Women

Sir Stelios Haji-Ioannou
Business

Robin Sheppard
Catering and Hotel Industry

'Kray-Z Legz', real name Mark Humphries
Music

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants
and Statutory Auditors
1 Embankment Place
London WC2N 6RH

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Legal

Leonard Cheshire uses a range of legal advisors including:

Bates Wells

10 Queen Street Place
London EC4R 1BE

Bevan Brittan

Fleet Place House
2 Fleet Place
London EC4M 7RF

Brown Rudnick

8 Clifford Street
London W1S 2LQF

Farrer & Co

66 Lincoln's Inn Fields
London WC2A 3LH

Linklaters

One Silk Street
London EC2Y 8HQ

Wright Hassall

Olympus Avenue
Royal Leamington Spa
CV34 6BF

Internal Audit

BDO

55 Baker Street
London W1U 7EU

Leonard Cheshire
66 South Lambeth Road
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LEONARD CHESHIRE DISABILITY

England & Wales - Charity number 218186

Accounts



Keeping people connected

Annual Report and Accounts 2020/21

leonardcheshire.org

Leonard Cheshire

Contents

1. About us **1**

Message from the Chair 2

Message from the CEO 4

2. Trustees report (including a Strategic report) **6**

Live **7**

Learn **19**

Work **25**

Our fundraising 30

People 34

Financial review 37

Principal risks and uncertainties 46

Governance and structure 49

3. Statement of Trustees' responsibilities **56**

4. Auditors' report **58**

5. Financial statements **63**

6. Thank you **112**

7. Who's who **113**

Our ambassadors 114

8. Principal advisors **117**

1. About us

For more than 70 years, we have been supporting disabled people. In the UK and around the world, we work with partners to open doors to opportunity. We break down barriers that deny disabled people their basic rights.

▼ **Nurdin** (centre) with his school friends. We supported Nurdin to go to his local school in Tanzania



Disabled people around the world have been affected disproportionately by COVID-19. Official figures show six out of every 10 people who died in the UK from COVID-19 had a disability.

Message from the Chair

A year like no other



Sally Davis
Chair of Trustees

Words are insufficient to describe the challenge and heartbreak of this past year, as one unprecedented event overtook another. It has called for an extraordinary response and every single person involved with this charity has risen to the occasion – all of our staff, our residents and their families, our volunteers, our programme managers, our international delivery teams, our donors and supporters, our Trustees, as well as many others – have all focussed on keeping people as safe as possible. The speed and ingenuity of our teams and partners in sourcing, storing and distributing scarce PPE in those early days needs special mention as well as some major donors, such as Sir Stelios Haji-Ioannou who helped provide support to our valiant and valued front line workers at key moments in the pandemic.

Disabled people around the world have been affected disproportionately by COVID-19. Official figures show six out of every 10 people who died in the UK from COVID-19 had a disability. The true economic fallout has yet to land but young disabled people have already been hit hard as companies and organisations adjust to the new environment. But it does not have to be this way. We need to maximise the opportunities around flexible home working that many organisations have discovered in this pandemic. We must continue to fight along with all disabled people for a real levelling up agenda as recovery begins.

The modernisation of the charity that we started five years ago has enabled us to handle last year's challenges in a professional way. Our technology and systems investment supported everyone

to manage their office work remotely, something that would have been impossible two years ago. Residential wi-fi upgrades helped keep people connected, and re-engineering the delivery of some of our key programmes like Can Do proved vital as we all switched to digital living. This benefited the wellbeing of people we support, but also extended our reach to more disabled people.

Of course, there has been a financial impact on the Charity, but it remains in a strong position. Occupancy in our residential services is at the highest level since the start of my tenure and we have good relationships with our local authorities. But the additional (and ongoing) costs of PPE were unprecedented, with a significant proportion of costs not met by Government support. Fundraising was also hit by the cancellation of major events. Corporate sponsors had to re-evaluate the scale of their support. Meanwhile, cuts by the UK Government to the overseas aid budget will impact our ability to deliver and expand vital programmes that deliver educational support to disabled children and help disabled adults into jobs. This will have long-term negative impacts in developing countries.

Finally, as I come to the end of my six year tenure as Chair of this wonderful charity, I would like to thank all of the staff, our residents and customers of our programmes in the UK and internationally, our donors, supporters and fantastic volunteers and of course my wonderful fellow Trustees for all the moments of fascination and joy that I have encountered along the way. I wish I were handing over to the new team in less challenging times, but I know that they will take the organisation to new and more ambitious horizons. David Grayson CBE will become the new Chair of the Board of Trustees in September. He joined the Charity before Christmas last year and has been leading the work on the next phase of our strategy. With our new CEO, Ruth Owen, OBE, they will ensure Leonard Cheshire has a key role to play in delivering a more equitable world for disabled people everywhere.

Leonard Cheshire has a key role to play in delivering a more equitable world for disabled people everywhere.

71,866

Number of disabled people directly supported in 2020/21



Staff from our alcohol-related brain injury unit in Northern Ireland

As the world rebuilds for a better future, it is essential that people with disabilities have their voices heard. We will fight to ensure this is the case.

Message from the CEO

Ready for change



Dr Ruth Owen
CEO



It was with immense pride that I joined Leonard Cheshire as CEO in February 2021.

Before joining the team here, I had huge respect for the difference this organisation made to the lives of disabled people. My mum was a nurse at a Leonard Cheshire service, so my family has a heartfelt connection to this diverse and wonderful organisation.

The past year has been remarkable and challenging for the charity. As with many organisations the pandemic tested us in ways that could never have been anticipated. Our dedicated social care staff were at the frontline in the battle against COVID-19, keeping people safe and working under immense challenges. The work that Leonard Cheshire undertakes to support disabled people in the UK and internationally has never been more important.

Our dedicated social care staff were at the frontline in the battle against COVID-19.

As the world rebuilds for a better future, it's essential people with disabilities have their voices heard and we will fight to ensure this is the case.

Whether it is getting school places for disabled children, supporting disabled adults into work, or empowering individuals to have greater choice, control and independence in their lives in other ways, the impact of the charity around the world is immense. And I will do everything I can to make sure it gets even bigger in coming years.

In 2021/22 and beyond one goal is to secure new sources of funding for our international and UK work. By working in partnership with other organisations, the disabled community and new supporters who share our vision and values we can achieve so much more. Growing unrestricted funding is an area of current and future focus.

As a disabled woman, I know from first-hand experience that prejudice, discrimination and stigma still present daily barriers to people with disabilities around the world. While there has been progress, young disabled people growing up today still face many of the challenges I did in being able to live the life they want. Disabled people are impatient for change and an equal playing field. I want Leonard Cheshire to have an even bigger role making societal change a reality.

Access to high quality social care by disabled people is essential and we will renew our campaigning for reform and sufficient long-term funding. At the same time, we will launch new support for disabled people to live independently, meeting gaps in communities of specialist supported living services.

I look forward to building on the success of the past year with the new Chair David Grayson CBE and continuing the close collaboration that has been established with the rest of the Board. I'd also like to take this opportunity to express my sincere thanks to Sally Davis for her dedication and selfless support to the charity over the years, as she steps down as Chair shortly.



▲ **Shadya** answers a question in class, at one of our project schools in Tanzania

How we supported people

- In total, we reached 435,645 people and organisations in the UK and internationally.
- We directly reached 98,871 people and organisations in the UK, Africa and Asia.
- We supported 11,023 children with disabilities to get an education in India and across Africa.
- We trained 2,916 teachers, government representatives, members of Organisation of Persons with Disabilities (OPDs)/ Disabled People's Organisation (DPOs) and other key players on inclusive education.
- We trained 3,426 parents and male mentors on inclusive education.
- We supported 22,152 people with disabilities to seek employment in the UK, Africa and Asia.
- We built awareness and support with 221,641 people and organisations in the UK, Africa and Asia.
- We indirectly reached 115,133 people in the UK, Africa and Asia.

98,871

We directly reached 98,871 people and organisations in the UK, Africa and Asia

2.

Trustees' report (including a Strategic report)



Leonard Cheshire fights for a society in which everyone can thrive.

Live

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 March 2021 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 7 to 57 incorporate the requirements of the Strategic Report.

Leonard Cheshire played a vital role in supporting people with disabilities after their lives were turned upside down by the pandemic.

The pandemic meant that disabled people, including some who had to shield for around a year, could feel more isolated than ever before. We were there for disabled people during this time. To make sure this was the case, we radically changed the way we delivered support in the UK and internationally.

Lack of the right support means many disabled people cannot live the life they want. Discrimination and stigma means disabled people can be isolated in communities. This was the case even before COVID-19.

Our life-changing programmes make communities work for everyone. We campaign with disabled people, grass roots activists and organisations to remove barriers and deliver change.

Leonard Cheshire fights for a society in which everyone can thrive. As we look to economic recovery, disabled people's rights must be upheld. We will do all we can to make sure their voices are heard at the highest level.

Building confidence online

"Can Do was fun. We did a Wellbeing Enterprise project and did different things like fitness and mindfulness sessions. I liked the sessions on relaxation and different ways to cope with stress.

"I think doing Can Do has helped with my confidence and I am not as nervous about going somewhere else to do another course now. I also feel more confident with online stuff as this was new to me. I would definitely tell people to do it, I enjoyed it and the experience was good."

Jessica Duong, Can Do participant from Liverpool.

◀ **Essie** at our community support service in Wandsworth

Keeping everyone safe in our residential and supported living services was a charity wide effort.

Our carers, nurses and support workers have been at the frontline in the battle against COVID-19.

With the pandemic disproportionately affecting disabled people, the pressures on our staff and the stakes couldn't have been higher. The achievements were remarkable.

Many of the people living with us have underlying health conditions that increase the risks from contracting COVID-19. Getting our response wrong was unthinkable.

Keeping our staff safe

The whole charity was galvanized to ensure our staff had everything they needed. Vast quantities of PPE were required throughout the year to keep care staff and residents protected. Two national fundraising appeals were launched in 2020/21, as the charity sought the public's help in meeting its rising costs. At the same time, we lobbied MPs and Ministers in the UK to call for additional sector support, access to testing, and the prioritisation of vaccine rollout to disabled people and care staff.

We took the difficult but essential step to close our services to visitors before the national lockdown, but supported people to keep in touch with families and friends through technology. We invested in new equipment and infection control, later adapting internal facilities so that visits indoors could safely resume.

Because of the measures we put in place and the dedication of staff, our overall infection levels across our services were kept extremely low. Regulators have praised our response to the health crisis.

Heroes made in testing times

"All the staff at Greenhill House have been heroes and the last months have tested us all. There is perhaps some end in sight but the risks from COVID-19 remain severe and will challenge us daily for a long time yet."

Lyndsey Swarbrick, Service Manager at Greenhill House in Somerset.

Our carers, nurses and support workers have been at the frontline in the battle against COVID-19.



2,587

people are supported every day through our care services

As of 31 March 2021:

- We support 2,587 people every day through our care services
- We have 71 residential services (care and nursing homes)
- We have 53 supported living services.

The Care Quality Commission have advised us that we are amongst the highest rated providers in England. Across the UK, 92.6% of our services are now rated as 'good' or 'outstanding' by regulators.

Our approach is based on the promotion of greater independence and choice for the disabled people we support. This includes use of pioneering technology that gives greater control to people, as well as driving forward improvements in care.

The needs and preferences of disabled people and commissioners are changing. There are shortages in the supply of supported living services across the UK.

Through innovative partnerships with local authorities, social landlords and developers we want to give disabled people greater choice in where they live.

Bright times ahead at Sunny Bay

During 2020 and early 2021, we worked closely with Specialised Supported Housing (SSH), Isle of Wight Council and Vectis Housing Association to build a new supported living service; Sunny Bay in Shanklin.

Nine self-contained flats were extensively refurbished, modernised and upgraded for use by disabled people on the island, with two completely adapted for wheelchair users.

Leonard Cheshire staff now provide support to tenants when it's needed, helping people to live independently.

Similar new services are set to be delivered in other parts of the UK during 2021/22.

▲ **Lydia** (right), who goes to our day support service at Seven Springs, showing **Zoe** how to use a sewing machine

The Care Quality Commission have advised us that we are amongst the highest rated providers in England.

Bringing everyone together

Lesley Gamm, Service Manager, Gloucestershire House

Last summer we'd opened and had people in the gym and activities room. We had socially distanced events, and our drivers were getting individuals out to the community. Then it all changed again!

So, when the world outside is grim, planning something unusual helped. Many people here cycled the Great Wall of China! We did this using adapted bikes in Cheltenham and static bikes in our home. We're getting special t-shirts for all the people that got involved.

What else helped? Well, everyone was seeing their loved ones and with family support we made sure people had access to a Smart TV or iPad. This technology helped us maintain precious relationships between volunteers and people who live with us.

One thing that really mattered to me was keeping our community links, not just for us, but to help people in supported living or those living alone. We made sure we offered options where people can connect to their community, such as online dance sessions.

The main skill I learnt during this period was how to keep doing what we do in a different way. We continued COVID-safe cooking activities for example. And even when we had a COVID-19 case, we made sure that person still saw their usual therapy team members.

As you would expect, the staff were tired, but they did an amazing job. Something I have learnt is to never underestimate how much feeling appreciated matters during a crisis. As an organisation, Leonard Cheshire is writing to relatives, but I sent my own personal letters too. It was the extra touch that was needed. This period has taught me how much it matters to have everyone with connections to our home come together.

Technology helped us maintain precious relationships between volunteers and people who live with us.



Kay, a resident at Gloucestershire House, with **Piers,** a physiotherapist



Bev using VoiceITT

Game-changing technology at Hill House

Bev is one of 24 residents at Hill House in Sandbach. Following a stroke, she has limited mobility and cannot always make herself easily understood to unfamiliar people. For Bev, assistive technologies have been a game changer.

These technologies improve confidence, independence and inclusion. We are in the second year of a three-year Assistive Technology project at Hill House. Currently, all the communal technology has been installed and embedded and we're about two thirds of the way through the provision of personalised and individual kit.

Specialists have worked closely with Bev to identify the best Augmentative and Alternative Communication (AAC) devices for her needs. AAC is any communication that supports spoken speech, from signing to paper-based resources. It also includes apps and high-tech specialist devices.

Life-changing opportunities

"We're trying to provide more opportunities for independence and spontaneity. The levels of independence this technology can give to Bev and others at Hill House is life-changing."

David Hursthouse, Assistive Technology Project Manager at Hill House.

For Bev, we were fortunate to be amongst the first people in Europe to trial some ground-breaking software, VoiceITT. The VoiceITT app runs on an iPad and allows people with unfamiliar speech to not only have often used phrases repeated in clearer speech but also allows Bev to voice control an Alexa device to play music, operate her Smart TV, and control heating and lighting. With Bev's feedback, the developers have been able to make amendments and have since published the app on the app store for general availability.

Bev is also able to access her iPad via a specially adapted stylus to read electronic books and to independently video call her family, which was a big priority for her.

Bev's family are delighted with her progress. Her daughter Jo said the technology has "given her independence like never before."

Delivering hope

Our first alcohol-related brain injury (ARBI) unit has been transforming lives and achieving success for over a year.

The effects of long-term alcohol consumption can be devastating, taking away a person's independence and ability to perform normal day-to-day activities. But it doesn't have to be that way. With the right intervention, up to 75 per cent of people who have been diagnosed with ARBI have potential for some recovery.

In January 2020 Leonard Cheshire worked with partners to open a pioneering specialist rehabilitation service in Belfast for people with ARBI. It was the first dedicated service of its kind in Northern Ireland.

The team in Belfast assist people towards improving memory, organisational skills, improving their mental health, rebuilding lost skills and helping them towards independence – as well as maintaining abstinence.

In March 2021, to mark the anniversary of the new service, we staged a virtual conference on ARBI which brought together leading figures in neurorehabilitation, addiction, mental health and homelessness. Around 220 people from across Ireland, England, Scotland, Wales, and the Isle of Man attended.

Giving hope to families

"Raymond has made incredible progress and this has made a huge difference to our lives. Prior to going to the unit, he didn't really speak and would just shrug his shoulders and not communicate. That was one of the hardest things to see. But he's transformed because of the expert care he has received, and we now hope that he will again be able to live a normal life."

Lynne Todd, relative.

"I was losing hope. But hope is something they talk a lot about in ARBI. There is such a lot of hope and that lights a fuse in you thinking 'things can move forward here'."

Grainne Doherty, relative.

With the right intervention, up to 75 per cent of people who have been diagnosed with ARBI have potential for some recovery.



A staff member at our alcohol-related brain injury unit

The show goes on for Strictly

The challenges of the pandemic were not enough to stop the glitz and glamour of Leonard Cheshire's all-inclusive dance competition.

Strictly Cymru was back with all the drama of before but in a brand-new digital format. The pan-disability dance competition is run by Leonard Cheshire in partnership with Paradance UK. It draws participants from all over Wales, with heats in Anglesey, Wrexham, Carmarthen, Bridgend, Cardiff and Newport.

Over 230 people took part in the heats, receiving training from an inclusive dance specialist before performing a final routine. With COVID-19 disrupting face-to-face support, the nine final acts received one-to-one coaching virtually, with classrooms, bedrooms, kitchens and living rooms becoming virtual dance floors.

The final streamed live on Facebook in February 2021. Six-year-old Inga Figurska, the youngest competitor, was among the winners with her Frozen-inspired routine. With a dance full of energy, smiles and spins she captivated the audience and judges, becoming overall winner in the wheelchair user category.

Since starting to dance both her strength and her confidence have come on in leaps and bounds, so much so she was able to try some moves out of her wheelchair.

A schools' version of Strictly Cymru has been set up with plans to create a UK-wide competition in 2021/22.

Improving healthcare access for women with disabilities

Getting access to vital healthcare can be a huge barrier for disabled people in developing countries.

There are specific challenges faced by women with disabilities. In countries like Sierra Leone, where maternal mortality rates are high, access to services like family planning and contraception can be lifesaving.

In West and Central Africa, Leonard Cheshire has been the disability partner for the Foreign, Commonwealth and Development Office's Women's Integrated Sexual Health Programme (WISH). This hugely important programme aims to reach people who may not have access to these essential services, including people living in poverty, young women and disabled women.

We've been working successfully to challenge stigmas around sex and disability and ensure that the planning and delivery of sexual and reproductive health services are disability inclusive.

Recognising this work on disability inclusion as outstanding, the Foreign, Commonwealth and Development Office has put WISH forward in their Africa Regional Department as a key example of disability inclusive programming.

We've been working successfully to challenge stigmas around sex and disability and ensure that the planning and delivery of sexual and reproductive health services are disability inclusive.



▼ Strictly Cymru winner **Inga**, whose strength and confidence have grown since starting to dance

Four in 10 of the UK's railway stations still lack basic step-free access. The Government is set to miss its 2030 target on creating step-free journeys for disabled people by 40 years (2070).

A rail network for all

In December 2020, Leonard Cheshire commissioned research to form an economic case for an accessible railway. Findings revealed more than 50,000 disabled people could get jobs if Britain had an accessible rail system.

Accessible transport could have such an impact

"It would be much easier for me to work, if transport was accessible.

"When I hear how much money it would cost to make stations accessible, it's frustrating. It could make such an impact on disabled people's lives."

Emma, 24, Birmingham.

Economic modelling suggested subsequent benefits to the Exchequer would be as much as £900 million, with a potential output (GVA) boost of £2.5 billion.

An estimated £4.3 billion is needed for creating step free access to platform level for disabled people across the rail network – a fraction of overall transport capital spending – and just a single year of spending on High Speed 2.

The cost represents just 2% of current transport capital investment. When rail prices rose in March 2021, we also offered supporters a snapshot of the local cost of an accessible railway in their area to underline the affordability.

The campaign showed how a simple issue of equality is more relevant than ever as we remain in an economic crisis for the foreseeable future. We have also revealed a clear link between accessible rail and job opportunities for disabled people that will boost the economy and improve lives.

50,000+

Findings revealed more than 50,000 disabled people could get jobs if Britain had an accessible rail system

Young people with disabilities are powerful advocates for change. Leonard Cheshire supports them to bring about change in their communities, tackle the issues that matter most to them and hold governments to account.

Supporting young activists to bring about change

Previous participants on our youth advocacy and leadership programmes have proved unstoppable.

In 2020/21 we launched our new 'Change Makers' advocacy and campaign programme for young disabled people in the UK (aged 16–25). This is now operating in Belfast, Manchester, Glasgow and Swansea.

Our voices need to be heard

"Youth reporting means our voices are heard. So many times in the media, I see reporters investigating an issue facing young people, but not listening to us or misinterpreting what we're saying to them.

So, by having young people report on the issues affecting us it becomes more relatable, and our views are properly represented and heard."

Arthur, Change Makers participant, Glasgow.

The programme built on the success of our '2030 and Counting' project. Almost 80 young people from countries including Kenya, Zambia and the Philippines were recruited as 'citizen reporters'. They were trained to use mobile phones and powerfully capture their experiences, filming and recording in real-time the challenges young people with disabilities face. World leaders have committed to address a range of global challenges, including those related to poverty and inequality. The UN has set specific goals to be met by 2030. Young people are holding governments to account on their commitments.

It opened my eyes

"Having the opportunity to speak to different people at different events really made me want to be a youth advocate. Most importantly, it opened my eyes even more to the importance of the rights and responsibilities of people with disabilities. It made me want to challenge injustices and fight for a more accessible society."

Isabella Kila took part in a previous youth leadership programme, Young Voices, and was the first disabled person to graduate with a law degree from her university in Papua New Guinea.

A passion for rights

"I have always had a passion for the rights of children and youth with disabilities. After my time on the programme finished, I knew I wanted to do more."

Ian Banda took part in '2030 and Counting'.

Young people are holding governments to account on their commitments.



Isabella wants to challenge injustices and fight for a more accessible society



▲ Children at one of our inclusive education project schools in Zambia

Half of the world's 65 million school age children with disabilities do not have a school place.

Learn

Education is a key part of a positive future for children. But children with disabilities all too often are denied the right of a school place.

Throughout the pandemic we made sure our life-changing education projects were there for children, families and teachers.

Around the world, there are lots of different perceptions and stigmas surrounding disability. These views can massively affect people with disabilities. The stigma attached to disability is one of the most significant barriers that stop children from getting a school place. It can also prevent them from participating fully in school life if they are enrolled.



Michael taking part in a Can Do gardening project in Newcastle

Girls with disabilities are particularly vulnerable to missing out on an education, with boys prioritised for places because of gender bias. In some cases, girls with disabilities may be hidden away by families because of a sense of shame.

Leonard Cheshire works with schools, children and their families as well as government officials in low and middle income countries, so that no child will be denied the life-changing opportunities that education brings.

The pandemic had an enormous impact on learning and access to education. With schools and catch-up centres in developing countries closed as cases increased, it was vital we adapted our support for vulnerable children.

One example was changing delivery of our education programmes in Kenya. Students were supported at home with phone calls and text messages from community-based mentors and facilitators. Small assignments were given using adapted learning materials and workbooks were provided. A COVID-19 resource pack was also provided for parents. This was used widely across our international programmes and adapted by UNICEF Mongolia.

Locally accessible technology was used where feasible, with training of teachers delivered online or over the phone.

The pandemic had an enormous impact on learning and access to education.

Loss of income and jobs was devastating for households already with a low income. Our Education for Life (EFL) project also provided dignity kits to girls, including items like sanitary towels, soap and underwear.

Throughout the year, we worked with governments and Organisations of Persons with Disabilities (OPDs) to ensure children and families had the best possible information and support.

Skills training and other opportunities are also out of reach for many disabled people in the UK. This can mean they are held back from fulfilling their ambitions or having positive experiences with others in communities.

Disabled people were particularly hit hard by the effects of the pandemic, with a wide range of services for this group disrupted or stopping. During 2020/21, the charity prioritised ensuring our flagship programmes like Can Do provided support to disabled people when it was needed most.

11,023

We supported 11,023 children with disabilities to get an education in India and across Africa



▼ Young people getting active as part of our **#ShowMeYouCan** initative



Making a world of difference

"I have seen the changes, especially with her education, she is completely different. At first she couldn't answer anything, she would not talk. But now she is capable of asking questions when you are sitting with her."

Prisca, Avina's mother.

▲ **Avina,** and her mother **Prisca**

Changing negative perceptions about disability

Negative attitudes and prejudice towards disability had made the future look bleak for Prisca and her family.

Prisca lives with her daughters Avina and Agnes in Dodoma, Tanzania. Avina was born with spina bifida. She became partially paralysed in her legs and hands from surgical complications.

Growing up, Avina was rejected and mocked by other children. She was also seen as valueless by her community. Meanwhile, her mother had been running a small restaurant to support the family but started losing business after Avina was born. People around her refused to buy food from Prisca just because she had a child with a disability.

A Leonard Cheshire project gave Avina the chance to go to a mainstream school. She underwent physiotherapy to strengthen her legs before being provided with a custom wheelchair that could also be used as a desk.

Teachers at the school received inclusive education training. They then started sessions with children to talk about disability and inclusion.

Support groups were also set up for other parents of children with disabilities in the community. Activities were organised to increase wider awareness of disabilities and children's rights, to tackle prejudice.

Avina is now a highly active and talkative student, who has grown in independence. The attitudes of other children, teachers and people in the community have been transformed. Other parents of children with disabilities have now enrolled their children in school.

3,426

We trained 3,426 parents and male mentors on inclusive education

Using technology to unlock education

In Kenya, we partnered with eKitabu to train 75 teachers on how to use and support visually impaired and blind students with Orbit Readers. These are lightweight devices that pupils use to read and take notes in Braille.

The notes can then be converted back to electronic print for the teacher to read and grade.

Marydith (pictured below) is now able to play her full part in class and be better supported by her teacher.

The programme is part of our innovation initiative. This aims to expand the use of innovative low-cost assistive technology for learners with disabilities.

We partnered with eKitabu to train 75 teachers on how to use and support visually impaired and blind students with Orbit Readers.

▼ **Marydith** uses an Orbit Reader, supported by her teacher **Pauline**



Our skills development programme Can Do has been a lifeline for young people during the pandemic, transforming lives and widening horizons.

More opportunities for young people

Young disabled people needed more support during the pandemic. By changing the way we did things, we made sure no one felt alone.

We had to adapt quickly, but we developed and honed virtual delivery of Leonard Cheshire's Can Do programme. A combination of sessions has provided opportunities for social activity, self-improvement, and respite from loneliness.

Ranging from stand-up comedy to cheerleading, dance, well-being, and poetry, they have been particularly valuable to participants who may find social situations difficult.

In 2020/21 we received £3 million for Can Do from the COVID-19 Support Fund, supported by Association of British Insurers.

This amazing grant will enable us to run our award-winning programme for the next three years, expanding it in multiple locations across the UK.

Responding to the needs of young people during lockdown, we developed a simple toolkit designed with Paralympian and Leonard Cheshire ambassador Olivia Breen. This features a week of activity combining circuits, yoga, dance, balance, and co-ordination exercises to make you fitter while improving your mental health.

#ShowMeYouCan encourages friends to challenge each other and spread the word across our networks and services, while a Community Activity Calendar – accessible globally – is also available.

2,249

We supported 2,249 disabled people to build their confidence and life skills, and give back to their communities through our Can Do programme in the UK



Unlocking the digital world

'Virtual' ways of life are the new norm due to COVID-19 – exacerbating digital inequalities, and making our digital inclusion programmes even more vital.

We supported 1,727 disabled people with equipment and training to access the digital world through our digital inclusion programmes in the UK.

We also established five new Discover IT centres, bringing the total number of these Leonard Cheshire services to 35.

Face-to-face contact at the centres had to pause during the pandemic, but we adapted by supporting clients remotely on an individual basis where possible. A large number of clients attended online workshops.

Meanwhile, 62 Leonard Cheshire residential services were supported with new accessible IT equipment and training.

Technology changed my life

Technology like Alexa helped Natalie rebuild her confidence and stay connected with friends and family.

"I could not have done lockdown without Alexa" says Natalie, who lives on her own and is a wheelchair user. "It would have been really lonely without it to be honest. Alexa stopped me going into a dark place."

She now uses Alexa for everything from calling friends, listening to music, quizzes and meditation to learning new languages using a Duolingo app.

Being part of Leonard Cheshire's digital inclusion programme was life-changing, helping Natalie's confidence grow in leaps and bounds. "When we started I was so nervous – I kept saying I can't do it, I can't do it. Now I'm doing three languages and arts and crafts. It's life-changing. It does change you that much."

▲ Being part of Leonard Cheshire's digital inclusion programme has been life-changing for **Natalie**

96%

of the 185 customers involved in our evaluations reported increased social inclusion since being on our digital inclusion programmes

Globally, people with disabilities are around twice as likely to be unemployed as people without disabilities.

Work

Disabled people disproportionately felt the economic fallout of the global health crisis. For individuals in developing countries previously supported by Leonard Cheshire to set up their own businesses in developing countries, lockdown measures meant everything they had worked so hard for was now at risk.

Discrimination still plays a part denying disabled people the independence, confidence and empowerment that work can bring.

All too often people with disabilities are not able to get on the career ladder or fulfil their ambitions. This means they are denied the confidence and independence that financially supporting yourself or your family can bring.

Our latest research and extensive experience in this area around the world underlines why our programmes remain essential.

During the pandemic we made sure the ambitions of disabled people were still supported.

People with disabilities must be part of global economic recovery plans, as governments build back better.

Empowering change

"I am now an empowered woman with lifetime sustaining employable skills. I am an economically independent and self-reliant woman who can proudly take care of myself and my children's basic needs."

Kanta Ajio, who was supported by our inclusive livelihoods project in northern Uganda.

22,152

We supported 22,152 people with disabilities to seek employment in the UK, Africa and Asia

▼ **Venkatesan** received online training through our employment programme in India during the pandemic



Improving digital confidence

"After doing the course I'm really confident. I feel empowered. I am more independent now: I can do things independently."

Shilpe, who received digital skills training online through our Innovation to Inclusion programme in Bangladesh.

Throughout last year, Leonard Cheshire changed the way we delivered support so that our careers advice, training, work experience, paid internships and in-work assistance programmes remained available.

At the same time, we worked to influence government policies and practice. This included advocating for access to employment opportunities and support for people with disabilities in low- and middle-income countries.

In Kenya and Bangladesh, surveys were conducted to understand how the employment situation of people with disabilities had changed because of the pandemic.

The data gathered was shared with policy-makers, as well as presented at international conferences including the United Nations World Data Forum and Conference of States Parties to the UN Convention on the Rights of Persons with Disabilities.

Ray McCappin took part in our Change 100 graduate internship scheme during summer 2020:

"I cannot adequately express how Change 100 has changed my life. I was incredibly lost while doing university studies. I was fearful that my future employers would not understand the changes I would require due to my mental health conditions. But Change 100's monthly personal development sessions helped build my confidence around having a disability in the workplace.

"While it would have been nice to have physically gone to my place of work at least once over last summer, I actually found homeworking really beneficial. I learnt more about how I best work. For example, that I require a mixture of homeworking and office-working in my future jobs.

"Without Change 100, I would have gone into the labour market not knowing about the adjustments I need and how to access them. I would have burnt myself out quickly and believed that it was because I was not good enough at the job. But my internship showed me that I am capable, and, to my surprise, I thrive in the workplace. It gave me the confidence to go into my final year at university with a better understanding of how I work."

58,074

Since 2008 we have supported 58,074 people with disabilities into work in Africa and Asia



Ray, who took part in Change 100



Brighter futures for women with disabilities in Uganda

Life for Kanta Ajio was very hard before she found out about Leonard Cheshire's inclusive livelihoods project in northern Uganda.

A single parent of four children, Kanta's chest and an arm were badly damaged when conflict raged through the country in the 1980s.

This meant she couldn't do many types of work. She couldn't see any way out of her situation and felt her community in Deri, Adjumani did not respect her or value her.

It was difficult to support the needs of herself and her family, let alone find the money for school fees.

But her confidence and ability to send her children to school changed after joining the project.

Receiving tailoring training, as well as a sewing machine and materials, has transformed her life.

She is now making table mats for sale to the community, earning up to 450,000 Ugandan Shillings a month.

The attitude of people in the community towards Kanta and disabilities has changed, with greater awareness of what disabled people can achieve. Community members affected by disability have approached Kanta to ask her about the project. She is hoping to train other people in the community, with many people asking her to teach them tailoring.

"I am now an empowered woman with lifetime sustaining employable skills," says Kanta. "I am an economically independent and self-reliant woman who can proudly take care of myself and my children's basic needs, courtesy of the project."

Since 2008, we have supported 58,074 people with disabilities into work and delivered skills training to 149,267 in Africa and Asia.

▲ **Kanta,** a single parent supported by Leonard Cheshire to set up her own business in Uganda



Locked out of the labour market

In Autumn 2020/21, our employment campaign warned the UK Government that action was urgently needed to avoid a jobs crisis for disabled people. Young people were particularly at risk. We called for a series of measures to ensure that national plans for economic recovery after the pandemic were inclusive.

Our UK research showed that of those disabled people employed in March 2020, seven in ten had lost income, been furloughed or faced unemployment.

Prejudice about employing disabled people also remained. A quarter of employers (24%) said they would be less likely to employ someone with a disability. Our 'Locked out of the Labour Market' report also revealed that 42% of employers were discouraged from hiring disabled job applicants due to concerns around supporting them properly during the pandemic.

During 2020/21 Leonard Cheshire gave evidence to the UK's Work and Pensions Select Committee on the disability employment gap, sharing the findings of our research.

▲ **Leanne and Nic** working at a pizza restaurant in Romford

71%

The proportion of UK disabled employees impacted by loss of income, furlough or unemployment

The business of disability inclusion

We know that organisations have a lot to gain from promoting the inclusion of disabled people. They can reach more customers, recruit from a wider talent pool, and gain a wealth of diverse perspectives, skills, and experiences. That is why we help businesses become more inclusive.

Leonard Cheshire's dedicated Training and Consultancy team continued to build on its successes in 2020/21, driving change in organisations to make quality jobs and services inclusive for disabled people.

We delivered inclusion training to 1,861 employees at 142 organisations, and engaged with an additional 2,817 organisations on our UK programmes to build awareness and support.

Recent clients have included the Expedia Group, CapGemini, and Ogilvy, as well as voluntary sector organisations such as Girlguiding.

We provide a bespoke approach to organisational change by gaining a detailed understanding of an organisation's priorities, culture, and potential gaps when we work with them. Tailored solutions have included training, e-learning development, focus group research, and policy development. We build skills, knowledge and awareness in managers, customer service and recruitment staff to remove barriers for disabled people at every level.

One notable piece of work for the Training and Consultancy team this year was its report for Expedia Group, 'Breaking down barriers to travel,' which set out ways to make the travel industry more inclusive after the COVID-19 pandemic. The report highlighted innovative practices from 13 different travel companies, four disabled people's organisations and the stories and views of eight disabled travellers.

Expedia collaboration

"We highly recommend working with Leonard Cheshire. As the authors and coordinators of the work, Leonard Cheshire worked with us for six months to truly elevate our inclusion agenda's reach to a larger network and to encourage inclusivity in the travel industry at large."

Veronica Velazquez, Snr Global Inclusion and Diversity Manager, Expedia Group. New York, USA.

1,861

We delivered inclusion training to 1,861 employees

Our fundraising

During 2020/21 there was a perfect storm of unprecedented costs to ensure staff and people who live in our residential services were kept safe, coupled with cancelled fundraising opportunities.

Income from major fundraising events vanished with the implementation of lockdown measures to control the spread of the virus across the UK. The whole charity rallied behind colleagues in frontline services during the most difficult of times.

Leonard Cheshire's additional costs of protecting frontline staff and residents has been immense, with spend on Personal Protective Equipment (PPE) in excess of £5 million last year, 20 times more than pre-pandemic levels.

The generosity of supporters and fundraisers old and new was never more essential or valued by the charity.

Quite simply, without the support of our donors, funders and partners, we could not have got through the past year.

£11.5m

Generous supporters helped us raise £11.5m in 2020/21

£775k

Individual giving increased by £131k in 2020/21 to £775k

£900k

Two emergency appeals raised £900k

85p

85p in the pound was spent supporting disabled people (2020: 89p)

£748k

£748k income from corporate partners

Volunteers, staff and supporters rallied behind colleagues in frontline services during the most difficult of times.





Emergency appeals

During the year we launched two emergency appeals in support of the charity's response to the pandemic.

An average of 52,000 face masks and 2,500 protective gowns were among the items required every week across Leonard Cheshire's UK services, in addition to costs from increased infection control measures, cleaning, sanitation and protective screens.

While the UK Government was providing some PPE funding to help services in England combat the virus, this did not meet Leonard Cheshire's total requirements. By the end of the year, a fifth of PPE costs and half of Leonard Cheshire's COVID-19 related costs in England were having to be met by charity funds, around £240,000 per month above Government funding received.

£900k

The public and business response to the appeals was remarkable, raising £900k

The response included hundreds of thousands of items of PPE being donated by companies across the UK.

The fundraising campaigns ran across regional and national media including Sky TV – as well as digital channels – in April 2020 and February 2021.

An average of 52,000 face masks and 2,500 protective gowns were among the items required every week across Leonard Cheshire's UK services.

Amazing fundraisers from across the UK took on incredible challenges to support our work with disabled people.



Fundraising spotlights

During the year we launched six national fundraising campaigns, funding digital inclusion and other essential support for disabled people.

We also received a £3 million funding boost from the COVID-19 Support Fund. This will be used to expand our award-winning skills development programme 'Can Do' for individuals aged between 16 and 35.

Sports challenges, cook-alongs and gardening masterclasses, or going purple, were among the colourful ways individuals and groups got behind our cause in a wide variety of ways.

We thank them all.

#ISeePurple

Leonard Cheshire encouraged the nation to stand in solidarity with disabled people as part of activities ahead of International Day of Persons with Disabilities on 3 December 2020.

With easy-to-use materials, schools, disability activists and teams in companies were among people pledging to wear or do something purple, tag their friends on social media and donate.

With measures to control the pandemic in full swing and some disabled people facing an isolated and lonely Christmas, the campaign supported Leonard Cheshire's vital work to keep people connected through assistive technology and training.

Individuals and groups got behind our cause in a wide variety of ways.

A lifetime of fundraising

Ged Beaumont, from Magor in Wales, took on a unique VE Day cycling challenge dressed as a Lancaster bomber in a nod to the charity founder's WWII heroics.

He embarked on a 12-hour bike ride in his garden without a break in the six-foot-long aircraft costume. The costume was constructed with the help of his wife Julie, who works for Leonard Cheshire's Wales team.

Money raised went towards Leonard Cheshire programmes combatting loneliness and isolation among disabled people during lockdown. A lifetime fundraiser, Ged and his wife Julie raised more than £27,000 for the charity's Tour de Cymru cycling project in 2017.



▲ **Ged** took on an unusual fundraising challenge inspired by our founder

Route 66 kicks

Disabled cyclists living at four Leonard Cheshire services racked up a massive 2,500 miles in a virtual trip across the USA.

Riding on static bikes and accessible trikes to raise funds for more inclusive cycling equipment, people took on the Route 66 Challenge from Chicago to Santa Monica, California.

The full-time wheelchair users hailed from Gloucestershire House in Cheltenham, Symonds House in Hertfordshire, St Bridget's in West Sussex and Fryers House in Hampshire.

Students go the distance for carers

Sports societies from universities around the UK took part in a mass fitness challenge to raise around £25,000 towards essential PPE for our frontline staff.

Teams bid to be first to run or walk the equivalent of the 970 miles from Dover to Porec, Croatia, after a planned trip got cancelled because of COVID-19 lockdown in the UK.

The challenge was created by Leeds University Union Swimming and Water Polo Society (LUUSWP) before they laid down the gauntlet to the societies of other universities.

Our People strategy is built around our purpose of 'finding great people to do great work and keeping them'.

People

Finding great people to do great work for our charity around the world has never been more critically important. This past year has seen us continue to make good progress towards achieving this.

We advertise all of our positions on our careers site. We employ around 5,200 people and have the active support of some 4,000 volunteers, all of whom, together, play their part in making our organisation what it is today. Our volunteers add real value by working in and alongside our services and programmes across the globe, in a variety of roles and activities. Leonard Cheshire is a global organisation and our workforce makes a real impact across the UK, Africa, India, South-east Asia and the USA. We take great pride in living our values of 'Proud, Positive and Pioneering' every day. We will continue to take this same purpose-driven approach into the coming year.

We want Leonard Cheshire to be a beacon employer, and we champion diversity in our workforce. Further employee networks have been launched in the past year, with Executive Director and CEO sponsorship. There is now a network for disabled employees and a network for women. A Pride network was previously established, and a further network for cultural diversity and inclusion is in development following staff engagement.

Increasing the employment and representation of disabled people across our charity is an organisational priority for 2021/22 and future years. This drive will be supported by our policies to give full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; continuing the employment, arranging training and making appropriate adjustments for employees who become disabled; and supporting the career development for all our disabled employees.

Leonard Cheshire is a global organisation and our workforce makes a real impact across the UK, Africa, India, South-east Asia and the USA.



Juliet working from her home in Nairobi, Kenya

COVID-19

Throughout the year we faced the extraordinary challenges of the COVID-19 pandemic together. Our whole workforce rose to these challenges under incredibly demanding circumstances. The pandemic affected every aspect of our work – from running our payroll remotely to welcoming our new starters either into virtual teams or into our service teams who were working under incredible pressure. We have focussed our efforts on supporting our wonderful front-line staff in a way that has allowed them to focus on providing care and support to our residents and their families. Our staff have been truly outstanding and we are incredibly proud of everything they have done.

Focus on wellbeing

As the pandemic developed, we continued to identify new ways to support the wellbeing of our people.

Our priorities were to:

- Ensure the safety of our people and our residents at all times
- Ensure the physical and mental health and wellbeing of all of our people
- Maintain good levels of morale
- Ensure support and retention of our key workers to deliver our services to vulnerable disabled adults
- Support our people who fell ill with COVID-19 or were shielding or isolating.

We implemented a wide range of initiatives during the pandemic. These included reducing the burden on our front-line service managers; flexible working arrangements; redeployment of our people wherever possible to support our front-line services; and regular and personal communication to our people who were absent due to COVID. We moved to home-working wherever possible to ensure the safety of our people and offered financial support as a contribution towards their home costs. We also redesigned a COVID-safe workplace for those people who continued to be office-based.

We moved to home-working wherever possible to ensure the safety of our people and offered financial support as a contribution towards their home costs.



Staff association representative meeting

Adopting a person-centred approach, we checked in with our people to understand how they were feeling on a regular basis so that we could adapt and target our initiatives for maximum impact at every stage. We provided counselling support through our Employee Assistance Programme and extended our healthcare scheme to provide additional support for all of our people. At the heart of our approach was a wellbeing campaign, 'Here for each other,' which promoted a range of support services across the whole organisation.

We worked together across the organisation to ensure that our people received the key information at the right time and always had a point of contact for concerns. Most importantly we wanted our people to feel supported appropriately and sensitively every day.

Learning from the past, looking to the future

As we begin to emerge from the pandemic, we are opening up a series of conversations across the whole organisation to shape our future ways of working. We have plans in place to provide ongoing wellbeing support for those who continue to be affected by the pandemic. Learning the lessons from the last year of what has worked well and what has not, we will take the time to reflect on how Leonard Cheshire moves into the future as one global organisation.

As we begin to emerge from the pandemic, we are opening up a series of conversations across the whole organisation to shape our future ways of working.

Financial review

Despite the huge pressures created by COVID-19 across the organisation, financial and otherwise, we continued to deliver on our 2017–2022 Strategic plan by investing in our people, technology and the quality of our services in 2020/21.

We were able to improve on the performance of our social care services, albeit with significant levels of unfunded PPE cost, but the pandemic caused a reduction against forecast income across international programmes and corporate donations.

Our scenario planning in the early months of fiscal 2020/21 prepared us for a significant deficit for the year. However, we are very pleased to say that the final result (£7.4m before actuarial losses) is at the right end of our predicted outcome range of between (£7m) and (£12m), before the negative impact of changes in assumptions on our Defined Benefit pension scheme liabilities. Our social care activities delivered excellent results in the circumstances, supported by record occupancy levels throughout the year, but our fundraised and Programme related income was severely down on expectations, impacted by the indirect consequences of COVID-19 and International Aid budget cuts.

COVID-19 will no doubt continue to impact how we work and our financial performance in the year to 31 March 2022. We know there will be adverse impacts on some areas of our non-statutory income, for example funding from the FCDO for some of our Global programmes, but we have already taken steps to mitigate the impact. Continuing with the scenario planning that we put in place in March 2020, and helped by what we have learned since then and the way in which Leonard Cheshire has been able to respond to the challenges, we remain confident that we can continue to deliver high quality services and programmes within our existing cash and borrowing facilities.

Charitable activities

Our major sources of income are fees and grants in respect of social care services, alongside grant income to deliver programmes in the UK and globally. Our services and programmes are all delivered with the objective of supporting disabled people to live independent lives, in line with our fundamental purpose. There are great examples throughout this report of how we empower people to live, learn and work as independently and productively as possible.

Our income from charitable activities increased from £140.5 million in 2019/20 (92.6 per cent of total income) to £141.3 million this year (91.8 per cent of total income).

Our Charitable Activities – Social Care financial performance in 2020/21, despite the many obstacles placed in the way by COVID-19, has been very strong. Income did reduce year on year, from £133.3 million in 2019/20 to £131.3 million in 2020/21, but that is after the disposal of 17 services to Valorum Care that was completed part way through 2019/20. This has exceeded our targets, with strong performances on occupancy, fee increases and cost control all contributing to the result.

Our International Programmes show an income of £6.0 million compared to £4.5 million in 2019/20. The largest contract win of the year was the FCDO funded Skills for Prosperity Kenya Programme for £5 million over 2.5 years.

However, we had budgeted for a larger income and resultant impact, but due to cuts in government aid our overall budget was not met. All programmes during the year were adapted to COVID-19, both in terms of meeting changing needs of customers as well as alternative delivery methods, fitting with national government guidance across each geography.

Our UK Programmes income grew from £2.7 million to £4.0 million, with much of the growth arising from the CAF grant.

Expenditure on charitable activities reduced from £162.8 million in 2019/20 (97.9 per cent of total expenditure) to £157.7 million this year (97.6 per cent of total expenditure). The full year impact of the disposal of 17 services during 19/20 played a large part in this cost reduction, as did a programme of redundancies across our central support functions, but the benefits were mitigated by the large increase in PPE costs.

Government Support – COVID-19

We received government support of £4.9 million during 2020/21, primarily through the Infection Control Fund, Local Authority support and the Job Retention Scheme. See note 3C for details.

Donations and legacies

COVID-19 had a significant impact on the income we received through donations and legacies. We did see a slight increase in Legacy income from the seemingly artificially low 2019/20 result, but we also saw a reduction in our events income and Gift-in-Kind contributions and donations from some of our corporate partners, as a result of COVID-19 business impact. As a result, donations and legacies fell from £9.0 million to £7.3 million this year, primarily due to a reduction in corporate cash donations of £1.6 million.

Expenditure on raising funds increased slightly, from £3.3 million to £3.6 million, while the ratio of our donations and legacies to the cost of generating voluntary funds reduced from 2.7:1 to 2.1.

Total expenditure

Total expenditure before gains/losses on pensions reduced from £166.3 million to £161.5 million this year. Our expenditure on activities that directly relate to delivering social care activities reduced from £149.9 million to £143.0 million, reflecting in the main the packaged disposal of 17 services as a going concern in 2019/20, and the release of the Sleeping Nights provision during 2020/21 of £2.1 million. At the same time our expenditure on support costs increased from £15.3 million to £20.1 million. This was primarily due to additional costs in the centre to support the new ways of working, and the movement from development to business use of the investments made in our system infrastructure.

Net movement in funds

There was an overall net decrease in funds from £109.3 million to £98.4 million. The deficit on our defined benefit pension schemes increased from £0.4 million to £1.9 million.

Reserves and going concern

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk, caused by COVID-19 and other possible sources.

In June 2019, the Trustees updated the reserves policy to be set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and the possible financial consequences.

The target level for total funds available should exceed four months of our annualised, risk-adjusted cashflow, but should not exceed seven months.

Based on the 2021/22 “Business As Usual” budget, this reserves policy requires us to have levels of cash and managed investments of between £9.4 million and £16.4 million. As at 31 March 2021, we have positive cash balances of £2.5 million, including Service User

funds of £1.6 million, and overdraft borrowings of £2.8 million. This is below our target cash holdings, driven primarily by the shortfall in voluntary income and additional costs related to COVID-19. We expect that the COVID-19 crisis will continue to adversely affect our cash balances throughout the 2021/22 fiscal year and through to the middle of 2022/23. However, in 2021/22 we have less investment planned in our back office systems than in previous years, as that programme comes to an end, and we now have some certainty about the expected impacts of COVID-19, and over a year's experience of operating in the new environment. Since the year-end we have realised £4.2 million from the sale of Arnold House (see note 27), and have begun a programme of review of our central costs, which is targeted to generate at least £2 million of savings by fiscal year 23/24, as we drive towards surplus and cash generation performances that will see us back in our target reserves range. This means the COVID-19 scenario plans that run through to March 2024 show that our cash balances are expected to leave headroom of over £4 million versus our facility in our baseline scenario, and won't exceed our existing overdraft facility of £7.5 million in our adverse scenario model, which allows for reduced occupancy levels, increased costs of absence and significant reductions in our voluntary income as the factors with the most material impact on our financial performance. Furthermore, property assets on the balance sheet of over £59 million at Net Book Value mean we can raise more liquid funds should it be necessary. Therefore, we are comfortable with the preparation of these accounts on a going concern basis.

At 31 March 2021, the Charity has £98.4 million total funds comprising: £0.9 million endowment funds (2019/20: £0.9 million); £28.5 million legally restricted funds (2019/20: £24.6 million); and £69.1 million unrestricted funds (2019/20: £83.8 million).

Balance Sheet

The balance sheet includes a value for stock for the first time, representing £1.5 million of PPE stock at 31 March to support our front-line staff and our customers.

Our main defined benefit pension moved from a surplus of £2.3 million to a deficit of £1.7 million, due to discount rate changes and increases in inflation assumptions.

The commissioning of various elements of MS Dynamics across the business is reflected in a significant intangible asset coming into use in the year, of £3.7 million.

Although there is an increase in debtors as at 31 March 2021, this is predominantly a timing issue and we are comfortable with the collectability of all debts that are not provided for.

Cash flow

Our net cash flow from operating activities moved from an outflow of £17.1 million to an outflow of £5.1 million this year. We received £0.6 million cash (2019/20: £19.8 million, of which £18.5 million was from the sale of the 17 services to Valorum) from the sale of property, plant and equipment, and £0.2 million (2019/20: £0.2 million) cash from investment returns. We invested £5.6 million (2019/20: £9.4 million) of cash in

fixed and intangible assets. The Charity has £0.6 million of external debt as at 31 March 2021 (2020: £0.6 million), this primarily relates to a social investment loan, approved by the Welsh Government. On 31 March 2021 we had positive cash balances of £2.6 million, and were using an overdraft facility of £2.8 million (2019/20: credit position £9.7 million). The positive cash is held in retail bank accounts, including £1.6 million (2019/20: £1.1 million) held on behalf of disabled people who use our services.

Financial impact of significant events

This year we have recognised an impairment on our Park House property of £1.9 million as we exit the lease and return the property to the Crown Estate.

During 2020/21, the Supreme Court gave its judgement on the Mencap Sleep-in appeal case, and as a result we were able to release the final £2.1 million of provision that we had been holding for any potential liability under the Social Care Compliance Scheme.

Fundraising practices

Leonard Cheshire raises funds from the public through individual giving. This includes:

- Direct marketing both online and offline generating one-off donations; regular gifts in the form of direct debits, raffles and gifts in wills
- Events of various types, including challenge events e.g. London Marathon (virtual), Great north run (Virtual), cook-along with Amar Latif and MOB Kitchen, PPE appeal challenges, and university group challenge
- Payroll giving to elicit tax efficient donations.

We also apply to trusts and foundations and other funders such as lottery and statutory sources and work with corporate partners to fund specific projects in the UK and internationally.

In 2020/21 Leonard Cheshire recruited new supporters through online activity, inserts, legacy promotion, events, media appeals and payroll activities. We also ran a digital and TV campaign, Possibility With Disability, to create engagement with our work and recruit new supporters. We also ran an emergency appeal requesting support for PPE and infection control costs. Our supporters receive an annual survey where they can feedback on their experience and the frequency of our communications.

We also regularly ask supporters for feedback after specific events and campaign interactions to ensure we are providing relevant content. Surveys and our feedback forms are available in multiple formats (digital, large print, braille, Welsh, etc) upon request to ensure accessibility and inclusion for all supporters.

Leonard Cheshire does not exchange or share data with other organisations and have reduced our use of third-party data for direct mail campaigns. We request evidence of consent for third party communication for each source

of data and decide to use the data on a case by case basis in line with the law and the Information Commissioner's Office (ICO) recommendations. Where consent is expressed, it is captured compliantly and recorded on the Leonard Cheshire central customer relationship database.

In 2020/21 we received 10 complaints regarding our fundraising activities (2019/20: 8). None required escalation or referral to external organisations, and all were dealt with internally.

Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (IoF), the Direct Marketing Association (DMA) and the Lotteries Council. All required schemes and standards were complied with.

All supporter data, for both individuals and organisations is secured in line with The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679).

As the laws about personal data continue to develop, we will update our privacy notice accordingly. We respect the rights of our supporters and their preferences to be erased, removed or forgotten at any point in time on their journey supporting Leonard Cheshire.

We place great care to ensure that all of our fundraising practices are carried out in an ethical manner, compliant with all regulatory requirements. This is to ensure that all people, especially those who might be vulnerable are not at risk of encountering unethical practices in relation to Leonard Cheshire.

We do this by closely monitoring calls to ensure compliance with regulatory standards and to make sure our supporters have a good experience with our fundraisers. Fundraisers are also trained on how to identify vulnerable people and how to manage these interactions.

All fundraising communications provide supporters information on how they can contact us via our fundraising team on email or phone; emails also include an option to unsubscribe. Our fundraising team is trained to help supporters with queries, concerns or to update their communication preferences.

Subsidiaries

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered Company and charity with the Manx Government. This year, incoming resources were £669,000 (2019/20: £649,000) and total expenditure was £635,000 (2019/20: £595,000). This means that the Isle of Man services recorded net incoming resources of £34,000 (2019/20: £54,000).

The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income in 2020/21 was £25.4 million (2019/20: £24.7 million), and total expenditure was £24.0 million (2019/20: £24.3 million). It gift-aided £0.7 million (2019/20: £0.5 million) to the Charity.

The Charity also has a subsidiary, Leonard Cheshire Trading Ltd. It manages the trading activity within the Leonard Cheshire group, such as our shops, the on-line sale of merchandise and consultancy services to other businesses. Its income in 2020/21 was £208,000 (2019/20: £250,000), and total expenditure was £305,000 (2019/20: £253,000).

Leonard Cheshire International is a subsidiary established in the Republic of Ireland in 2019. During the year a bank account was opened in Dublin, Irish trustees appointed, and a business plan agreed for 2021/22. LCI is seeking out partnerships and opportunities to pursue its charitable purpose domestically and internationally.

Leonard Cheshire USA inc. is a subsidiary, registered with the tax authorities as a non-profit corporation in the State of Delaware, USA. During the year a bank account was opened, and Trustees recruited. A 2021/22 Business Plan has been agreed by the Board and funding opportunities developed.

The Charity has the following dormant subsidiary:

– Leonard Cheshire Trading Limited (IOM).

Internationally, the Charity also has registered offices in India, Kenya, Zambia and Thailand, and each office is led by regional programme managers. Together, they provide training and technical support to partners and projects in the regions.

Streamlined Energy and Carbon Reporting

Environment intentions

Leonard Cheshire recognises the global challenges presented by climate change and the responsibility it has to reducing the impact of the charity on the environment. We are therefore committed to reducing our energy and fuel use as well as waste.

We are particularly mindful that people with disabilities are more likely to be affected by global climate change and are more vulnerable to its negative effects.

An Environmental Management Working Group is now embedded into our organisation with representation from all parts of the organisation, to ensure the intentions are delivered throughout the charity.

Environment approach

In order to reduce our environmental impact, we have created an Environmental Delivery Plan within our Environmental Policy which sets out our Environmental targets which we plan to deliver by the end of 2023. These targets will be monitored by the Environmental Working Group to ensure that they are delivered as planned.

The targets focus on the following key areas of delivery

– Use of energy in buildings

– Use of energy from vehicles

– Emissions from vehicles

– Use of water in buildings

– Production of waste.

Environmental impact reporting

The environmental reporting period is in line with the period covered for our accounts, which is 1st April 2020 through to 31st March 2021.

During this period, we have worked hard to undertake the following core activities

- Developed our Environmental Delivery Plan
- Continued to increase staff awareness of environmental impact
- Embedded our Environmental Working Group into the organisation
- Continued to rollout sustainable initiatives primarily focused on lighting and heating solutions.

In addition to these core activities the COVID-19 pandemic has enabled the organisation to review how key support activities are being delivered with technology being used to deliver activities remotely rather than travelling long distances to our services. This has contributed to a reduction of the carbon footprint for the organisation when compared to the baseline period.

Over the next year, we are looking at the lessons learnt from remote working and the use of technology and embedding this approach into our organisation reset following the pandemic so that these improved ways of working can positively influence our environmental impact, and reduce our carbon footprint.

In addition to reviewing work practices we will be working to achieve the following specific targets which are key milestones in our Environmental Delivery Plan.

Target 1 – To put Leonard Cheshire Disability's building stock on a path consistent to begin reducing our energy consumption by at least 20% from 2022 through to 2025. Investments planned for measures consistent with delivering this target will deliver a net cost saving in-period

Target 2 – A reduction in emissions from the company car fleet of 10% by 2023. Investments planned for measures consistent with delivering this target will deliver a net cost saving in the same period.

Target 3 – To cut residual waste to landfill by 20% by 2023, by reducing waste, increasing re-use, recycling, and resource recovery

Target 4 – A reduction in water consumption by 10% by 2023. Investments planned for measures consistent with delivering this target will deliver a net cost saving in-period

Target 5 – Identify and develop a roll-out plan for alternative sustainable energy solutions

Target 6 – Identify and develop a strategy for travel between our locations where we operate which ensures that travel is completed in a sustainable way

Carbon Footprint Reporting

Carbon footprint (Greenhouse gas emissions)		2020/21	2019/20	Variation
Type of emissions	Activity	tCO_2e	tCO_2e	%
Direct	Gas	4,206	4,026	+4.5%
(Scope 1)	Oil	653	1,295	-49.6%
	LPG	863	555	+55.5%
	Company Vehicle	71	290	-75.5%
Energy Indirect (Scope 2)	Services Electricity	1,909	2,361	-19.1%
Other Indirect (Scope 3)	Personal Vehicle	148	714	-79.3%
	Flight	–	112.8	-100.0%
	Train	1	59.5	-98.3%
	Ferry	–	0.2	-100.0%
	Taxi	3	–	+100.0%
	Overseas Internal Journeys	10	–	+100.0%

Intensity metric	2020/21	2019/20
Number of employees (FTE's)	**3,655**	**3,822**
Tonnes of CO_2e per employee	**2.46**	2.42

Assessment parameters

Baseline year	2019/20
Reporting organisation	Leonard Cheshire Disability
LCD Environmental Leads	Karl Monet, Head of Health, Safety and Environment Joanne Antcliff, Head of Procurement
Reporting period covered	1 April 2020–31 March 2021
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification 2019 baseline	Supported by Energy Managers Association Lead Assessor

Principal risks and uncertainties

The Trustees are ultimately responsible for risk management and they are satisfied that appropriate internal control systems and risk management processes are in place.

This year the risk agenda has been dominated by COVID-19. We have worked hard to manage COVID-related risks and make sure our people, including service users and staff, remain safe and well supported.

The Trustees consider that the following framework provides the Charity with adequate measures to reduce the impact of identified risk.

At each meeting, the Board of Trustees reviews the Charity's risk register, serious incidents and health and safety reports. Our response to risks posed by COVID-19 were overseen by lead Trustees, working alongside Executive staff. Trustees received regular updates outside meetings on these activities.

At each meeting, the Audit and Risk Committee also reviews the Charity's risk register plus departmental risk registers on a rotational basis. The Committee also approves the annual risk-based internal audit plan, receives regular internal audit reports and progress updates.

Senior management review key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities.

Our most significant risks and mitigating actions are set out in the following table, in no particular order:

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	– Five-year strategy with agreed business plan KPIs, e.g. occupancy and absence rates, fee recovery and inflation – Managing staff costs with an enhanced pay framework which pays the living wage across the UK and increases percentage of permanent staff, reducing recruitment and agency costs – Regular evaluation of attraction, recruitment and retention strand of the People Strategy, including Services Employment Framework to continuously optimise retention of staff
Income generation – inability to achieve funding required to meet strategic aims	– Funding targets spread across Global Influencing, Partnerships and Fundraising teams – Investment in recruitment of donors and proactive management of pipeline, including emergency appeals as appropriate – Exploring alternative methods of funding and review and reduction of operating costs
Loss of public trust	– All safeguarding and ethical policies updated, and staff trained as appropriate – Safeguarding Team and Panel established to improve case management and organisational learning – Implementation of current fundraising, governance and impact reporting best practice – Proactive management of media, government and civil society relationships
Failure to meet safe quality standards	– Clinical governance and Quality Assurance Frameworks, including electronic medication system in England and Wales residential services – Rigorous Safeguarding, Serious Incident, health and safety, recruitment and whistle blowing procedures – Serious Incidents Policy and Procedures reviewed and simplified

Potential risk:	Action taken to mitigate:
Major disruption to some or all of our activities for prolonged period (e.g. the COVID-19 pandemic)	– Executive Management ownership and three stage crisis management plans in place (response, transition, and re-set) – Regular evaluation of impact around staffing levels and staff morale and wellbeing – Clinical guidelines in place with clear instructions to staff to ensure customer safety – Financial modelling and stress testing scenarios in place to ensure resilience and sustainability – Board, Finance Committee and Audit and Risk Committee oversight. – Multi-factor authentication for accessing IT systems and VPN to encrypt information
Serious breach of information or cyber security	– Data protection policies built into terms and conditions for all staff – IT security policies in place – Firewalls, automatically updated anti-virus software and e-mail/internet filtering
Failure to uphold the rights of all individual data subjects	– Executive Management ownership and support for Information Governance and Security issues – The monitoring and maintenance of the Data Processing Management System and business level ownership for data processing activities – An Information Governance and Security Training programme – NHS IG Toolkit compliance

Governance and structure

Registration

The registered name of the charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland and the Scottish registered charity number is SC005117. The address of the registered office is 66 South Lambeth Road, London, SW8 1RL. It is governed by the Memorandum and Articles of Association, which were last amended on 23 October 2014.

Objects and public benefit

The objects of the Charity are to relieve the consequences of physical and/or mental disability by the provision, in the United Kingdom and overseas, of accommodation, services and support for the spiritual, social, physical and mental wellbeing of disabled people, by such means as are charitable, whatever their race, nationality, creed, sex or age.

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2020/21. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Further detail on the public benefit can be found in the section Objectives and Activities.

Governance and operating structure

The Board of Trustees (the 'Board') meets at least four times a year. Each year, we approve the annual budget and review the strategic plan of the Charity. Trustees set the strategic direction for the Charity. During 2020/21, the Board conducted meetings virtually and held an additional meeting in May 2020 to review the organisational response to the COVID-19 pandemic which included the effects on financial performance.

During 2020/21 the Board, led by the Governance and Nominations Committee, recruited a new Chief Executive, following Neil Heslop's resignation in October 2020. Following an extensive recruitment exercise where Hugh Fenn, MD UK Community Services, filled the role on an interim basis, Ruth Owen was appointed Chief Executive in February 2021.

The Board of Trustees have delegated authority to the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an executive team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular and direct contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level. In addition, we have appointed five board committees: People; Finance; Audit and Risk; Quality and Safeguarding and Governance and Nominations.

The People Committee is chaired by Stephen Duckworth. This Committee meets at least three times per year.

It is responsible for:

- Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best-in-class employer of choice
- Maintaining an overview of people-related policies and practices in relation to all staff
- Making recommendations to the Trustee Board on all aspects of the remuneration and terms and conditions of the CEO and Executive team, and
- Ensuring that appropriate levels of executive remuneration and reward is set to support the organisation's strategy.

The People Committee approve the pay review evaluation and pay increases for staff in general, including the Executive Team. This is based on the principles of transparency, equity and fairness.

During 2020/21, the Committee regularly reviewed the impact of the COVID-19 pandemic on the workforce including shortfalls in staffing numbers due to self-isolation or sickness. The Committee had oversight of a number of workforce insight surveys and wellness initiatives.

In line with good practice, a range of benchmarking assesses the current positioning of our Executive Team's pay in the market to ensure that pay for this group is proportional, justifiable and defensible. The XpertHR Top Charities survey has been used as our primary source, supplemented by review of the Korn Ferry (formerly Hay Group) Not-for-Profit and Public Sector survey.

The Quality and Safeguarding Committee is chaired by Ranald Mair. This Committee meets at least three times per year.

It is responsible for:

- Ensuring that the delivery of quality of service, compliance and care to the individual is a key focus of our activity
- Making safety, effectiveness and customer experience central to the development, delivery and measurement of our services, by assessing care quality, customer and staff experience measurement data
- Ensuring that learning and development needs are identified and appropriately met
- Supporting innovation and the development of new care pathways
- Ensuring that performance standards and policy changes relating to quality, healthcare and social outcomes are met, and
- Receiving and considering reports relating to serious incidents in the provision of social care services.

During 2020/21, the Committee has been focused on reviewing the impact of the COVID-19 pandemic on services, including the vaccination programme for staff and service users, and forward planning for the phased restarting of service visitations.

The Finance Committee is chaired by David Pugh. The Committee supports the Board in fulfilling its global oversight responsibilities in respect of financial performance. It meets at least three times per year, although in response to the rapidly changing COVID-19 situation, the Committee held additional meetings in the early part of 2020/21 to ensure a more regular review of financial performance.

It is responsible for:

- Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow
- Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management
- Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed, and
- Recommending financial policies that are reserved to the Board, including the reserves policy.

The Audit and Risk Committee is chaired by Richard Brooman. The Committee meets at least three times per year and is responsible for:

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate, including the role of internal audit
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Considering the appointment, remuneration, effectiveness and independence of internal and external auditors
- Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgements contained therein
- Reviewing the effectiveness of the Charity's internal controls, and
- Reviewing the effectiveness of the Charity's framework for risk management.

Auditors PricewaterhouseCoopers LLP have expressed their willingness to continue to act as auditors.

The Governance and Nominations Committee is chaired by Colin Hunter.

The Committee is responsible for identifying, recruiting and proposing new members of the Board and Chief Executive and for their induction, support and development.

The Investment Committee is chaired by Richard Brooman. It was established during the previous financial year (2019/20) and met twice. The Committee meets on a business need basis and has not been convened during this financial year.

The Committee sets the investment management policy and will manage our investment advisors.

It also includes the chair of the Finance Committee and an independent expert.

Advisory Groups

There are two Advisory Groups. The Customer Council, chaired by Vidar Hjardeng, seeks to ensure that we are led by people with disabilities in our decision making.

The Marketing & Fundraising Advisory Group helps to guide our strategy to grow reach, influence and income. The group includes members of the Board to support with expertise in brand, marketing, influencing, profile raising and fundraising. The Advisory Group is chaired by Richard Brooman.

Director duties statement

Trustees, as directors of Leonard Cheshire, must act in accordance with a general set of duties, laid down in law and guidance from regulators. Trustees are obliged to report on how they have complied with their duty in regard to matters in section 172 (1) (a)–(f) of the Companies Act 2006 ('the Act').

In summary a director of a charitable company must act in a way he or she considers, in good faith, would be most likely to promote the success of the charity and the achievement of its charitable purposes. In doing this, a director would need to consider, amongst other things:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to more advice, information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviours expected of volunteers, staff and other stakeholders. The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

The Trustee Board sets the strategic direction of Leonard Cheshire and decisions are taken in the context of the current 2017/22 'Supporting Journeys Towards Independence' strategy.

This provides for a consistent and coordinated approach to the Trustee Board's decision-making, with Trustees considering the charity's sustainability and long-term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers, through its People Strategy overseen by the People Committee. During the year a range of workforce insights, including pulse surveys, were commissioned to understand staff views and inform the Charity's response to COVID-19. Directors have a strong working relationship with the Staff Association and the Association's Chair attends the People Committee.

The views and ambitions of disabled people are vital to inform Board work and decisions. The Customer Council (page 52) is an advisory body to the Trustee Board and is chaired by a Trustee with a lived experience of disability.

Our strong business relationships, with suppliers understanding and supporting our vision, have been particularly successful. During the pandemic, Neuven, our care agency supplier supported us by block booking agency workers to mitigate the spread of infection in our Services, as well as tracking all agency workers shifts to identify any COVID-19 absences. We formed quick, urgent relationships with new suppliers to meet supply/demand pressures. These suppliers have gone above and beyond in terms of quality, delivery and donating free of charge PPE supplies.

Leonard Cheshire's ambition is to continue extending its positive impact in communities around the world and to increase our reach by supporting more disabled people to develop and achieve their potential. During the year, we worked with Expedia, drawing on interviews with disabled travellers and examples of best practice at travel services to recommend to hoteliers, airlines and travel agents ways to make the travel industry more inclusive. Our Training and Consultancy Team worked with Girlguiding UK to provide training, guidance and resources to provide a more inclusive service for their disabled members – both young people and volunteers.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent. These policies are subject to regular review, including the Environmental Policy which was reviewed by the Audit and Risk Committee.

Appointment and induction of Trustees

During 2020/21 the Governance and Nominations Committee oversaw a Chair Recruitment programme, leading to the appointment of a Chair Designate in December 2020. Three further candidates were identified and appointed to the Trustee Board in 2021.

All vacancies for Trustees are externally advertised. The Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees. We place particular emphasis on the representation of disabled people. People with personal, lived or professional experience of disability make up more than half of the current Board.

New Trustees receive induction material and training, as well as additional training throughout their appointment.

The Trustees review the composition of the Board at regular intervals and decide whether there is a need to change the skill base. Trustees initially serve for a three-year period and then may be re-elected for a further term of three years. In circumstances, an additional term of up to three years may be considered.

Emoluments

In 2020/21, Trustees received no emoluments.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision, as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so. The Charity also purchased and maintained throughout the financial year Trustees', directors' and officers' liability insurance in respect of itself and its Directors.

Customer Council

The views and ambitions of disabled people are at the heart of our work. As part of our broader Customer Engagement Framework, the Customer Council brings these views even more fully to the centre of our decision making. The Customer Council is an advisory group to the Board of Trustees and the Executive team, to ensure our decision making is led by disabled people.

The Council members reflect a diversity of people with different disabilities, from different geographies and with a variety of experience. There are residents of our social care services as well as those who've participated in our confidence, skills and employment programmes.

They are passionate about giving a voice to those who may struggle to be heard, championing inclusion in society and helping us to grow our reach and impact. The Customer Council is chaired by Vidar Hjardeng MBE, one of our Trustees who has lived experience of disability.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 29 September 2021.



Sally Davis
Chair

3.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Leonard Cheshire Disability for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019)
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Report is approved:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

4.

Auditors' report

Independent auditors' report to the members and trustees of Leonard Cheshire Disability

Report on the audit of the financial statements

Opinion

In our opinion, Leonard Cheshire Disability's group financial statements and parent charitable company financial statements (the financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated balance sheet and company balance sheet as at 31 March 2021; the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report , including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and parent charitable company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the trustees with regard to actual and potential fraud and non-compliance with laws and regulations;
- reviewing minutes of the Board and Audit and Risk Committee meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing internal audit reports;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating management's controls in place to prevent and detect irregularities;
- testing of journal entries where we identified particular risk criteria;
- obtaining independent confirmations of cash and investment balances at the year end and testing management's year end bank reconciliations;
- reviewing accounting estimates for bias and evaluating whether circumstances producing any bias, represent a risk of material misstatement due to fraud; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey
Senior Statutory Auditor

for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors

London
6 October 2021

5.

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2021 £'000**	Totals 2020 £'000	Notes
Income and Endowments from:						
Donations and legacies	5,924	1,410	–	**7,334**	9,006	3A
Charitable Activities – Social Care	129,169	2,122	–	**131,291**	133,298	
Charitable Activities – International Programmes	116	5,879	–	**5,995**	4,500	3D
Charitable Activities – UK Programmes	367	3,617	–	**3,984**	2,681	3E
Other trading activities	109	30	–	**139**	608	
Government support – COVID-19	1,038	3,892	–	**4,930**	–	3C
Investments	150	–	1	**151**	237	4
Other including (losses)/gains on disposal of assets	(12)	–	–	**(12)**	1,301	
Total	**136,861**	**16,950**	**1**	**153,812**	**151,631**	
Expenditure on:						
Raising funds	3,635	8	–	**3,643**	3,330	5
Charitable Activities – Social Care	137,106	5,907	–	**143,013**	149,929	5
Charitable Activities – International Programmes	2,509	7,174	–	**9,683**	7,543	5
Charitable Activities – UK Programmes	5,006	31	–	**5,037**	5,286	5
Campaigning	159	–	–	**159**	245	5
Total	**148,415**	**13,120**	**–**	**161,535**	**166,333**	
Net gains/(losses) on investments	286	–	–	**286**	(19)	10 & 11
Net (expenditure)/income	(11,268)	3,830	1	**(7,437)**	(14,721)	7
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	(3,474)	–	–	**(3,474)**	4,366	22
Net movement in funds	**(14,742)**	**3,830**	**1**	**(10,911)**	**(10,355)**	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	**Totals 2021 £'000**	Totals 2020 £'000	Notes
Reconciliation of funds:						
Total funds brought forward	83,801	24,632	856	**109,289**	119,644	
Total funds carried forward	**69,059**	**28,462**	**857**	**98,378**	**109,289**	16

All activities relate to continuing operations. The Group has no recognised gains or losses except those included above and, therefore, no separate statement of recognised gains and losses has been prepared.

In order to produce a combined Statement of Financial Activities (SOFA) and an Income and Expenditure Account, the SOFA has been amended to separate other recognised gains/(losses) from the net outgoing resources result.

In 2019/20, Income from 'Other including (losses)/gains on disposal of assets' includes profit of £1.3 million from the sale of 17 services and properties during the year to Valorum Care for £18.5 million.

The Notes on pages 72 to 111 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2021

Company Number 552847

	2021 £'000	2020 £'000	Notes
Fixed assets			
Intangible assets*	**4,675**	3,765*	9
Tangible assets*	**84,600**	88,787*	8
Investments	**6,364**	6,100	10
Total fixed assets	**95,639**	**98,653**	
Current assets			
Stock	**1,486**	–	
Debtors	**27,670**	26,270	12
Investments	**14**	10	11
Cash at bank and in hand	**2,548**	9,687	13
Total current assets	**31,718**	**35,967**	
Liabilities			
Creditors: Amounts falling due within one year	**(20,547)**	(16,647)	14
Net current assets	**11,171**	19,320	
Total assets less current liabilities	**106,810**	117,973	
Creditors: Amounts falling due after more than one year	**(4,272)**	(4,371)	14
Provisions for liabilities	**(2,212)**	(3,910)	15
Net assets excluding defined benefit pension liability	**100,326**	109,692	
Defined benefit pension scheme liability	**(1,948)**	(403)	22
Total net assets	**98,378**	**109,289**	

	2021 £'000	2020 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	856	16
Restricted income funds	**28,462**	24,632	16
Unrestricted funds	**–**	–	16
Designated	**5,319**	5,909	16
General	**59,902**	71,636	16
Revaluation reserve	**5,786**	6,659	16
Pension reserve	**(1,948)**	(403)	16
Total unrestricted funds	**69,059**	**83,801**	16
Total Charity funds	**98,378**	**109,289**	

* Prior year figures for Intangible assets and Tangible assets amended. See Notes 8 and 9 for more details.

The financial statements were approved by the Trustees on 29 September 2021 and signed on their behalf by:

Sally Davis
Chair

Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 72 to 111 form part of these financial statements.

Company Balance Sheet

as at 31 March 2021

Company Number 552847

	2021 £'000	2020 £'000	Notes
Fixed Assets			
Intangible assets	**4,675**	3,765*	9
Tangible assets	**84,588**	88,769*	8
Investments	**6,364**	6,101	10
Total fixed assets	**95,627**	**98,636**	
Current Assets			
Stock	**1,486**	–	
Debtors	**24,890**	24,042	12
Investments	**14**	10	11
Cash at bank and in hand	**2,514**	8,737	13
Total current assets	**28,904**	**32,789**	
Liabilities			
Creditors: Amount falling due within one year	**(20,702)**	(15,351)	14
Net current assets	**8,202**	**17,438**	
Total assets less current liabilities	**103,829**	**116,074**	
Creditors: Amount falling due after more than one year	**(4,272)**	(4,371)	14
Provisions for liabilities	**(2,207)**	(3,910)	15
Net assets excluding defined benefit pension liability	**97,350**	**107,793**	
Defined benefit pension scheme liability	**(1,948)**	(403)	22
Total net assets	**95,402**	**107,390**	

	2021 £'000	2020 £'000	Notes
The Funds of the Charity			
Endowment funds	**857**	856	16
Restricted income funds	**28,397**	24,586	16
Unrestricted funds			
Designated	**5,288**	5,832	16
General	**57,022**	69,861	16
Revaluation reserve	**5,786**	6,658	16
Pension reserve	**(1,948)**	(403)	16
Total unrestricted funds	**66,148**	**81,948**	
Total charity funds	**95,402**	**107,390**	

The net deficit for the year of the parent Charity was £12.0 million (2019: net deficit of £10.8 million).

* Prior year figures for Intangible assets and Tangible assets amended.
See notes 8 and 9 for more details.

The financial statements were approved by the Trustees on 29 September 2021 and signed on their behalf by:



Sally Davis
Chair



Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 72 to 111 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	Reference	**2021 £'000**	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	**A**	**(5,059)**	**(17,124)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		**151**	237
Proceeds from the sale of property, plant and equipment		**561**	19,843
Purchase of property, plant and equipment		**(4,414)**	(9,367)
Purchase of intangible assets		**(1,164)**	(7)
Proceeds from sale of investments		**–**	1,303
Net cash generated from/(used in) investing activities		**(4,866)**	**12,009**
Cash flows from financing activities:			
Cash flow from new borrowing		**–**	30
Net cash provided by financing activities		**–**	**30**
Change in cash and cash equivalents in the reporting period		**(9,925)**	(5,085)
Cash and cash equivalents at the beginning of the reporting period		**9,687**	14,772
Cash and cash equivalents at the end of the reporting year	**Note 13**	**(238)**	**9,687**

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	2021 £'000	2020 £'000
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	**(7,437)**	(14,721)
Adjustments for:		
Amortisation, depreciation and impairment charges	**8,283**	7,718
Amortisation on programme related investment	**20**	20
(Gains)/Losses on investments	**(286)**	19
Dividends, interest and rents from investment	**(151)**	(237)
Losses/(Gains) on the sale of fixed assets	**12**	(1,301)
Difference between pension contributions and current service cost	**(1,931)**	(2,817)
(Increase) in stock	**(1,486)**	–
(Increase) in debtors	**(1,400)**	(6,043)
(Decrease)/Increase in creditors	**(683)**	238
Net cash used in operating activities	**(5,059)**	**(17,124)**

	31 March 2020	Cashflows	**31 March 2021**
Reconciliation of net debt			
Cash	**9,687**	(7,139)	2,548
Bank overdraft	**–**	(2,786)	(2,786)
Loans falling due in over more than one year	**(630)**	–	(630)
Total	**9,057**	**(9,925)**	**(868)**

Notes to the financial statements

for the year ended 31 March 2021

1. Accounting policies and basis of preparation of financial statements

General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – "Accounting and Reporting by Charities" and with applicable accounting standards in the United Kingdom, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared using the historical cost basis of accounting as modified for the valuation of investments at market value.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. We have modelled the potential impacts of COVID-19 on our finances and cashflows, reflecting the potential for lost income and increased costs (specifically of Personal Protective Equipment and higher levels of absence). 2021/22 will see reduced costs, as we come to the end of our system investment programme and re-structure some of our central functions. Based on the level of forecast future cash balances, the predictability of our core income streams, the £7.5 million overdraft facility we have in place, and the general strength of our balance sheet, the Trustees are confident that accounting for the charity as a going concern is appropriate.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. No separate statement of financial activities (SOFA) has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

The SOFA and balance sheet consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings.

The Charity is a public benefit entity.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) 2019.

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2021. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Ltd, Leonard Cheshire Trading Ltd, Leonard Cheshire Services CIC, Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its income and expenditure account.

Income Policies

Donations are credited to income on receipt. Gift aid receivable is included in income when there is a valid declaration from the donor and the donation has been received.

Income for our UK and international programme activity is recognised when we are entitled to claim it from the funding body as a result of our performance. Where income is received in advance, it is deferred and included as a liability until conditions of entitlement are met, at which point the income is recognised and the liability released. Where entitlement occurs before income is received, the income is accrued and included in current assets.

Where the charity receives gifts of goods or services in kind, of a measurable value to the charity, the gift is included as both income and expenditure, with both elements recognised in the statement of financial activities when the benefit is received.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate. Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received . Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is from the supply of services under contractual arrangements and is recognised when the service has been provided.

Income from other trading activities includes income from both trading activities to raise funds for the Charity and income from sale of merchandise. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable and the amount measurable.

Investment income consists of dividends, interest received and rents from investment properties; and is shown gross as the amount received in the year before deduction of any associated costs.

COVID-19 income consists of government support for specific COVID-19 related costs, such as the Infection Control fund and the Job Retention Scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Expenditure Policies

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay.

The cost of raising funds for voluntary income is the cost of persuading others to make voluntary contributions as well as costs relating to marketing, branding and increasing public awareness of the Charity. The costs of charitable activities include all expenditure directly relating to the objects of the Charity.

Support costs have been allocated to the cost of raising funds and the appropriate charitable activity in accordance with Charities SORP. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity during the financial year. The categorisation and allocation of these support costs is detailed in note 5.

They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustee expenses, trustee insurance, internal/external audit costs and other professional fees. and have been allocated proportionately across charitable activities.

Any irrecoverable VAT is either charged to the SOFA within the item of expense to which it relates or capitalised as part of the cost of the related asset, as appropriate.

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the term of the lease. Any lease incentives (such as rent free periods) are spread over the life of the lease or the period to the first rent review, whichever falls earlier.

Pensions

Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS102. The following elements are charged to the SOFA:

1. The service costs of pension provision relating to the period, together with the cost of any benefits relating to past service

2. The net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities, and

3. The actuarial gain or loss on scheme assets and liabilities.

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if we have an unconditional right to a refund of that surplus.

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet, as appropriate.

Liabilities for the multi-employer plans, are treated as defined contribution schemes because the liabilities cannot be accurately calculated for an individual employer. They are recognised using discounted future cashflows in respect of funding deficit reduction plans, and are presented within Provisions for Liabilities.

Defined contribution pension scheme costs represent the contributions payable for the period. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Liability Policies

Basic financial liabilities , including trade and other payables , are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The Charity provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. The Charity has recognised specific provisions for:

1. **Dilapidations on leasehold properties** – this relates to the estimated future cost of building work required when vacating leasehold premises;

2. **Proposed redundancy costs** – these costs will be payable where notification of intended redundancy was made before year end;

3. **Sleeping nights** – this was recognised in 2019/20 as a potential liability for historical costs relating to sleeping nights and our membership of the Social Care Compliance Scheme ("SCCS"). However, following the Supreme Court ruling on the 19th March 2021, we have released this back to the SOFA as a liability no longer remains; and

4. **Other provisions** – these represent estimates of future expenditure on a number of matters where the outcome is not known with certainty.

The Group is exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The Group's functional and presentation currency is the pound sterling.

Transfers of monies between the UK and overseas offices are translated at the spot rate of exchange at the date of the transaction.

Transactions denominated in foreign currencies are translated at rate of exchange at the end of the month in which the transaction occurred.

Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is charged to the SOFA.

Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

Other financial assets, including investments in equities which are not subsidiaries, are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value is recognised in profit and loss.

Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 (except for IT equipment where the limit is £400) is capitalised and depreciation or amortisation (as appropriate) is charged at the following annual rates on cost:

1. Freehold buildings at 2 per cent per annum

2. Leasehold properties and improvements to leasehold properties over the remaining period of the lease

3. Furniture, fittings, equipment and vehicles at 5–25 per cent per annum, and

4. Intangible assets amortised over 10 years, to reflect the likely useful life of such assets, our major component being the organisational back office system, MS Dynamics.

Freehold functional and leasehold functional properties are not revalued and are included at their depreciated historical cost. Freehold land is not depreciated except where it is not possible to separate the land from the buildings. Assets under the course of construction are not depreciated until they are brought into use.

If an indication of any impairment to the carrying value of tangible assets existed at the balance sheet date, the asset's recoverable amount is estimated and an impairment loss recognised in the fund to which the asset relates.

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both. Investment properties are measured initially at cost and subsequently measured at fair value which reflects market conditions at the balance sheet date unless fair value cannot be measured reliably, in which case it is measured at cost less impairment.

Transfers to or from investment property are made only when there is a change in use, evidenced by commencement or end of owner occupation.

Gains or losses arising from changes in the fair values of investment properties are included in the SOFA in the year in which they arise.

Programme related investments are made to provide charitable benefits and are stated at original cost and are amortised over the length of the period of the associated management agreement or the period over which the investment will provide benefit where this is shorter.

Investments are included in the financial statements at bid price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy, along with the capital grant.

As a result of COVID-19 Leonard Cheshire accumulated an amount of PPE stock which it has valued on its balance sheet at the lower of cost and net realisable value using the first-in, first-out method of cost allocation.

Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied

2. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained

3. Expendable endowment funds can be used for general purposes

4. Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity

5. Designated funds which have been set aside at the discretion of the Trustees for specific purposes but which otherwise form part of the unrestricted The Group designates funds for future capital developments which are for the long term use of its service users, and

6. The revaluation reserve reflects cumulative annual changes in the value of the properties that are held as investments and for which we charge a rental income.

The pension reserve reflects the difference between the net assets and liabilities of the pension schemes, measured on an FRS 102 basis.

The Trustees review the Charity's reserves policy annually. It was changed in July 2019 to be based on cash and managed investments balances, and expressed as levels required to cover 4–7 months of risk-adjusted net expenditure. This is recalculated at least annually, and includes requirements for working capital, estimates for potential impacts of risk areas, and a contingency for unforeseen costs. The Charity's reserves policy is discussed in detail in the Trustees' report

Other Policies

Funds belonging to people who use our services that are held by us in safe custody on their behalf are separately recorded as both cash and liabilities on the balance sheet.

Critical Accounting Judgements and Estimation Uncertainty

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual costs. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

These accounts include estimates as noted below:

1. Defined benefit pension scheme (note 24). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends

2. Investment properties (note 10). The Charity has commissioned external valuations of the investment properties, via qualified external surveyors

3. Impairment provisions are taken against certain assets where the carrying value is no longer supportable, and prudent estimates may be made as to the appropriate value in order to calculate the required impairment provision.

These accounts include judgements as noted below.

1. Grant Income. Grant income is recognised in line with relevant performance conditions, and judgement is required in determining whether and to what extent performance conditions have been met.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2021.

Income and Endowments from:
Donations and legacies
Charitable Activities – Social Care
Charitable Activities – International Programmes
Charitable Activities – UK Programmes
Other trading activities
Government support – COVID-19
Investments
Other including gains/losses on disposal of assets
Total

Expenditure on:
Raising funds
Charitable Activities – Social Care
Charitable Activities – International Programmes
Charitable Activities – UK Programmes
Campaigning
Total
Net gains/(losses) on investments
Net (expenditure)/income
Other recognised (losses)/gains:
Actuarial (losses)/gains on defined benefit pension schemes
Net movement in funds
Reconciliation of funds:
Total funds brought forward
Total funds carried forward

	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Unrestricted £'000	Restricted £'000	Endowments £'000	**Totals 2021 £'000**	Unrestricted £'000	Restricted £'000	Endowments £'000	Totals 2020 £'000
	5,924	1,410	–	**7,334**	7,955	1,051	–	9,006
	129,169	2,122	–	**131,291**	133,298	–	–	133,298
	116	5,879	–	**5,995**	1,249	3,251	–	4,500
	367	3,617	–	**3,984**	733	1,948	–	2,681
	109	30	–	**139**	578	30	–	608
	1,038	3,892	–	**4,930**	–	–	–	–
	150	–	1	**151**	236	–	1	237
	(12)	–	–	**(12)**	2,403	(1,102)	–	1,301
	136,861	**16,950**	**1**	**153,812**	**146,452**	**5,178**	**1**	**151,631**
	3,635	8	–	**3,643**	3,328	2	–	3,330
	137,106	5,907	–	**143,013**	148,890	1,038	1	149,929
	2,509	7,174	–	**9,683**	5,197	2,346	–	7,543
	5,006	31	–	**5,037**	4,457	829	–	5,286
	159	–	–	**159**	245	–	–	245
	148,415	**13,120**	**–**	**161,535**	**162,117**	**4,215**	**1**	**166,333**
	286	–	–	**286**	(19)	–	–	(19)
	(11,268)	3,830	1	**(7,437)**	(15,684)	963	–	(14,721)
	(3,474)	–	–	**(3,474)**	4,366	–	–	4,366
	(14,742)	3,830	1	**(10,911)**	(11,318)	963	–	(10,355)
	83,801	**24,632**	**856**	**109,289**	**95,119**	**23,669**	**856**	**119,644**
	69,059	**28,462**	**857**	**98,378**	**83,801**	**24,632**	**856**	**109,289**

3. Income

3A. Donations and legacies

	Year Ended 31 March 2021			Year Ended 31 March 2020		
	Restricted £'000	Unrestricted £'000	**Total 2021 £'000**	Restricted £'000	Unrestricted £'000	Total 2020 £'000
Legacies	724	3,162	**3,886**	58	3,694	3,752
Donations	686	2,762	**3,448**	993	4,261	5,254
Total	**1,410**	**5,924**	**7,334**	**1,051**	**7,955**	**9,006**

Legacies which have been notified but not accrued in line with our legacy policy are £1.4 million (2020: £1.2 million).

3B. Detail of Total Donations

	2021 £'000	2020 £'000
Individual Giving	**775**	645
Corporate – Gifts in Kind	**583**	1,381
Regional and Local fundraising	**412**	391
Major Donors	**309**	–
Trusts and Foundations	**290**	6
Corporate – Cash	**158**	1,485
Other Donations	**871**	1,143
Events	**50**	203
Total	**3,448**	**5,254**

3C. Government support – COVID-19

	Income received £'000	
Funder type	**20–21**	**19–20**
Job Retention Scheme	**1,038**	**–**
Infection Control Fund	**1,811**	**–**
Rapid Testing Support	**301**	**–**
Local Authority Support	**1,780**	**–**
Total	**4,930**	**–**

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**20–21**	**19–20**
Governments and Institutions	UK Foreign, Commonwealth and Development Office	Aid Connect – Innovating Pathways	300055-107	**3,025**	1,864
	UK Foreign, Commonwealth and Development Office	Girls Education Challenge: Expanding Inclusive Education Strategies for Girls with Disabilities in Kenya	1020513	**765**	1,021
	UK Foreign, Commonwealth and Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	**619**	–
	UK Foreign, Commonwealth and Governments Development Office (Funds received through Action Aid)	Leave No Girl Behind Education for Life	AAIK/LNG/100523	**405**	365
	UK Foreign, Commonwealth and Development Office and Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	**230**	–
	UK Foreign, Commonwealth and Development Office	Skills for Job Programme – Apprenticeship Model "Inclusion 100"	202865	**146**	–
	European Commission	Increasing equitable access to livelihoods and employment for people with disabilities in India	DCI-NSAPVD-	**–**	100
	UK Foreign, Commonwealth and Development Office (Funds Received through UCL and GDIH)	Life Changing Assistive Technology for All	2015-369-0009 CID-3372445/ A/C-549711	**29**	–

The following projects received support from these organisations:

3D. Charitable activities – International

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**20–21**	**19–20**
Governments and Institutions	UK Foreign, Commonwealth and Development Office (Funds Received through Sexual Health Marie Stopes International)	Women's Integrated	94001	**57**	219
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	**12**	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Tanzania	94001	**11**	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Nepal	94001	**11**	–
	Comic Relief	Tanzania Inclusive Education	1952284	**183**	243
	National Lottery	Genesis Charitable Trust Philippines Livelihoods	363790	**96**	31
Individuals, Trusts and Foundations	Community Fund	Uganda Livelihoods	10329009	**35**	85
	Rangoonwala Foundation	Establishing a Livelihoods ResourceCentre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	**17**	–
	Dubai Cares	Uganda Livelihoods	288830	**–**	208
Other Grants and Contracts				**354**	365
Charitable Activities International Total				**5,995**	**4,500**

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**20–21**	**19–20**
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	**202**	81
	Department of Health and Social Care	Covid Recovery	2020_089b_ YR1	**188**	–
	Sport England Core Market Fund	Road to Me	2017010094	**165**	20
	Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	**142**	106
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures	P3-WWV-25+ R02	**118**	163
	Southwark Council	Adult Southwark Advice		**90**	90
	Coronavirus Community Support Fund: The National Lottery Community Fund and the UK Government	Plus	20129272	**81**	–
	Sport England Potentials Fund	Can Do Sport	2017006732	**47**	–
	European Social Fund Building Better Opportunities Grant	Suffolk	NEAn/2/2	**75**	30
	Wales Council for Voluntary Action	Can Do	VSRF_027188	**62**	–
	Comic Relief	Southampton Emergency	2785722	**40**	43
	Comic Relief	Support Can Do Virtual	4908568	**36**	–
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	**58**	130

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**20–21**	**19–20**
Governments and Institutions	Third Sector Resilience Fund for Wales Phase 2 Scheme, managed and administered by WCVA on behalf of Welsh Government'	E-Commerce: Social Bean Social Enterprise	TSRFfW_ 027217	**56**	–
	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	**53**	97
	Wales Council for Voluntary Action on behalf of Welsh Government: VSRF Small Grant Building Connections Fund: partnership between UK Government, The National Lottery Community Fund and the Co-op Foundation	Volunteering Cymru	RFX GSC1000 436REQ	**36**	72
	The Careers and Enterprise Fund	Opening Doors Gloucester		**36**	36
	Flintshire County Council	Change Now – Journey to Work	VSRF_027188	**46**	–
	National Lottery Community Fund	Partnership Coordinator	10345732	**44**	70
	European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	**35**	42
	National Lottery Heritage Fund	Digitising the Sound Archive	OH-18-06111 2017-2-UK01-KA135-037116/2018-2-UK01-	**32**	75
	European Commission	Erasmus+ Programme	KA125-048503/2018-1-UK01- ESC13-060133/2019-2-UK01- ESC13-062324	**47**	149
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	**24**	–

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

				Income received £'000	
Funder type	**Funder**	**Project Name**	**Project/grant ID**	**20–21**	**19–20**
Governments and Institutions	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) South London	LON/1/5	**18**	44
	National Lottery Community Fund	Awards for All – Digital Inclusion Scotland		**8**	–
	National Lottery Community Fund	Awards for All – Wales Covid-19: Connecting More People, More Often	20130899	**10**	–
	COVID-19 Support Fund: supported by Can Do Association of British Insurers	Act for Change Fund: Paul Hamlyn	20451/	**1,500**	–
Corporates, Individuals, Trusts and Foundations	Esmée Fairbairn Foundation with National Lottery Community Fund	Change Makers	34175.01/Leonard Cheshire	**119**	50
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing	SSSTSG 20-23/26	**90**	–
	Bank Workers Charity	Bank Workers Charity		**71**	66
	City Bridge Trust	Change London		**60**	96
	Hyatt Community Grants Fund	Change 100 and Can Do		**22**	–
	Good Things Foundation	Future Digital Inclusion Fund 2020/21	2020-	**18**	22
	BBC Children in Need	Strictly Cymru	2014/WA	**10**	–
	The Wolfson Foundation	Go Digital Salford		**5**	20
Other Grants and Contracts				**340**	1,181
Charitable Activities UK Programmes Total				**3,984**	**2,681**
Notes 3D and 3E Totals				**9,979**	**7,181**

4. Investment income

	2021 £'000	2020 £'000
Quoted investments	–	2
Bank interest	21	86
Rent from investment properties	130	148
Total	**151**	**236**

5. Total resources expended

	Year ending 31 March 2021				Year ending 31 March 2020			
	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	**Total £'000**	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total £'000
Fundraising	2,804	619	220	**3,643**	2,283	778	269	3,330
Charitable activities								
Social care	91,426	32,487	19,100	**143,013**	96,270	39,326	14,333	149,929
International services	3,496	5,950	237	**9,683**	3,142	4,256	145	7,543
UK Programmes	3,939	504	594	**5,037**	4153	571	562	5,286
Campaigning	25	122	12	**159**	200	21	24	245
Total charitable activities	**98,886**	**39,063**	**19,943**	**157,892**	**103,765**	**44,174**	**15,064**	**163,003**
Total resources expended	**101,690**	**39,682**	**20,163**	**161,535**	**106,048**	**44,952**	**15,333**	**166,333**

The above table analyses by expense category the costs related to the fundraising and charitable activities of the Group. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs.

In note 5, and in the Consolidated Statement of Financial Activities, we have separated our Programme-related charitable activity income and cost numbers for 20/21 between International Programmes and UK Programmes. This separation has been reflected in the prior year comparatives.

The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity at the end of the financial year. The categorisation and allocation of these support costs is shown in the table below.

	Year ending 31 March 2021				Year ending 31 March 2020			
	Management and administration £'000	Finance, IT and purchasing £'000	Human resources £'000	**Total £'000**	Management and administration £'000	Finance, IT and purchasing £'000	Human resources £'000	Total £'000
Support costs								
Fundraising	122	65	33	**220**	137	78	54	269
Social care	10,622	5,582	2,896	**19,100**	7,289	4,176	2,868	14,333
International services	132	69	36	**237**	73	42	30	145
Campaigning	7	3	2	**12**	12	7	5	24
UK Programmes	330	174	90	**594**	286	164	112	562
Total	**11,213**	**5,893**	**3,057**	**20,163**	**7,797**	**4,467**	**3,069**	**15,333**

6. Governance cost

	2021 £'000	2020 £'000
Internal Audit	**205**	214
External Audit		
Audit services current year	**204**	150
Amounts payable to auditors in respect of additional costs for the prior year audit	**90**	55
Non-audit services	**9**	8
Governance and professional support for Trustees	**22**	60
Total	**530**	**487**

The total Trustee expenses incurred by LCD or reimbursed during the year was £2,002 (2020: £14,881) which related to travel and subsistence. The number of Trustees who were reimbursed were 4 (2020: 9).

The audit fees shown above are inclusive of VAT which is partially recoverable.

7. Net expenditure

	2021 £'000	2020 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	**5,804**	7,654
Amortisation – intangible fixed assets	**255**	44
Programme related investments amortisation	**20**	20
Operating lease rentals:		
Property	**1,629**	1,557
Equipment	**499**	218
Auditors' remuneration – audit	**294**	205
Auditors' remuneration – other	**9**	8
Exchange rate losses	**80**	25
Loss on impairment	**2,224**	–

8. Tangible fixed assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2020	93,807	7,778	6,362*	52,855	**160,802**
Transfers	–	–	(143)	143	**–**
Additions	–	–	3,769	645	**4,414**
Disposals	(528)	–	–	(781)	**(1,309)**
As 31 March 2021	**93,279**	**7,778**	**9,988**	**52,862**	**163,907**
Accumulated depreciation and impairments					
At 1 April 2020	32,233	4,799	–	34,983	**72,015**
Charge for the year	2,038	139	–	3,627	**5,804**
Impairment	25	1,371	402	426	**2,224**
Disposals	(148)	–	–	(588)	**(736)**
At 31 March 2021	**34,148**	**6,309**	**402**	**38,448**	**79,307**
Net book value at 31 March 2021	**59,131**	**1,469**	**9,586**	**14,414**	**84,600**
Net book value at 31 March 2020	61,577	2,979	6,362*	17,851	**88,787***

* The March 2020 accounts for Tangible Fixed Assets under construction included £3,732k which related to the development of the MS Dynamics computer system. This has been re-classified as Intangible Assets in these accounts, and so the values for Cost brought forward as at 1 April 2020 have been amended in both this Note 8, and Note 9, Intangible Assets. The March 2020 accounts are the earliest period which require this reclassification.

During the year we exited the lease for Park House, and the NBV of the leasehold improvements as at 31 March 2021 of £1.9 million was written down to £0.

The properties St Bridget's (NBV: £1,487,666) and Fryers House (NBV: £2,351,780) are pledged as security against our £7.5 million overdraft facility.

8. Tangible fixed assets – Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	**Total £'000**
Cost					
At 1 April 2020	93,807	7,778	6,362*	52,774	**160,721**
Transfers	–	–	(143)	143	**–**
Additions	–	–	3,769	645	**4,414**
Disposals	(528)	–	–	(781)	**(1,309)**
As 31 March 2021	**93,279**	**7,778**	**9,988**	**52,781**	**163,826**
Accumulated depreciation and impairments					
At 1 April 2020	32,228	4,798	–	34,924	**71,950**
Charge for the year	2,038	139	–	3,623	**5,800**
Impairment	25	1,371	402	426	**2,224**
Disposals	(148)	–	–	(588)	**(736)**
At 31 March 2021	**34,143**	**6,308**	**402**	**38,385**	**79,238**
Net book value at 31 March 2021	**59,136**	**1,470**	**9,586**	**14,396**	**84,588**
Net book value at 31 March 2020	61,577	2,979	6,362*	17,851	**88,777**

9. Intangible assets – Group and Company

	Intangible assets in progress £'000	Intangible assets £'000	**Total £'000**
Cost			
At 1 April 2020	3,732*	1,996	**5,728**
Transfers	(3,732)	3,732	**–**
Additions	–	1,165	**1,165**
At 31 March 2021	–	6,893	**6,893**
Accumulated amortisation and impairments			
At 1 April 2020	–	1,963	**1,963**
Charge for the year	–	255	**255**
At 31 March 2021	–	2,218	**2,218**
Net book value at 31 March 2021	**–**	**4,675**	**4,675**
Net book value at 31 March 2020	3,732	33	**3,765**

* See Note 8.

Intangible assets consist of computer software systems used to run significant business processes.

10. Investments – Group and Company

	Investment properties £'000	Programme related investments £'000	**Total**
At 1 April 2020	6,033	68	**6,101**
Amortised in year	–	(20)	**(20)**
Revaluation	283	–	**283**
At 31 March 2021	**6,316**	**48**	**6,364**

Investment properties are included in the balance sheet at fair value. The properties were valued by independent professionally qualified valuers as at 31 March 2021 and our internal experts where external valuation was not practicable.

The external valuers were Allied Surveyors Scotland, Vospers, Louis Taylor, Stephen & Co, Bracketts, Graves Jenkins, Boydens and RTP Surveyors. The valuations are to Fair Market Value, with standard assumptions of existing use, good title, and no planning or contamination issues.

Programme related investments are in the form of loans and have been made to facilitate the establishment of new supported living units. They are amortised over the length of the related management agreement or the period over which the investment will provide benefit where this is shorter.

11. Current asset investments – Group and Company

	2021 £'000	2020 £'000
Opening market value at 1 April 2020	**10**	14
Gain/(loss) on revaluation	**4**	(4)
Closing market value at 31 March 2021	**14**	**10**

The Trustees consider the value of the investments to be supported by their underlying assets.

12. Debtors

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Trade debtors	**19,954**	18,286	**14,004**	12,787
Amounts owed by subsidiary undertakings	**–**	–	**4,040**	3,221
Prepayments	**1,539**	1,170	**1,528**	1,170
Accrued income	**6,177**	6,814	**5,318**	6,863
Total	**27,670**	**26,270**	**24,890**	**24,041**

13. Cash at bank and in hand

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Group funds	**918**	8,609	**884**	7,661
Service users' funds held in trust	**1,630**	1,078	**1,630**	1,076
Total	**2,548**	**9,687**	**2,514**	**8,737**

Cash and cash equivalents include the following for the purpose of the cash flow statement:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Group funds	**918**	8,609	**884**	7,661
Service users' funds held in trust	**1,630**	1,078	**1,630**	1,076
Bank overdraft	**(2,786)**	–	**(2,957)**	–
Total	**(238)**	**9,687**	**(443)**	**8,737**

14. Creditors

Amounts falling due within one year	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank overdraft	**2,786**	–	**2,957**	–
Trade creditors	**5,428**	7,308	**5,912**	6,384
Amounts owed to subsidiary undertakings	**–**	–	**1,216**	1,164
Taxation and social security	**2,425**	1,940	**828**	1,311
Accruals	**5,112**	3,717	**5,092**	3,717
Deferred income	**3,066**	2,421	**2,967**	1,514
Service users' funds	**1,630**	1,161	**1,630**	1,161
Capital grants	**100**	100	**100**	100
Total	**20,547**	**16,647**	**20,702**	**15,351**
Amounts falling due after more than one year				
Capital grants	**3,642**	3,741	**3,642**	3,741
Loan	**630**	630	**630**	630
Total	**4,272**	**4,371**	**4,272**	**4,371**

The majority of the loan relates to a social improvement opportunity in Wales, from the Welsh Government. The total loan will be £1 million; Leonard Cheshire received £600,000 in the 2018/19 financial year. There is no interest on the loan and it is not secured.

Capital grants received are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £100,000 (2020: £100,000) and is shown within 'Amounts falling due within one year'.

Deferred income represents the payment of fees in advance. £2.4 million of income that was deferred as at 31 March 2020 was released during 20/21, and £3.1 million of income which related to future years was deferred as at 31 March 2021.

Intercompany balances are unsecured and no interest is charged.

The total overdraft facility available is £7.5 million.

15. Provisions for liabilities and charges

Group	SCCS £'000	Dilapidation £'000	Redundancy £'000	Other £'000	Pension £'000	**Total £'000**
At 1 April 2020	2,015	587	31	5	1,272	**3,910**
Charged to the SOFA	45	414	67	-	(103)	**423**
Amounts released	(2,060)	(30)	-	-	-	**(2,090)**
Amount utilised	-	-	(31)	-	-	**(31)**
At 31 March 2021	**-**	**971**	**67**	**5**	**1,169**	**2,212**

Company	SCCS £'000	Dilapidation £'000	Redundancy £'000	Other £'000	Pension £'000	**Total £'000**
At 1 April 2020	2,015	587	31	-	1,272	**3,905**
Charged to the SOFA	45	414	67	-	(103)	**423**
Amounts released	(2,060)	(30)	-	-	-	**(2,090)**
Amount utilised	-	-	(31)	-	-	**(31)**
At 31 March 2021	**-**	**971**	**67**	**-**	**1,169**	**2,207**

The SCCS provision represented the potential liability to the Charity for any arrears identified under the Social Care Compliance Scheme. Following the Supreme Court ruling on the 19th March 2021, we have released this back to the SOFA as a liability no longer remains.

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings; the timings and amounts of the outflows an be uncertain and subject to negotiation.

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 2020/21, but where the payments will be made in 2021/22.

Other provisions relate to a number of items where the outcome is not known with certainty at the year end.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See note 22 for further details.

16. Total funds – Group

Group – movement in funds	Balance at 1 April 2019 £'000	Year ending 31 March 2020: Incoming resources £'000	Released resources expended £'000	Transfers £'000	Balance at 1 April 2020 £'000	Year ending 31 March 2021: Incoming resources £'000	Released resources expended £'000	Transfers £'000	Balance at 31 March 2021 £'000
Restricted Funds									
Social care	21,137	516	(1,024)	(1,102)	**19,527**	7,773	(5,769)	(139)	**21,392**
UK programmes	787	1,834	(846)	–	**1,775**	3,172	(31)	–	**4,916**
International services	1,745	3,930	(2,345)	–	**3,330**	5,998	(7,174)	–	**2,154**
Total	**23,669**	**6,280**	**(4,215)**	**(1,102)**	**24,632**	**16,943**	**(12,974)**	**(139)**	**28,462**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	11	–	–	–	**11**	–	–	–	**11**
Kirby Worthington Fund	110	1	(1)	–	**110**	1	–	–	**111**
St. Michael's Home	735	–	–	–	**735**	–	–	–	**735**
Total	**856**	**1**	**(1)**	**–**	**856**	**1**	**–**	**–**	**857**
Unrestricted income funds									
Designated funds	99,042	1,368	(1,334)	(93,167)*	**5,909**	677	(514)	(753)	**5,319**
General funds	(3,014)	145,084	(163,619)	93,186	**71,637**	136,192	(153,165)	5,238	**59,902**
Revaluation reserve	6,677	–	–	(19)	**6,658**	–	–	(872)	**5,786**
Pension reserve	(7,586)	–	2,817	4,366	**(403)**	–	1,929	(3,474)	**(1,948)**
Total	**95,119**	**146,452**	**(162,136)**	**4,366**	**83,801**	**136,869**	**(151,750)**	**139**	**69,059**
Total Funds	**119,644**	**152,733**	**(166,352)**	**3,264**	**109,289**	**153,813**	**(164,724)**	**–**	**98,378**

* During the year 2019/20 the Charity completed a comprehensive review of its reserves with a particular focus on reviewing designated and general funds.

16. Total funds – Company

Company – movement in funds	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 1 April 2020 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2021 £'000
	Year ending 31 March 2020					Year ending 31 March 2021			
Restricted Funds									
Social care	**21,090**	516	(1,023)	(1,102)	**19,481**	7,744	(5,759)	(139)	**21,327**
UK programmes	**787**	1,834	(846)	–	**1,775**	3,172	(31)	–	**4,916**
International services	**1,745**	3,930	(2,345)	–	**3,330**	5,998	(7,174)	–	**2,154**
Total	**23,622**	**6,280**	**(4,214)**	**(1,102)**	**24,586**	**16,914**	**(12,964)**	**(139)**	**28,397**
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	**11**	–	–	–	**11**	–	–	–	**11**
Kirby Worthington Fund	**110**	1	(1)	–	**110**	1	–	–	**111**
St. Michael's Home	**735**	–	–	–	**735**	–	–	–	**735**
Total	**856**	**1**	**(1)**	**–**	**856**	**1**	**–**	**–**	**857**
Unrestricted income funds									
Designated funds	**99,042**	1,355	(1,326)	(93,239)*	**5,832**	629	(420)	(753)	**5,288**
General funds	**(4,416)**	119,758	(138,434)	92,953	**69,861**	134,098	(152,175)	5,238	**57,022**
Revaluation reserve	**6,677**	–	–	(19)	**6,658**	–	–	(872)	**5,786**
Pension reserve	**(7,586)**	–	2,817	4,366	**(403)**	–	1,929	(3,474)	**(1,948)**
Total	**93,717**	**121,113**	**(136,493)**	**4,061**	**81,948**	**134,727**	**(150,666)**	**139**	**66,148**
Total Funds	**118,195**	**127,394**	**(140,708)**	**2,959**	**107,390**	**151,642**	**(163,630)**	**–**	**95,402**

* During the year to March 2020 the Charity completed a comprehensive review of its reserves with a particular focus on reviewing designated and general funds. These transfers between funds reflect the outcome of this work.

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas.

The Albert Alexander Fund was set up to benefit the residents of Dan-y-bryn in 2004. The Kirby Worthington Fund was set up in October 1995 when the Charity received a bequest with the restriction that the income of this fund must be used to support The County Durham Cheshire Home.

The home at St.Michael's was donated as an endowment to Leonard Cheshire in 1968 by the Sisters of St Peters to be run as a residential care home.

Designated funds consist of funds donated to be spent at one of our Social Care services but not restricted to a particular project.

17. Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2021 £'000**
Fixed assets	87,796	7,107	736	**95,639**
Net current (liabilities)/assets	(10,305)	21,355	121	**11,171**
Long term liabilities	(6,484)	–	–	**(6,484)**
Pension liability	(1,948)	–	–	**(1,948)**
Total	**69,059**	**28,462**	**857**	**98,378**

Analysis of Company net assets between funds	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	**Total 2021 £'000**
Fixed assets	87,785	7,106	736	**95,627**
Net current (liabilities)/assets	(13,210)	21,291	121	**8,202**
Long term liabilities	(6,479)	–	–	**(6,479)**
Pension liability	(1,948)	–	–	**(1,948)**
Total	**66,148**	**28,397**	**857**	**95,402**

18. Lease commitments

At 31 March the Group had annual payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
within 1 year	**2,066**	1,426
between 2 to 5 years	**3,169**	2,667
after 5 years	**837**	741
Total	**6,072**	**4,834**

19. Capital commitments

At 31 March the Group had commitments for capital expenditure that have not been provided for in the financial statements as follows:

	2021 £'000	2020 £'000
Contracted	**336**	**1,837**

20. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2021 and 31 March 2020.

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Trading
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire Trading Limited (IOM)	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820 N/A	Limited by Shares £1	Trading
Leonard Cheshire International	Republic of Ireland	I0616088	Limited by guarantee	Trading
Leonard Cheshire USA inc.	Delaware, USA	7313137	Limited by guarantee	Trading

All trading subsidiaries have been consolidated in the Group financial statements. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The carrying values on the company balance sheet for the subsidiaries are: Leonard Cheshire Trading Limited £100; The Leonard Cheshire Foundation (Isle of Man) Limited £100; Leonard Cheshire Services CIC £1 and Leonard Cheshire International £nil.

All subsidiaries registered in England and Wales operate from the following registered office: 66 South Lambeth Road, London SW8 1RL.

The subsidiaries registered in the Isle of Man operate from the following registered office: Unit B Part First Floor, Willow House, Main Road, Onchan, Isle of Man IM3 1AJ. The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

The USA subsidiary operates from the following registered address: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE19934, County of Kent

	2021 £'000	2020 £'000
Leonard Cheshire Trading Limited		
The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy.		
Summary of statement of financial activities		
Incoming resources	**208**	250
Resources expended	**(305)**	(253)
Total	**(97)**	**(3)**
Summary of assets and liabilities		
Assets	**36**	255
Liabilities	**(374)**	(258)
Total	**(338)**	**(3)**
Leonard Cheshire Foundation (Isle of Man) Limited		
The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2021 and 31 March 2020 is shown below.		
Summary of statement of financial activities		
Incoming resources	**669**	649
Resources expended	**(635)**	(595)
Net income	**34**	**54**
Summary of assets and liaibilities		
Assets	**1,286**	1,211
Liabilities	**(59)**	(18)
Total	**1,227**	**1,193**
Leonard Cheshire Services CIC		
The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2021 and 31 March 2020 is shown below.		
Summary of statement of financial activities		
Incoming resources	**25,365**	24,753
Resources expended	**(23,992)**	(24,347)
Net income	**1,373**	**407**
Summary of statement of financial activities		
Assets	**6,930**	6,008
Liabilities	**(5,557)**	(5,602)
Total	**1,373**	**406**

21. Staff costs

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Wages and salaries	**88,384**	92,883	**87,829**	92,414
Social security costs	**7,044**	7,094	**7,001**	7,063
Other pension costs	**4,235**	5,139	**4,217**	5,130
Other staff benefits	**403**	362	**402**	362
Redundancy costs	**1,652**	570	**1,617**	570
Total	**101,718**	**106,048**	**101,066**	**105,539**

The provision for redundancies to be paid by cash, as at 31 March 2021 (included in the £1,652k above) is £67,046 (2019: £30,972). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year end date.

Additional payments

During the year, the Charity made additional payments of £226,295 to 19 members of staff (2020: £97,493 paid to 9 members of staff). This represents payments made to employees where employment ended with the Charity during the year. All payments were made in line with the Charity's policies and standard practice. The payments did not meet the definition of an ex-gratia payment under the Charity Commission published guidance and therefore there was no need to obtain authorisation from the Commission prior to making the payments.

The average monthly headcount for the Group was 5,281 staff (2020: 5,626 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Group 2021 Staff FTE	2020 Staff FTE
Volunteering	**22**	67
Social care	**3,215**	3,376
International	**40**	36
Campaigning	**2**	6
UK Programmes	**100**	140
Governance	**1**	3
Support	**275**	194
Total	**3,655**	**3,822**

The average monthly headcount for the company was 5,246 staff (2020: 5,587 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Company 2021 Staff FTE	2020 Staff FTE
Volunteering	**22**	67
Social care	**3,200**	3,360
International	**40**	36
Campaigning	**2**	6
UK Programmes	**96**	140
Governance	**1**	3
Support	**275**	194
Total	**3,636**	**3,806**

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group		Company	
	2021 Staff	2020 Staff	**2021 Staff**	2020 Staff
£60,001–£70,000	**19**	25	**19**	25
£70,001–£80,000	**16**	9	**16**	9
£80,001–£90,000	**3**	5	**3**	5
£90,001–£100,000	**3**	1	**3**	1
£100,001–£110,000	**2**	7	**2**	7
£110,001–£120,000	**2**	2	**2**	2
£120,001–£130,000	**2**	2	**2**	2
£130,001–£140,000	**1**	1	**1**	1
£150,001–£160,000	**–**	1	**–**	1
Total	**48**	**53**	**48**	**53**

These amounts include compensation payments made to former higher paid employees.

	2021 £'000	**2021 Staff**	2020 £'000	2020 Staff
Defined contribution schemes	**415**	**56**	**385**	**52**

Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2021 (2020: £nil).

The Charity has purchased insurance to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

Key management personnel

The key management personnel of the Charity consists of the Trustees and the Senior Officers. The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Remuneration and benefits	**1,008**	**1,046**	**1,008**	**1,046**

22. Pension schemes

Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 4% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 4% of pensionable salary. The total cost of the schemes in 2021 was £4.2 million (2020: £5.1 million).

Defined benefit pension schemes

The Charity operates a number of defined benefit pension schemes. Following a risk-based assessment the Charity has obtained an FRS 102 actuarial valuation for its material defined benefit pension schemes.

The value of the schemes' defined benefit liabilities have been measured using the projected unit method. The schemes' assets do not include investments issued by the sponsoring employer nor any property occupied by the sponsoring employer. The overall expected rate of return on the net schemes' assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class. The schemes hold quoted securities and these have been valued at bid-price.

Further information on the Charity's defined benefit pension schemes is provided below. The major assumptions used by the actuaries are disclosed in this note.

The Pension Trust Growth Plan (TPT)

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan (the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2021 is £1.7 million (2020: £0 million). A surplus cap of £2.3 million was applied in 2019/20.

A full actuarial valuation was carried out at 30 September 2018 and the preliminary results have been updated to 31 March 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The last full valuation as at 30 September 2018 showed a deficit valuation of £11.3 million with gross assets of £65.8 million and gross liabilities of £77.1 million.

Member contributions are payable in addition as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the period commencing 1 April 2021 is £1.9 million (2020: £1.9 million).

Clwyd Pension Fund

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The net pension liability recognised in the balance sheet at 31 March 2021 is £0.1 million (2020: £0.2 million). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2021 is £0 (2020: £0).

Isle of Man Pension Fund (IOM)

The IOM Pension Fund (the Fund) relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2021 is £31,000 (2020: £1,000). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2021 is £0 (2020: £0).

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2021 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2021 (per annum)	At 31 March 2020 (per annum)
Financial assumptions		
Discount rate	**1.75–2.4%**	2.3–2.4%
Rate of increase in salaries	**3.35–3.95%**	3.35%
Rate of increase pensions :	**1.9–2.85%**	1.45%
Inflation assumption (RPI)	**3.3–3.5%**	2.70%
Inflation assumption (CPI)	**2.1–2.9%**	1.70%
Demographic assumptions		
Mortality		
Male pensioner at age 65	**21.2–22.6**	21.8–22.5
Female pensioner at age 65	**23.3–25**	23.6–24.9
Male non-pensioner at age 65 in 20 years	**22.6–24.2**	23.2–24.1
Female non-pensioner at age 65 in 20 years	**24.8–27**	24.8–26.9

Balance sheet pension liability summary	**Value at 31 March 2021**	Value at 31 March 2020
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM	**1,880**	317
Dyfed	**68**	86
Total	**1,948**	**403**

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2021 £'000	Proportion	Value at 31 March 2020 £'000	Proportion
Equities	**5,112**	**396**	**44**	**5,552**	**7%**	6,395	8%
Bonds	**42,763**	**672**	**27**	**43,462**	**55%**	46,136	60%
Property	**6,768**	**112**	**12**	**6,892**	**9%**	4,806	6%
Cash/liquidity and other	**22,850**	**691**	**–**	**23,541**	**30%**	20,229	26%
Total	**77,493**	**1,871**	**83**	**79,447**	**100%**	**77,566**	**100%**

Balance sheet impact				Value at 31 March 2021 £'000	Value at 31 March 2020 £'000
Present value of funded obligations	(79,209)	(2,004)	(114)	**(81,327)**	(75,586)
Fair value of scheme assets	77,493	1,871	83	**79,447**	77,566
Effect of asset ceiling	–	–	–	**–**	(2,297)
Total	**(1,716)**	**(133)**	**(31)**	**(1,880)**	**(317)**

SOFA impact	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Current service cost*	**24**	33
Expenses	**142**	165
Net interest cost	**6**	129
Losses on past service costs, settlements and curtailments	**35**	4
Total	**207**	**331**

* The current service cost includes allowance for the cost of Death In Service benefits and all the expenses of running the scheme (including the PPF levy).

Analysis of amount recognised in the SOFA as unrealised gains/(losses)	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Net actuarial gains/(losses) recognised in year	**322**	88
Return on plan assets – gains	**1,975**	3,668
Experience gains arising on plan liabilities	**135**	243
Effect of changes in demographic and financial assumptions – (losses)/gains	**(8,278)**	2,664
Effects of changes in the amount of surplus that is not recoverable – gains/(losses)	**2,372**	(2,297)
Total recognised in other comprehensive income – (losses)/gains	**(3,474)**	**4,366**

Reconciliation of present value of scheme liabilities Change in the present value of the defined benefit obligations	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Opening defined benefit obligation	**75,586**	79,533
Settlement of the South Yorkshire scheme benefit payment	**(1,335)**	–
Introduction of the IOM DB Scheme	**106**	–
Service cost	**24**	33
Interest cost	**1,679**	1,839
Contributions by employees	**4**	5
Losses/(gains) due to benefit changes	**35**	–
Re measurements – experience gains	**–**	4
Losses on curtailments	**–**	20
Actuarial losses/(gains)	**8,143**	(3,043)
Benefits paid	**(2,915)**	(2,805)
Closing defined benefit obligation	**81,327**	**75,586**

Reconciliation of present value of scheme assets and actual return on assets Change in the fair value of the scheme assets	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Opening fair value of the scheme assets	**76,396**	73,066
Interest income	**1,748**	1,710
Admin expenses	**(142)**	(165)
Actuarial gains	**2,297**	3,648
Contributions by employer	**2,059**	2,112

Reconciliation of present value of scheme assets and actual return on assets **Change in the fair value of the scheme assets**	**Year ending 31 March 2021 £'000**	Year ending 31 March 2020 £'000
Contributions by employees	**4**	5
Benefits paid	**(2,915)**	(2,810)
Closing fair value of the scheme assets	**79,447**	**77,566**
Actual return on scheme assets	**4,044**	**5,335**

Other defined benefit pension schemes

The Charity operates several other multi-employer defined benefit schemes as follows:

- The Scottish Voluntary Sector Pension Scheme. The pension deficit on this scheme of £27,000 (2020: £32,000) will be funded by lump sum payments over the recovery period of six years as specified in the most recent triennial valuation.
- The TPT GP3 scheme. The pension deficit on this scheme of £1 million (2020: £1.2 million) will be funded by lump sum payments over the recovery period of four years as specified in the most recent triennial valuation.
- The South Yorkshire Scheme was previously an active scheme (and last year accounted for as a DB Scheme) but the last member left in 2019/20 and we have negotiated a lump sum settlement over a two year period. The pension deficit on this scheme is £145,000.
- In addition, the Charity operates within a smaller, multi-employer defined benefit pension scheme, in Dyfed. This scheme has a combined pension deficit of £68,000 (2020: £86,000) and the deficit will be funded by annual payments based on the contribution rates and recovery periods of between 12 and 15 years.

23. Contingent assets

The Charity has a legal charge on a property that entitles it to 13.9% of the value of the site should it be developed. The property is currently owned by another organisation which uses it to provide care to people with learning difficulties, development is unlikely and any increase in value cannot be practically estimated.

The Charity is entitled to 20% of the sale proceeds on a house which is currently occupied by a private individual. There are no current plans to dispose of the property, and any future sale proceeds cannot be accurately estimated.

24. Company limited by guarantee

The Charity is a company limited by guarantee and, in the event of a winding-up, the members are committed to pay £1 each. All members are Trustees.

25. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2020: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany asset is reflected in debtors as shown in Note 12.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £24.0 million of invoiced sales (2020: £22.8 million). The resultant intercompany liability is reflected in creditors as shown in Note 14.

Aggregate donations from Trustees were; £1,000 (2020: £2,000).

26. Financial instruments

	Notes	**Group 2021 £'000**	Group 2020 £'000	**Company 2021 £'000**	Company 2020 £'000
Financial assets at fair value through statement of financial activities					
Investments	11	**14**	10	**14**	10
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	12	**–**	–	**4,040**	3,221
Trade debtors	12	**19,954**	18,286	**14,004**	12,787
Accrued income	12	**4,907**	3,986	**4,048**	4,036
Accrued legacies	12	**1,270**	2,828	**1,270**	2,828
Cash and cash equivalents	13	**2,548**	9,687	**2,514**	8,737
Total		**28,679**	**34,787**	**25,876**	**31,609**
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	14	**–**	–	**1,216**	1,164
Trade creditors	14	**5,428**	7,308	**5,912**	6,384
Accruals	14	**5,112**	3,717	**5,093**	3,717
Service users funds	14	**1,630**	1,161	**1,630**	1,161
Bank overdraft	14	**2,786**	–	**2,957**	–
Loans	14	**630**	630	**630**	630
Total		**15,586**	**12,816**	**17,438**	**13,056**

27. Post balance sheet events

Since 31 March, we have sold our Arnold House property, realising a net proceeds value of £4.2 million against a Net Book Value of £0.7 as at 31 March 2021.

The overdraft facility was extended from £5.0 million to £7.5 million during September 2021.

6.

Thank you. Charitable trusts, corporate partners and other supporters:
A very big thank you to all those supporters who have made donations to Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous.

Thank you

Corporate Partners

Great Portland Estates
Howdens Joinery Limited
Hyatt Corporate
John Lewis Foundation
JTI UK
Meridian Business Support
Microsoft Corporation
Odgers Berndtson

Legators

Ms M E Allen
Ms M Beattie
Mr J K Buckenham
Mrs M E Crank
Mrs S D Davies
Mr J Dawson
Mrs K E Glover
Ms M J Haslam
Mrs E M Henderson
Ms A Hughes
Mrs J C Huter
Mr F S Jarrett
Mr A J Jones
Mr H Latham
Mr S G Litchfield
Mr GA Markham
Ms A Myant
Mr A I Rankin
Mr P W Rich
Miss J Sanderson
Mr A Shawcroft
Ms E Wilcox
Mr I Wildbore

Charitable Trusts and other supporters

130 Chapman Charitable Trust
29th May 1961 Charitable Trust
Act for Change Fund
Awards for All
Bank Workers Charity
Barbour Foundation
Barnwood Trust
Batchworth Charitable Trust
BBC Children in Need
Broome Family Charitable Trust
Bryan Guinness Charitable Trust
Careers and Enterprise Company
Charities Aid Foundation
Cheshire Community Foundation
City Bridge Trust
Comic Relief
Community Foundation for Surrey
Community Links Bromley
Connecting Scotland
Co-Operative Community Fund
Copley May Foundation
CRH Charitable Trust
Cumbria Community Foundation
D J Coleman Charitable Trust
Department For Communities
Department for Health & Social Care
Donald Forrester Trust
EBM Charitable Trust
Enkalon Foundation
Ernest Kleinwort Benson Charitable Trust
European Commission
European Social Fund
Flintshire County Council
Genesis Charitable Trust
Glamorgan Voluntary Services
Gloucestershire Community Foundation
Gloucestershire County Council
Good Things Foundation
Guy Charitable Foundation
Hobson Charity
Holywood Trust
Hull & East Riding Charitable Trust
London Community Response Fund
London Philharmonic Orchestra
Medicash Foundation
Merseyside Community Foundation
Motorola Solutions Foundation
National Lottery Community Fund
National Lottery Heritage Fund
NI Housing Executive
Norwich Freemens Charity
P F Charitable Foundation
Payback Time Trust
Pennington Bequest
Postcode Community Trust
Salford County Coucil
Sandra Charitable Trust
Scope
Sir John Fisher Foundation
Sport England
St Hilda's Trust

7.

Who's who

Stavros Niarchos Foundation
Stelios Philanthropic Foundation
The Bill Brown 1989 Charitable Trust
The Community Foundation
The Hospital Saturday Fund Charitable Trust
The John Horseman Trust
The Joseph & Annie Cattle Trust
The Mathew Trust
The Openwork Foundation
The Peter Cundill Foundation
The Sir James Reckitt Charity
The WImbledon Foundation
Thriving Communities Fund
Tompkins Foundation
UK Foreign, Commonwealth & Development Office
Victoria Homes Trust
Wales Council for Voluntary Action
Wandsworth Council
William Brake Foundation
Wolfson Foundation
ZVM Rangoonwala Foundation UK

Trustees and Senior Officers

Patron

Her Majesty Queen Elizabeth II

Founder

The Late Group Captain Lord Cheshire, VC, DSO, DFC

Trustees

Sally Davis (Chair)
Governance and Nominations Committee (appointed October 2015)

Colin Hunter (Vice Chair)
Governance and Nominations Committee, Quality and Safeguarding Committee (appointed July 2016)

David Grayson (Chair Designate)
Governance and Nominations Committee (appointed December 2020)

Dr Sylvia Anie
Governance and Nominations Committee, People Committee (appointed March 2018)

Richard Brooman
Governance and Nominations Committee, Audit and Risk Committee, Fundraising Advisory Group (retired July 2021)

Philip Cassidy
Finance Committee, Audit and Risk Committee (appointed September 2019)

Gareth Davies
(appointed March 2021)

Shani Dhanda
Quality and Safeguarding Committee, Customer Council (appointed November 2018)

Stephen Duckworth
Finance Committee, People Committee (appointed March 2018)

Anne Goodman
(appointed June 2021)

Elizabeth Haywood
Governance and Nominations Committee, Audit and Risk Committee, Fundraising Advisory Group (retired January 2021)

Vidar Hjardeng
Customer Council, Fundraising Advisory Group (appointed May 2016)

Ranald Mair
Audit and Risk Committee, Quality and Safeguarding Committee (appointed May 2016)

David Pugh
Finance Committee (appointed March 2018)

Hilary Sears
People Committee, Fundraising Advisory Group (appointed September 2018)

Adam Wiltshire
(appointed June 2021)

Senior Officers

Chief Executive
Neil Heslop (until October 2020)
Hugh Fenn (interim) (from November 2020 to January 2021)
Ruth Owen (from February 2021)

Chief Financial Officer
Andy James

Managing Director, UK Community Services
Hugh Fenn

Managing Director, Global Influencing and Programmes
Tiziana Oliva

Executive Director, Marketing and Fundraising
Leslie Davey (interim)

Executive Director, Partnerships
Laura Crandley (until September 2020)

Executive Director, People
David Jessop (until March 2021)

Executive Director, Technology
Jon Petty

Global Ambassadors

Judy Heumann
Advocacy

Amar Latif
Business and Travel

Olivia Breen
Sport

Josh Wintersgill
Young Entrepreneurs and Tech

Jane Asher
Arts

Lord Puttnam CBE, Hon FRSA, Hon FRPS
Education

Mark Lane
Gardening and Wellbeing

Sophie Morgan
Inclusive Education and Women

Sir Stelios Haji-Ioannou
Business

Robin Sheppard
Catering and Hotel Industry

Ambassadors

Judy Heumann
Global Ambassador for Advocacy

The renowned activist and campaigner for disability rights. Judy served as an advisor in both the Obama and Clinton administrations and is a senior fellow of The Ford Foundation. In 2020, Judy was nominated as one of the top 100 women of the year in TIME magazine. She also helped create and produce "Crip Camp" a documentary on Netflix (2020) which was short-listed for an Oscar for Best Documentary 2021.

Judy is keen to support and promote our access to education and livelihoods programmes in Africa and Asia.

Amar Latif
Global Ambassador for Business and Travel

Amar Latif is a traveller, entrepreneur and TV personality. He was the first winner of The Stelios Awards for Disabled Entrepreneurs UK in 2007 and has been a great supporter of Leonard Cheshire's work ever since. He is the founder and director of Traveleyes — the world's first commercial tour operator to specialise in holidays for blind as well as sighted travellers. He now has a career as a TV presenter, and this has included presenting 'Travelling Blind' on BBC and 'How to Get Fit Fast' on Channel 4. In the past year, he appeared as the first blind contestant on Celebrity MasterChef and presented TV programmes.

Olivia Breen
Global Ambassador for Sport

Paralympian Olivia is both a talented sprinter and long jumper. Olivia is the current IPC World Champion for the T38 long jump which she won in 2017. Olivia has represented Leonard Cheshire at Channel 4's Superheroes 2019 and supports all runners for the London Marathon and half marathons. Olivia was to represent the GB team at the Tokyo Olympics in 2020, before this was postponed as a result of COVID-19.

Olivia became an ambassador for Leonard Cheshire in 2018 and is an Adidas Athlete. Olivia attended our Leonard Cheshire Wales Gala, read at our Leonard Cheshire carol service, and has produced mini videos to encourage our marathon runners.

Josh Wintersgill
Global Ambassador for Young Entrepreneurs and Tech

Josh is a young disabled entrepreneur from Bristol. Josh invented the portable easyTravelseat, which enables wheelchair users to use aeroplane seats safely, comfortably, and with dignity.

He founded his Ablemove company in February 2018. The same year, he won the Stelios Award for Disabled Entrepreneurs, presented in partnership with Leonard Cheshire. EasyJet and other airlines have now adopted this innovative device for use by disabled travellers.

Jane Asher
Global Ambassador for Arts

An award-winning actress, author and chef, Jane Asher was a long term friend of our founder and has been a supporter of Leonard Cheshire for over 35 years. Jane has been an official ambassador since 2017. Jane has attended Gala dinners and read at our Leonard Cheshire carol concert in 2018.

Lord Puttnam CBE, Hon FRSA, Hon FRPS
Global Ambassador for Education

A major award-winning film producer and close friend of our founder (and Labour Peer), Lord Puttnam has been a long-term supporter of Leonard Cheshire. In 2017 he gave an inaugural lecture at Merton College, Oxford in memory of our founder.

Lord Puttnam is keen to promote education and opportunity for disabled people internationally and encourage and support film making.

Mark Lane
Global Ambassador for Gardening and Wellbeing

Mark is the UK's first disabled (wheelchair user) garden designer. He is well-known as a BBC Gardening presenter. Mark has written a book on the Royal Gardens. Mark has hosted Leonard Cheshire's Staff Awards, read at our Leonard Cheshire carol services, and ran Can Do workshops. Mark played a major part in our recent National Garden Scheme partnership, designing a service garden, and giving workshops to residents.

Sophie Morgan
Global Ambassador for Inclusive Education and Women

Sophie Morgan is a TV presenter, campaigner and author. She was paralysed in a car crash when she was 18. Sophie became a TV presenter for Channel 4, a successful artist and consultant across various industries on diversity and inclusion. Sophie regularly campaigns for disabled people, especially for transport, retail and fashion. Sophie travelled with Leonard Cheshire colleagues to Kenya to see our education projects in 2019. Sophie also presented our 2019 staff awards at City Hall in London and headed up our Radio 4 charity appeal in January 2019.

Sir Stelios Haji-Ioannou
Global Ambassador for Business

Founder of the EasyJet group, Sir Stelios has had a relationship with Leonard Cheshire for over 13 years. In partnership with the Stelios Philanthropic Foundation, Leonard Cheshire runs the Stelios Awards which recognise the exceptional spirit and business ability of disabled entrepreneurs.

Sir Stelios has been our global business ambassador since 2017.

Robin Sheppard
Global Ambassador for the Catering and Hotel industry

Robin is a classically trained hotelier, who broadened the customer base of all bespoke hotels and led to several awards and accolades – most notably 'The RAC Hotel of the Year Award' and the Caterer and Hotelkeeper 'Hotel of the Year Award', as well as being named amongst Hotel Designs' Brit List – shortlisting the 25 most inspirational and influential hoteliers for the year.

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants
and Statutory Auditors
1 Embankment Place
London WC2N 6RH

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Legal

Leonard Cheshire uses a range of legal advisors including:

Bates Wells

10 Queen Street Place
London EC4R 1BE

Bevan Brittan

Fleet Place House
2 Fleet Place
London EC4M 7RF

Brown Rudnick

8 Clifford Street
London W1S 2LQF

Farrer & Co

66 Lincoln's Inn Fields
London WC2A 3LH

Linklaters

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Wright Hassall

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Royal Leamington Spa
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Internal Audit

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Design: red-stone.com

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