



# Annual Report and Accounts 2023/24

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**Leonard  
Cheshire** 



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# 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

A handwritten signature in blue ink, appearing to read 'Neil Goulden', with a horizontal line underneath.

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

*Ruth Owen*

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.

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### 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.

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## 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.

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### 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



◀ A resident during one of their physiotherapy sessions.

2024/25. Ultimately, we want all our services to have good digital connectivity and making the most of available technology that benefit residents.

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.



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## 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.

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**"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

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**"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

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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.

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## 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

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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.”**

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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.



▼ 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

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

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## 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

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**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.**

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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.

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## 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.

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## 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 Leonard 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.

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## 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 tCO<sub>2</sub>e.

**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	tCO <sub>2</sub> e			YOY Variance	Baseline Variance
		2023/24	2022/23	Baseline		
<b>Direct (Scope 1)</b>	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%
<b>Energy Indirect (Scope 2)</b>	Services Electricity	1,342	1,838	2,361	73.0%	56.8%
<b>Other Indirect (Scope 3)</b>	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 CO <sub>2</sub> e per employee	2.73	2.15	2.46

### Assessment parameters

<b>Baseline year</b>	2019/20
<b>Reporting organisation</b>	Leonard Cheshire Disability
<b>LCD Environmental Leads</b>	Vanessa Davies, Executive Director, Quality and Compliance
<b>Reporting period covered</b>	1 April 2023–31 March 2024
<b>Organisational boundaries</b>	All emissions which Leonard Cheshire Disability has operational control
<b>Methodology used</b>	UK Government GHG Conversion Factors for Company Reporting
<b>External verification 2019 baseline</b>	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:
<b>Insufficient funding to support UK care services</b>	<ul style="list-style-type: none"> <li>– Regular monitoring of Local Authority fees and payments, with plan focused on securing inflationary fee uplifts and fee recovery.</li> <li>– Individual care needs assessment defined to identify required fee increases in line with care needs.</li> <li>– Robust negotiations with Local Authorities.</li> <li>– 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.</li> <li>– 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.</li> <li>– Advocacy on ‘fair cost of care’.</li> </ul>
<b>Loss of public trust</b>	<ul style="list-style-type: none"> <li>– Governance frameworks and practices enhanced and aligned with Charity Governance Code.</li> <li>– All policies and guidelines being updated, Board and Committee approval levels defined, operational, quality and safety policies completed and being operationalised.</li> <li>– 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.</li> <li>– Proactive management of media, government, and civil society relationships.</li> </ul>
<b>Failure to meet safe quality standards</b>	<ul style="list-style-type: none"> <li>– Three-pronged approach to strengthening: a) people (capacity, capability, culture), b) practices (policies, guidelines, training, monitoring), c) tools (digital care plans, medication system).</li> <li>– Baseline audit of all services undertaken, with action plans defined and delivery monitored.</li> <li>– All operation, quality and safety policies and guidelines updated and being rolled out.</li> <li>– Digital care plans and medication management being implemented.</li> <li>– Clinical guidelines in place with clear instructions to staff.</li> <li>– Rigorous safeguarding, serious incident, health and safety, recruitment, and whistle blowing procedures in place.</li> <li>– Executive and Quality &amp; Safety Committee oversight.</li> </ul>

Potential risk:	Action taken to mitigate:
<b>Serious breach of information or cyber security; failure to uphold rights of all individual data subjects</b>	<ul style="list-style-type: none"> <li>– Executive level ownership and support for information Governance and Security issues.</li> <li>– Monitoring and maintenance of the Data Processing Management System and business ownership for data processing activities.</li> <li>– Data protection policies built into terms and conditions for all staff.</li> <li>– Mandatory staff training undertaken on Information Governance and Security.</li> <li>– IT security policies in place.</li> <li>– Firewalls, automatically updated anti-virus software and email/internet filtering.</li> <li>– Multi-factor authentication for accessing IT systems and VPN to encrypt information.</li> </ul>
<b>Failure to manage 3-year Recovery Plan such that cost savings are not realised or adverse outcomes to service delivery are experienced</b>	<ul style="list-style-type: none"> <li>– Recovery plan to deliver savings and funding agreed with Board.</li> <li>– Monthly monitoring of key deliverables by Executive and Quarterly by Board.</li> <li>– Revised Delegation of Authority implemented and costs being controlled.</li> <li>– Strengthening financial controls.</li> <li>– Investment made in strengthening service quality and safety. Incl. investment in digital care and medication systems and staff capacity in key roles.</li> </ul>
<b>Not maintaining a clear focus on developing future strategy of organisation and priorities alongside recovery plan</b>	<ul style="list-style-type: none"> <li>– Board engaged in developing future strategy.</li> <li>– Local Authorities consulted on their expectations for future care provision and areas of strategic priority.</li> <li>– Recovery plan decisions made in context of future strategy.</li> </ul>
<b>Insufficient cash generated to replenish the restricted legacy cash balance within the 3-year timeframe of the plan</b>	<ul style="list-style-type: none"> <li>– The divestment strategy is forecast to deliver more cash than is required for the replenishment.</li> <li>– The divestment plan is ongoing monitored and reported to Board quarterly, and any emerging risks will be identified.</li> <li>– 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.</li> </ul>
<b>Unforeseen circumstances result in cash being required for other key priorities aside from the replenishment of restricted funds</b>	<ul style="list-style-type: none"> <li>– 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.</li> <li>– The Going Concern model will include replenishment requirements.</li> <li>– Assumptions within the Going Concern are monitored on an ongoing basis.</li> <li>– If required, additional divestment will be identified to meet replenishment requirements, as we proceed with reshaping our portfolio in line with the future strategy.</li> </ul>

# 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

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## 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.

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## 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.

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## 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.

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## 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.

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### **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.

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### **Emoluments**

In 2023/24, Trustees received no emoluments.

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### **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.

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### **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.



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**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

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## 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](http://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.

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## 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.



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**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
<b>Income and Endowments from:</b>						
Donations and legacies	1,172	1,796	-	<b>2,968</b>	4,496	3A
Charitable Activities – Social Care	139,365	126	-	<b>139,491</b>	141,819	
Charitable Activities – International Programmes	-	25	-	<b>25</b>	3,443	3D
Charitable Activities – UK Programmes	565	514	-	<b>1,079</b>	1,494	3E
Other trading activities	4	1	-	<b>5</b>	17	
Government support – Covid-19	544	-	-	<b>544</b>	132	3C
Investment income	340	-	-	<b>340</b>	104	4
Net gain/(loss) on fixed asset disposals	7,629	(257)	-	<b>7,372</b>	1,068	
<b>Total</b>	<b>149,619</b>	<b>2,205</b>	<b>-</b>	<b>151,824</b>	<b>152,573</b>	
<b>Expenditure on:</b>						
Raising funds	885	112	-	<b>997</b>	1,628	5
Charitable Activities – Social Care	146,654	649	-	<b>147,303</b>	153,797	5
Charitable Activities – International Programmes	277	4	-	<b>281</b>	3,882	5
Charitable Activities – UK Programmes	1,005	79	-	<b>1,084</b>	2,573	5
Campaigning	218	-	-	<b>218</b>	408	5
<b>Total</b>	<b>149,039</b>	<b>844</b>	<b>-</b>	<b>149,883</b>	<b>162,288</b>	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>Totals 2024 £'000</b>	Totals 2023 £'000	Notes
Revaluation of investment properties	416	-	-	<b>416</b>	464	11
<b>Net income/(expenditure)</b>	<b>996</b>	<b>1,361</b>	<b>-</b>	<b>2,357</b>	<b>(9,251)</b>	
<b>Other recognised losses:</b>						
Actuarial losses on defined benefit pension schemes	(1,847)	-	-	<b>(1,847)</b>	(1,800)	21
<b>Net movement in funds</b>	<b>(851)</b>	<b>1,361</b>	<b>-</b>	<b>510</b>	<b>(11,051)</b>	
<b>Reconciliation of funds:</b>						
Total funds brought forward	61,481	21,326	857	<b>83,664</b>	94,715	
<b>Total funds carried forward</b>	<b>60,630</b>	<b>22,687</b>	<b>857</b>	<b>84,174</b>	<b>83,664</b>	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
<b>Fixed assets</b>			
Tangible assets	64,287	76,995	9
Intangible assets	3,734	4,299	10
Investments	4,327	4,761	11
<b>Total fixed assets</b>	<b>72,348</b>	<b>86,055</b>	
<b>Current assets</b>			
Investments	15	15	12
Debtors	16,531	21,598	13
Cash at bank and in hand	17,199	3,985	14
<b>Total current assets</b>	<b>33,745</b>	<b>25,598</b>	
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	(18,353)	(25,430)	15
<b>Net current assets</b>	<b>15,392</b>	<b>168</b>	
<b>Total assets less current liabilities</b>	<b>87,740</b>	<b>86,223</b>	
Creditors: Amounts falling due after more than one year	(330)	(480)	15
Provisions for liabilities	(3,298)	(2,071)	16
<b>Net assets excluding defined benefit pension asset/liability</b>	<b>84,112</b>	<b>83,672</b>	
<b>Defined benefit pension scheme asset/(liability)</b>	<b>62</b>	<b>(8)</b>	21
<b>Total net assets</b>	<b>84,174</b>	<b>83,664</b>	

	2024 £'000	2023 £'000	Notes
<b>The Funds of the Charity</b>			
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
<b>Total unrestricted funds</b>	<b>60,630</b>	<b>61,481</b>	
<b>Total Charity funds</b>	<b>84,174</b>	<b>83,664</b>	

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
<b>Fixed Assets</b>			
Tangible assets	64,286	76,990	9
Intangible assets	3,734	4,299	10
Investments	4,327	4,761	11
<b>Total fixed assets</b>	<b>72,347</b>	<b>86,050</b>	
<b>Current Assets</b>			
Investments	15	15	12
Debtors	14,335	17,338	13
Cash at bank and in hand	17,117	3,801	14
<b>Total current assets</b>	<b>31,467</b>	<b>21,154</b>	
<b>Liabilities</b>			
Creditors: Amount falling due within one year	(18,555)	(24,155)	15
<b>Net current assets/(liabilities)</b>	<b>12,912</b>	<b>(3,001)</b>	
<b>Total assets less current liabilities</b>	<b>85,259</b>	<b>83,049</b>	
Creditors: Amount falling due after more than one year	(330)	(480)	15
Provisions for liabilities	(3,294)	(2,071)	16
<b>Net assets excluding defined benefit pension asset/(liability)</b>	<b>81,635</b>	<b>80,498</b>	
Defined benefit pension scheme asset/(liability)	62	(8)	21
<b>Total net assets</b>	<b>81,697</b>	<b>80,490</b>	



	2024 £'000	2023 £'000	Notes
<b>The Funds of the Charity</b>			
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
<b>Total unrestricted funds</b>	<b>58,238</b>	<b>58,392</b>	
<b>Total Charity funds</b>	<b>81,697</b>	<b>80,490</b>	

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
<b>Cash flows from operating activities:</b>			
<b>Net cash (used in)/generated from operating activities</b>	<b>A</b>	<b>(2,958)</b>	<b>2,245</b>
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)
<b>Net cash generated from investing activities</b>		<b>16,172</b>	<b>1,046</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>13,214</b>	<b>3,291</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>3,985</b>	<b>694</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>Note 14</b>	<b>17,199</b>	<b>3,985</b>

\* 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
<b>A. Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income/(expenditure) for the reporting year (as per the Statement of Financial Activities)	<b>2,357</b>	(9,251)
Adjustments for:		
Amortisation, depreciation and impairment charges	<b>5,423</b>	6,028
Amortisation on programme related investment	-	20
Revaluation of investment properties	<b>(416)</b>	(464)
Dividends, interest and rents from investment	<b>(340)</b>	(104)
Gains on the sale of fixed assets	<b>(7,372)</b>	(1,076)
Difference between pension contributions and total pension expenses	<b>(1,677)</b>	(1,583)
Decrease in debtors	<b>5,067</b>	6,587
(Decrease)/Increase in creditors	<b>(7,227)</b>	5,343
Increase/(Decrease) in provisions	<b>1,227</b>	(3,255)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,958)</b>	<b>2,245</b>

# 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 Leonard 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
<b>Income &amp; Endowments from:</b>								
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
<b>Total</b>	<b>149,619</b>	<b>2,205</b>	<b>-</b>	<b>151,824</b>	<b>147,146</b>	<b>5,427</b>	<b>-</b>	<b>152,573</b>
<b>Expenditure on:</b>								
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
<b>Total</b>	<b>149,039</b>	<b>844</b>	<b>-</b>	<b>149,883</b>	<b>156,493</b>	<b>5,795</b>	<b>-</b>	<b>162,288</b>
Revaluation of investments	416	-	-	416	464	-	-	464
<b>Net (expenditure)/income</b>	<b>996</b>	<b>1,361</b>	<b>-</b>	<b>2,357</b>	<b>(8,883)</b>	<b>(368)</b>	<b>-</b>	<b>(9,251)</b>
<b>Other recognised losses:</b>								
Actuarial losses on defined benefit pension schemes	(1,847)	-	-	(1,847)	(1,800)	-	-	(1,800)
<b>Net movement in funds</b>	<b>(851)</b>	<b>1,361</b>	<b>-</b>	<b>510</b>	<b>(10,683)</b>	<b>(368)</b>	<b>-</b>	<b>(11,051)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	61,481	21,326	857	83,664	72,164	21,694	857	94,715
<b>Total funds carried forward</b>	<b>60,630</b>	<b>22,687</b>	<b>857</b>	<b>84,174</b>	<b>61,481</b>	<b>21,326</b>	<b>857</b>	<b>83,664</b>

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### 3. Income

#### 3A. Donations and legacies

	Restricted £'000	Unrestricted £'000	<b>Total 2024 £'000</b>	Restricted £'000	Unrestricted £'000	<b>Total 2023 £'000</b>
Legacies	1,636	173	<b>1,809</b>	740	2,772	<b>3,512</b>
Donations (Note 3B)	160	999	<b>1,159</b>	287	697	<b>984</b>
<b>Total (Donations &amp; Legacies)</b>	<b>1,796</b>	<b>1,172</b>	<b>2,968</b>	<b>1,027</b>	<b>3,469</b>	<b>4,496</b>

£0.13m (2023: £0.49m) of legacies have been notified but not accrued in line with our legacy policy.

#### 3B. Detail of Total Donations

	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
Individual Giving	<b>698</b>	410
Other donations	<b>117</b>	190
Regional and Local fundraising	<b>129</b>	161
Trusts and Foundations	<b>51</b>	110
Events	<b>107</b>	83
Corporate – Cash	<b>57</b>	18
Major Donors	-	12
<b>Total</b>	<b>1,159</b>	<b>984</b>

### 3C. Government support – Covid-19

Funder type	Total 2024 £'000	Total 2023 £'000
Local Authority Support	544	132
<b>Total</b>	<b>544</b>	<b>132</b>

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

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2024		
				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	<b>30</b>
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health *	PIN60L3H1, PIN60L3H2	-	(97)	<b>(97)</b>
	Other Grants & Contracts			-	92	<b>92</b>
<b>Total</b>				<b>-</b>	<b>25</b>	<b>25</b>

\* 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)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		Total £'000
				Unrestricted £'000	Restricted £'000	
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - Innovating Pathways	300055-107	-	527	<b>527</b>
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	816	<b>816</b>
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind- Education for Life	AAIK/ LNG/100523	-	828	<b>828</b>
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	24	<b>24</b>
	UK Foreign, Commonwealth & Development Office	Inclusive Preparedness- Giving Voice Through Pictures and Words	66294	-	33	<b>33</b>
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health		-	331	<b>331</b>

The following projects received support from these organisations:

### 3D. Charitable activities – International Programmes (continued)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		
				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	<b>2</b>
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	<b>16</b>
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh		-	114	<b>114</b>
		Disability Inclusive Development Programme (DID) Kenya		-	52	<b>52</b>
		Disability Inclusive Development Programme (DID) Tanzania		-	239	<b>239</b>
		Disability Inclusive Development Programme (DID) Nepal		-	126	<b>126</b>



The following projects received support from these organisations:

### 3D. Charitable activities – International Programmes (continued)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
Corporates, Individuals, Trusts & Foundations	Motability Foundation	UK– Accessible Taxis User Research		-	145	<b>145</b>
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/ LC/20-22	-	33	<b>33</b>
	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	44	<b>44</b>
Corporates, Individuals, Trusts & Foundations	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	61	<b>61</b>
	Other Grants & Contracts			-	52	<b>52</b>
<b>Total</b>				-	<b>3,443</b>	<b>3,443</b>

The following projects received support from these organisations:

### 3E. Charitable activities – UK Programmes

Funder type	Funder	Project Name	Project/ grant ID	Year Ended 31 March 2024		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru *	20071186	(43)	-	<b>(43)</b>
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	53	<b>53</b>
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	168	<b>168</b>
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	19	<b>19</b>
Corporates, Individuals, Trusts & Foundations	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	63	<b>63</b>
	Various	Change 100 internships		565	15	<b>580</b>
	Other Grants & Contracts			43	196	<b>239</b>
<b>Total</b>				<b>565</b>	<b>514</b>	<b>1,079</b>

\* 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)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	129	<b>129</b>
	National Lottery - Sport England	Randall Close - Road to Me		-	146	<b>146</b>
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3- WWV-25+ R02	-	102	<b>102</b>
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	23	<b>23</b>
	Southwark Council	Southwark Advice Plus		-	45	<b>45</b>
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	99	<b>99</b>
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London*	LON/1/6	-	(56)	<b>(56)</b>
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	45	<b>45</b>

The following projects received support from these organisations:

### 3E. Charitable activities – UK Programmes (continued)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		
				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	<b>191</b>
Governments and Institutions	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	8	<b>8</b>
	Sport England	All Active Together	2020029655	-	22	<b>22</b>
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	101	<b>101</b>
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries*	20123152	-	(3)	<b>(3)</b>
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do		-	(786)	<b>(786)</b>
	Bank Workers Charity	Bank Workers Charity		19	-	<b>19</b>
	3i	Changing Futures London		-	30	<b>30</b>
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	145	<b>145</b>
	Gallaher Limited	TechWorks Project Delivery & Mgmt		-	82	<b>82</b>

\* 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)

Funder type	Funder	Project Name	Project/ Grant ID	Year Ended 31 March 2023		
				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
<b>Total</b>				<b>870</b>	<b>624</b>	<b>1,494</b>

\* 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
<b>Total</b>	<b>340</b>	<b>104</b>

## 5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	<b>Total 2024 £'000</b>	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	<b>Total 2023 £'000</b>
Fundraising	662	335	-	<b>997</b>	1,302	309	17	<b>1,628</b>
<b>Total costs of raising funds</b>	<b>662</b>	<b>335</b>	<b>-</b>	<b>997</b>	<b>1,302</b>	<b>309</b>	<b>17</b>	<b>1,628</b>
<b>Charitable activities</b>								
Social care	100,854	25,248	21,201	<b>147,303</b>	105,977	23,574	24,246	<b>153,797</b>
International services	83	198	-	<b>281</b>	1,395	2,346	141	<b>3,882</b>
UK Programmes	763	118	203	<b>1,084</b>	1,926	267	380	<b>2,573</b>
Campaigning	168	27	23	<b>218</b>	389	19	-	<b>408</b>
<b>Total charitable activities</b>	<b>101,868</b>	<b>25,591</b>	<b>21,427</b>	<b>148,886</b>	<b>109,687</b>	<b>26,206</b>	<b>24,767</b>	<b>160,660</b>
<b>Total resources expended</b>	<b>102,530</b>	<b>25,926</b>	<b>21,427</b>	<b>149,883</b>	<b>110,989</b>	<b>26,515</b>	<b>24,784</b>	<b>162,288</b>

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	<b>Total 2024 £'000</b>	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	<b>Total 2023 £'000</b>
<b>Support costs</b>								
Fundraising	-	-	-	-	7	8	2	<b>17</b>
Social care	5,840	12,982	2,379	<b>21,201</b>	10,240	11,660	2,346	<b>24,246</b>
International services	-	-	-	-	59	68	14	<b>141</b>
UK Programmes	56	124	23	<b>203</b>	160	183	37	<b>380</b>
Campaigning	6	14	3	<b>23</b>	-	-	-	-
<b>Total</b>	<b>5,902</b>	<b>13,120</b>	<b>2,405</b>	<b>21,427</b>	<b>10,466</b>	<b>11,919</b>	<b>2,399</b>	<b>24,784</b>

## 6. Governance cost

	<b>2024 £'000</b>	<b>2023 £'000</b>
Internal Audit	<b>62</b>	<b>29</b>
External Audit		
Audit services current year	<b>695</b>	<b>400</b>
Amounts payable to auditors in respect of additional costs for the prior year audit	<b>80</b>	<b>211</b>
Non-audit services	<b>7</b>	<b>18</b>
Governance and professional support for Trustees	<b>1</b>	<b>1</b>
<b>Total</b>	<b>845</b>	<b>659</b>

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 2024 £'000	2023 £'000	Company 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
<b>Total</b>	<b>99,095</b>	<b>100,673</b>	<b>98,718</b>	<b>100,236</b>

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:

<b>The monthly average number of FTE employees during the year was:</b>	<b>Group 2024 Staff FTE</b>	<b>2023 Staff FTE</b>
Volunteering	-	2
Social care	2,832	2,947
International	-	17
Campaigning	3	-
UK Programmes	23	46
Governance	4	-
Support	157	119
<b>Total</b>	<b>3,019</b>	<b>3,131</b>

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:

<b>The monthly average number of FTE employees during the year was:</b>	<b>Company 2024 Staff FTE</b>	<b>2023 Staff FTE</b>
Volunteering	-	2
Social care	2,819	2,933
International	-	17
Campaigning	3	-
UK Programmes	23	46
Governance	4	-
Support	157	119
<b>Total</b>	<b>3,006</b>	<b>3,117</b>

## Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	<b>Group 2024 Staff</b>	2023 Staff	<b>Company 2024 Staff</b>	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
<b>Total</b>	<b>42</b>	<b>55</b>	<b>42</b>	<b>55</b>

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.

	<b>2024 £'000</b>	<b>2024 Staff</b>	2023 £'000	2023 Staff
<b>Defined contribution schemes</b>	<b>307</b>	<b>40</b>	<b>317</b>	<b>53</b>

## 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:

	<b>Group 2024 £'000</b>	2023 £'000	<b>Company 2024 £'000</b>	2023 £'000
<b>Remuneration and benefits</b>	<b>1,043</b>	<b>1,598</b>	<b>1,043</b>	<b>1,598</b>

## 9. Tangible assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	<b>Total £'000</b>
<b>Cost</b>					
At 1 April 2023	90,908	5,696	1,288	62,793	<b>160,685</b>
Additions	283	-	700	313	<b>1,296</b>
Disposals	(11,351)	(351)	-	(10,868)	<b>(22,570)</b>
Transfers	-	-	(633)	633	-
<b>As 31 March 2024</b>	<b>79,840</b>	<b>5,345</b>	<b>1,355</b>	<b>52,871</b>	<b>139,411</b>
<b>Accumulated depreciation and impairments</b>					
At 1 April 2023	34,617	4,998	-	44,075	<b>83,690</b>
Charge for the year	1,499	42	-	3,317	<b>4,858</b>
Disposals	(4,670)	(333)	-	(8,421)	<b>(13,424)</b>
<b>At 31 March 2024</b>	<b>31,446</b>	<b>4,707</b>	<b>-</b>	<b>38,971</b>	<b>75,124</b>
<b>Net book value at 31 March 2024</b>	<b>48,394</b>	<b>638</b>	<b>1,355</b>	<b>13,900</b>	<b>64,287</b>
Net book value at 31 March 2023	56,291	698	1,288	18,718	<b>76,995</b>

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
<b>Completed Sales</b>		<b>16,240</b>	

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	<b>Total £'000</b>
<b>Cost</b>					
At 1 April 2023	90,908	5,696	1,288	62,712	<b>160,604</b>
Additions	283	-	700	313	<b>1,296</b>
Disposals	(11,351)	(351)	-	(10,844)	<b>(22,546)</b>
Transfers	-	-	(633)	633	-
<b>As 31 March 2024</b>	<b>79,840</b>	<b>5,345</b>	<b>1,355</b>	<b>52,814</b>	<b>139,354</b>
<b>Accumulated depreciation and impairments</b>					
At 1 April 2023	34,617	4,998	-	43,999	<b>83,614</b>
Charge for the year	1,499	42	-	3,315	<b>4,856</b>
Disposals	(4,670)	(333)	-	(8,399)	<b>(13,402)</b>
<b>At 31 March 2024</b>	<b>31,446</b>	<b>4,707</b>	<b>-</b>	<b>38,915</b>	<b>75,068</b>
<b>Net book value at 31 March 2024</b>	<b>48,394</b>	<b>638</b>	<b>1,355</b>	<b>13,899</b>	<b>64,286</b>
Net book value at 31 March 2023	56,291	698	1,288	18,713	<b>76,990</b>

## 10. Intangible assets – Group and Company

	Intangible assets £'000	Total £'000
<b>Cost</b>		
At 1 April 2023	7,629	<b>7,629</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2024</b>	<b>7,629</b>	<b>7,629</b>
<b>Accumulated amortisation and impairments</b>		
At 1 April 2023	3,330	<b>3,330</b>
Charge for the year	565	<b>565</b>
Disposals	-	-
<b>At 31 March 2024</b>	<b>3,895</b>	<b>3,895</b>
<b>Net book value at 31 March 2024</b>	<b>3,734</b>	<b>3,734</b>
Net book value at 31 March 2023	4,299	<b>4,299</b>

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
<b>At 31 March 2024</b>	<b>4,327</b>	<b>-</b>	<b>4,327</b>

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	-	-
<b>Closing market value at 31 March</b>	<b>15</b>	<b>15</b>

The Trustees consider the value of the investments to be supported by their underlying assets. These investments relate to publicly quoted shares.

### 13. Debtors

	<b>Group 2024 £'000</b>	Group 2023 £'000	<b>Company 2024 £'000</b>	Company 2023 £'000
Trade debtors	<b>13,309</b>	16,802	<b>8,795</b>	11,746
Amounts owed by group undertakings	-	-	<b>2,644</b>	956
Prepayments	<b>428</b>	752	<b>428</b>	752
Accrued income	<b>2,794</b>	4,044	<b>2,468</b>	3,884
<b>Total</b>	<b>16,531</b>	<b>21,598</b>	<b>14,335</b>	<b>17,338</b>

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

	<b>Group 2024 £'000</b>	2023 £'000	<b>Company 2024 £'000</b>	2023 £'000
Group / company funds	<b>15,312</b>	2,170	<b>15,230</b>	1,986
Service users' funds held in trust	<b>1,887</b>	1,815	<b>1,887</b>	1,815
<b>Total</b>	<b>17,199</b>	<b>3,985</b>	<b>17,117</b>	<b>3,801</b>

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

	<b>Group 2024 £'000</b>	Group 2023 £'000	<b>Company 2024 £'000</b>	Company 2023 £'000
<b>Amounts falling due within one year</b>				
Trade creditors	<b>2,809</b>	3,704	<b>2,794</b>	3,703
Amounts owed to group undertakings	-	-	<b>1,155</b>	1,750
Taxation and social security	<b>3,754</b>	6,428	<b>3,745</b>	4,359
Other creditors	<b>3,360</b>	4,457	<b>2,775</b>	3,904
Service users' funds	<b>1,980</b>	1,924	<b>1,980</b>	1,924
Accruals	<b>3,997</b>	5,339	<b>3,967</b>	5,317
Deferred income	<b>2,453</b>	3,578	<b>2,139</b>	3,198
<b>Total</b>	<b>18,353</b>	<b>25,430</b>	<b>18,555</b>	<b>24,155</b>
<b>Amounts falling due after more than one year</b>				
Loan	<b>330</b>	480	<b>330</b>	480
<b>Total</b>	<b>330</b>	<b>480</b>	<b>330</b>	<b>480</b>

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	Annual		Redundancy £'000	Grants £'000	Pension £'000	Other £'000	Total £'000
	Dilapidation £'000	Leave £'000					
At 1 April 2023	477	333	771	-	486	4	<b>2,071</b>
Charged to the SOFA	90	615	572	1,026	113	453	<b>2,869</b>
Credited to the SOFA	(8)	-	(119)	-	(287)	-	<b>(414)</b>
Amount utilized	(40)	(333)	(652)	-	(199)	(4)	<b>(1,228)</b>
<b>At 31 March 2024</b>	<b>519</b>	<b>615</b>	<b>572</b>	<b>1,026</b>	<b>113</b>	<b>453</b>	<b>3,298</b>

Company	Annual		Redundancy £'000	Grants £'000	Pension £'000	Other £'000	Total £'000
	Dilapidation £'000	Leave £'000					
At 1 April 2023	477	333	771	-	486	4	<b>2,071</b>
Charged to the SOFA	90	615	572	1,026	113	450	<b>2,865</b>
Credited to the SOFA	(8)	-	(119)	-	(287)	-	<b>(414)</b>
Amount utilized	(40)	(333)	(652)	-	(199)	(5)	<b>(1,228)</b>
<b>At 31 March 2024</b>	<b>519</b>	<b>615</b>	<b>572</b>	<b>1,026</b>	<b>113</b>	<b>449</b>	<b>3,294</b>

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	Year ending 31 March 2023				Year ending 31 March 2024				Balance at 31 March 2024 £'000
	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	
<b>Restricted Funds</b>									
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
<b>Total</b>	<b>21,694</b>	<b>5,427</b>	<b>(5,795)</b>	<b>-</b>	<b>21,327</b>	<b>2,462</b>	<b>(844)</b>	<b>(257)</b>	<b>22,687</b>
<b>Endowment Funds</b>									
Permanent endowments:									
Albert Alexander Fund	11	-	-	-	11	-	-	-	11
Kirby Worthington Fund	111	-	-	-	111	-	-	-	111
St. Michaels Home	735	-	-	-	735	-	-	-	735
<b>Total</b>	<b>857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857</b>
<b>Unrestricted income funds</b>									
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
<b>Total</b>	<b>72,164</b>	<b>147,132</b>	<b>(157,816)</b>	<b>-</b>	<b>61,481</b>	<b>149,619</b>	<b>(149,039)</b>	<b>(1,431)</b>	<b>60,630</b>
<b>Total Funds</b>	<b>94,715</b>	<b>152,560</b>	<b>(163,611)</b>	<b>-</b>	<b>83,665</b>	<b>152,081</b>	<b>(149,883)</b>	<b>(1,688)</b>	<b>84,174</b>

## 17. Total funds – Company

Company – movement in funds	Year ending 31 March 2023				Year ending 31 March 2024				Balance at 31 March 2024 £'000
	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	
<b>Restricted Funds</b>									
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
<b>Total</b>	<b>21,608</b>	<b>5,428</b>	<b>(5,795)</b>	<b>-</b>	<b>21,241</b>	<b>2,462</b>	<b>(844)</b>	<b>(257)</b>	<b>22,602</b>
<b>Endowment Funds</b>									
Permanent endowments:									
Albert Alexander Fund	11	-	-	-	11	-	-	-	11
Kirby Worthington Fund	111	-	-	-	111	-	-	-	111
St. Michaels Home	735	-	-	-	735	-	-	-	735
<b>Total</b>	<b>857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857</b>
<b>Unrestricted income funds</b>									
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
<b>Total</b>	<b>69,094</b>	<b>146,146</b>	<b>(156,848)</b>	<b>-</b>	<b>58,392</b>	<b>148,593</b>	<b>(147,316)</b>	<b>(1,431)</b>	<b>58,238</b>
<b>Total Funds</b>	<b>91,559</b>	<b>151,574</b>	<b>(162,643)</b>	<b>-</b>	<b>80,490</b>	<b>151,055</b>	<b>(148,160)</b>	<b>(1,688)</b>	<b>81,697</b>

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

	Unrestrict- ed funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total 2024 £'000</b>	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total 2023 £'000</b>
Fixed assets	64,830	6,783	735	<b>72,348</b>	77,258	8,062	735	<b>86,055</b>
Investments	15	-	-	<b>15</b>	15	-	-	<b>15</b>
Debtors	16,531	-	-	<b>16,531</b>	7,580	14,018	-	<b>21,598</b>
Cash	15,332	1,745	122	<b>17,199</b>	1,914	1,949	122	<b>3,985</b>
Current liabilities	(18,095)	(258)	-	<b>(18,353)</b>	(22,727)	(2,703)	-	<b>(25,430)</b>
<b>Net current (liabilities)/ assets</b>	<b>13,783</b>	<b>1,487</b>	<b>122</b>	<b>15,392</b>	<b>(13,218)</b>	<b>13,264</b>	<b>122</b>	<b>168</b>
Long term liabilities	(3,628)	-	-	<b>(3,628)</b>	(2,551)	-	-	<b>(2,551)</b>
Pension (liabilities)/ assets	62	-	-	<b>62</b>	(8)	-	-	<b>(8)</b>
<b>Total</b>	<b>75,047</b>	<b>8,270</b>	<b>857</b>	<b>84,174</b>	<b>61,481</b>	<b>21,326</b>	<b>857</b>	<b>83,664</b>
Restricted funds re-p replenishment obligation	(14,417)	14,417	-	-	n/a	n/a	n/a	n/a
<b>Total</b>	<b>60,630</b>	<b>22,687</b>	<b>857</b>	<b>84,174</b>	<b>61,481</b>	<b>21,326</b>	<b>857</b>	<b>83,664</b>

## 18. Analysis of net assets between funds (continued)

### Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total 2024 £'000</b>	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total 2023 £'000</b>
Fixed assets	64,829	6,783	735	<b>72,347</b>	77,253	8,062	735	<b>86,050</b>
Investments	15	-	-	<b>15</b>	15	-	-	<b>15</b>
Debtors	14,335	-	-	<b>14,335</b>	3,320	14,018	-	<b>17,338</b>
Cash	15,250	1,745	122	<b>17,117</b>	1,815	1,864	122	<b>3,801</b>
Current liabilities	(18,297)	(258)	-	<b>(18,555)</b>	(21,452)	(2,703)	-	<b>(24,155)</b>
<b>Net current (liabilities)/ assets</b>	<b>11,303</b>	<b>1,487</b>	<b>122</b>	<b>12,912</b>	<b>(16,302)</b>	<b>13,179</b>	<b>122</b>	<b>(3,001)</b>
Long term liabilities	(3,624)	-	-	<b>(3,624)</b>	(2,551)	-	-	<b>(2,551)</b>
Pension (liabilities)/ assets	62	-	-	<b>62</b>	(8)	-	-	<b>(8)</b>
<b>Total</b>	<b>72,570</b>	<b>8,270</b>	<b>857</b>	<b>81,697</b>	<b>58,392</b>	<b>21,241</b>	<b>857</b>	<b>80,490</b>
Restricted funds re- plenishment obligation	(14,332)	14,332	-	-	n/a	n/a	n/a	n/a
<b>Total</b>	<b>58,238</b>	<b>22,602</b>	<b>857</b>	<b>81,697</b>	<b>58,392</b>	<b>21,241</b>	<b>857</b>	<b>80,490</b>

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:

	2024				2023			
	Property £'000	Vehicle £'000	Equipment £'000	Total £'000	Property £'000	Vehicle £'000	Equipment £'000	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
<b>Total</b>	<b>3,527</b>	<b>352</b>	<b>213</b>	<b>4,092</b>	<b>3,117</b>	<b>504</b>	<b>377</b>	<b>3,998</b>

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	10616088	£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.

	2024 £'000	2023 £'000
<b>Summary of statement of financial activities</b>		
Incoming resources	-	5
Resources expended	-	(12)
<b>Net (expenses)</b>	<b>-</b>	<b>(7)</b>
<b>Summary of assets and liabilities</b>		
Assets	-	-
Liabilities	(273)	(273)
<b>Total</b>	<b>(273)</b>	<b>(273)</b>

### 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.

	2024 £'000	2023 £'000
<b>Summary of statement of financial activities</b>		
Incoming resources	567	520
Resources expended	(551)	(613)
<b>Net (expenses) / income</b>	<b>16</b>	<b>(93)</b>
<b>Summary of assets and liabilities</b>		
Assets	1,219	1,188
Liabilities	(45)	(30)
<b>Total</b>	<b>1,174</b>	<b>1,158</b>

### 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.

	2024 £'000	2023 £'000
<b>Summary of statement of financial activities</b>		
Incoming resources	26,969	28,536
Resources expended	(26,778)	(28,176)
<b>Net income</b>	<b>191</b>	<b>360</b>
<b>Summary of statement of financial activities</b>		
Assets	4,862	5,237
Liabilities	(3,286)	(3,645)
<b>Total</b>	<b>1,576</b>	<b>1,592</b>



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## 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)
<b>Financial assumptions</b>		
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%
<b>Demographic assumptions</b>		
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
<b>Balance sheet pension (asset)/liability summary</b>		
	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
<b>Total</b>	<b>(62)</b>	<b>8</b>

## 21. Pension schemes (continued)

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at	Proportion	Value at	Proportion
				31 March 2024 £'000		31 March 2023 £'000	
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%
<b>Total</b>	<b>54,976</b>	<b>1,971</b>	<b>71</b>	<b>57,018</b>		<b>59,018</b>	

Balance sheet impact	TPT £'000	Clywd £'000	IOM £'000	Value at	Value at
				31 March 2024 £'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)
<b>Total</b>	<b>-</b>	<b>72</b>	<b>(10)</b>	<b>62</b>	<b>59</b>

### SOFA impact

Current service cost	-	19	-	19	59
Expenses	206	1	-	207	202
Net interest cost	-	(3)	1	(2)	1
<b>Total</b>	<b>206</b>	<b>17</b>	<b>1</b>	<b>224</b>	<b>262</b>

## 21. Pension schemes (continued)

	Year ending 31 March 2024 £'000	Year ending 31 March 2023 £'000
<b>Analysis of amount recognised in the SOFA as unrealised gains/(losses)</b>		
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
<b>Total recognised in other comprehensive income – losses</b>	<b>(1,847)</b>	<b>(1,800)</b>
<b>Reconciliation of present value of scheme liabilities</b>		
<b>Change in the present value of the defined benefit obligations</b>		
<b>Opening defined benefit obligation</b>	<b>56,686</b>	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)
<b>Closing defined benefit obligation</b>	<b>56,145</b>	<b>56,686</b>
<b>Reconciliation of present value of scheme assets and actual return on assets</b>		
<b>Change in the fair value of the scheme assets</b>		
<b>Opening fair value of the scheme assets</b>	<b>59,018</b>	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)
<b>Closing fair value of the scheme assets</b>	<b>57,018</b>	<b>59,018</b>
<b>Return on plan assets including interest</b>	<b>(447)</b>	<b>(20,385)</b>

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## 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 administered 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.

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## 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).

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## 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
<b>Financial assets at fair value through statement of financial activities</b>					
Investments	12	15	15	15	15
<b>Financial assets that are debt instruments measured at amortised cost</b>					
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
<b>Total</b>		<b>33,317</b>	<b>24,846</b>	<b>31,039</b>	<b>20,402</b>
<b>Financial liabilities that are debt instruments measured at amortised cost</b>					
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
<b>Total</b>		<b>12,475</b>	<b>15,904</b>	<b>13,001</b>	<b>17,078</b>

## 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.

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### 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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### Legators

Mrs Freda Allfrey  
Mr John Alfred Bodsworth  
Mrs Kay Helen Bowring  
Joyce Clark  
Margaret Coates

Mr Allan John Cockrill  
Diana Mary Cottingham  
Mr James Anthony Crabtree  
Mrs Elizabeth Joan Crook  
Mr Barrie Dennis Dulson  
Mrs S Francis  
Patricia Frogson  
Miss Beatrice Gillam, MBE  
Mrs Doris Joyce Gunstone  
Mr David Reginald Hardy  
Sheila Harrington  
Mrs Jessica Josephine  
Veronica Hasler  
Mr John Roland Herbert  
Betty Patricia Holden  
Rachel Marilyn Horne  
Grace Olive Jones  
Mr David William Lambert  
Mr Peter Maby  
Miss Vivien Jane Massie  
Mr Leslie Howard Meads  
Mr Edwin Louis Micallef  
Mrs Muriel Frances Mortimore  
Miss Olivia Chiara Maria Pelosi  
Mr Frank Samuel Phoenix  
Mr Albert Arthur Pinching  
Mr Derek Puncher

Mr Peter Campbell Richards  
Christine Ann Simpson  
Father Peter Francis Stevens  
Mr Mark Frederick Taylor  
Joan Marjorie Thomas  
Mr Nicholas Vince  
Mrs Kathleen Walker  
Mrs Delsie May Waters  
Mr George Anstey Webb  
Mr Michael Drake Whitear  
Hazel Mary Withers  
Dr Charles Ronald Worthing

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### Charitable Trusts and other supporters

Andrew and Mary Elizabeth Charitable Trust  
Antelope Trust  
The Bill Brown 1989 Charitable Trust  
Brackengarth Trust  
Chapman Charitable Trust  
Charities Aid Foundation  
Chiltern Charitable Trust  
Copley May Foundation  
The Dandy Charitable Trust  
Denise Coates Foundation

The Derek Raphael Charitable Trust	The Magnus Trust
Dilys Joyce Coleman Charitable Trust	The Meikle Foundation
Dorothy Irene Raven Will Trust	The Michael and Anna Wix Charitable Trust
EBM Charitable Trust	Motability Foundation
Enkalon Foundation	Motorola Solutions Foundation
European Commission	Mrs AA Clutterbuck's Charitable Trust
European Social Fund	Mrs J B Wood's Charitable Trust
Generation Foundation	The National Lottery Community Fund
The George and Susan Gluck Foundation	The Payback Time Trust
The Gerald Bentall Charitable Trust	The Privy Purse Charitable Trust
The Gilander Foundation	The Ronald Miller Foundation
Gowling WLG (UK) Charitable Trust	The Samuel and Freda Parkinson Trust
Hospital Saturday Fund	The SMB Charitable Trust
The J Reginald Corah Foundation Fund	Sport England
J S Innes Charitable Trust	Stelios Philanthropic Foundation
James Paton's Trust	The Tompkins Foundation
James T Howat Charitable Trust	Totara Charitable Trust
The John Cowan Foundation	West of England Combined Authority
The Joseph Strong Frazer Trust	The Willan Charitable Trust
Kass Charitable Trust	The Wyn and Ken Lo Memorial Foundation
The Linden Charitable Trust	
Lloyds Bank Foundation	
The Lord Faringdon Charitable Trust	
The Loseley Christian Trust	

# 7.

## Who's who

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### 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)

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## 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)

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## 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

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### Independent Auditors

#### *PricewaterhouseCoopers LLP*

Chartered Accountants  
and Statutory Auditors  
1 Embankment Place  
London WC2N 6RH

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### Bankers

#### *Barclays Bank Plc*

1 Churchill Place  
London E14 5HP

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### 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



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