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**LEONARD CHESHIRE DISABILITY
ANNUAL REPORT AND ACCOUNTS
2009/2010**

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**Leonard
Cheshire
Disability**

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CONTENTS

CHAIRMAN'S REVIEW	3
1 ABOUT US	5
2 SOCIAL CARE	9
3 INNOVATION	17
4 CAMPAIGNING	23
5 INTERNATIONAL	30
6 FUNDRAISING	36
7 THE WAY AHEAD	35
8 STATEMENTS	49
Statement of trustees' responsibility	51
Financial, legislative and administrative information	52
Auditors' opinion	59
9 FINANCIALS	61
Consolidated statement of financial activities	63
Consolidated balance sheet	65
Consolidated cash flow	69
Notes to the financial statements	71
DIRECTORY	98
Directory of trustees and senior officers	98
Principal advisors	99

MESSAGE FROM ILYAS KHAN

In the very short time that I have been at Leonard Cheshire Disability I have seen at first hand what a difference we can make to the lives of the people we support, and I have begun to understand what it means to help people overcome barriers

The truth is that today disabled people face considerable barriers in their lives barriers to getting support, to being listened to, to education, work and a social life, barriers to having control over what they do

That is why we are here Spending time with the people we support has shown me that the need for our services is as great now as it ever has been In fact, with reductions in public spending inevitable, in future charities like ours will play an even bigger role in ensuring that disabled people are supported in a practical way and are fairly represented at a policy level

This year has been a particularly challenging one for the charity one in which we have had to make tough decisions relating to our structure Our finances have suffered in a difficult economic environment for all, but we have ended the year in a stable position

Despite the economic climate, we have continued to move forward We have invested in growing and improving our services, and, as independent assessments confirm, we have progressed the quality

of our support We have also taken bold, imaginative steps to set up new projects in areas such as work, communication and health

Our campaigns have continued to provide an invaluable voice at local and national level against discrimination Internationally we have worked closely with key global policy makers such as the World Bank and the United Nations, and we have built on our reputation for providing high quality practical support to disabled people in the most disadvantaged parts of the world

On the following pages you will read more about our achievements I am very conscious that none of them would have been possible without the hard work and skills of our staff and amazing volunteers Likewise, many of our programmes would not be able to run without the ongoing support of our corporate partners, trusts, foundations and individual donors

On behalf of the trustees and the disabled people we support I would like to thank you all

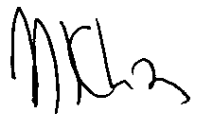
In May 2010 our Chief Executive Eric Prescott left the charity, having guided us through The Way Ahead project, which delivered significant cost and operational efficiencies and set us on the road to growth We thank Eric for his work and wish him all the best for the future

CHAIRMAN'S REVIEW

"The truth is that today disabled people face considerable barriers in their lives."

In July 2010 we appointed Clare Pelham as our new Chief Executive. Clare is Chief Executive of the Judicial Appointments Commission and has held a variety of other senior civil service positions. She has also worked in the private sector at IBM and Coca-Cola. On behalf of everyone at the charity I would like to extend a warm welcome to Clare.

Lastly, I would like to thank my colleagues on the trustee board for the time they have given in steering the charity through difficult times to what I hope will be an exciting and promising future for disabled people.



Ilyas Khan
Chairman

"I help out here three times a week. It's a genuine community — people have known each other for a long time and there's a lot of mutual support. We use the computers to keep in touch, practise reading and writing, play games and look at photos."

**PHILIPP MUELLAUER
VOLUNTEER
RANDALL CLOSE DAY CENTRE, LONDON**

ABOUT US

LEONARD CHESHIRE DISABILITY

WHAT WE DO

We support disabled people in the UK

Our services include residential care, domiciliary care, supported living, acquired brain injury services, transition services, day support, respite care and holiday services

We campaign locally and nationally to change attitudes and support on average over the year 30 campaigns groups led by disabled people

We offer ground-breaking projects to support disabled people in areas such as employment, education, health and digital inclusion

We work with a global alliance of Leonard Cheshire charities to improve the quality of life for disabled people in over 50 countries

OUR MISSION

To enable disabled people to improve their quality of life and to campaign for the removal of barriers which hinder them

OUR VALUES

1. *Valuing the individual*

Taking the time to listen to each disabled person with whom we work

2. *Working together*

Finding our success in the achievement of each disabled person with whom we work

3. *Honesty*

Generating trust by being clear about what we can and cannot do and by delivering our promises

4. *Creativity*

Developing imaginative new projects, moving into new fields and seeking new ways of working so that we can support disabled people more effectively

5. *Energy*

Being ambitious in the goals we set and committing ourselves to achieving them

OUR VISION

A society in which every disabled person can enjoy their rights and has the opportunity to fulfil their potential

PUBLIC BENEFIT

The trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2006 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 2009/10. 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.

**"The service has given me back my self-worth and
it's inspired me to achieve goals that I thought were
impossible."**

**VERONICA THOMAS
DAY CENTRE USER, RANDALL CLOSE, LONDON**

2

SOCIAL CARE

SOCIAL CARE

HOW WE DELIVERED AND IMPROVED OUR SOCIAL CARE SERVICES FOR DISABLED PEOPLE

WHAT WE AIMED TO ACHIEVE

1

To match our services to the
needs of the individual

2

To focus the service we provide in
our care homes with nursing on
high dependency support and
end of life care

3

To expand our presence in
urban areas

4

To develop further our support for people who require transitional, respite and rehabilitation services

5

To direct the focus of our care at home services to those with complex needs and expand our supported living in the community services

6

To use our experience of the practical and social needs of disabled people to stimulate the provision of accessible housing — both to buy and to rent

WHAT WE ACHIEVED

Our social care services for disabled people in 2009/10 included residential care, domiciliary care, supported living, acquired brain injury services, transition services, day support, respite care and holiday services

Ensuring quality

We know that if we want to improve our services, it is vital that we listen to the people we support, and act on what they tell us. This year we have gathered people's views in a variety of ways, including by meeting, letter, email, phone calls and through our complaints procedure. Some people have told us what they thought directly while others have done so through the Service User Networking Association (SUNA) or through our staff. We have also carried out an annual service user survey, in which 85% of people told us they rated their support as either 'good' or 'excellent' - up from 72% in the previous year.

Another view of our support came from the people who regulate social care in the UK. Two years ago we set ourselves a target of being rated as 'good' or 'excellent' by the Care Quality Commission in 90% of our services in England. We are pleased to say that in 2009/10 we achieved that rating in 93% of our services. For 2010/11 we want to improve further, to 95%. We have also set targets for improvement in regulatory ratings for our services in Scotland, Northern Ireland and Wales.

Growing and improving our support

Despite difficult financial conditions this year we have continued to invest in our support for disabled people. We have opened a number of new services in urban areas: Springfield, a home in Bromley, Kent for people with physical impairments, Birnbeck, a learning disability care home in Weston-super-Mare, and Dorchester Homes, a learning disability service in Dorset. We have also opened new supported living services in Edinburgh, Glenrothes, Eyemouth, Wrexham and Garstang.

We have also redeveloped existing services at Seven Springs, Kent, Agate House, Bedfordshire, and Ty Cwm, Carmarthenshire. Work at Dan-y-bryn near Cardiff, and The Hill, in Sandbach, Cheshire, is almost complete.

Other developments in progress and expected to complete in 2010/11 or shortly after include The Rising, a transitional service for disabled children in Exeter, Quantock, a small learning disability care home in Weston-super-Mare, and supported living schemes in Kendal, Cumbria and Alton, Hampshire.

As these projects show, we are developing more supported living services than ever before. These services allow people to live in their own homes while receiving the right support. One of the main aims of our development work is to give more disabled people the chance to take control of their lives in this way.

Regulatory changes

The biggest regulatory change currently facing the organisation is the requirement for us to re-register all of our services in England, under the new system being brought in by the Care Quality Commission. Whilst this will not be an easy task for us given the number of services we operate we fully support these changes as they will place a far greater emphasis on improved outcomes for disabled people, rather than systems and processes.

With the introduction of the new approach to social care regulation in Northern Ireland we now operate within a social care regulatory framework within each of the four nations of the UK.

Removing barriers to communication

In December 2009 lottery funding for our Communication Project came to an end. The project was set up in 2005 to help people with communication impairments to communicate with others. It was highly successful and benefited over 1,240 disabled people. Now we are

delighted to announce that the work will continue, as we are going to launch phase two of the project, which will be known as Ucommunicate. It will equip staff in our services with the skills and support to help more people to communicate in the way that best suits them – which could be through conversation or using technology and other methods.

Closures

Due to financial pressures it is sometimes not possible for us to continue running a service. Sadly, this year we have to report that it was necessary for us to withdraw from a contract in Waltham Forest to provide domiciliary care. The overall contract value was £3 million. The service was successfully transferred to another provider at the end of the year, through our working in partnership with the local authority.

Volunteering in the UK

Volunteers continue to make an enormous contribution to the charity with over 3,000 volunteers active at any one time.

- In 2009/10, volunteers donated 487,368 hours of their time.
- Volunteer roles included befriending, supporting disabled people with activities, escorting disabled people on outings, driving, fundraising, planning and organising events, gardening and maintenance, assisting in a charity shop, office work and raising public awareness.
- Companies that provided volunteer hours for us in 2009/10 included Barclays, Bodyshop, Boots, Bristol Myers Squibb, Deloitte, Drivers Jonas, EDF, Ernst & Young, GlaxoSmithKline, Goldman Sachs, Howden's Joinery, Intel, KPMG, Liverpool Victoria, Lloyds TSB, Microsoft, Northern Rock, Orange, RBS, Sky, Unichem, and Zurich.

CASE STUDY ONE BUNGALOW SUMMER


Thanks to a new bungalow three young disabled people in West Sussex have the chance to live independently for the first time. The property in Worthing was purchased by Leonard Cheshire Disability (LCD) in 2009 and made fully accessible. Now residents Ashley Andrews, Claire Barker and Rob Byrne have moved in and are enjoying their first summer in their own place.

The housemates had previously been residents at Fethneys, our service in Worthing that offers young disabled people somewhere to live and explore independent living after leaving home. Support at the new bungalow is provided by LCD staff. Ashley said: "It's different to Fethneys – I have to plan a lot more for myself here. I've been waiting a long time for somewhere like this to live." Claire said "We have to make decisions about how much support we need – It's excellent to be in our own home, doing what we want."

CASE STUDY TWO A MINI ADVENTURE IN BARROW

Welcome to Adventurers youth club, a twice-weekly club for local 11-18 year olds. It's very popular – about 30 disabled and non-disabled young people come along each evening in Barrow-in-Furness, Cumbria. One of them is Jess. "I come here because I enjoy the different activities and I like to see everyone smiling and accepted."

The club gives local young people a chance to try their hand at games, activities and trips out. But perhaps the most striking thing is the general buzz – the atmosphere. Everyone is chatting, joking and messing around. As manager Carolyn Elvey says: "There's a lot of normal teenage things – a lot of laughter. We've been going for four years and the best part has been to see everyone get more confident and make decisions for themselves."



Our Ability Media centre, based in Southwark, London, is purpose-built and one of a kind in Britain. Here disabled students can study for qualifications ranging from literacy and numeracy to radio production, music technology and podcasting.

**ABILITY MEDIA CENTRE
SOUTHWARK, LONDON**

3

INNOVATION

INNOVATION

HOW WE DEVELOPED NEW PROJECTS BEYOND SOCIAL CARE

WHAT WE AIMED TO ACHIEVE

1

**To offer guidance and coaching to
help disabled people to find jobs**

2

**To provide information, advice and
guidance to disabled people and
their carers about their rights and
how best to achieve them**

3

**To offer skills training with a particular
focus on information technology and
media literacy to help people connect
with online communities**

4

**To promote personal development,
especially through befriending
and mentoring services tailored to
individual needs and aspirations**

WHAT WE ACHIEVED

Our work beyond social care in 2009/10 included innovative programmes to promote education, work, entrepreneurship and digital inclusion

Education, training and employment

In 2009/10 we helped disabled people to acquire the skills to find employment

Media Smart is a pilot programme that helps disadvantaged people acquire media skills in areas such as video and radio production, animation and music technology. Students can also learn key skills in numeracy, literacy and IT.

Our Worksmart+ programme provides disabled jobseekers with an employment and skills advisor and access to training at our Ability Media Centre. The programme is based at local community learning centres.

Another training programme is Media Highway, which teaches media and other life skills to young disabled ex-offenders to help them reintegrate with society.

Enterprise and business development

In 2009/10 we helped disabled entrepreneurs to build or launch new businesses.

Ready to Start was a three year initiative to provide support to disabled entrepreneurs. We have been very proud to work on Ready to Start alongside Barclays, who supported the programme with a £3 million cash investment, involvement by their staff and a commitment to ensure that they provided the best customer service and business start-up solutions for our entrepreneurs. 1383 clients completed the programme with positive outcomes.

- 735 people started a business
- 235 got a job, got into further education or became a volunteer

We also launched Enabled4Growth, which will help 700 disabled business owners to develop the financial health of their businesses and secure future investment.

Information and advice

In 2009/10 we were there to listen and offer guidance to disabled people

Our In Touch project, funded by GlaxoSmithKline, works across the UK to improve access to sexual health information, education and services for disabled people. Young disabled people are closely involved in all aspects of the project - sharing their views and experiences of sexuality, sex and relationships. They have developed a range of resources, including a promotional film, an online survey and an interactive game. In Touch recently won the Brook 'Best UK Sexual Health Project of the Year 2010'.

Investing in Brighter Futures is an independent information service that offers confidential support to people in the banking community. It is provided by the charity and funded by the Bankers Benevolent Fund (BBF). The scheme provides financial, health and social support for people who are either disabled or carers to family members who are disabled or have long term health conditions.

In Touch recently won the Brook 'Best UK Sexual Health Project of the Year 2010'

Digital inclusion & communication

In 2009/10 we helped disabled people explore their online and multimedia potential.

Yoodo is the new name for our disability information portal. It offers a wealth of online information about disability, and includes content provided by ourselves and other charities, businesses and individuals.

Find out more at www.yoodo.org

The Ability Media Centre in Southwark, London is our purpose-built facility where students can study for the formal qualifications needed for jobs such as camera operator, researcher or producer. The Ability Media initiative launched at our inaugural Ability Media International (AMI) awards ceremony in November 2009. The AMI awards recognise the positive portrayal of diversity in the media and were developed with leading media figures.

Find out more at www.amiawards.org

Our Discover IT centres across the UK help our clients and learners get online. Our facilitators are on hand to help IT novices brush up their skills, make friends or get a qualification. The centres are all different but share the aim of offering disabled people somewhere to learn and enjoy IT at their own pace.

"I come here to check emails and help other people on the computers. What other things would I like to do? One day I would love to be an extra in my wheelchair on Eastenders – I'm not shy!"

**ADE OKESOLA
DAY CENTRE USER, RANDALL CLOSE, LONDON**

4

CAMPAIGNING

CAMPAIGNS

HOW WE CAMPAIGNED TO CHANGE SOCIETY

INTRODUCTION

Our work to raise understanding and awareness of disability in 2009/10 included lobbying Parliament, carrying out research and campaigning at local and national levels

Parliamentary lobbying

A key part of the charity's activity is working to shape policy and political developments to make sure that they improve disabled people's opportunities to lead fulfilling lives. Throughout the year we have responded to numerous consultations, met key ministers, MPs, peers and civil servants and worked to build our profile among parliamentarians and opinion-formers as a key commentator on disability issues. We have regularly featured in national and local broadcast and print media, raising the profile of disability issues and of the organisation. Our work over the past year included

Social care reform

We have worked throughout the year to influence the development of the Green Paper and White Paper on social care reform. This includes responding to key consultations, including leading the development of a joint response from the largest disability charities, running highly successful party conference activity, which culminated in the publication of a new report to influence party policy, and engaging at a senior level with ministers, shadow ministers, MPs and officials. The recently published White Paper on social care accordingly reflected many of our key concerns.

Equality Act

To ensure maximum effectiveness we have been working jointly with other voluntary sector organisations on key issues, notably the recently passed Equality Act. Together we were able to secure a number of major changes to the Equality Act whilst it was

passing through Parliament, to ensure that the law will improve and enhance disabled people's rights

Speaker's Conference

The Speaker's Conference was a major parliamentary committee set up in Westminster to examine how representative Parliament is. The charity played a key role in making sure that disability was within the remit of the committee's work. We also put a major submission, based on disabled people's own views, to the committee, and then gave evidence direct to the committee to help shape its recommendations.

Devolved governments and Europe

We have continued to build our profile in Wales and Scotland, developing our role within key advisory groups and building links with other disability organisations. This included, for example, working in Wales to lead the debate on the reform of social care. We have contributed directly to policy developments and also shaped the key parties' positions. In Scotland we have been a member of the key Cross Parliamentary Party Group on Disability, and we worked in a number of key areas, including major issues around transport, such as concessionary fares for disabled people, the availability of parking spaces for disabled people and the accessibility of buses. In Europe we have been working on key issues such as the development of a new EU Directive on 'equal treatment', which will set out new rights for disabled people, and European guidelines around the accessibility of planes and buses.

Research

The charity has built a reputation for producing high-quality, high-profile and influential research into key disability issues. We have continued to extend this reputation with a number of key publications throughout the course of the past year, including

Disability Review

The third in our annual Disability Review series was launched in November 2009. This major report, based on a survey of more than 1,000 disabled people, helps inform all of our work, and positions us as a leading source of information and research on disability issues.

Disability and the downturn

In January 2010 we published a report examining the impact of the economic downturn on disabled people. The report received extensive media coverage, and was also the subject of a 90 minute debate in Parliament.

Rights and reality

Our 'Rights and reality' report examined disabled people's experiences of accessing shops and services, and their experiences of using their rights under the law. Produced in conjunction with research company Ipsos MORI, the report was widely covered in the media, and also set out a series of key recommendations to help improve accessibility for disabled people.

Supporting campaigning by disabled people

Our work supporting local campaigning has a direct impact on the lives of disabled people. By setting up Campaigns Action Groups, disabled campaigners around the country are coming together to fight discrimination, change attitudes, and improve their quality of life in their local communities. There are now around 30 Campaigns Action Groups across the UK.

Campaigners in Kent have successfully fought for planned improvements to their local train station to be brought forward. This means that Bromley South railway station will now be fully accessible in time for the 2012 Olympics and Paralympics.

Improvements are also being planned in Grange-over-Sands, Cumbria, after a local group took their MP out in a wheelchair to demonstrate the difficulty of getting round the hilly Edwardian town. Kerbs are now being lowered, pot-holes fixed and local shops are looking at ways to improve accessibility.

Meanwhile in Scotland, fans of Inverness Caledonian Thistle Football Club have a better view of their team thanks to the efforts of the local Campaigns Action Group. The group met with club officials and architects to discuss the design of a new viewing area for wheelchair users.

National campaigning***Social Care Matters***

The aim of the Social Care Matters campaign is to ensure that no one is denied the care and support they need because they cannot afford it.

Our initial research and feedback from our disabled campaigners had shown that the current social care system is failing disabled people. One of our key objectives was to influence the Government's Green Paper consultation to ensure that it was fair and transparent, addressed the needs of all working age disabled people who require social care support and represented disabled people's views.

Several hundred campaigners got involved in the campaign, sending letters to their local MPs about why social care mattered to them, attending meetings and debates on social care reform. These included our joint party conference 'social care speed debating' events with Mencap and the MS Society.

The Government's recent social care White Paper addresses the need for a 'National Care Service' that will meet the needs of working age disabled people and provide social care support that promotes independence and quality of life. This was a key demand of the campaign.

CAMPAIGNS

My Vote My Say

The My Vote My Say campaign was about making sure campaigners had all the information needed for them to be able to vote in the 2010 general election and make their voices heard

The My Vote My Say webpages provided campaigners with an easy to follow step-by-step guide to the voter registration process and the voting methods available to them. Over 140 people sent letters to their candidates and we had 116 parliamentary candidates sign up to the pledge to be an accessible MP. Other candidates contacted us to tell us in more detail about the action they took to support disabled constituents. Find out more at www.LCDisability.org/myvotemysay

Action for Access

The Action for Access campaign is about giving individuals the opportunity to survey their local community and join the campaign for an accessible UK.

The Action for Access website and campaign packs provide campaigners with simple access surveys to fill out about their local shops, services and transport. Also available are template letters to send to service providers and hints and tips for local businesses/transport providers on how they can help to improve access in their local area. Campaigners can also ask service providers if they would like to fill out a 'We've taken Action for Access' card which they can display in the window of their shop or business.

Over the last few months campaigners have been sending us their survey results and uploading them onto the Action for Access website. We also had a great response to our request for designs for the front of the Action for Access packs and the winning design has been selected.

Find out more at www.actionforaccess.org

CASE STUDY THREE RAIL VICTORY

LCD campaigners in Kent achieved a significant victory earlier this year when the Government announced it was going to bring forward access improvements at a local railway station by four years.

Access All Areas, a group based at St Cecilia's, our service in Bromley, Kent, had gathered over 1,000 signatures on a petition asking for much needed access improvements at Bromley South railway station. A key argument in their case was that, unless the start date for work was brought forward, disabled people in the area would be excluded from travelling by train to the 2012 Olympics and Paralympics.

In February the Department of Transport announced that work would now begin in 2011, after originally scheduling it to start as late as 2015. Spokesperson Susan Willets said: "This campaign is a fantastic example of how a little pressure goes a long way – but we know our work isn't over yet! We are determined to keep up the pressure until we see the workmen move in."

Our disability resource centres in India and Sri Lanka provided approximately 40 different types of service for disabled people in 2009/10. Here a group of trainees with profound hearing loss learn to write quickly on slates, which will help them to communicate with colleagues in a work environment who may not be able to sign.

5

INTERNATIONAL

OUR INTERNATIONAL WORK

INTRODUCTION

Our international directorate works within our UK operation. It is a member of the Leonard Cheshire Disability Global Alliance, a network of independent disability organisations in 54 countries. Our shared international goal is to develop services that promote the greatest possible independence for disabled people.

Global Alliance

This was a year of consolidation and continued growth for the Global Alliance. Our members run over 250 locally managed services including residential, rehabilitation and health, respite care and outreach support. Our international department also works in partnership with many Global Alliance members to run disability and development projects in the fields of education, livelihoods and support for everyday living.

The Global Alliance structure helps us to share good practice between members, improve support and ensure disabled people are involved.

Inclusive education

In some developing countries, up to 90% of disabled children do not attend school. For this reason, education is a priority in our international programme and in 2009/10 we worked in partnership with local organisations in 16 countries to help more disabled children go to school.

We take the inclusive education approach that removes barriers to attendance and improves the curriculum for all children. This involves adapting schools by building ramps and other mobility aids, making bathrooms accessible and improving school grounds. Teacher training is also central to our programmes, and hundreds of teachers were trained in how to teach disabled children this year. The third element is to mobilise communities, parents, children and education officials to understand the need for disabled children to attend school and how to support this goal. With our partners we formed community and parents' groups and clubs for disabled and non-disabled children to play and learn together. We also worked with teacher training institutes to support them in including inclusive education in their curriculum and lobbied governments to enable more disabled children to go to school.

Support for everyday living

We work with our partner organisations around the world to make everyday tasks easier and more efficient for disabled people. The partners we support offer targeted rehabilitation services, appliances and mobility aids and also support disabled people in school, work and their wider communities.

In 2009/10 we have worked in several small island states with our partner organisations. The Cheshire service in Trinidad and Tobago, for instance, began expanding this year to provide day support to people from the local community. In Barbados, work began this year to allow the Cheshire service to provide respite care in addition to residential care.

In Mauritius, our partner organisation works with the government to train health and care workers, and we supported it this year through the secondment of one of Leonard Cheshire Disability's UK service managers, who helped the government restructure the island's respite care service. This evolved into an agreement between Leonard Cheshire Disability and the government to provide technical support for respite care.

Plans for a new service centre on the island were drawn up by a British architect working through CHIIPS, the Cheshire International Internships Programme. The centre will provide residential accommodation for approximately 25 people, 24-hour respite care for children and space for entertainment, leisure activities and a small on-site hotel for people with disabilities and their families.

In five locations in India and Sri Lanka Leonard Cheshire Disability has pioneered disability resource centres. Offering referrals for everything a disabled person might need - for example mobility aids, assistive devices and skills training - the centres provided approximately 40 different types of service in 2009/10. All activities focus on helping people to reach their full potential.

Helping disabled people to be economically active

In every country in the world, the unemployment rate for disabled people is higher than for non-disabled people. In some sub-Saharan African countries, it can be as high as 90%. To help change this, a major focus of our international programme is to support disabled people so they can find jobs.

One exciting new model that has thrived in 2009/10 is the livelihood resource centre. Our five centres in India, Sri Lanka, Bangladesh and Pakistan were developed in partnership with Accenture, the global management consulting, technology services and outsourcing company. Their corporate citizenship programme, Skills to Succeed, aims to educate people around the world, building skills that enable participation in and contribution to the economy. The centres focus on matching specific technical and skills training to the needs of five South Asian industries that can offer permanent, well paid jobs: IT, hospitality, finance, retail and manufacturing. Last year our centres helped over 600 people participate in training, work placements and other programmes, over 200 have found jobs and the others are continuing on the path to paid work.

In rural areas, where there are few paid jobs, we help people to start, run and expand their own businesses. In Ndola, Zambia, Leonard Cheshire

Disability worked with our local partner organisation and a national microfinance institution to provide training and small loans to over 100 disabled entrepreneurs. Their businesses range from tailoring to TV repair to stationery sales. The project is supported by the Jersey Overseas Aid Committee.

In China, thanks to funding from the Kadoorie Foundation, a successful course for training and supporting disabled people in urban areas is now being replicated in four rural areas. It will also develop the livelihood resource centre model pioneered in South Asia for training and networking. By the end of three years, 600 people will have started or improved their own businesses and the project will provide a model for similar initiatives in rural areas.

Research

Our international work is under-pinned with a solid research foundation, based at our shared research centre at University College London (UCL). We have had a research partnership with UCL for over ten years, and in 2009/10 we won a three year research grant from the Department for International Development to work globally across all of their existing research areas with a disability perspective.

CASE STUDY FOUR YELLAMMA GANGADHAR

"So far in my life I have always had to fight discrimination. My experience at college, when I studied for my BA, was extremely difficult because of access issues. The college refused my request to shift the classroom to the ground floor – so every day I had to drag myself up and down 25 steps four or five times.

After graduating I could not find a job for a year. Leonard Cheshire Disability provided training in office management, which helped me to get a job. Today I am married and I lead a happy life.

I am involved with the Young Voices programme, which has shown me that there are so many others going through the same struggles as me. Most importantly, now I can stand up for myself and for other disabled people."

"I went through my personal nadir at about 21 miles, but then I found myself running behind a lady who had prosthetic legs, which was really inspirational. It reminded me of when I used to visit a Leonard Cheshire home in the 1970s: I was inspired back then by the attitude of the residents, and I saw that spirit again in the lady in the marathon."

**PAUL LENIHAN
LONDON MARATHON RUNNER AND FUNDRAISER**

6

FUNDRAISING

INTRODUCTION

Leonard Cheshire Disability, in common with many charities, faced difficulties in raising voluntary income in 2009/10 due to the challenging economic climate.

Our voluntary income decreased by £2.7 million in 2009/10, however, the cost of raising this money reduced by £2.1 million, resulting in a decrease in 'net income' of £600,000 versus 2008/9 (We define 'net income' as gross voluntary income less the costs directly associated with raising that income.)

Our voluntary income comes from two main sources: legacies from private individuals, and donations and grants from the public and private sectors. In 2009/10 there continued to be a shift towards grants and donations being made in respect of defined projects, i.e. a move towards 'restricted' income.

Legacy income

Despite the downward trend in legacy income for the charity, legacies continue to be the largest single source of our voluntary income and in 2009/10 generated £5.4 million (2008/9 £6 million).

Legacy income was particularly helped by the receipt of some substantial legacies in the latter part of the year, totalling just over £1.3 million. They included bequests from Mrs Jean Duckworth, Mrs Marie Gost, Mr Norman Henderson and Mrs June Harris.

Other donations and grants

Income from donations and grants this year totalled £6.3 million (2008/9 £8.4 million).

Corporate partnerships

Our corporate partners have continued to generously support our projects in the UK and internationally. In the UK, our existing relationships with Alliance Healthcare, Bunzl and Howdens delivered funding and gift-in-kind benefits. New partnership agreements in 2009/10 include that with JTI, which will see a contribution over a five year period to support our Discover IT programme, and Orange, for whom we have produced a disability training video for their UK retail and call centre staff.

In South Asia, our associations with GlaxoSmithKline and Accenture have helped hundreds of disabled people access better healthcare, training, education and work opportunities. In addition, our international work secured the support of two new corporate funders in 2009/10: the Anglo American Group Foundation pledged £270,000 for inclusive education in Zimbabwe, and Coca-Cola Enterprises Ltd donated £80,000 to support our Young Voices project.

This year also saw the Corporate Partnerships team develop a new employee volunteering programme as part of a 'Charity of the Year' relationship with Barclays Distribution Services. It delivered 160 valuable volunteering hours, which took place at our services in the UK. In addition, as part of GlaxoSmithKline's global

Pulse Programme, we have placed three of their employees on volunteer placements both here in the UK and overseas.

Trusts

The redevelopment of our residential services continued with welcome support from The Sobell Foundation and the Freemasons' Grand Charity. Grants secured in previous years from 'v' (the national young volunteers service) and The Big Lottery Fund also provided significant support to both our national and local projects.

Lloyds TSB Foundation of England and Wales provided funds in support of an ex-offender project and international grant makers, World Jewish Relief and the Commonwealth Foundation, supported essential overseas relief and international and intercultural understanding.

Major donors

Major donor fundraising continues to play an important role in our fundraising strategy and the charity is immensely grateful to the major supporters who continue to make a significant contribution to our work in the UK and internationally.

Community fundraising

Our annual events, Tea for Ability and Leonard Cheshire Disability Week, were augmented in 2009 by the introduction of Waterwalks – a series of sponsored walks in partnership with the Waterways Trust

A number of key grants were secured in 2009/10, including an award from Sutton Coldfield Municipal Charities who gave £70,000 to the Greenacres service in Sutton Coldfield to purchase two specially adapted vehicles and provide a sensory garden and a new orchard leisure area for use by residents

Forester generously continued their support of our literacy programme, providing £50,000 of sponsorship to help children of primary school age learn to read, whilst raising awareness of disability and disability issues

In Northern Ireland, five year funding of £954,000 for the Be Safe, Stay Safe programme was secured from the Big Lottery Fund. In addition, the Big Lottery funded Young People's Fund has agreed a further three years' support for our work

Three capital appeals – The Hill, Cheshire, Dan-y-bryn, South Wales and the Kent Appeal have now raised a total of £687,000 (The Hill £329,000, Dan-y-bryn £97,000, Kent £261,000)

Donations from individuals

In 2009/10 donations to the charity from individuals declined. However, the cost of raising this income also reduced, which meant the decline in 'net income' was less marked. This was in spite of tough economic conditions and a planned reduction in activity to acquire new donors

The number of active donors increased this year but, due to the economic circumstances mentioned above, the average gift value was slightly down. The Christmas 2009 appeal matched our best ever individual appeal income

Events

With the uncertainty created by the economic climate, we saw a slight drop in the numbers of participants taking part in running events as supporters' confidence in their ability to raise money from friends and family was affected

However, with increased online marketing activity we filled our London Marathon places ahead of schedule in 2009 and saw a larger percentage of our income raised earlier than last year. Overall our sporting supporters raised £300,000 this year

During the year the Events team delivered a Charity Casino service at thirteen industry award dinners in top London hotels, placing the charity in front of some of the largest companies and their employees and raising over £40,000 in the process

In September, 'Newsroom's Got Talent', a live talent show featuring TV newsreaders, raised £30,000 for ourselves and other charities. The event, which was the brainchild of our celebrity ambassador, ITV newsreader Katie Derham, generated media coverage for the charity in several national newspapers

A partnership with the Royal Horticultural Society for the Hampton Court Palace Flower Show Exclusive Preview Evening was secured during 2009

During the year 2010/11 we plan to run an employee opinion survey to find out how we are doing and, most importantly, where we can improve.



THE WAY AHEAD



MAKING THE CHARITY MORE EFFICIENT AND EFFECTIVE

INTRODUCTION

In September 2009, the trustees approved The Way Ahead project. The aim of the project was to make sure we focused our money and energies on the things that would most benefit disabled people

A key objective of The Way Ahead was to reduce costs in ways that would not impact negatively on the quality of the support we provide. Recent independent quality assessments carried out at our services indicate that to date this has been achieved – in fact our quality ratings in England have improved. Proposed changes to the way we work were tested, piloted and audited before being agreed by the management board.

In January 2010 the charity moved to a new management and administration structure. Our previous regional structure was replaced by 15 groups, support functions were reorganised and a number of regional offices closed. A number of transitional roles were created to help ensure the new structure was implemented successfully.

The Way Ahead has reduced the number of people working in management and administration roles, resulting in significant savings due to lower organisational overheads. The project has also achieved efficiencies through greater cost awareness and new approaches in procurement.

New enabling technologies and the re-engineering of business processes and procedures will continue to deliver financial benefits in future. Technology is also being used to ensure the reduced management structure has the tools necessary to manage effectively.

To achieve these cost savings the organisation expects to incur one-off costs in the first two years of the project, chiefly through spend on redundancy, project management and recruitment. We are in the process of rolling out training to all operational managers to ensure they are equipped to operate effectively in their new roles.

OUR PLANS FOR THE FUTURE

It is clear we will be operating in a difficult economic environment for the foreseeable future. At the same time there is uncertainty over how social care will be funded and delivered.

However, we are confident that the improvements we have introduced to the way we work in 2009/10 will equip us to cope with these challenges. Our aim remains to provide the right support for disabled people so that they can live as independent lives as possible.

Our objectives for 2010/11 focus on

Improving personalised support for disabled people

We will achieve this by

- Modernising our social care services with nursing – in the next year we aim to open two new major developments of this type. The Hill in Cheshire and Dan-y-bryn in South Wales.
- Improving the quality of our social care services – we aim to be rated as 'good' or 'excellent' by the Care Quality Commission in 95% of our services in England and to introduce internal targets for services in Northern Ireland, Scotland and Wales.
- Developing our support for people who require transitional, respite and rehabilitation services.
- Supporting more people who have significant needs through our Care at Home services.
- Expanding our supported living services.

Delivering quality of life opportunities for disabled people

We will achieve this by

- Offering a range of guidance services to disabled people, including befriending and mentoring and advice relating to rights and personal development.
- Supporting disabled people to find employment and offering skills training with a particular focus on information technology.
- Continuing to campaign at national and local government level and offering disabled people support to campaign about the things that matter to them.
- Broadening our work with international agencies such as the World Bank, US Aid and the European Union to relieve disability poverty in the most disadvantaged areas of the world.

CASE STUDY FIVE DEREK SKED & SAM YANDELL

Sam Yandell and Derek Sked are members of L8 Nite DASH, one of our evening social groups for young disabled people in Blackwater, Hampshire.

Sam: "Before L8 Nite DASH I didn't go out very much – I can't drive and it's difficult relying on other people to drop you off and pick you up. My favourite night out was to Quake nightclub in Woking. It's very difficult to go to a club on your own in a wheelchair, so it was brilliant to be there and to mingle."

THANK YOU

INTRODUCTION

Our volunteers, donors, legacy pledgers, funders and corporate supporters are vital to the success of our work with disabled people. We can't mention here everyone who has contributed either their time or money this year, but we would like to say how grateful we are to you all.


The individuals and organisations below have been particularly supportive in 2009/10

- Abbey Charitable Trust
- Accenture and the Accenture Foundations
- Mr & Mrs Alan Stannah
- Albert Hunt Trust
- Alice Ellen Cooper Dean Charitable Trust
- Alliance Boots
- Alliance Healthcare
- Mr Andrew Phillips
- Anglo American Group Foundation
- Anne, Duchess of Westminster's Charity
- The Archer Trust
- Arnold Burton Trust
- Arts Council
- Australian Agency for International Development
- Mrs B L Robinson Charitable Trust
- Baily Thomas Charitable Fund
- The Band Trust
- The Bankers Benevolent Fund
- Barclays Bank
- Barclays Distribution Services

- Barron Davenport Trust
- BCC
- The Beatrice Laing Trust
- Big Lottery Fund
- Bill Brown's Charitable Trust
- Bombardier Aerospace
- Bradford & Bingley
- Brampton Golf Club
- British Council
- British Embassy, Harare, Zimbabwe
- Bryan Guinness Charitable Trust
- Bunzl
- Mrs C E V Alder
- Cantor Fitzgerald
- Ceniarth Foundation
- Charles Wolfson Charitable Trust
- Children In Need
- Childwick Trust
- Mr Christopher Hawkins
- Mr Christopher Little
- City Bridge Trust
- Coca-Cola Enterprises Ltd
- Commonwealth Foundation
- Copley May Foundation
- Cordaid
- Cottingham Charitable Trust
- Cranleigh Support Group
- Cynthia Dicker
- D D McPhail Charitable Trust
- Dark and Light Blind Care
- Deutsche Bank
- The Doctor Mortimer & Theresa Sackler Foundation
- Dr Gianetta Corley
- Drivers Jonas
- ECOTEC Research & Consulting Ltd
- Edgar Lawley Foundation
- The Edith Winifred Hall Charitable Trust
- Electoral Commission
- Elizabeth & Prince Zaiger Trust
- The Elizabeth Frankland Moore and Star Foundation Trust
- Ernest Kleinwort Charitable Trust
- European Commission
- Evan Cornish Foundation
- Eveson Trust
- Foresters Elm Grove Branch
- The Foyle Foundation

THE WAY AHEAD

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|---|--|
| — The Freemasons' Grand Charity | — Mr Philip Allan |
| — Gale Family Trust | — Philip & Marjorie Robinson Charitable Trust |
| — Gannochy Trust | — Pilkington Family Trust |
| — Garfield Weston Foundation | — Possum |
| — Gerrards Cross Golf Club | — Premier League |
| — Giles Johnson Seven Springs Trust | — The Presidents Club Charitable Trust |
| — GlaxoSmithKline | — R G Hills Community Trust |
| — GlaxoSmithKline International | — RAF Benevolent Fund |
| — Graham Rowlandson Charitable Trust | — Richard Amis Charitable Trust |
| — Green Media Ltd | — Rotary International in Great Britain and Ireland |
| — Gruntvig Programme, a sub-programme of the
European Commission's Lifelong Learning Programme | — Sanwalton Ltd |
| — Guernsey Overseas Aid Committee | — Scott Eredine Charitable Trust |
| — Harbour & Jones | — Sevenoaks Rotary |
| — Henry Smith Charity | — Severn Sound V Project |
| — Howdens Joinery Co | — Simon Gibson Trust |
| — Ian Fleming Charitable Trust | — The Hon Simon Wolfson |
| — ICIC Foundation | — The Sobell Foundation |
| — Isle of Man Overseas Aid Committee | — Sir Stelios Haji-Ioannou |
| — James Beattie Trust | — Southern African Trust |
| — Jersey Overseas Aid Commission | — Sperrin and Lakeland Trust |
| — The Joseph & Brenda Siegler Charitable Trust | — Stanley Grundy Foundation |
| — JTI | — Stavros Niarchos Foundation |
| — Kadoorie Charitable Foundation | — Sutton Coldfield Municipal Charities |
| — Katy Eyre, Jacaranda Productions | — Sylvia Adams Charitable Trust |
| — Land Securities Group | — Tesco Charitable Trust |
| — Laurence Misener Charitable Trust | — Thomson Reuters |
| — The Learning & Skills Council | — Tompkins Foundation |
| — Legal and General | — Turner Broadcasting |
| — Light for the World | — UK Department for International Development |
| — Lloyds TSB Foundation for England and Wales | — Ulster Bank |
| — London Development Agency | — Ulster Garden Villages |
| — Lord and Lady Heseltine | — United States Agency for International Development |
| — Lord Leverhulme's Charitable Trust | — 'v' - the national young volunteer service |
| — Lord Patnarch Banks Charity | — The Vitol Charitable Foundation |
| — Mary Homfray | — Violet Auray Charitable Trust |
| — Media Box | — William Chown Charitable Trust |
| — Microsoft UK | — The Wolfson Foundation |
| — Moira Stuart, OBE | — World Jewish Relief |
| — Northern Rock Foundation | — Zochonis Charitable Trust |
| — The Oliver Ford Trust | — 4 Ventures |
| — Orange UK | — The 29th May 1961 Charitable Trust |
| — P F Charitable Trust | |
| — Paul Bassham Trust | |
| — Mr Paul Piper | |
| — Peter Foden Charitable Trust | |
| — The Peter Harrison Foundation | |
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"Our aim remains to provide the right support for disabled people so that they can live as independent lives as possible.

"As a child I went on holidays in Britain to walk and climb mountains. It's something I've always enjoyed. When I got MS I was determined it wouldn't stop me doing things. In August I climbed Snowdon in my wheelchair with the help of friends, Leonard Cheshire Disability staff and 16 members of my son's football team. It was fantastic. Next stop: Ben Nevis."

**MARTIN WILLIAMS
RESIDENT, DAN-Y-BRYN, CARDIFF**

8

STATEMENTS



STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also directors of Leonard Cheshire Disability for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of 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 company/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 Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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.

In so far as the trustees are aware

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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.

FINANCIAL, LEGISLATIVE AND ADMINISTRATIVE INFORMATION

FINANCIAL OVERVIEW

**Our financial position has
improved in 2009/10**

Total income is up 5% in the year to £154.2 million. This is due to a growth in social care income from £131.7 million to £142.6 million (8% increase) which is attributed to the general growth of current services and the full year effect of new services such as Springfield, Birnbeck, and Glenrothes.

In line with the increase in income, staff costs (£109 million) have risen by 5%. The majority of the increase in staff costs is within the Social Care division (circa £6 million increase year on year) as a direct result of the growth of services. Head office salary costs were down by circa £1 million due to the cost savings associated with The Way Ahead project.

Voluntary income has decreased year on year to £11.6 million (£14.3 million 2008/09), mainly attributed to a decrease in donations from £6.9 million to £5.1 million. Legacy income also decreased in the year by £600,000 to £5.3 million. Management is currently reviewing the voluntary income strategy and structure.

In 2009/10 the charity recorded a net deficit before other gains/(losses) of £6.1 million (2008/09 £7.4 million). The majority of this deficit was due to one-off costs of £3.6 million associated with cost saving measures in The Way Ahead project. The underlying charity incurred a deficit of £2.5 million.

Reserves policy and review

The trustees regularly review the reserves position of the charity to ascertain whether or not the funds they are holding are adequate for the work of the charity. In doing this they take into consideration the assets required for the provision of long-term social care for service users, reasonable working capital, planned development projects and unforeseen circumstances.

The charity as at 31 March 2010 had funds of £105.9 million (£111.7 million 2008/09), including a pension deficit of £14 million (£13.6 million 2008/09).

Although there is a deficit on the defined benefit scheme of £14 million, it has been decided that this amount will be disregarded from the free reserves for the sufficiency calculation, as the deficit is planned to be eliminated by future contributions to the pension scheme.

Disregarding the pension deficit, the charity, therefore, had funds of £120 million (£125.3 million 2008/09) of which £11.2 million (£11.8 million 2008/09) has been legally restricted by the donors.

This means that the charity has unrestricted funds of £108.8 million (£113.5 million 2008/09) of which £94 million (£94.5 million 2008/09) is designated in the form of properties and other assets for long term use to support service users.

This means that the remaining unrestricted funds ('free reserves') are £14.6 million (£19 million 2008/09). Notwithstanding the deficit on the pension fund, the trustees believe that there is sufficient flexibility in the reserves to maintain the charity's operations.

In the year the charity has drawn a further £6.4 million on its development loan with Barclays Bank Plc that it has spent on enhancing its residential facilities. This means to date the charity has borrowed £13.9 million of its £20 million facility.

The trustees recognise that our properties will continue to need significant expenditure for the foreseeable future to maintain the charity's capacity to provide social care services and recognise that a significant part of this expenditure will need to be met from internal cash generation as well as loan capital.

Investment policy and review

The trustees have the power to invest the charity's funds in any manner permitted by law, having regard to the suitability of investments and the need for diversification

The trustees have not identified specific investments that would directly impede the furtherance of the objects of the charity but they are willing to invest in ethical unit investment trusts. The trustees believe that the charity should have a social conscience and be prepared to invest in such trusts provided the investment return is similar to or better than other equity investments

The charity has liquid assets of £21.5 million, which are held in retail bank accounts at 31 March 2010

Ethical policy

The trustees have reviewed the charity's engagement with third parties and have made a commitment that all such engagements should

- Further the objects of the charity
- Not conflict with the values of the charity
- Not bring the name of the charity into disrepute

Subsidiaries**Leonard Cheshire Trading Ltd**

Leonard Cheshire Trading Ltd sells Christmas cards and sponsorship licences on behalf of the charity. Leonard Cheshire Trading Ltd is a wholly owned subsidiary and donates all of its profits to the charity.

This year has seen income fall to £6,000 from £38,000.

Cost of sales and administration costs for the trading company have consequently fallen to £4,000 and as a result profits have fallen from £17,000 to £1,000.

The Leonard Cheshire Foundation (Isle of Man) Ltd

The Leonard Cheshire Foundation (Isle of Man) Ltd operates our care and support services on the Isle of Man and is a registered charity with the Manx Government.

The charity saw incoming resources increase to £592,000 from £578,000 and saw expenditure on charitable objectives and governance increase to £548,000 from £524,000. The Isle of Man services recorded net incoming resources of £44,000 (£54,000 2008/9).

Other subsidiaries

The charity also has the following dormant subsidiaries

- Jobability Ltd
- The Leonard Cheshire Foundation Ltd
- Beyond Disability Ltd
- Ability Media Ltd
- Leonard Cheshire (IOM) Trading Ltd

STATEMENTS

LEGISLATIVE AND ADMINISTRATIVE INFORMATION

REGISTRATION AND LEGAL STATUS

The registered name of the charity is Leonard Cheshire Disability. The charity is a charitable company limited by guarantee and was incorporated on 3 August 1955. The registered charity number is 218186 and the registered company number is 552847. The charity is also present in Scotland and the Scottish registered charity number is SC005117. The address of the registered office is 66 South Lambeth Road, London, SW8 1RL. It is governed by Memorandum and Articles of Association, which were last amended on 3 September 2009.

Objects of the charity

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.

Trustees

The names of the trustees, the Chief Executive and other senior officers of the charity as at 22 September 2010 are listed on page 98.

Since 31 March 2009 the following trustees have been re-elected with effect from the following dates:

- Mr Patrick Salmon, 01/04/2009
- Mr Tom Bartlam, 23/08/2009
- Mr Anthony Hughes, 07/10/2009
- Mrs Diane Ritherdon, 23/08/2009
- Mr Raoul Pinnell, 12/06/2010
- Mrs Jennifer Searle, 12/06/2010

Since 31 March 2009 the following trustees have retired or resigned with effect from the following dates:

- Mr Robert Brannan, 24/04/2009
- Sir Nigel Broomfield, 03/09/2009
- Mrs Denise Fuller, 06/09/2010

Since 31 March 2009 the following have been appointed trustees with effect from the following dates:

- Mr Ilyas Khan, 08/07/2009
- Ms Susan Douglas-Scott, 29/10/2009

Principal advisors

The names and addresses of the principal advisors to the charity are listed on page 99.

Appointment and induction of trustees

All vacancies for trustees are advertised in the national press. A Nomination Committee of trustees interviews prospective trustees and makes a recommendation to the full trustee body. The trustee body votes on all new appointments of trustees.

New trustees receive induction material and training and where appropriate receive additional training throughout their appointment.

The trustees review the composition of the trustee body at regular intervals and decide whether or not there is a need to change the skill base. The trustees are continually seeking to increase the representation of disabled people on the trustee body.

Trustees serve for a three year period and may be re-elected for up to two further terms of three years.

Governance and operating structure

The trustees meet at least four times a year and at a study weekend at which strategic matters are reviewed. Each year the trustees approve the annual budget and review the strategic plan of the charity.

The trustees are supported by a number of ad-hoc advisory groups which have been established to consider specific areas in more detail. In addition the trustees have appointed three committees for Remuneration, Audit and Nominations which carry out duties detailed in the Companies Act 2006 and recommended in the Combined Code on Corporate Governance.

In addition, trustees benefit from the Service User Network Association (SUNA) which has a national committee and considers how the charity can provide service users with an improved offering. The chair of SUNA is also by virtue of his/her position a trustee of the charity.

The trustees set the strategic direction for the charity and have delegated authority to the Chief Executive to manage the affairs of the charity within this strategy, reporting against the objectives set

STATEMENTS

The Chief Executive is supported by a management team, all of whom are officers of the charity. Individual trustees also take reasonable steps to ensure there is regular and direct contact between the trustees, staff, volunteers and service users at a local level.

Internationally the charity has registered offices in India, Kenya, Sierra Leone, South Africa and Thailand.

Each office provides training and support to Global Alliance and other partners in 54 countries and is led by a regional programme manager.

People

Aligned to The Way Ahead project, our people strategy focuses on developing a performance culture where every employee is supported and encouraged to be the best that they can be. We aim to attract, retain and develop talented people, at all levels in the organisation, so that we can deliver a strong performance in 2010 and beyond.

The charity is committed to listening to the views of employees at all levels of the organisation. During the reporting year 2010/11 we plan to run an employee opinion survey to find out how we are doing and, most importantly, where we can improve. The survey will focus around job satisfaction, development opportunities, the working environment, communication and management. The results of the survey will help shape our employee engagement strategy.

Emoluments to senior staff

Emoluments to senior staff and financial information regarding employees and trustees are shown on page 91.

Management of risk

The principal features of the systems of financial control include

- A strategic plan
- An annual planning and budgeting process
- Monthly reviews of the management accounts of each operating service and explanation of major variances from budget

- An effective internal audit department
- An audit committee comprising trustees with advisors from the accountancy, investment and legal professions that discusses with external auditors the scope of the annual audit and any matters raised by the external auditors for the attention of management
- Delegation of authority to spend within clearly defined limits
- Segregation of duties wherever possible where this is not possible alternative internal controls are put into place
- Identification and management of risk for the charity

All funds of the charity are held in the name of the charity and are managed centrally.

In addition, the trustees have considered the guidance for directors of public listed companies contained in the Combined Code primarily aimed at improving corporate governance. They believe that, although they are not mandatory for the charity, they should ensure their governance procedures continue to be in line with the best in the private sector.

The charity's operations have been reviewed to ensure effective management of risk, and procedures have been established to mitigate risk. The charity has implemented a biannual risk management process that highlights potential risks and identifies appropriate action to ensure risk is mitigated. This work is reviewed annually by the trustees.

As regards internal controls the trustees have

- Considered the type of risk the charity faces
- Considered the level of risk which they regard as acceptable
- Communicated to employees their responsibilities for internal control
- Instituted operating policies and standards that will help to identify and minimise the incidence of risks
- Identified parts of the charity operations that may be of higher risk and focused the attention of management on these areas
- Reviewed the procedures for reporting failings immediately to the appropriate level of management

STATEMENTS

SUMMARY OF RISK

Risk	Action taken to mitigate
Support standards suffer as result of pressure on fees created by adverse economic environment	<ul style="list-style-type: none">i) The Way Ahead project focuses on reducing costs without affecting service levelsii) Strategic plan developed to include responses to a range of fee income assumptions
Avoidable death or serious injury to service users	Strong safety culture supported by extensive training of operational employees and management at all levels, with regular audits
Financial, physical and emotional abuse of service users	Strong whistleblowing and investigatory procedures and close liaison with safeguarding authority
Fraud or theft against the organisation	<ul style="list-style-type: none">i) Segregation of duties and clear authority limits for approval of all expenditureii) Steps taken to minimise amount of physical cash held in services
Reduction in voluntary income, resulting in reduction in campaigning and other activities	Development of new fundraising strategy, which includes recruitment of a fundraising director

STATEMENTS

Health, safety and well being

The charity operates safe systems of work and provides accredited Health and Safety training. Risk assessments are undertaken and reviewed and all locations are audited on an annual basis.

A risk-based model of absence management is about to be introduced which will maximise use of resources and reduce complications arising from long term absences.

Health and Safety continues to be a high priority across the organisation and once again there has been a decrease in the number of reportable incidents. Considerable work has been undertaken to ensure all our premises now conform with new fire regulations.

Financial and operational risk management

Prices of goods and services purchased are subject to contracts with suppliers based on market prices and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by customers is low.

During the year the charity has drawn a further £6.4 million on its 15 year £20 million facility, for capital expenditure on land and buildings in use to deliver social care services. In total the charity has now used £13.9 million of this facility and is expecting to draw the remainder in the next few years. The loan facility is structured as revolving credit for the first five years and then reverts to a term loan for the remaining ten years. The interest rates of the loan are fixed to three month London Inter-Bank Offered Rate (LIBOR) but the charity has used an interest rate swap to convert this floating interest rate to a fixed interest rate.

The charity has minimal exposure to foreign exchange risk due to the low level of international expenditure. In regard to liquidity risk the charity has sufficient cash reserves on 31 March 2010 to meet all existing and budgeted activities for the coming year.

Diversity (equal opportunities)

The charity takes a positive attitude to ensure we have a diverse workforce to reflect the diversity of our service users. We particularly encourage applications for both work and volunteering from disabled people and those from the widest range of ethnic backgrounds.

It is the policy of the charity that no user of our services, employee, volunteer or job applicant should receive less favourable treatment than another on the grounds of his/her gender, marital status, age, ethnic origin, disability, race, nationality, religious belief, sexual orientation, employment status, trade union affiliation or political affiliation or through the imposition of any discriminatory requirement that cannot be justified.

Auditors

PricewaterhouseCoopers LLP are willing to continue in office as auditors. A resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the charity to hold office until the conclusion of the next general meeting at which the accounts are laid before the members and authorising the trustees to fix the auditors' remuneration will be submitted to the forthcoming Annual General Meeting.

By order of the trustees

Ashley Silver

Secretary



22 September 2010

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF LEONARD CHESHIRE DISABILITY

We have audited the financial statements of Leonard Cheshire Disability for the year ended 31 March 2010, which comprise the Consolidated Statement of Financial Activities (incorporating the Consolidated Income and Expenditure Account), the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and for the charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities

Accounts (Scotland) Regulations 2006 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the company has not kept adequate and proper accounting records, if the company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Annual Report, the Message from Ilyas Khan and the Principal Advisors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

STATEMENTS

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the parent charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

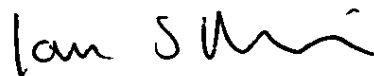
Opinion

In our opinion

- The financial statements give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006
- The information given in the Trustees' Annual Report is consistent with the financial statements

Ian Dixon

Senior Statutory Auditor



27 September 2010

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
PricewaterhouseCoopers LLP is eligible to act as an
auditor in terms of section 1212 of the Companies
Act 2006

London

**"Total income is up 5% in the year to £154.2 million.
This is due to a growth in social care income from £131.7
million to £142.6 million."**

9

FINANCIALS

FINANCIALS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Incorporating the Consolidated Income and Expenditure Account for the year ended 31 March 2010

		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Totals 2010 £000	Totals 2009 £000
INCOMING RESOURCES	Notes					
<i>Incoming resources from generated funds</i>						
Voluntary income	2	8,353	3,296	—	11,649	14,356
Trading sales		6	—	—	6	184
Investment income	3	1	9	—	10	985
<i>Incoming resources from charitable activities</i>						
Fees and grants for services		142,571	—	—	142,571	131,739
Total incoming resources		150,931	3,305	—	154,236	147,264
RESOURCES EXPENDED						
<i>Costs of generating funds</i>						
Cost of generating voluntary income	4	2,596	286	—	2,882	5,028
Trading costs	4	4	—	—	4	220
Investment management costs	4	—	—	—	—	17
Total costs of generating funds		2,600	286	—	2,886	5,265
<i>Charitable activities</i>						
Social care	4	142,484	1,208	17	143,709	139,409
International services	4	2,125	1,458	—	3,583	2,934
Campaigning	4	1,293	—	—	1,293	2,722
Innovative projects	4	2,661	968	—	3,629	2,815
Service user enablement	4	1,152	—	—	1,152	986
Total charitable activities before exceptional items		149,715	3,634	17	153,366	148,866
Exceptional charitable items	4	3,596	—	—	3,596	—
Total charitable activities after exceptional items		153,311	3,634	17	156,962	148,866
Governance costs	5	529	—	—	529	543
Total resources expended		156,440	3,920	17	160,377	154,674

FINANCIALS

RESOURCES EXPENDED (CONTINUED)	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Totals 2010 £000	Totals 2009 £000
Net outgoing resources before transfers	6	(5,509)	(615)	(17)	(6,141)	(7,410)
Transfers between funds		(2)	2	—	—	—
Net outgoing resources before other gains & losses		(5,511)	(613)	(17)	(6,141)	(7,410)
Other recognised gains/(losses)						
Net realised investment losses		(30)	—	—	(30)	(1,495)
Gain on disposal of fixed assets		820	—	—	820	(108)
Actuarial losses on defined benefit pension schemes	21	(502)	—	—	(502)	(7,972)
Net expenditure for the year		(5,223)	(613)	(17)	(5,853)	(16,985)
Unrealised net (losses)/gains on investment assets	8	67	—	—	67	(45)
Net movement in funds		(5,156)	(613)	(17)	(5,786)	(17,030)
Fund balances brought forward at 1 April		99,897	11,387	435	111,719	128,749
Fund balances carried forward at 31 March		94,741	10,774	418	105,933	111,719

All activities relate to continuing operations. The group has no recognised gains or losses except those included above and, therefore, no separate statement of recognised gains and losses has been prepared.

In order to produce a combined Statement of Financial Activities (SOFA) and an Income and Expenditure Account, the SOFA has been amended to separate other recognised gains/(losses) from the net outgoing resources result.

During the year the charity undertook a review of its operations which resulted in significant restructuring costs of £3.6 million which have been shown as exceptional items of expenditure in the SOFA.

The Notes on pages 71 to 97 form part of these accounts.

FINANCIALS

CONSOLIDATED BALANCE SHEET

As at 31 March 2010

FIXED ASSETS	Notes	2010 £000	2009 £000
Tangible assets	7	116,458	110,158
Investments	8	—	358
		116,458	110,516

CURRENT ASSETS

Stock		—	39
Investments	8	292	—
Assets held for sale	7	1,579	—
Debtors	9	11,939	13,798
Short term deposits	10	—	5,000
Cash at bank and in hand	10	21,508	14,599
		35,318	33,436

CREDITORS


Amounts falling due within one year	11	(12,620)	(11,102)
Net current assets		22,698	22,334
Total assets less current liabilities		139,156	132,850
Creditors			
Amounts falling due after more than one year	11	(18,631)	(7,500)
Provisions for liabilities and charges	12	(555)	—
Net assets excluding pension liability		119,970	125,350
Defined benefit pension scheme liability	21	(14,037)	(13,631)
Net assets including pension liability		105,933	111,719


FINANCIALS

FUNDS	Notes	2010 £000	2009 £000
Endowment funds	13	418	435
Restricted funds	14	10,774	11,387
		11,192	11,822
Unrestricted income funds			
Designated funds	15	94,152	94,494
General funds	15	14,626	19,034
Unrestricted income funds excluding pension reserve		108,778	113,528
Pension reserve	21	(14,037)	(13,631)
		94,741	99,897
Total funds including deficit on pension reserve		105,933	111,719

The Notes on pages 71 to 97 form part of these accounts

The accounts were approved by the trustees on
22 September 2010 and signed on their behalf by:


Ilyas Khan
Chairman


Tom Bartlam
Chairman of the Audit Committee

FINANCIALS

COMPANY BALANCE SHEET

As at 31 March 2010

FIXED ASSETS	Notes	2010 £000	2009 £000
Tangible assets	7	116,455	110,151
Investments	8	—	358
		116,455	110,509

CURRENT ASSETS

Stock		—	39
Investments	8	292	—
Assets held for sale	7	1,579	—
Debtors	9	11,700	13,617
Short term deposits		—	5,000
Cash at bank and in hand	10	21,429	14,514
		35,000	33,170

CREDITORS

Amounts falling due within one year	11	(12,591)	(11,076)
Net current assets		22,409	22,094
Total assets less current liabilities		138,864	132,603

Creditors


Amounts falling due after more than one year	11	(18,631)	(7,500)
Provisions for liabilities and charges	12	(555)	—
Net assets excluding pension liability		119,678	125,103
Defined benefit pension scheme liability	21	(14,037)	(13,631)
Net assets including pension liability	16	105,641	111,472

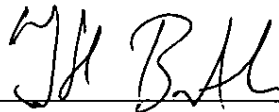
FINANCIALS

FUNDS	Notes	2010 £000	2009 £000
Endowment funds	13	418	435
Restricted funds	14	10,699	11,310
		11,117	11,745
Unrestricted income funds			
Designated funds	15	94,152	94,324
General funds	15	14,409	19,034
Unrestricted income funds excluding pension reserve		108,561	113,358
Pension reserve	21	(14,037)	(13,631)
		94,524	99,727
Total funds including deficit on pension reserve		105,641	111,472

The Notes on pages 71 to 97 form part of these accounts

The accounts were approved by the trustees on
22 September 2010 and signed on their behalf by:


Ilyas Khan
Chairman


Tom Bartlam
Chairman of the Audit Committee

FINANCIALS

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2010

	Notes	2010 £000	2009 £000	2010 £000	2009 £000
FIXED ASSETS					
Net cash inflow from operating activities	A		8,035		245
Returns on investments and servicing of finance					
Bank interest received		3		831	
Investment income		7		154	
Net cash inflow from returns on investments and servicing of finance			10		985
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(15,400)		(15,647)	
Proceeds from sale of tangible fixed assets		2,761		881	
Proceeds from sale of investments		103		5,022	
Net cash outflow from investing activities			(12,536)		(9,744)
Net cash outflow before use of liquid resources and financing			(4,491)		(8,514)
Financing					
Term loan		6,400		7,500	
Net cash inflow from management of liquid resources and financing			6,400		7,500
Increase/(decrease) in cash in the year			1,909		(1,014)
Reconciliation of net cash flow to movement in net funds					
Movement in net funds during the year			1,909		(1,014)
Net funds at 1 April 2009			19,599		20,613
Net funds at 31 March 2010	B		21,508		19,599

The Notes on pages 71 to 97 form part of these accounts

FINANCIALS

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2010

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2010 £000	2009 £000
Net incoming resources	(6,141)	(7,410)
Investment income	(10)	(985)
Difference between pension contributions and current service cost	(96)	(474)
Depreciation	5,580	4,343
Decrease/(increase) in stock	39	(39)
Decrease in debtors	1,859	5,334
Increase/(decrease) in creditors	6,249	(524)
Increase in provisions	555	—
Net cash inflow from operating activities	8,035	245

B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2010 £000	2009 £000
Increase/(decrease) in cash in the year	6,909	1,986
Decrease in short term deposits	(5,000)	(3,000)
Movement in net funds during the year	1,909	(1,014)
Net funds at 1 April	19,599	20,613
Net funds at 31 March	21,508	19,599

C. NET DEBT	Cash at bank and in hand £000	Short term investments £000	Borrowings due within one year £000	Borrowings due after one year £000	Total £000
At 1 April 2009	14,599	5,000	—	(7,500)	12,099
Net cash flow	6,909	(5,000)	—	—	1,909
Other borrowings acquired	—	—	—	(6,400)	(6,400)
At 31 March 2010	21,508	—	—	(13,900)	7,608

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2005) - "Accounting and Reporting for Charities" and with applicable accounting standards in the United Kingdom and other legislation. The financial statements have been prepared using the historical cost basis of accounting as modified for the valuation of investments at market value.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act 2006 and adapted the Companies Act format to reflect the special nature of the charity's activities. No separate statement of financial activities (SOFA) has been presented for the charity alone, as permitted by Section 230 of the Companies Act 2006 and paragraph 397 of the SORP 2005.

The SOFA and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertakings.

b) The consolidated group tables include the results of services in the United Kingdom and central administration up to 31 March 2010. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Limited and Leonard Cheshire Trading Limited, 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.

c) Expenditure on tangible and intangible items of an enduring nature in excess of £1,000 is capitalised and depreciation is charged at the following annual rates on cost:

- i) freehold properties and improvements to freehold properties at 2% per annum,
- ii) leasehold properties and improvements to leasehold properties over the remaining period of the lease,
- iii) furniture, fittings, equipment and vehicles 15-25% per annum, and
- iv) intangible assets (website design) 25% per annum.

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 would be estimated and an impairment loss recognised in the fund to which the asset related

d) 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 and where it can be measured with reasonable accuracy

e) Defined benefit pension scheme costs are treated in accordance with applicable financial reporting standards FRS17. The following elements are charged to the SOFA

- i) the service costs of pension provision relating to the period, together with the cost of any benefits relating to past service,
- ii) the net return on financing, which is a charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the group's expected long term return on assets, and
- iii) the actuarial gain or loss on scheme assets and liabilities

The difference between the market value of assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet as appropriate. Defined contribution pension scheme costs represent the contributions payable for the period

f) Grants and fees for services provided are accounted for in the period to which they relate and have been included in 'incoming resources from charitable activities'

Grants and fees received in advance of services provided have been recognised as deferred income and are released to the SOFA when the related expenditure is incurred. Grants and fees are accrued where services have been provided in the period but the related grants and fees have not been billed.

All other grants have been included within voluntary income and are recognised upon receipt provided that there is reasonable certainty of entitlement and no pre-conditions prevent the recognition of the income on receipt.

g) Investments are included in the financial statements at middle market value 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.

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

The cost of generating funds for voluntary income is the cost of persuading others to make voluntary contributions as well as costs relating to educating and informing the public and institutions on the issues addressed by the charity. The costs of charitable activities include all expenditure directly relating to the objects of the charity.

Operating support costs have been allocated to the appropriate charitable activity in accordance with SORP 2005 as detailed in note 4. They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

Governance costs include trustee expenses, trustee insurance, internal/external audit costs and other professional fees.

FINANCIALS

i) Grants payable are accounted for as liabilities when approved by the charity and communicated to the intended recipient

j) The funds of the group have been segregated as follows

- i) restricted funds consisting of donations and legacies received and for which the donor has specified the purposes to which the funds must be applied,
- ii) 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,
- iii) unrestricted funds that are expendable at the discretion of the trustees in furtherance of the objectives of the charity, and
- iv) designated funds which may be set aside at the discretion of the trustees for specific purposes but which otherwise form part of the unrestricted funds. The group designates funds for future capital developments which are for the long term use of its service users

The pension reserve reflects the difference between the net assets and liabilities of the pension scheme, measured on an FRS17 basis

Free reserves are calculated after excluding endowments, restricted funds, the designated property reserve, the pension reserve and funds required for development projects. The free reserves should be adequate to cover the requirement for working capital and a contingency for unforeseen costs. The trustees review the level of free reserves at least annually and the charity's reserves policy is discussed in detail in the Report of the Trustees

k) 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

l) Transactions denominated in foreign currencies are translated at the average exchange rate for the year

which approximates the actual rates. 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

m) 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

n) As permitted by section 230 of the Companies Act 2006, the company has not presented its income and expenditure account. The group results include net expenditure of £5,307,000 for the year (year to 31 March 2009, net expenditure of £8,958,000), which has been dealt with in the financial statements of the company

o) Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment has been in accordance with SSAP4. The asset is capitalised at its market value and depreciated in accordance with the depreciation policy

p) Where there is an intention to dispose of fixed assets at the year end and the disposal is due to take place some point over the course of the next financial year, the net book value is transferred to current assets and disclosed as "assets held for sale"

q) Gifts In Kind are included within the accounts at the open market value of the donated asset. Contributions of volunteers is not included within the SOFA as the value of their contribution to the charity cannot be reasonably quantified in financial terms

r) 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

— *Dilapidations on leasehold properties*

This relates to the estimated future cost of building work required when vacating leasehold premises

— *Proposed redundancy costs*

These costs will be payable where notification of intended redundancy was made before year end

FINANCIALS

	2010 £000	2009 £000
2. VOLUNTARY INCOME		
Legacies	5,349	5,984
Donations	5,081	6,896
Grants	1,219	1,476
	11,649	14,356

3. INVESTMENT INCOME

Quoted investments `	7	154
Bank interest	3	831
	10	985

FINANCIALS

	Direct staff costs	Other direct costs	Allocated support costs	Total 2010	Total 2009
	£000	£000	£000	£000	£000
4. TOTAL RESOURCES EXPENDED					
Cost of generating voluntary income	2,080	592	210	2,882	5,028
Trading costs	—	4	—	4	220
Investment management costs	—	—	—	—	17
Total costs of generating funds	2,080	596	210	2,886	5,265
Charitable activities					
Social care – continuing	110,570	17,843	15,296	143,709	139,409
Social care – exceptional	1,890	1,706	—	3,596	—
International services	1,081	2,452	50	3,583	2,934
Campaigning	1,116	109	68	1,293	2,722
Innovative Projects	2,570	927	132	3,629	2,815
Service user enablement	794	290	68	1,152	986
Total charitable activities	118,021	23,327	15,614	156,962	148,866
Governance	96	426	7	529	543
	120,197	24,349	15,831	160,377	154,674

The above table analyses by expense category the costs related to the funds generating, charitable and governance activities of the group. These costs include both primary costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity at the end of the financial year. The categorisation and allocation of these support costs is shown in the table below.

During the year the charity undertook a review of its operations which resulted in significant restructuring costs of £3.6 million. This consisted of redundancy and compromise agreements of £1.4 million and other project management costs of £2.2 million. The review will be completed in autumn 2010.

FINANCIALS

	Manage- ment & admin £000	Finance, IT and purchasing £000	Human resources £000	Total 2010 £000	Total 2009 £000
SUPPORT COSTS					
Voluntary income	107	58	45	210	223
Social care	7,723	4,263	3,310	15,296	16,285
International services	25	14	11	50	53
Campaigning	34	19	15	68	72
Innovative Projects	67	37	28	132	140
Service user enablement	34	19	15	68	72
Governance	3	2	2	7	8
Total	7,993	4,412	3,426	15,831	16,853

	2010 £000	2009 £000
5. GOVERNANCE COSTS		
Internal audit	196	123
<i>External auditors' remuneration</i>		
Audit services	142	144
Non-audit services	—	2
Governance and professional support for trustees	191	274
	529	543

Governance and professional support for trustees comprises the internal cost of strategic planning and providing legal support to trustees

FINANCIALS

	2010 £000	2009 £000
6. NET INCOMING RESOURCES ARE STATED AFTER CHARGING		
Depreciation	5,580	4,343
Operating lease rentals		
Property	911	911
Equipment	587	585
Audit services	142	146
Loan interest paid	392	—
Trustee expenses	87	157
Professional and legal fees	31	130
Exchange rate differences	6	(4)

Trustee expenses relates to the travel and subsistence costs of 17 trustees (2009 18 trustees)

FINANCIALS

	Freehold land & buildings	Leasehold properties	Assets under construction	Furniture, fittings, equipment & vehicles	Total
	£000	£000	£000	£000	£000
7. TANGIBLE FIXED ASSETS: GROUP					
Cost					
At 1 April 2009	102,964	11,735	13,036	30,430	158,165
Additions	5,388	—	6,854	3,158	15,400
Disposals	(1,332)	(29)	(842)	(952)	(3,155)
Transfers	10,897	(55)	(11,792)	927	(23)
Assets held for sale	(1,579)	—	—	—	(1,579)
At 31 March 2010	116,338	11,651	7,256	33,563	168,808
Depreciation					
At 1 April 2009	24,380	3,811	—	19,816	48,007
Charge for the year	2,102	288	—	3,190	5,580
Disposals	(333)	(23)	—	(858)	(1,214)
Transfers	—	—	—	(23)	(23)
At 31 March 2010	26,149	4,076	—	22,125	52,350
Net book value at 31 March 2010	90,189	7,575	7,256	11,438	116,458
Net book value at 1 April 2009	78,584	7,924	13,036	10,614	110,158

FINANCIALS

	Freehold land & buildings	Leasehold properties	Assets under construc- tion	Furniture, fittings, equipment & vehicles	Total
7. TANGIBLE FIXED ASSETS: COMPANY	£000	£000	£000	£000	£000
Cost					
At 1 April 2009	102,964	11,735	13,036	30,394	158,129
Additions	5,388	—	6,854	3,158	15,400
Disposals	(1,332)	(29)	(842)	(950)	(3,153)
Transfers	10,897	(55)	(11,792)	927	(23)
Assets held for sale	(1,579)	—	—	—	(1,579)
At 31 March 2010	116,338	11,651	7,256	33,529	168,774
Depreciation					
At 1 April 2009	24,380	3,811	—	19,787	47,978
Charge for the year	2,102	288	—	3,188	5,578
Disposals	(333)	(23)	—	(858)	(1,214)
Transfers	—	—	—	(23)	(23)
At 31 March 2010	26,149	4,076	—	22,094	52,319
Net book value at 31 March 2010	90,189	7,575	7,256	11,435	116,455
Net book value at 1 April 2009	78,584	7,924	13,036	10,607	110,151

The group and charity have freehold property with a net book value of £90.2 million (2009: £78.6 million), held at depreciated historic cost.

Fixtures, fittings, equipment and vehicles also include £48,000 of intangible assets (website design) held at depreciated historic cost.

As at 31 March 2010 the charity was actively seeking to dispose of land and building assets with a net book value of £1.65 million. Based on independent valuations of these assets held for sale, the net realisable value has been deemed to be £1.58 million. The assets have been transferred to current assets at this value. Therefore, an impairment charge of £75,000 has been expensed to the SOFA and is included in the charge for the year line of the fixed asset note above.

FINANCIALS

8. FIXED ASSET INVESTMENTS: GROUP AND COMPANY	2010 £000	2009 £000
Investments listed on a recognised stock exchange	—	358
Total market value	—	358
Total historic cost	—	290
Reconciliation of opening and closing market values		
Opening market value at 1 April 2009	358	6,920
Disposals at opening market value	(133)	(6,517)
Gain / (loss) on revaluation	67	(45)
Closing market value at 31 March 2010	292	358
Reclassified as current asset investment	(292)	—
Closing market value at 31 March 2010	—	358
CURRENT ASSET INVESTMENT: GROUP AND COMPANY	2010 £000	2009 £000
Market value	292	—

The investments have been reclassified as current asset investments as the majority were disposed of shortly after 31 March 2010

FINANCIALS

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
9. DEBTORS				
Trade debtors	6,912	8,369	6,673	8,188
Prepayments	922	735	922	735
Accrued income	4,105	4,694	4,105	4,694
	11,939	13,798	11,700	13,617

All debtors fall due within one year

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
10. CASH AT BANK AND IN HAND				
Group funds	21,414	14,515	21,335	14,430
Short-term deposits	—	5,000	—	5,000
Service users' funds held in trust	94	84	94	84
	21,508	19,599	21,429	19,514

FINANCIALS

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
11. CREDITORS				
<i>Amounts falling due within one year</i>				
Trade creditors	4,335	2,437	4,306	2,411
Taxation and social security	2,055	1,699	2,055	1,699
Accruals	3,865	5,225	3,865	5,225
Deferred income	2,172	1,657	2,172	1,657
Service users' funds	94	84	94	84
Capital grants	99	—	99	—
	12,620	11,102	12,591	11,076
<i>Amounts falling due after more than one year</i>				
Capital grants	4,731	—	4,731	—
Term loan	13,900	7,500	13,900	7,500
	18,631	7,500	18,631	7,500

The charity entered into a term loan with Barclays Bank Plc during 2009 with a £20 million facility being made available to finance the redevelopment of existing services or the reprovision of services across the UK. Interest is charged at 1.2% above the three month LIBOR rate. The loan is for a 15 year period repayable in full in 2024. The loan is secured by means of a debenture against the net assets of the charity.

In April 2009 the charity entered into an interest rate swap for a notional principal amount of £7.5 million. Under this swap agreement the charity received interest on a variable basis and pays interest fixed at a rate of 3.9% for the first five years. At the end of five years the charity has the option to end the arrangement with no penalty charges or continue the swap arrangement paying interest fixed at a rate of 5% for the remaining life of the loan.

During the year LCD received capital grants amounting to £4.8 million to purchase properties that were transferred by Surrey and West Kent Primary Care Trusts. The grants are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £99,000 and shown within 'amounts falling due within one year' and the balance is shown within 'amounts falling due after more than one year'.

Deferred income represents the payment of fees in advance and government grants. During the year the group received income of £2.2 million and transferred income of £1.7 million which meant that the balance at 31 March 2010 was £2.2 million (31 March 2009 £1.7 million).

FINANCIALS

12. PROVISIONS FOR LIABILITIES AND CHARGES	<i>Dilapidation £000</i>	<i>Redundancy £000</i>	<i>Other £000</i>	Total £000
At 1 April 2009	—	—	—	—
Additions	200	323	32	555
Amount utilised/unused	—	—	—	—
At 31 March 2010	200	323	32	555

During the year the charity completed a review of the potential liability to dilapidations at the end of the leases on occupied buildings

Following the review, a provision of £200,000 has been made to the dilapidation provision

The provision for redundancy relates to the cost of redundancies to be incurred in the next financial year as a result of the charity's restructuring programme

13. ENDOWMENT FUNDS: GROUP AND COMPANY	<i>Balance at 1 April 2009 £000</i>	<i>Resources expended £000</i>	Balance at 31 March 2010 £000
Permanent endowments			
Albert Alexander Fund	11	—	11
Kirby Worthington Fund	108	—	108
Expendable endowments			
St Michaels Home	316	(17)	299
	435	(17)	418

The Albert Alexander Fund was set up to benefit the residents of Dan-y-bryn in 2004. The Kirby Worthington Fund was set up in October 1995 when the charity received a bequest with the restriction that the income of this fund must be used to support The County Durham Cheshire Home. St Michaels Home is an endowment property.

FINANCIALS

	Movement in funds				
	<i>Balance at 1 April 2009</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 March 2010</i>
14 RESTRICTED FUNDS: GROUP	£000	£000	£000	£000	£000
Social care	10,785	1,458	(1,494)	2	10,751
Innovative Projects	590	388	(967)	—	11
International services	12	1,459	(1,459)	—	12
	11,387	3,305	(3,920)	2	10,774

14. RESTRICTED FUNDS: COMPANY

Social care	10,708	1,458	(1,492)	2	10,676
Innovative Projects	590	388	(967)	—	11
International services	12	1,459	(1,459)	—	12
	11,310	3,305	(3,918)	2	10,699

The restricted funds for residential facilities are funds which have been donated to the group to be used specifically for the purchase of new tangible assets or improvements to existing assets

Support costs include monies that have been donated to the group with a restriction that they be used in support of disabled people at specific locations

FINANCIALS

	Balance at 1 April 2009	Incoming resources	Resources expended	Transfers gains/losses	Balance at 31 March 2010
15. UNRESTRICTED INCOME FUNDS: GROUP	£000	£000	£000	£000	£000
Designated funds (tangible fixed assets)	94,494	11,233	(11,575)	—	94,152
General funds	19,034	—	(4,408)	—	14,626
Pension reserve	(13,631)	—	—	(406)	(14,037)
	99,897	11,233	(15,983)	(406)	94,741

15 UNRESTRICTED INCOME FUNDS COMPANY

Designated funds (tangible fixed assets)	94,324	11,233	(11,405)	—	94,152
General funds	19,034	—	(4,625)	—	14,409
Pension reserve	(13,631)	—	—	(406)	(14,037)
	99,727	11,233	(16,030)	(406)	94,524

Tangible fixed assets represents the amount invested in fixed assets from unrestricted funds

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2010 £000
16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS				
Tangible fixed assets	108,085	8,074	299	116,458
Net current assets	19,879	2,700	119	22,698
Long term liabilities	(19,186)	—	—	(19,186)
Pension liability	(14,037)	—	—	(14,037)
	94,741	10,774	418	105,933

FINANCIALS

THE FOLLOWING PROJECTS RECEIVED SUPPORT FROM THE FOLLOWING ORGANISATIONS:

	Project	Total £000
UK Department for International Development	Access to Education, Bangladesh — CSCF 0443	145
Big Lottery Fund	South Asia — BIG ref IG/1/010171532	103
Big Lottery Fund	Volunteer Support Project — BIG ref MK/1/1010166499	52
Big Lottery Fund	Be Safe Stay Safe — BIG ref 010311404	115
Big Lottery Fund	Moving Forward — BIG ref YPO/1/010211020	37
Big Lottery Fund	Communications Project — BIG ref MK/1/1010167838	135
Children in Need	Befriending Scheme Kendal	48
European Union	Bringing the UNCRPD to Life in Sierra Leone — EIDHR/2009/224-678	42
European Union	Making Development Inclusive — DCI-NSA/2009/205-469	111
Electoral Commission	Citizenship Academy in Scotland	18
Jersey Overseas Aid Commission	Inclusive Education for All in Juba, south Sudan	32
Jersey Overseas Aid Commission	Sustainable Livelihoods for Persons with Disabilities, Ghana	28
'v' – The National Youth Volunteering Project	Can Do Will Do	109
London Development Agency	Enabled4Enterprise	41

Last year's accounts recognised a grant from Big Lottery Fund – Volunteer Support provided in the North East and Yorkshire Region for an amount of £53,000. This should have been disclosed as £64,817.

FINANCIALS

17. LEASE COMMITMENTS

At 31 March 2010 the group had annual commitments under non-cancellable operating leases as follows

	2010		2009	
	Property £000	Equipment £000	Property £000	Equipment £000
Leases expiring				
Within 1 year	39	268	11	203
Between 2 to 5 years	107	261	135	338
After 5 years	765	58	765	44
	911	587	911	585

18. CAPITAL COMMITMENTS

At 31 March 2010 the group had commitments for capital expenditure that have not been provided for in the financial statements as follows

	2010 £000	2009 £000
Contracted	3,210	10,240

19. SUBSIDIARIES

	Registered	Issued capital	Status
Leonard Cheshire Trading Ltd	England and Wales	£100	Trading
The Leonard Cheshire Foundation (Isle of Man) Ltd	Isle of Man	Limited by guarantee	Trading
Jobability Ltd	England and Wales	£1,000	Dormant
The Leonard Cheshire Foundation Ltd	England and Wales	£100	Dormant
Ability Media Ltd (formerly Disability Action Ltd)	England and Wales	£100	Dormant
Beyond Disability Ltd	England and Wales	£100	Dormant
Leonard Cheshire Trading Ltd	Isle of Man	£100	Dormant

The charity beneficially owned the entire share capital of the above subsidiary companies at 31 March 2010 and 31 March 2009

All trading subsidiaries have been consolidated in the group financial statements

FINANCIALS

The principal activity of Leonard Cheshire Trading Ltd (LCTL) is the sale of gifts and Christmas cards by mail order. LCTL covenants its entire taxable profits to the charity and pays interest at a commercial rate on any loans received from the charity. A summary of its trading results is shown below.

LEONARD CHESHIRE TRADING LIMITED	2010 £000	2009 £000
Summary of profit and loss account		
Turnover	6	38
Cost of sales	(3)	(2)
Gross profit	3	36
Distribution and administration costs	(1)	(19)
Profit on ordinary activities before covenanted payment	2	17
Amount covenanted to Leonard Cheshire Disability	(2)	(17)
Retained (loss) for the year	—	—
Retained profit carried forward	—	—
Summary of assets and liabilities as at 31 March 2010		
Assets	9	7
Liabilities	(9)	(7)
	—	—

FINANCIALS

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Ltd, which is a registered charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its accounts for the years ended 31 March 2010 and 31 March 2009 is shown below.

	2010 £000	2009 £000
LEONARD CHESHIRE FOUNDATION		
<i>Summary of statement of financial activities</i>		
Incoming resources	592	578
Resources expended	(548)	(524)
Net income	44	54
<i>Summary of assets and liabilities</i>		
Assets	312	266
Liabilities	(20)	(19)
	292	247

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
20. STAFF COSTS				
Wages and salaries	97,438	92,197	97,088	91,867
Redundancy costs	1,335	685	1,335	685
Social security costs	7,018	6,850	6,991	6,824
Other pension costs	3,242	3,270	3,236	3,263
	109,033	103,002	108,650	102,639

FINANCIALS

	2010		2009	
	Full-time	Part-time	Full-time	Part-time
THE NUMBER OF EMPLOYEES AT THE YEAR END WAS:				
Group				
Voluntary	34	3	46	4
Social care	1,220	5,260	1,294	5,058
International services	16	4	14	3
Campaigning	13	—	18	1
Innovative Projects	24	4	13	1
Service user enablement	7	23	7	22
Governance	3	—	2	—
Support	185	65	279	235
	1,502	5,359	1,673	5,324
Company				
Voluntary	34	3	46	4
Social care	1,218	5,220	1,289	5,029
International services	16	4	14	3
Campaigning	13	—	18	1
Innovative Projects	24	4	13	1
Service user enablement	7	23	7	22
Governance	3	—	2	—
Support	185	65	279	235
	1,500	5,319	1,668	5,295

FINANCIALS

REMUNERATION OF HIGHER PAID EMPLOYEES

Emoluments of higher paid employees (excluding pension contributions)

	Group		Company	
	2010 Staff	2009 Staff	2010 Staff	2009 Staff
£60,001 – £70,000	9	5	9	5
£70,001 – £80,000	4	5	4	5
£80,001 – £90,000	1	—	1	—
£90,001 – £100,000	2	3	2	3
£100,001 – £110,000	1	3	1	3
£140,001 – £150,000	1	—	1	—
	18	16	18	16

	2010		2009	
PENSION CONTRIBUTIONS FOR HIGHER PAID EMPLOYEES PAID BY THE GROUP	£000	Staff	£000	Staff
Defined benefit schemes	42	4	35	3
Money purchase schemes	138	14	116	13
	180	18	151	16

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 2010 (nil 31 March 2009)

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

FINANCIALS

21. PENSION SCHEMES

The scheme is a defined benefit (final salary) funded pension scheme. The scheme is closed to new entrants.

The scheme 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 scheme assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

The employer's estimated contribution for the year starting 1 April 2010 is £1,316,000. The current arrangements as regards to contribution levels are

described in the Schedule of Contributions dated 28 February 2008.

The scheme holds quoted securities and these have been valued at bid price. The corresponding amounts from previous years are not bid prices and have not been restated.

The group also operates a defined contribution pension scheme. Members' contributions are between 3% and 5% of pensionable salary and the group contribution is between 4% and 11% of pensionable salary.

PRINCIPAL ACTUARIAL ASSUMPTIONS

Financial Assumptions

	At 31 March 2010 (per annum)	At 31 March 2009 (per annum)
Discount rate	5.6%	6.60%
Rate of increase in salaries	3.9%	3.50%
Rate of increase in pensions		
LPI 5% (Pre 6 April 2005 accrual)	3.3%	3.00%
LPI 2.5% (post 5 April 2005 accrual)	2.3%	2.30%
Rate of revaluation of deferred pensions in excess of the GMP	3.4%	3.00%
Inflation assumption	3.4%	3.00%
Expected return on the scheme assets (as at beginning of each period presented)	6.88%	6.80%

Demographic Assumptions

Mortality	SAPS All Pensioners, year of birth, medium cohort, 1% p a minimum level of improvement	SAPS All Pensioners, year of birth, long cohort, 1% p a minimum level of improvement
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Other assumptions at 31 March 2010 are the same as those used in the Provisional Results of the Actuarial Valuation as at 30 September 2009.

The other assumptions are the same as those in the Trustees' Scheme Funding Valuation as at 30 September 2006.

FINANCIALS

FAIR VALUE OF ASSETS	Value at 31 March 2010 £000	Proportion	Value at 31 March 2009 £000	Proportion
Equities	21,687	56%	16,891	56%
Bonds	14,181	37%	10,692	35%
Property	2,534	7%	2,311	8%
Other	118	0%	429	1%
Total Value of Assets	38,520	100%	30,323	100%

EXPECTED LONG TERM RATE OF RETURN PER ANNUM	Year beginning 1 April 2010	Year beginning 1 April 2009
Equities	8.40%	8.20%
Bonds	4.90%	5.20%
Property	7.40%	6.20%
Other	0.50%	0.50%
Average Return	7.02%	6.88%

BALANCE SHEET IMPACT	Value at 31 March 2010 £000	Value at 31 March 2009 £000
Present value of funded obligations	52,557	43,954
Fair value of scheme assets	(38,520)	(30,323)
	14,037	13,631
Present value of unfunded obligations	—	—
Unrecognised past service cost	—	—
Unrecognised asset due to limitations on recognition of scheme surplus	—	—
Deficit	14,037	13,631
Related deferred tax liability	—	—
Net pension liability / (asset)	14,037	13,631

FINANCIALS

	Year ending 31 March 2010 £000	Value at 31 March 2009 £000
SOFA IMPACT		
Current service cost *	530	577
Interest on obligation	2,851	2,863
(Expected return on scheme assets)	(2,064)	(2,559)
Past service cost recognition	—	—
Losses / (gains) on settlements and curtailments	—	—
Total	1,317	881

* The current service cost includes allowance for the cost of Death In Service benefits and all the expenses of running the scheme (including the PPF levy)

ANALYSIS OF AMOUNT RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (STRGL)

Net actuarial gains / (losses) recognised in year	(502)	(7,972)
Net cumulative actuarial gains / (losses) †	(14,585)	(14,083)

† Includes net cumulative actuarial gain / (loss) since year ending 31 March 2003

FINANCIALS

	Year ending 31 March 2010 £000	Value at 31 March 2009 £000
RECONCILIATION OF PRESENT VALUE OF SCHEME LIABILITIES		
<i>Change in the present value of the defined benefit obligation</i>		
Opening defined benefit obligation	43,954	43,796
Service cost	530	577
Interest cost	2,851	2,863
Contributions by employees	239	236
Past service costs – vested benefits	—	—
Past service costs – non-vested benefits	—	—
Losses / (gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Actuarial losses / (gains)	7,267	(1,853)
Benefits paid	(2,284)	(1,715)
Closing defined benefit obligation	52,557	43,954

RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS AND ACTUAL RETURN ON ASSETS

Change in the fair value of the scheme assets

Opening fair value of the scheme assets	30,323	37,663
Expected return	2,064	2,559
Assets distributed on settlements	—	—
Actuarial gains/(losses)	6,765	(9,825)
Contributions by employer	1,413	1,355
Contributions by employees	239	286
Benefits paid	(2,284)	(1,715)
Closing fair value of the scheme assets	38,520	30,323
Actual return on scheme assets	8,829	(7,266)

FINANCIALS

	Years ending on the 31 March				
HISTORY OF EXPERIENCE GAINS AND LOSSES	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Defined benefit obligation	(52,557)	(43,954)	(43,796)	(48,161)	(44,160)
Scheme assets	38,520	30,323	37,663	38,728	36,517
Surplus/(deficit)	(14,037)	(13,631)	(6,133)	(9,433)	(7,643)
Experience gains / (losses) on scheme liabilities					
Amount	240	—	319	(1,601)	164
Percentage of the present value of scheme liabilities	0.5%	0%	0.7%	(3.3%)	0.4%
Actual return less expected return on scheme assets					
Amount	6,765	(9,825)	(3,731)	(259)	3,914
Percentage of scheme assets	17.6%	(32.4%)	(9.9%)	(0.7%)	10.7%

FINANCIALS

22. CONTINGENT LIABILITIES

At the year end there were a number of unresolved legal disputes which whilst not significant may result in a liability to the charity

23. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee and, in the event of a winding-up, the members are committed to pay £1 each. All members are trustees

24. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year ended 31 March 2010

25. PENSION COMMITMENTS DEFINED CONTRIBUTION

Leonard Cheshire Disability also participates in the Pensions Trust Growth Plan. The Growth Plan is a multi-employer pension plan which is in most respect a money purchase arrangement but it does have some guarantees. Because of the pension guarantees there is a defined benefit pension obligation. However, it is not possible for The Pensions Trust to identify the share of underlying assets belonging to individual participating employers. Therefore, contributions paid by the company are accounted for as if the scheme were a defined contribution scheme. The charity continues to offer membership of the plan to its employees. There would be a liability should Leonard Cheshire Disability withdraw from the scheme, but this is considered remote.

The most recent full actuarial valuation of the scheme was undertaken as at 30 September 2008 and the next full valuation is due in September 2011. The actuary has provided a funding update as at 30 September 2009 and this revealed that the assets of the scheme broadly equalled the accrued liabilities. The employer's contribution in the year was 11% of salary for senior staff and 4% for operational staff.

DIRECTORY**TRUSTEES AND SENIOR OFFICERS**

Founder

The Late Group Captain Lord Cheshire, VC, OM, DSO, DFC

Patron

Her Majesty The Queen

Trustees

Mr Ilyas Khan (Chairman)
Mr Stewart Brown (Vice Chair)
Mrs Jennifer Searle (Vice Chair)
Mr Peter Bailey
Mr Tom Bartlam
Sir Edward Clay, KCMG
Ms Susan Douglas-Scott
Lady Christine Eames OBE
Mr Anthony Hughes
Mr George Miall
Dr Graham Mitchell
Mr Raoul Pinnell
Mr David Reed
Mrs Diane Ritherdon
Mr Patrick Salmon
Professor Simon Smail

Chief Executive

Eric Prescott**

Chief Executive Designate

Clare Pelham

Chief Operating Officer

Colin Young *
Peter Bray *
Malcolm Bower-Brown (Acting)
Rosemarie Mitchell (Acting)

Chief Financial Officer

Graham Wareham

Director of Campaigning

John Knight *
Guy Parckar (Acting)

Director of Human Resources

Clare Smith *
Geraldine Buckland

Director of Innovation

Jane Fletcher

Director of International

Tanya Barron

The Way Ahead Programme Director

Michael Munro

Solicitor and Company Secretary

Ashley Silver

Registered office

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* These individuals left the charity before 22 September 2010

** Eric Prescott resigned as Chief Executive on 14th May 2010,
since then Graham Wareham has been acting Chief Executive

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REGISTERED COMPANY NO. 552847
SCOTTISH REGISTERED CHARITY NO. SC005117**