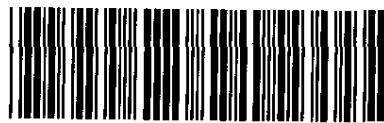




# Inspiring positive change

Annual Report  
& Accounts  
2018/19

TUESDAY



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COMPANIES HOUSE

Leonard  
Cheshire



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**01**

**About us**



## **What we do?**

**We are Leonard Cheshire  
– supporting individuals  
to live, learn and work as  
independently as they  
choose, whatever their  
ability. Led by people with  
experience of disability,  
we are at the heart of local  
life – opening doors to  
opportunity, choice and  
support in communities  
around the globe.**



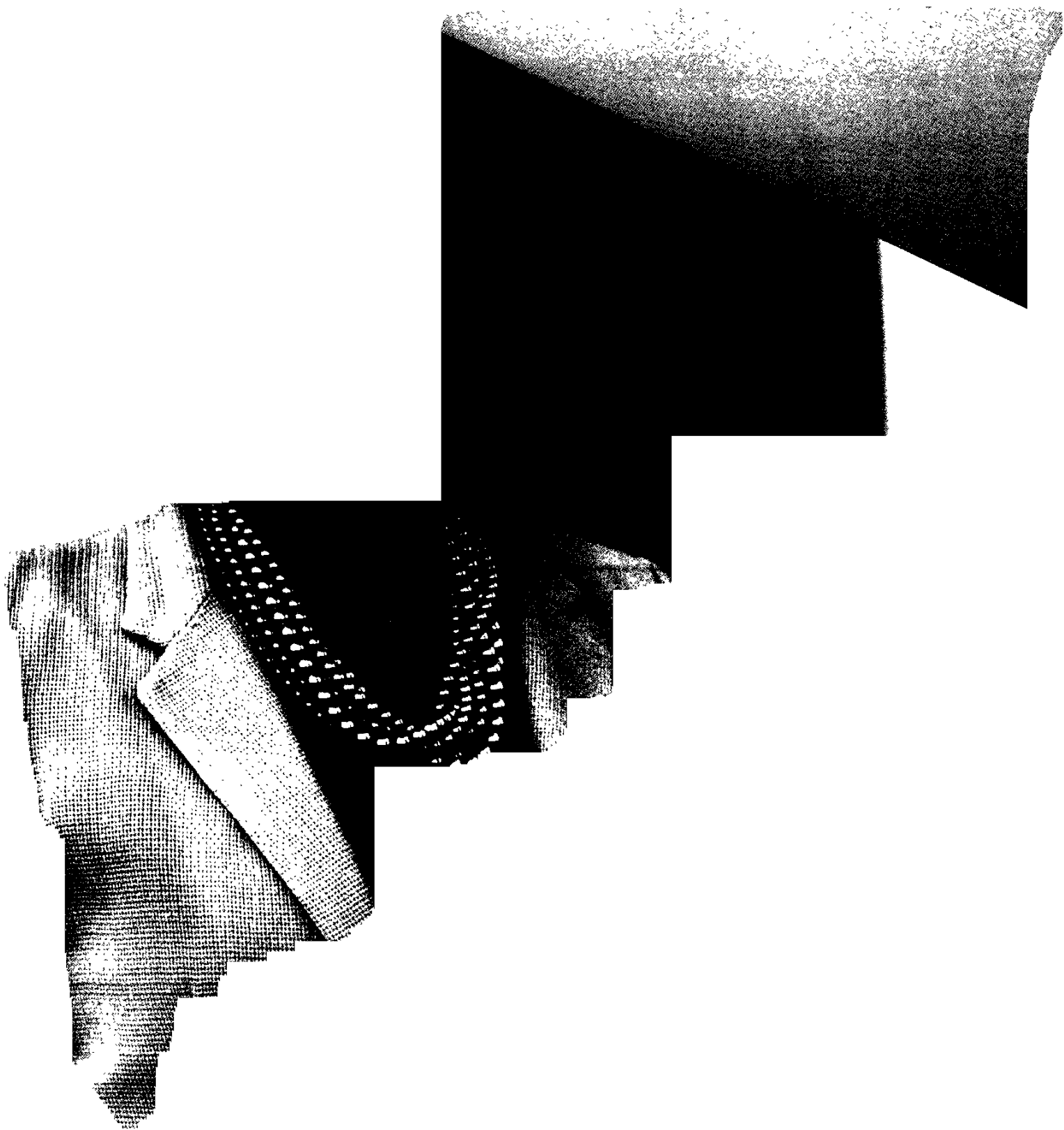


Like our founder, we believe that diversity creates a world of possibility. Through pioneering research and innovation we are building a fairer, more inclusive society. One that recognises the positive contributions we all make, and where we are all proud to play our part.

Leading by example, we do everything humanly possible to empower people to live their lives as freely and as fully as they choose.

# 46,000+

people reached through our work  
in the UK and around the world



## **Message from our Chair**

**The year 2018/19 was momentous in so many ways, as the UK entered a pivotal moment in its post-war history. Many are still pondering the implications of changing and uncertain times.**

**Amidst national upheaval, it was also a pivotal year for the Charity in the progress we made towards delivery of our ambitions for the future.**

We made a bigger impact than ever before, supporting significantly more disabled people, through a wider range of services. More and more people across the UK are being inspired by our vision of a fairer and more inclusive world, with around 2,000 additional volunteers now supporting our activities in countless ways that make such a difference.

This expansion is more essential than ever, bringing communities together in meaningful and sustainable ways.

Another year has passed without the Government setting out its plan for long-term reform of UK social care. Good care and support transforms disabled people's lives. Across the UK, disabled people have told us they are struggling to get the social care they need. We continue to lobby politicians to tackle a crisis that is having a devastating daily impact on thousands of lives.

At the same time, we raised awareness of the barriers and discrimination that disabled people can face when looking for work, or even just using public transport.

In 1948, when our Charity was created, so little support was available. Our founder could not stand idly by and instead, with vision, kindness and compassion, offered stability and dignity to disabled people desperately in need of homes.

Leonard Cheshire was to inspire a positive global movement dedicated to improving the lives of people with disability. The Charity he founded has come so far in its seventy years and last year we continued to grow in reach, influence and impact.

Of course, this is only possible with the fantastic support we receive from our partners, supporters and donors.

We are gathering momentum in realising our ambition of supporting significantly more disabled people worldwide, growing our UK community programmes and expanding our international work.

Securing a major £9.6 million UK Government grant in 2018/19 enables us to work with other organisations and support thousands more people with disabilities into paid employment in Kenya and Bangladesh.

As always, I am indebted to my fellow Trustees, our staff and volunteers who continue to support the Charity with dedication and humility in so many ways.

Together we can continue to extend the impact of this amazingly diverse and far reaching organisation.



## **Message from** **the Chief** **Executive**

**At Leonard Cheshire we are responding to today's unmet need of people with disability by working to inspire positive change. The year was one of strong strategic progress as we continue to make a bigger difference to more people in more places. It was the first year of two in which we will run deficit budgets to invest and significantly expand our impact in the coming years.**

2018/19 was a year of significant investment and divestment as we re-aligned our UK services and programmes footprint. Thanks to an extraordinary £14.9 million legacy in 2017/18 our community approach has gathered momentum. New investment has expanded activity in 11 community initiatives. New facilities in Cheltenham are at the heart of expanded outreach across the county, with hundreds more disabled people engaged in our programmes.

We also took the difficult decision to seek a high-quality new provider for 17 care homes that we believed could not grow in reach in line with strategy. Through the sale we ensured the long-term future of the homes, continuity of high-quality care for residents from the same staff, with significant investment in the next two years for the services affected.

Last year we supported a record 46,000 people in 15 countries, but we want to do more. We launched a new contemporary look and feel that was prominently on display. Refreshed branding appeared at the London Marathon, Twickenham's Varsity match and England's Caribbean cricket tour.

Young supporters proudly embraced our new look in events from London to Nairobi. Pupils from the founder's old school marked the centenary anniversary of his birth by raising £30,000 for disabled youngsters in Africa. I was especially proud to visit some of the 50 primary and 25 secondary schools in Kenya, where thanks to our pioneering inclusive education programme, more than 3,000 children with disability are in school for the first time.

We also invested in our people and technology to enable further future growth in our impact. We increased training and development, lifted pay levels with a particular focus on frontline staff and substantially grew volunteer numbers. We hugely appreciate the dedication and commitment of our 6,000 staff and 8,500 volunteers who make a huge difference every day.

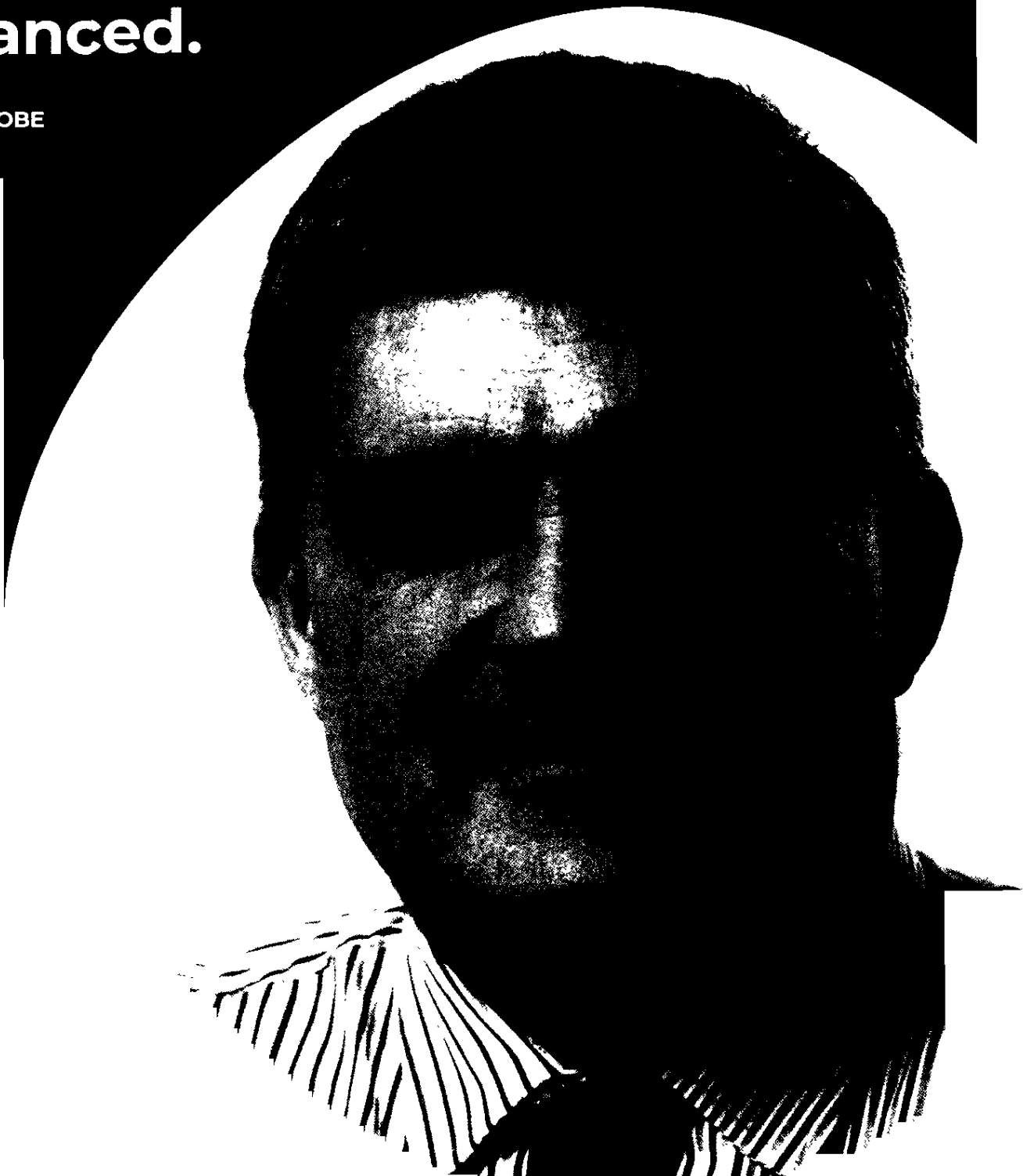
We also saw the first benefits of a major two-year £6 million technology investment programme to enhance the quality of service experienced by residents and visitors at 150 UK services. Customers and staff alike started to benefit from upgraded electronic medication, rostering and Wi-Fi technology. While a new website and better story-telling enhanced public understanding of our work.

At a time of unprecedented change it is vital that we all re-double efforts to advance the rights of people with disability. We will work tirelessly with partners and supporters in all sectors to inspire the positive change that will bring equality of opportunity for people with disability, and a fair and inclusive world.

3699

**It is vital that the  
rights of people  
with disability are  
protected and  
advanced.**

Neil Heslop OBE  
CEO  
July 2019



# 02

## Trustees' report: Strategic report

## Overview

**For more than 70 years Leonard Cheshire has been supporting disabled people. In the UK and in communities around the world, we work with partners to open doors to opportunity and break down barriers that deny disabled people their basic rights.**

**8,500**  
volunteers



**During the year, we gained momentum in delivering on our ambition of reaching significantly more disabled people with vital support. Both in the UK and internationally, our major programmes expanded, with substantial support from partners and Governments alike. This support enables us to continue to extend work that is transforming communities and the opportunities available to people with disabilities.**

In the UK, we grew our skills, confidence building and employment programmes, by launching them in many new areas. In the year, over 7,000 young people were supported in this way.

Based on where we could make the most difference, we took a difficult decision to sell a minority of our residential care services. Funds from this sale when complete will be invested in UK residential and community services to reach more disabled people. In 2018/19, over 3,000 people lived in our residential settings with several new supported living services opening.

When children with disabilities are denied a school place in developing countries, often because of stigma and discrimination, we support these children, their families, and communities. Our inclusive education programmes, getting children with disabilities a school place for the first time, are going from strength to strength by operating in new countries and regions.

We can't do everything we want to achieve on our own. Engaging new generations of supporters, partners and volunteers is integral to our vision of how we grow our reach and impact. By widening creative opportunities for people to get involved across our Charity we now have 8,500 volunteers.

Social care was never out of the news for long in 2018/19 and with others we continued to press the UK Government for major change and a long-term funding solution that will more fully meet the needs of disabled people.



**7,000+**

**people supported in UK  
through skills, confidence  
and employment programmes**



# **2018/19 UK and international highlights**

- **We reached 46,476 people through our work**
- **We supported 4,250 children with disabilities to get an education**
- **Around 13,250 people were supported by our work programmes**
- **We supported more than 10,000 people through UK community initiatives.**

**Live**

**We want to be at the heart of local life. Each community is different but disabled people often miss out on local opportunities and experiences. This can be because local services don't have the kind of support they need to be inclusive, leaving gaps in provision.**

Disabled people may be unable to get out and about, fulfil their ambitions or live the independent lives they want. They may feel isolated and lacking in confidence as a result.

We change this. Every town or city is different, and we look to see what support is available and how we can make the most difference.

By partnering with organisations who share our vision for a more inclusive society, including businesses, colleges, councils and other charities, we open doors to opportunity, choice and independence.

*In the past, we were best known for residential social care. Increasingly we are creating opportunities for residents and other disabled people that enable them to access and make the most of their communities. This is through new experiences, mentoring, community-based confidence building and skills training.*

The year was one of real growth, increased reach and impact as we expanded the range of support we offer in communities. Exciting new programmes were launched as we strive to bring communities together.

**The year  
was one of  
real growth,  
increased reach  
and impact as  
we expanded  
the range  
of support  
we offer in  
communities.**







**82%**

**services rated as either  
'good' or 'outstanding'**



**Live**

## **Supported living and residential services**

**As of 31 March 2019, we have around 150 services across the UK. Through these services we support around 3,000 people every day, from people in supported living schemes to those with high dependency 24/7 nursing needs.**

Providing the best possible care to the people who live in our services is always our priority.

In terms of our CQC regulated services a significant focus for 2018/19 was driving forward further improvements in the quality of care in our residential services.

The various UK regulators rated 82 per cent of our regulated services as either 'good' or 'outstanding'. This remains above the national average of 79 per cent.

Part of our long-term ambition as a Charity is to widen the range of accommodation-based support we can provide, based around choice and local need.

A key element of our strategy is to offer a greater level of supported living services in the existing areas we operate in, as well as new locations.

Last year, we opened three new supported living schemes bringing the total across the UK to 45. Six other supported living schemes are also being developed, as we carry out conversions from small existing residential care services.

This expansion is set to continue in 2019/20 and beyond as we work with our partners on new projects and care commissioners to address the needs of disabled people to live as independently as possible.



**27,000**

**people with disability  
supported in 15 countries**



**Live**

## **Community, opportunity and enterprise**

**Our Bells Piece service in Farnham, Surrey has grown from a residential care home for adults with learning disabilities into an inspirational social enterprise and community hub. It supports adults with learning disabilities and autism.**

Bells Piece offers residential and supported living, as well as leisure activities, life skills, and outreach services. A new supported living service opened in August 2018, to develop the life skills of young adults before they live independently in their own home on their own or with their friends.

Bells Piece is strongly supported by the community and corporate volunteers from local companies including Zurich Insurance and Enterprise Cars.

Social enterprise has been embedded as part of the service's approach. A shop sells fruit, vegetables and plants from the garden as well as works from the onsite artists' studio. This artwork is featured in the shop on a range of merchandise for sale, from postcards and mugs to tea towels and limited-edition prints.

Money raised goes back into the service with a proportion back to the original artists.

**"I like to come to the studio as I really like painting and learning new things"**

**Jack Broadfoot**  
Bells Piece artist

**"I am a very creative person, and enjoy painting and selling my work. I like working in the studio as I get to meet my friends, it is a social space.**

**If I was not here I would be sitting at home getting bored."**

**Mark Cluley**  
Bells Piece artist

## Louis' story

# Never Say No!

Part-time DJ and music maker Louis, 18, has set his sights on going to college to study art and design after taking part in Can Do. Born with spina bifida and hydrocephalus, he lives with his mum in Belfast.

Team work, new friends, and helping with a community project for the homeless, a video project and public speaking were among his highlights.

**"I was very nervous talking in front of people, but it felt really good."**

**"Being part of Can Do has increased my confidence and self-esteem. My plans are to improve my independence and gain my qualifications to get into college."**

**His advice to other people in a similar situation:**

**"Never say no, always say yes."**

**Can Doer Louis, with Peter, a member of staff at the Jubilee Sailing Trust.**



**Live**

## **Speaking out against disability hate crime in Belfast**

Can Do participants in Northern Ireland chose a subject important to them when they partnered with the NOW Group social enterprise to create an attention-grabbing graffiti wall to raise awareness of disability hate crime.

Working closely with a local graffiti artist, the young people created a mural highlighting the need for people who experience hate crime to speak up and ask for support.

NOW Group supports people with learning disabilities and autism who are leaving full-time education.

## **Gardens for health and wellbeing**

Our Ambassador, the award-winning garden designer, BBC TV presenter and writer Mark Lane teamed up with us to promote the benefits to disabled people of gardening for health and wellbeing.

In 2018, the National Garden Scheme selected Leonard Cheshire as one of its Gardens and Health partners, with a £120,000 donation to develop sensory gardens and horticultural community projects for disabled people across the UK.



**“Gardens that are  
fully accessible  
bring communities  
together, and tackle  
isolation but above  
all are great fun and  
incredible for both  
physical and mental  
well-being”**



“”

**It's also easy to  
garden on a budget.  
And if I can do it,  
so can you.**

**Mark Lane**  
Leonard Cheshire Ambassador

**Live**

## **Sow and Grow gets bigger and better**

**A creative inclusive garden for the community in Omagh, Northern Ireland, is now going from strength to strength after improvements were delivered in 2018/19.**

The exceptional work by our Omagh Community Team means the garden at the Ulster American Folk Park now includes a covered relaxation and sensory area.

Disabled people socialise as part of the wider community, developing their abilities in a welcoming therapeutic environment.

Volunteers and partnerships are the backbone of this community project, with strong links to local educational institutions and local groups developing.

A new social enterprise making up and selling flower baskets and window boxes is now up and running, with other plans including the introduction of City and Guilds qualifications in horticulture also developing fast. It is anticipated that the whole project will be self-sustaining in two or three years' time.



# **Volunteers and partnerships are the backbone of this community project.**



## Pioneering support

Disabled people are being put in charge of how their money for support is spent, through a first of its kind Leonard Cheshire programme that is boosting confidence and choice.

The Welsh Government funded 'Together as One' programme was developed by the innovation foundation Nesta. Through an award of £1 million to Leonard Cheshire, it will give disabled people the choice to pool together their direct payments for care and enjoy a wider range of activities as a group, rather than on their own.

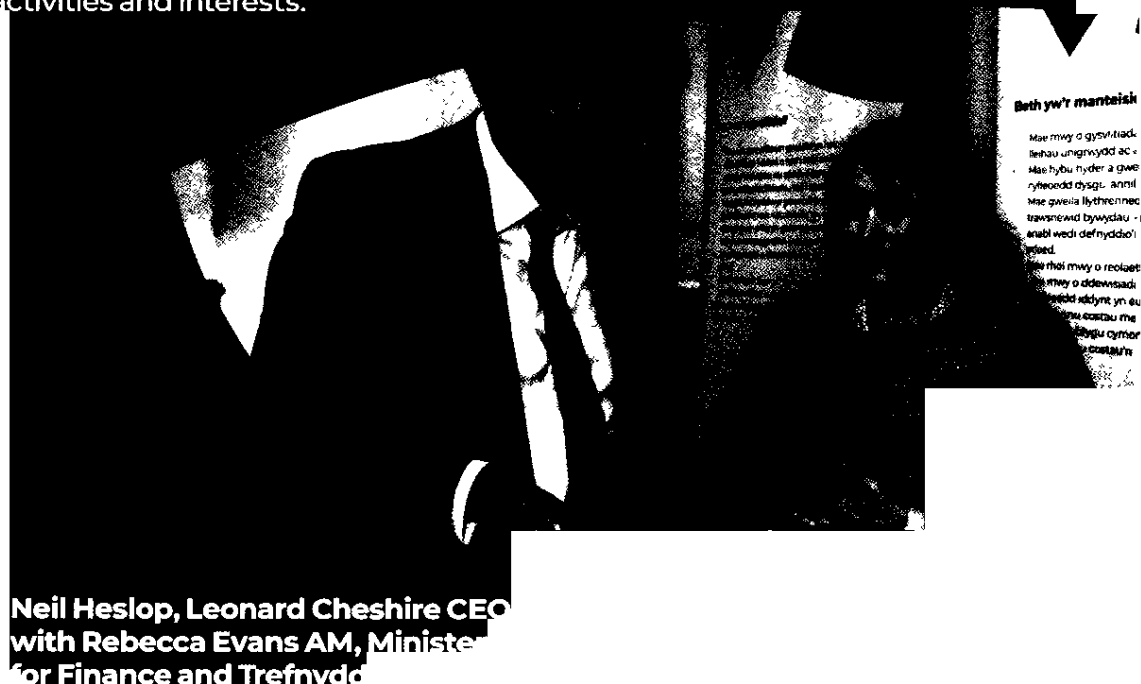
As well as the social benefits this will bring for individuals and their community, it reduces the cost of one-to-one support hours. Disabled people will learn to not just select their support preferences, but also join a growing community led by their needs, common activities and interests.

**"It has boosted my confidence and opened up more opportunities for me."**

Gary, a participant in the programme

**"He's got more of a choice of what he wants to do, who he wants to do it with, where he wants to do it and when."**

Martin Gallagher, Personal Assistant who supports Gary



Neil Heslop, Leonard Cheshire CEO  
with Rebecca Evans AM, Minister  
for Finance and Trefnydd

**Live**

## **'Strictly Cymru' goes from strength to strength**

**The huge success of a unique inclusive dance competition in Wales during 2017/18 was repeated as 'Strictly Cymru' goes from strength to strength.**

More than 100 people from communities across Wales and Leonard Cheshire services took part last year. It culminated with a Grand Final in Cardiff with professional dance partners following months of finding dancing stars in five regional events across the length and breadth of Wales.

The latest competition is being delivered in partnership with the Paradance UK Charity.

**er  
efore****“”**

**I love to dance and really like Strictly Cymru – it would be nice to have more opportunities like Strictly Cymru.**

**Sarah Thornton**  
Participant



**The lack of access to education, learning opportunities and training means people with disabilities around the world are still held back from fulfilling their potential.**

**1/3**

**of all children in the world without a primary school place have a disability**

**260m**

**children in the world still do not go to school**

**4,250+**

**children were supported by Leonard Cheshire programmes in 2018/19**



# Learn

## The Girls Education Challenge

**The lack of access to education, learning opportunities and training means people with disabilities around the world are still held back from fulfilling their potential.**

More than 260 million children in the world still do not go to school. An estimated one-third of all out-of-school children at the primary level have a disability.

Expanding our life changing inclusive education programmes in the Global South is a priority for us. These programmes have to date supported more than 44,000 children. In 2018/19 we took significant steps forward as we support more people with disabilities, their families and their communities.

In the UK we have increased our presence in towns and cities to offer a broader range of community support with our partners. This is opening doors to training and skills development that would otherwise not be there for disabled people.

**Access to education shouldn't be determined by gender, but 130 million girls globally are out of school and 15 million girls of primary school age are denied access to the classroom.**

The situation gets worse for disabled girls and the shocking consequence of this dual discrimination is the fact that while the literacy rate for adults with disabilities is 3 per cent globally, the figure for women with disabilities is just 1 per cent.

Leonard Cheshire's international work is underpinned by a model of inclusion that offers girls with disabilities access to education. Funded by DFID (Department for International Development) and managed by Leonard Cheshire, The Girls Education Challenge, has supported more than 3,000 girls with disabilities in schools across the Nyanza Lake Region of Kenya.

**In 2018/19 our education  
programmes reached  
8,000+ people.**

# Learn

## Leonard Cheshire BBC Radio 4 Appeal

**In 2018/19, Leonard Cheshire was one of the charities featured in the BBC Radio 4 Appeal, creating high profile exposure for our inclusive education programmes in Eastern Zambia. A month of activity raised vital funds and awareness of our support to get children with disabilities mainstream school places.**

Following a successful project in the south of the country, support is being expanded to assist 750 more children, as well as train 100 teachers and education officials.

Sophie Morgan, the award-winning TV presenter, disability activist and Leonard Cheshire Ambassador was the face of the Appeal.

Paralysed in a car crash aged 18, Sophie has an impressive television career spanning the Paralympics and cutting-edge documentaries.

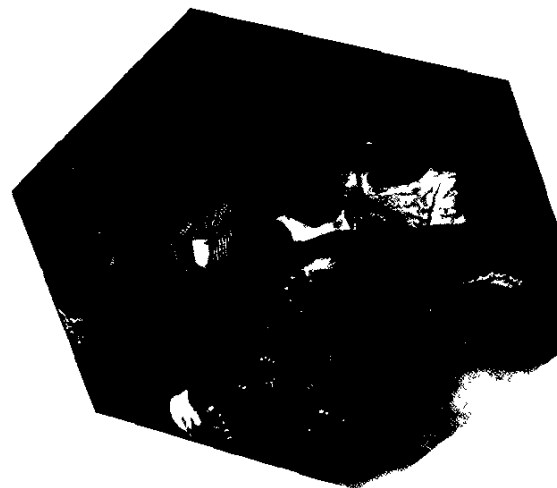
## Expanding our work in Zambia

**There are over 600,000 children in Zambia with disabilities but less than half of them have attended school.**

During the year, Leonard Cheshire started work to deliver a three-year inclusive education project in the Eastern Province of the country. Our work in communities had already supported around 1,500 children with disabilities going to school in the Southern Province.

The latest project will mean 750 more children get an education that would otherwise be out of reach. It will also leave a legacy of inclusive education across 30 primary schools, with 100 teachers and education officials being trained.

Funding came from The Swedish Postcode Lottery, The Peter Cundill Foundation and the Stavros Niarchos Foundation.



**"As a reporter, I have witnessed first-hand how the stigma attached to disability can lead to devastating consequences.**

**I believe there is no greater casualty to the effects of prejudice and discrimination than disabled children"**

**Sophie Morgan**  
TV presenter, disability activist and  
Leonard Cheshire Ambassador



## **Learning in the UK: Can Do**

**In 2018/19, we increased our reach and impact through Can Do, during a major period of growth across the UK.**

The programme has continued to expand, reaching more young people with a wide range of activities that build confidence, skills and benefit communities.

Over the past year we have set up 4 new Can Do locations, as we widen the range of services we offer. Many of the activities are delivered through our growing network of partnerships with local organisations who share our vision of greater inclusivity and opportunity for disabled people.

In 2018/19, 2,951 young people aged 16-35 participated in Can Do. Participants can gain City and Guilds qualifications and they often go on to further volunteering, training, employment or educational opportunities after the programme.

Over the next year, we will be looking to further develop and expand Can Do to more locations.

Thanks to support from partners such as Howdens, in 2018/19 we were able to reach more young people with our Can Do programme, which provides life changing community activities.

**This now operates in 26 locations, up from 22 in 2017/18.**

**Leonard Cheshire's Can Do programme brings communities together. Around 500 more people participated during 2018/19.**

**33,624**  
**Hours**

**13,608**  
**Opportunities**

**2,951**  
**Young people**

**4**

**new Can Do  
locations**



# Learn

# 493

young disabled  
people tried a sport

# 1,491

sporting  
opportunities

# 5

UK locations

Can Do Sport  
in 2018/19

## Can Do Sport

The promotion of health and wellbeing is a consistent theme across many of our programmes. We know that for everyone physical activity is an important part of keeping well. Disabled people often feel they are unable to participate in sport opportunities in their communities.

Since the launch of Can Do Sport in January 2018, we have been increasing the impact of a hugely popular programme. It works with young people, aged 10-20, who have physical disabilities, learning disabilities or mental health issues.

Over the course of 2018 we secured significant funding awards to offer more disabled people the chance to try new sports, take part in community activities and gain City and Guilds qualifications. Can Do Sport is funded by Sport England, the National Lottery and the #iwill Fund.

A 'mini-Olympics', marked the launch of Can Do Sport in Liverpool. Young people from five local schools organised and took part in the event.

As part of our partnership with Sport England, around 450 disabled people in Wandsworth, London, will now benefit from specialist physical activities and nutrition coaching.

Meanwhile, over the next four years Leonard Cheshire's Randall Close Community Resource Centre in Wandsworth will work with local people aged 18-90 who have recently acquired or been diagnosed with a disability, either through accident, illness or injury.



## Cheshire Superheroes

**In August 2018, teams from Leonard Cheshire services and programmes took on full, half and sprint triathlons at an event that binned all the usual barriers to sport.**

They joined comedian Adam Hills, TV presenter and event host Clare Balding and Paralympic champion David Weir, along with a host of other stars at the Superhero Tri challenge in Windsor, powered by npower.

The event, which was founded by Paralympian Sophia Warner, is fully inclusive.



# Learn

## Digital inclusion

**Digital technology has rapidly changed almost every aspect of people's lives, from how we access essential services, how we work, to how we keep in touch with friends and family.**

Now more than ever, access to computers, mobile technology and the latest software has the power to transform the lives of disabled people. At the same time, as the economy becomes increasingly digitised, there is a danger people with disability could miss out on the opportunities that are being created.

Having the opportunity to use accessible and assistive IT equipment, increase digital skills, explore interests and socialise online can have a huge impact on confidence, independence and choice.

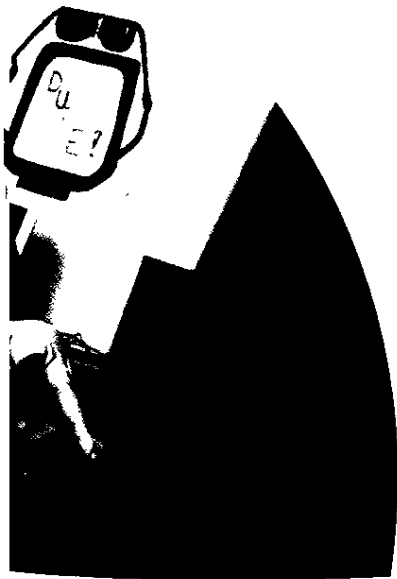
Across the UK we support people to use technology to gain more control over their lives, closely matching equipment and software to the needs and wishes of individuals.

Since 2010, we have supported over 13,000 people in this way and this area of our work is rapidly growing. This reflects the increasing importance of technology in providing access to education, employment, or participation in local activities.

Last year, 1,329 people were supported through our digital inclusion projects. This was either at our Discover IT centres across the UK, in their own homes or our residential services. People at Leonard Cheshire services have benefited from investment in IT, including virtual reality equipment that can improve mental wellbeing, memory and fitness by opening up new experiences.

We now have 26 Discover IT centres, with seven new facilities opened in 2018/19.

# Discover IT



## Go Digital

**We are expanding our digital inclusion work through a new Go Digital programme that is currently being piloted in South Wales and the West of England.**

Go Digital will provide accessible technology including tablets and voice activated devices to people in their homes, as well as to organisations working with disabled people in the community.

The package includes training on accessible equipment and online activities for disabled people. We are developing a network of Go Digital volunteers to undertake some of this work and support people become digitally confident and connected.

Go Digital initially aims to work with around 1,000 people over two years.



# 7

**new Discover IT  
centres in 2018/19**



# Work

**Across the world, there are people with disabilities who are successful entrepreneurs and vital employees. Despite this, people with disabilities can be consistently excluded from getting the chance to demonstrate their huge potential in the workplace.**

UN figures show that as many as 80 per cent of working age people with disabilities are unemployed, continuing a cycle of poverty, discrimination and marginalisation in some of the most deprived countries in the world.

During the last year, we significantly expanded our flagship work and employment programmes in some of these countries, working with our partners to support even more people into meaningful employment.

Globally, more than 13,000 people with disabilities were supported by our work programmes in the year.

The recognition of our expertise in successful delivery of support has led to major increases in funding and grant awards. In the UK we grew the range and reach of programmes that offer work experience and internship opportunities to disabled people.

**"We want to do everything we can to support individuals, regardless of their disability, mental health or long-term health condition, to achieve their potential and thrive in the job market"**

**Neil Heslop OBE**  
CEO

## Leonard Cheshire to lead global consortium

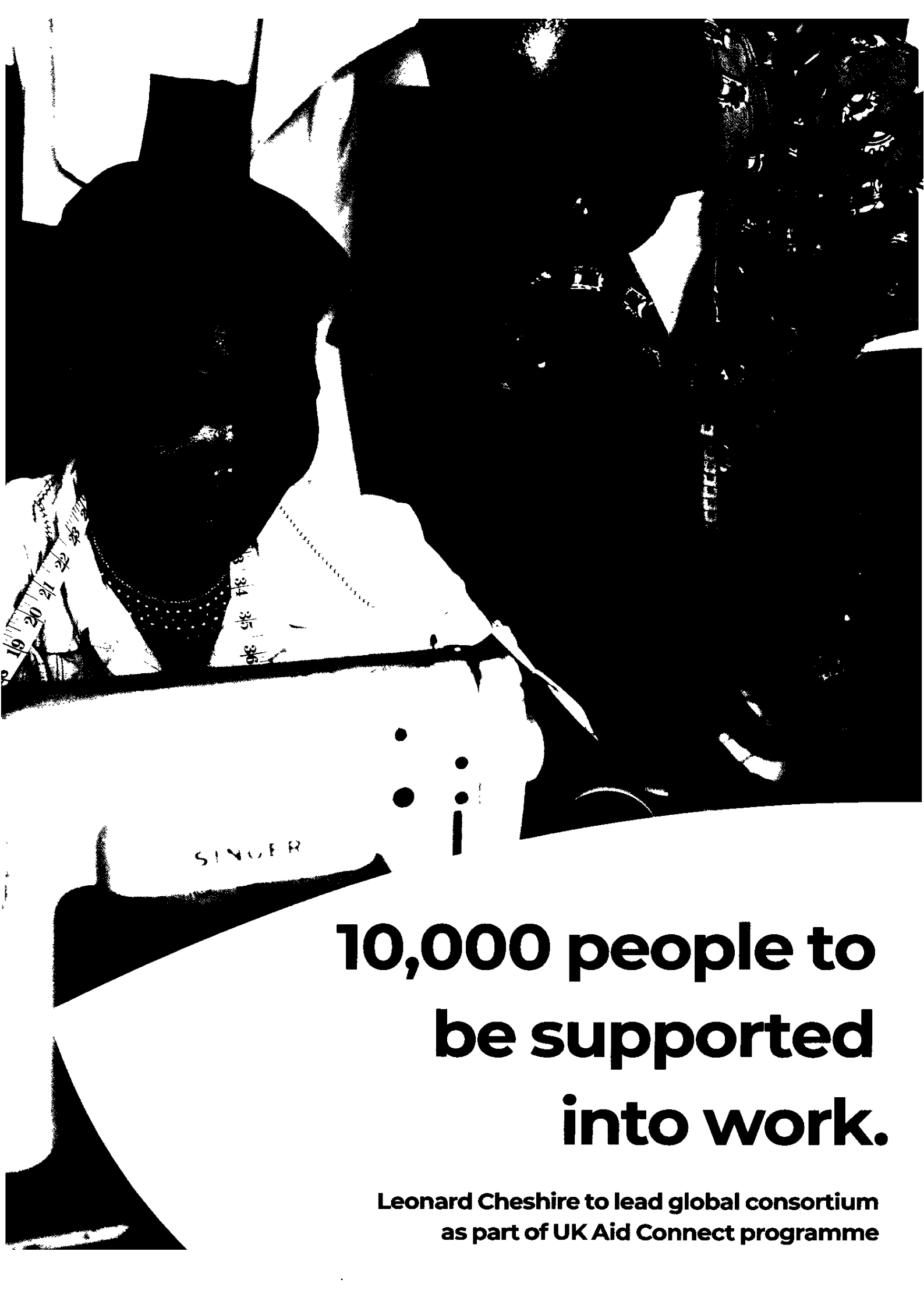
**Our Charity has extensive experience and expertise creating opportunities for people with disabilities. The UK Government announced that we would lead a unique new global consortium to support around 10,000 people with disabilities in Bangladesh and Kenya into waged employment.**

The award of the £9.6 million grant was part of DfID's UK Aid Connect programme, and will enable us to build further on our work and bring about meaningful positive change for people with disabilities.

Other partners in the consortium include the World Bank, the International Labour Organisation, academic institutions, and other non-governmental organisations.

Local partners in the consortium will make sure the final programme delivered in Kenya and Bangladesh will be the most effective possible, grounded in local realities and taking account of specific challenges.

The UK Government's Aid Connect programme aims to make sure that people with disabilities have equal access to economic independence, such as the opportunity to earn a living as required by the UN's Convention on the Rights of Persons with Disabilities.



# **10,000 people to be supported into work.**

**Leonard Cheshire to lead global consortium  
as part of UK Aid Connect programme**



# Work



**"The Change 100 programme has really helped me build my confidence back up. Just knowing that my employers were making a decision to be more inclusive and aware of disabilities in the workplace made it so much easier to start working with them. Everyone on the Change 100 team has been encouraging and supportive, and you can tell that the nature of the programme is important to both employer and employee."**

**Chloe Youle**  
2018 Change 100 intern  
Communications & Engagement  
Officer at Royal Berkshire  
Fire & Rescue Service

## Change 100

**Change 100 is for talented students and graduates with disabilities or long-term health conditions.**

Our programme works with some of the best-known companies in the UK such as BMW, Barclays and the BBC. It has progressively grown year-on-year since its launch in 2013, when 18 internships took place across seven employers that year. Last year, we had 141 interns working across 70 employers.

We support young disabled people to fulfil their potential and working with employers to challenge misconceptions, championing inclusive work practices.

By partnering with employers to support people at the start of their career journey, Change 100 is just one of ways we are working to improve the employment landscape for disabled people.

**"Over the past three months we've been delighted to welcome five talented, enthusiastic and dynamic interns into our organisation. Each intern has brought with them a wide variety of skills and helped us to change perceptions within the business."**

**Tom Fraser**  
Service Programmes  
Development Manager  
at BMW UK

## Change Now

**Young disabled people need to have the same chance of gaining insights into the world of work.**

Over the past year we have been expanding the range of support and work-related opportunities we offer to young people with special educational needs and disabilities.

These programmes can often result in employers looking at new ways of working such as more inclusive recruitment processes.

The Change Now pilot meant that 55 young people aged 16-25 were able to have accessible and supportive work experience placements across the North East of England. Partners from 45 employers included Jury's Inn, Capita and local councils.

Change Now, funded by the Careers and Enterprise Company, is now also being extended into Manchester with placements at Salford's Media City being explored.

Change Now will also work with around 1,000 young people as the programme is rolled out next across the West of England. It will work with 20 schools over the next two years.

**"I love my work placement as it has given me the opportunity to try something I would never have been able to before. I look forward to going every week and have even looked at some of the apprenticeships there."**

**Brandon,**  
Change Now participant

**"Change Now is an exciting project which gives our students some outstanding opportunities. The feedback from students is always positive and often life changing."**

**Transition Coordinator**  
Barbara Priestman Academy,  
Sunderland

## Record year for Stelios Awards

**For 12 years, the Stelios Awards for Disabled Entrepreneurs has been helping to turn ideas into reality and taking innovative companies to the next level.**

2018/19 was the most successful Awards ever with a record of more than 80 applications, from a wider than ever variety of businesses and sectors.

Designed to raise awareness of disabled entrepreneurial talent, the Stelios Leonard Cheshire Awards are unique in the UK. It was created as a joint initiative by easyJet founder, Sir Stelios Haji-Ioannou and Leonard Cheshire.

Beating other exceptionally strong applications the overall winner of £30,000 in 2018/19 was Joshua Wintersgill of Able Move. He has invented a sling that carries a person from wheelchair to plane seats with dignity and ease. The innovation has now been franchised by easyGroup.

**"Able Move now has the best possible start to its mission of improving accessible air travel for people with reduced mobility"**

**Joshua Wintersgill**  
Able Move



**““”**

**I always wanted to find out what being a politician actually involves and how they manage issues in their constituency and on a national scale.**

**Anil**  
Can Do participant

**““”**

**Anil is a fantastic advocate for better access to employment for disabled people.**

**Emma Reynolds**  
MP Wolverhampton North East

**Together  
we're  
break  
d  
b.**



# Work

## From Can Do to Westminster

**Anil, from Wolverhampton, who has cerebral palsy, got the chance to chat to MPs in Parliament on issues that affect young disabled people. A participant on Leonard Cheshire's Can Do programme, he has also become actively involved in political events, giving speeches to a Minister and disability organisations about the barriers he has faced finding employment.**

He supported our Charity's Untapped Talent campaign at a drop-in session with MPs in Parliament. The campaign aims to improve access to employment for disabled people.

Last summer, as a result of the Can Do programme, Anil got the chance of work experience in the constituency office of Wolverhampton North East MP Emma Reynolds.

This included working with Emma to suggest local issues for debate in Parliament, carrying out political research, speaking to policy workers in Westminster and supporting the MP's case work.

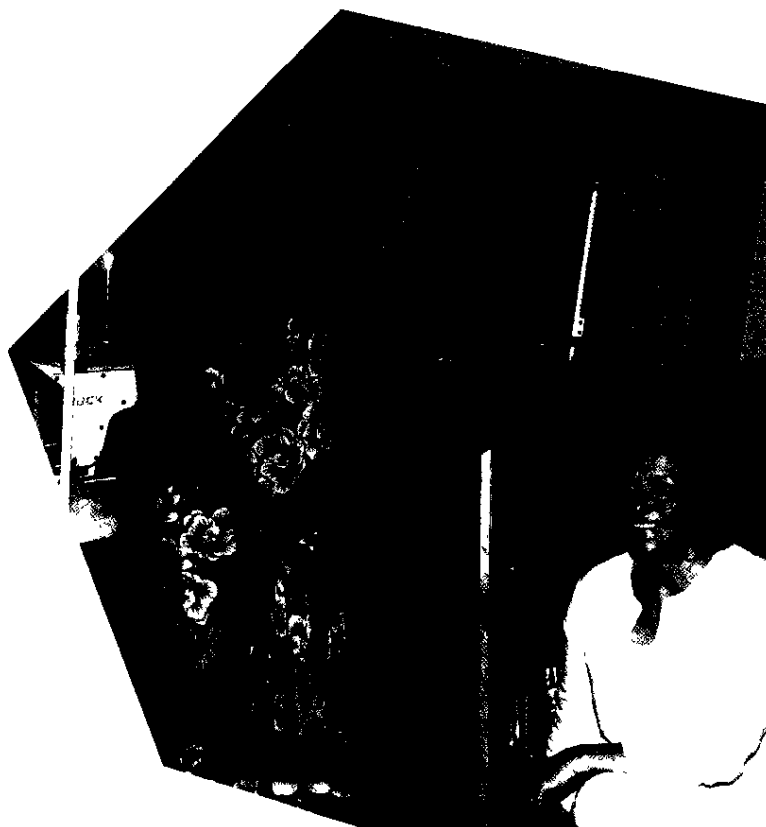
**"Meeting the team, partners, local businesses and government leaders has left me in awe of the extraordinary work that is carried out in Leonard Cheshire's name"**

**Chair of Leonard Cheshire Sally Davis pictured with the Subam Tailoring Unit**

## Changing lives in India

Long term support from our Charity has consistently been transforming the lives of people in India. Chair of Leonard Cheshire Sally Davis visited six of our employment programmes in Chennai, India.

The Subam Tailoring Unit is a co-operative of around 20 women with disabilities. From initially selling clothes in local markets they now have major orders for school uniforms. Our partner Leonard Project in Nagapattinam is now mentoring the expansion of the Unit, supporting the women's collective with their first bank loan.



## Global Influencing

**Our long-term partnerships and programmes, as well as detailed research, give us unique insights into the issues that most affect disabled people.**

People with disabilities around the world continue to face huge barriers and disadvantages, sometimes denied basic human rights because of discrimination, lack of awareness and stigma. As well as finding creative new ways to offer direct support to individuals and families through community-based services, delivered with our partners, we advocate for positive change.

The views and ambitions of disabled people shape everything we do, the direction of the Charity and our areas of activity.

During 2018/19, our Director of Global Influencing and Research, Ola Abu Al Ghaib spoke at several high-profile international development events at the UN and elsewhere, attended by Governments, NGOs and key organisations such as the World Bank.

## **International**

**In July 2018 a light was shone on the discrimination and stigma faced by more than 1 billion people globally who have a disability.**

At the world's first Global Disability Summit in London, former Secretary of State for International Development, Penny Mordaunt, announced that Leonard Cheshire would lead a broad consortium of global, regional and national organisations.

In addition, a game changing new resource in international development work was also launched at the Summit by Leonard Cheshire and the Department for International Development. Inconsistent and poor data has long hampered progress of development efforts to improve the lives of people with disabilities.

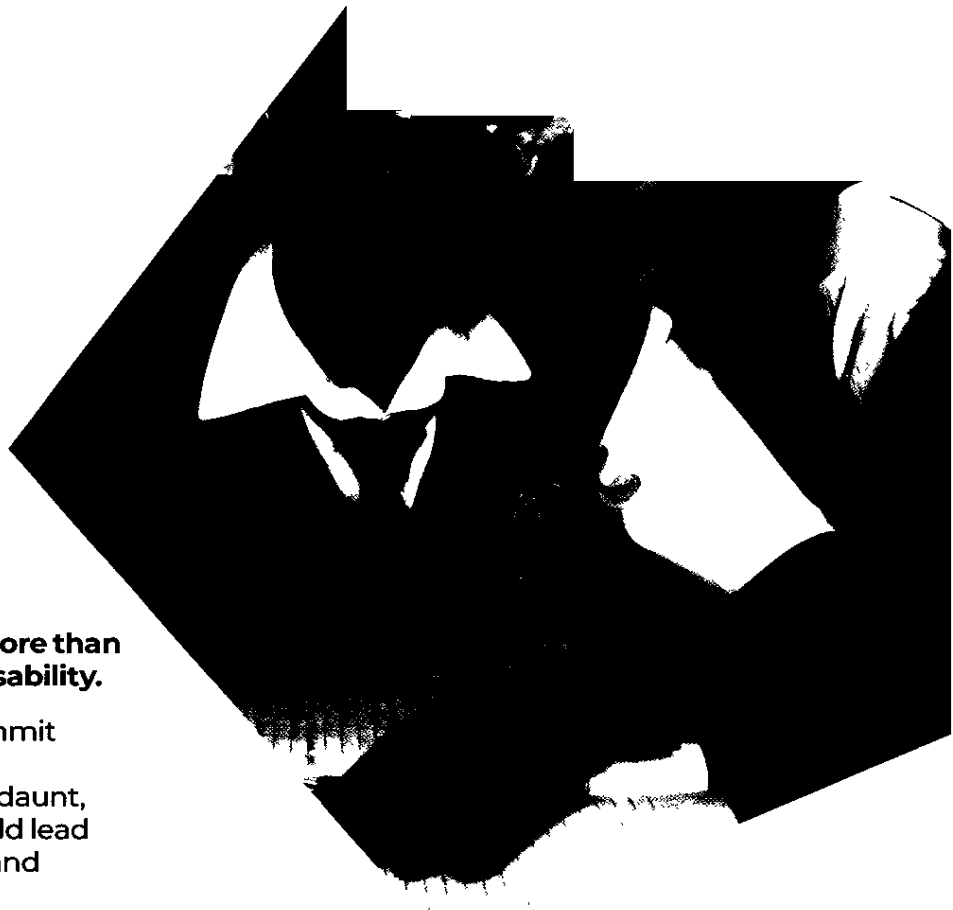
The Leonard Cheshire Data Portal will tackle gaps in data and provide detailed and high-quality information related to a range of specific disabilities. For the first-time, disaggregated data from multiple and diverse sources in 40 countries is now being pooled together in one resource. The portal will help ensure people with disabilities are fully considered and reflected in development programmes and action.

**“”**

**Discrimination and stigma against disabled people is a global injustice – one that has been ignored for too long – and one we need to fix urgently.**

**Penny Mordaunt**

Former Secretary of State for International Development



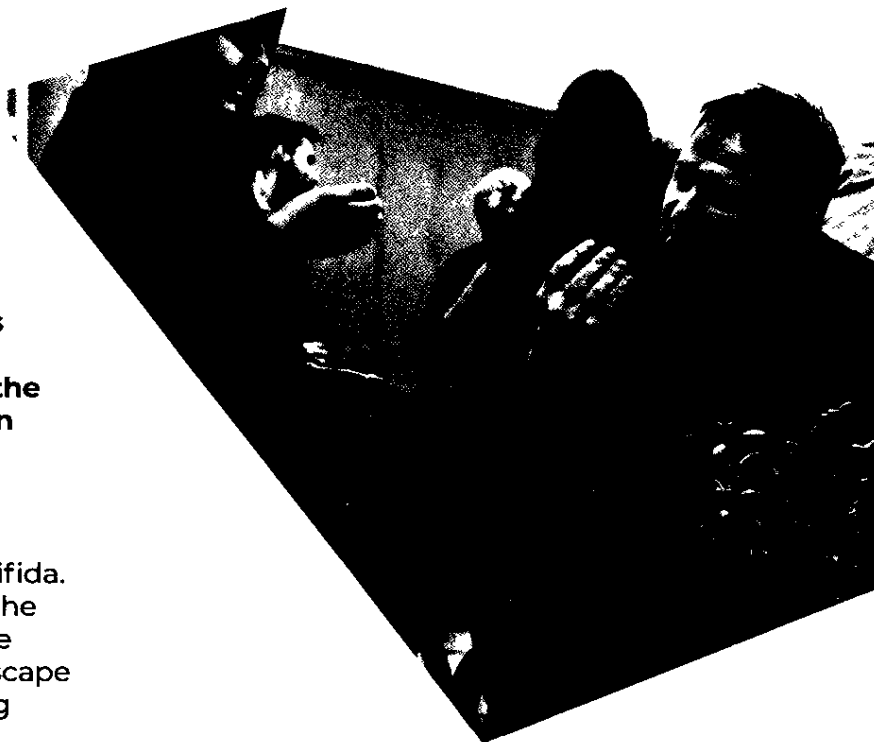
## **New Ambassadors**

**We are once again indebted to the dedication of Leonard Cheshire's ambassadors, who promote our international Charity around the world. In 2018/19 three new influential figures with a diverse range of experiences and insights joined us in supporting our work in the UK and internationally.**

## Mark Lane BBC gardening broadcaster

**Mark is the UK's first BBC gardening broadcaster who is a wheelchair user. He is a regular presenter on BBC TV Gardeners' World and also fronts BBC TV coverage of the RHS shows. Mark is also a published garden designer and writer.**

Mark was in a car accident in 2001 and had to have operations on his spine, which were complicated by him being born with spina bifida. Following a long rehabilitation period, when he was 're-built' both physically and mentally, he switched professions to study garden / landscape design and launched his own award-winning garden design and landscape practice.



## Sophie Morgan TV presenter and disability rights campaigner

**Paralysed in a car crash since the age of 18, Sophie is an award-winning disability activist.**

Sophie has an impressive television career that includes fronting all live coverage of Paralympic sport for Channel 4 as well as presenting cutting-edge documentaries such as *The World's Worst Place to be Disabled* for the BBC on human rights abuse towards disabled people in Ghana in 2015. She has also reported for Channel 4's award-winning current affairs strand *Unreported World*.



**“““****The Charity's hashtag,****#Actuallyican****resonates with me as my  
independence is something  
which has always been very  
important to me.****I really respect the aims and  
values of Leonard Cheshire in  
trying to help people live as  
independently as possible.****Olivia Breen  
Paralympian and  
Leonard Cheshire Ambassador****Olivia Breen  
Paralympian**

**Paralympian Olivia, both a talented sprinter and long jumper, is the current IPC World Champion for the T38 long jump which she won in 2017.**

More recently, in 2018's Commonwealth Games in Australia, Olivia claimed gold for Wales with both a games record and personal best in the long jump in her class.





## Our campaigns

### Let's Get On Board

**We believe we should all have the right to travel freely whenever we want to, and for disabled people it shouldn't be any different.**

Sadly, there are too many stations across Great Britain that disabled people can't use. In June 2018, we launched a new hard-hitting campaign to try and change this.

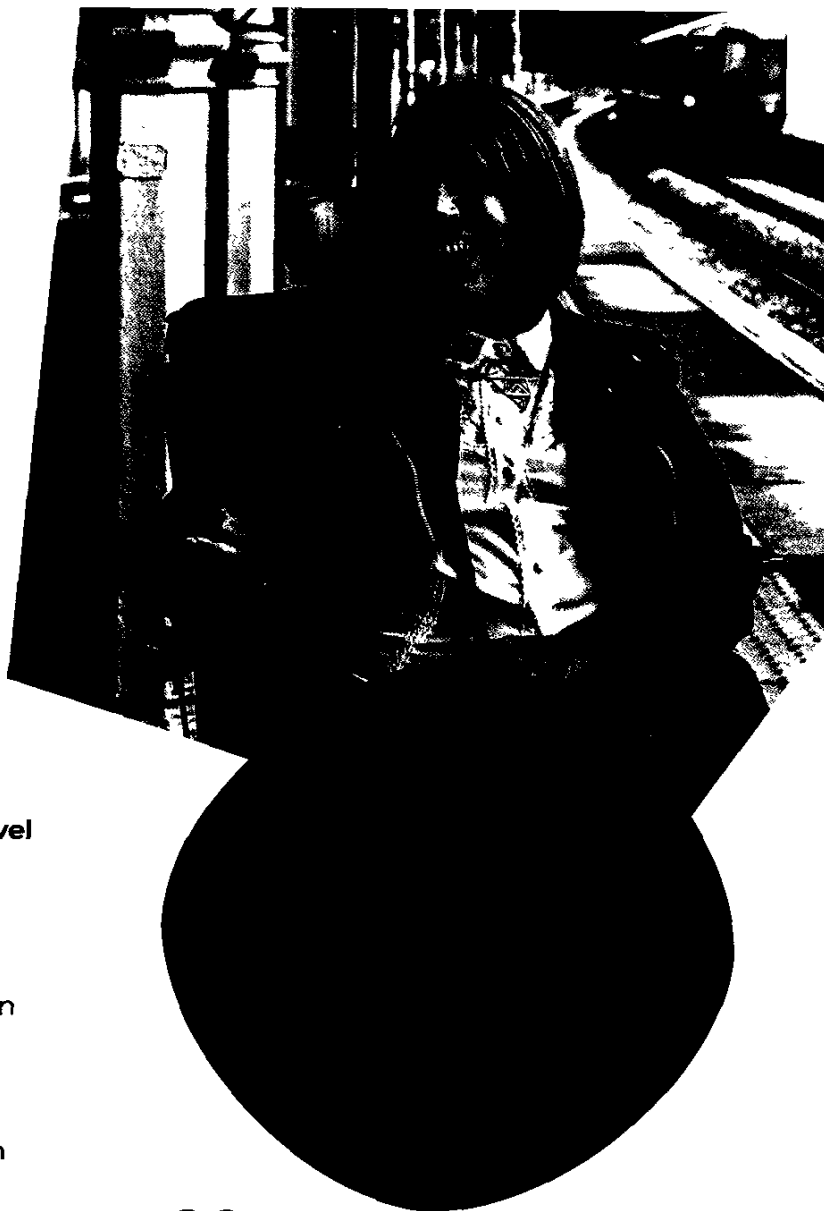
We want the Government and rail operators to make all train stations fit for use by disabled people – including step free access from station to train.

Fronted by our campaigners, a media story about a third of disabled train travellers experiencing problems on the rail network kicked off the campaign – generating coverage on local and national BBC Radio including Radio 1.

In November, the campaign ramped up when our research revealed more than 40 per cent of railway stations across England, Scotland and Wales do not have step-free access. Campaigners up and down the country have been writing to their rail operators calling for action on an issue that sees disabled people deprived of work and leisure opportunities others take for granted.

Almost 500 people took the online action in writing to train operating companies asking for change on step-free access stations

We also met with key organisations to drive home our call for action. These included the Independent Rail Ombudsman, Network Rail and the Office of Rail and Road, as well as train companies themselves and the Secretary of State for Transport Chris Grayling.



“”

**I would like to rely on trains more to get around. But I can't physically get into some stations and transferring between trains is often very difficult.**

**Vinny**  
Campaigner



## Untapped Talent

**Disabled people face significant barriers when finding and sustaining work. We are pressing the Government to halve the disability employment gap and want to see sufficient funding for tailored support for all disabled jobseekers.**

At the same time, we increased awareness of the continuing discrimination and barriers faced by disabled people trying to enter or stay in employment.

During the year, we kept up the pressure, increasing our engagement with parliamentarians, influencers and business leaders, as we strive as a Charity to tackle outdated attitudes to disability and accelerate positive change.

In February 2019 we published new research that revealed the harsh landscape faced by many disabled workers. We looked at the experiences of those who had secured jobs, as well as applicants. Seven in ten (73 per cent) disabled workers said they had stopped working due to their disability or health condition. Meanwhile, two in ten disabled people who had applied for a job in the last five years said the employer had withdrawn a job offer as result of their disability.

In September 2018, more than 80 top employers attended Wales' largest employment and inclusion summit at Swansea City's Liberty Stadium. The free event was organised by Leonard Cheshire Wales, 2005 7/7 bombing survivor Daniel Biddle of Nationwide Access Consultants Limited and inclusion consultancy Delsion. Companies that attended included Airbus and Legal and General aiming to drive forward progress towards the creation of inclusive workplaces across Wales and the rest of the UK.

Daniel is now working with Leonard Cheshire helping us to deliver the 'Together as One' programme in Wales.

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# ComRes

**ComRes award-winner for best campaign, as voted by 150 MPs**

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# 80+

**employers at Wales' largest employment and inclusion summit**

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## Make Care Fair

**Leonard Cheshire has long been a leading voice calling for lasting changes to the way social care is funded. As the NHS marked its 70th anniversary, these changes are more vital than ever to relieve some of the pressures on a service we should all be proud of.**

With most recipients of social care of working age, appropriate support can make all the difference in terms of disabled people being able to live the independent lives they choose. Lack of this support can leave disabled people isolated and lonely.

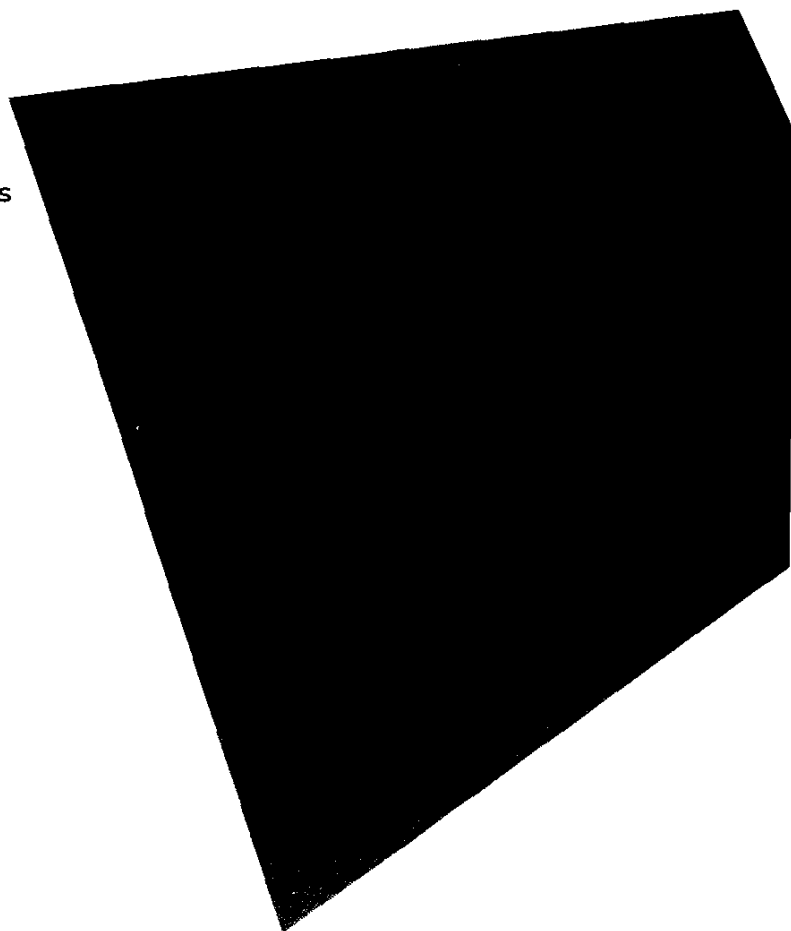
Disabled people in the UK have been among those bearing the brunt of tax and welfare reforms since 2010, according to Equality and Human Rights Commission research.

During 2018/19, we published our own research with the shocking finding that almost a quarter of disabled adults aged 18-65 in the UK said they had missed a meal or not been able to heat their homes because they couldn't afford it.

We continue to call for urgent publication of the Government's plan for a long-term funding solution for effective social care.

# 1,431

**people contacted the  
Minister responsible  
for social care**

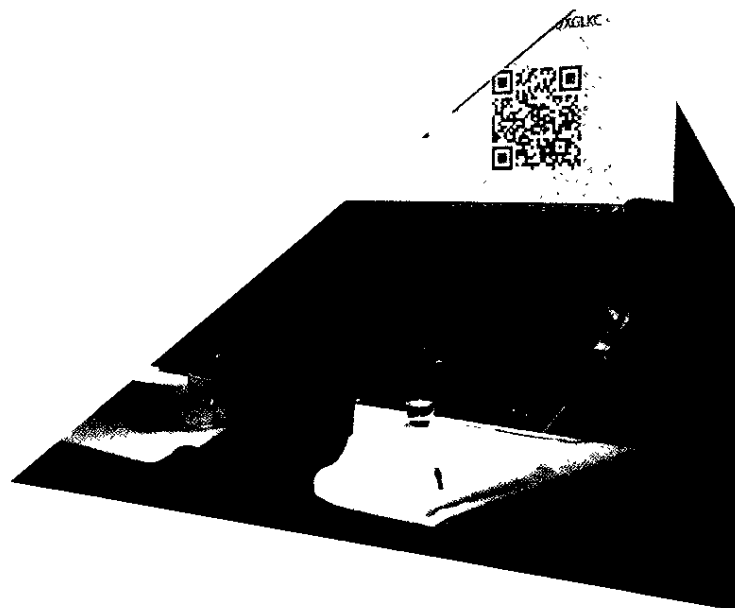


## Leonard Cheshire joins forces with Microsoft at Party Conferences

Leonard Cheshire and tech giant Microsoft hosted a series of events at the Labour and Conservative Party conferences in 2018.

High profile panel discussions in Liverpool and Birmingham shone a spotlight on how assistive technology has the potential to close the employment gap between disabled and non-disabled people.

CEO Neil Heslop and Director of Assistive Technology Steve Tyler were joined by Hector Minto, Microsoft's Senior Accessibility Evangelist and Hannah Rose on the panel. Sarah Newton



MP, then Minister for Disabled People joined the panel at the Conservative conference event, with Marsha De Cordova, Shadow Minister for Disabled People speaking at the Labour conference.

Delegates also heard from Hannah Rose, who told MPs and other delegates how her degree education and job as a vetting officer with Cheshire Police would not have been possible without assistive technology.

“”

**As the economy becomes increasingly digitalised, there are risks and dangers for people with disability missing out on these opportunities.**

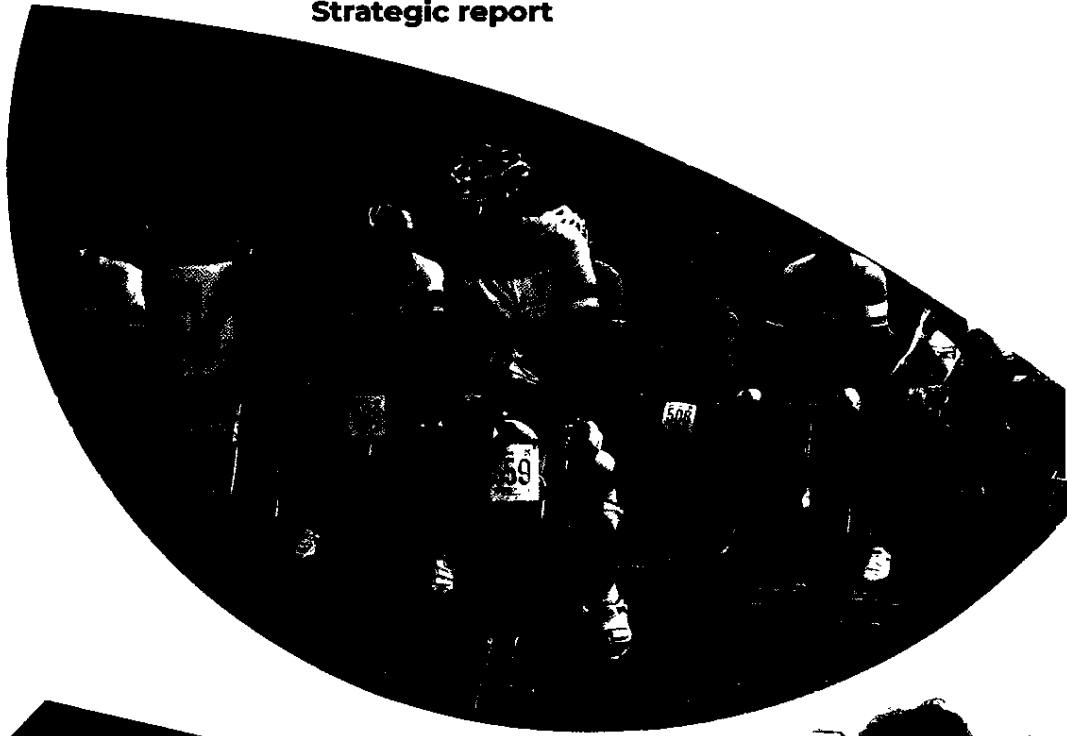
Neil Heslop  
Leonard Cheshire CEO

## How you support us

**A priority for the year has been to increase opportunities to raise the profile of our Charity and the work it does.**

In 2018/19 we set about putting in place the foundations for increased awareness of our organisation and understanding of the difference we make in communities around the world. Following extensive consultation about a new look and feel for our Charity's communications, last year we raised awareness of the new brand among staff, supporters and the wider public.





## Together Unstoppable

**As a Charity we have ambitious plans to increase engagement with supporters and organisations who may not be familiar with our work or where we operate.**

We worked on the launch of a new awareness raising digital campaign.

'Together Unstoppable' features a hard-hitting short film that follows the story of an individual who experiences disability later in life as a result of a car accident and the challenges he faces. In its depiction of a life affirming journey, the film shows how people can be supported to live, learn and work whatever their circumstances.

It was viewed by over one million people.

Initially tested on digital, the intention is the campaign will then be rolled out more broadly across, outdoor advertising and press in the coming years.

# 1 million views

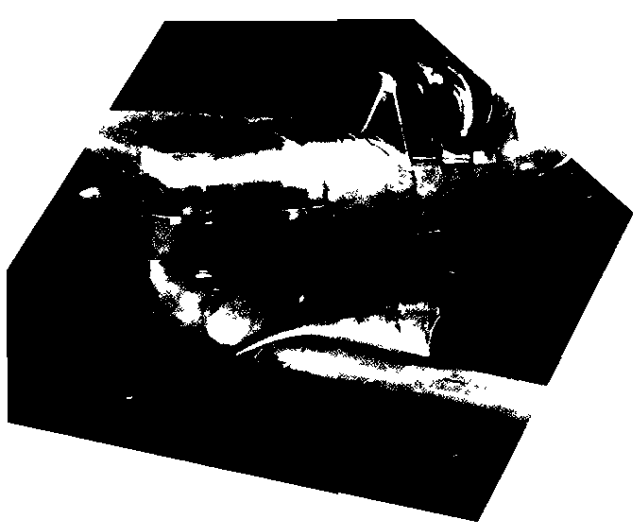
““““

**What an amazing video.  
Hit the nail on the head.  
Shared with pride.**

**"I love this advert.  
It emphasises that  
none of us know  
when, or how, or  
how far we will  
become disabled.**

**"So powerful and  
so to the point"**

Facebook comments on #Together Unstoppable film



## A Pilot's story

**Leonard Cheshire has a long association with the Royal Air Force, and we were proud to play a part in celebrating the service's 100th birthday.**

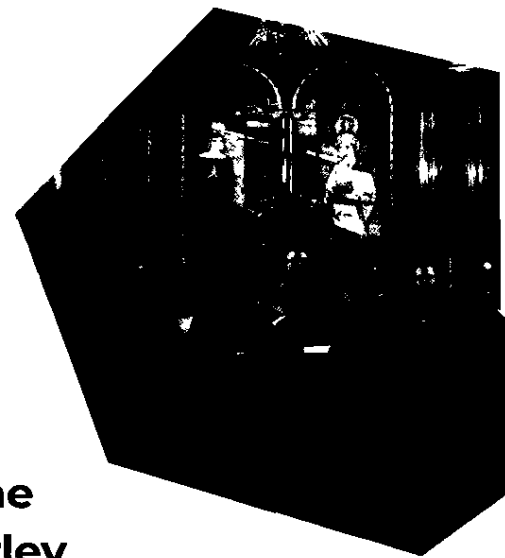
Special events, activities and other initiatives at local, regional and national levels were run by the RAF from April to September 2018.

The centrepiece of RAF100 celebrations took place on 10 July, with a centenary service in Westminster Abbey, followed by a parade in The Mall and spectacular flypast over Buckingham Palace.

A series of events celebrated our founder's life as an RAF pilot and the work of the Charity that bears his name.

On the same day as the flypast and other events in London, at an exhibition in the Mall Galleries, there was an exhibition of specially commissioned paintings marking key moments in our founder's RAF career. Funds from the sale of the original artworks and prints went to the Charity.

The event was the brainchild of aviation artist and supporter Graham Singleton, who commissioned the pieces.



## Carols in the City and Arley Hall concerts

**At the end of the year, our Carols in the City concert, was held at the RAF's St Clement Danes Church, Westminster.**

In a wonderful evening, music was provided by the Voce Chamber Choir (directed by Suzi Digby OBE).

Ambassadors Jane Asher and Mark Lane, Paralympian Olivia Breen and our founder's daughter Elizabeth joined staff and supporters to raise money for the Charity and celebrate the festive season.

On the same evening, a Christmas concert was taking place in the stunning St Mary's Chapel at Arley Hall, Northwich.

The performance celebrated the Charity's work supporting disabled people across the world. It featured a special performance from a Leonard Cheshire community choir made up of staff, supporters and families, as well as people who use our services.

The choir was founded by Amy Bradley, who took part in the Charity's award-winning Change 100 internship programme, working in Leonard Cheshire's regional fundraising team.



# People

**Establishing our Charity as a rewarding, fulfilling and great place to work or volunteer is a central part of delivering our ambitions. We have made good progress toward this in the past year, providing a basis on which to grow in 2019/20.**

We employ around 6,000 individuals who collectively deliver essential care, employment and skills-related activity to some 46,000 people in the UK and increasingly around the world, 24 hours per day, 365 days a year.

Leonard Cheshire has now completed the end of the second year of its five-year strategy, as we aim to improve the life choices of more people with disability and to play a bigger part in building a fair and inclusive world.

To deliver this vital work, our workforce currently reaches out across the UK and internationally across Africa, India and South-east Asia. Demand for our services, programmes and expertise is growing and, as such we are determined to establish a workplace culture to be proud of and one in which all employees are valued and can contribute their best. The same also applies to our community of some 8,500 volunteers.

A continued priority is to find great people to do great work and keep them. This will continue to be the cornerstone of our strategy in 2019/20 and beyond.

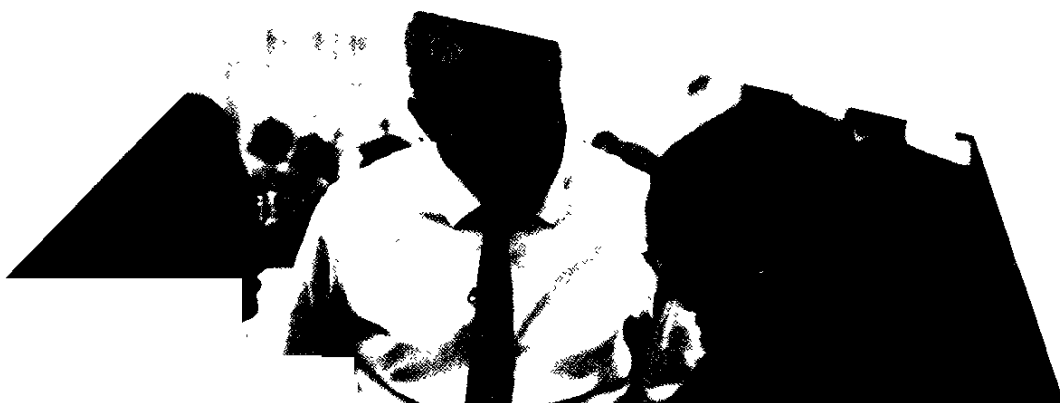
## Staff involvement

**Over the past two years, considerable work has gone into developing our Staff Association at the Charity. The Association has a critical role in making Leonard Cheshire a better place to work and it works with our executive directors to develop and sustain a positive work environment, giving our people a platform to feedback upon the impact of Leonard Cheshire policy and practice. This makes a very real and positive difference for our workforce.**

Employee involvement is encouraged and there are regular opportunities to share views with senior leadership. The Staff Association actively seeks and shares the voice of our workforce directly with senior leadership and with Trustees through the People Committee.

We have further expanded the number of Staff Association representatives to 230, an increase of 100 in the last year.

A key area of work in the coming year is focused on enhancing communications between workforce communities, increasing digital and non-digital engagement and embedding our shared purpose, values and behaviours.





## Developing our people

**In 2018/19, we worked to enhance the personal and professional opportunities available for staff. This has included embedding critical learning and development activity across our leadership community of some 230 roles.**

We have also delivered e-Learning across our whole organisation to improve access to key learning resources and speed-up the induction process for new starters; and established a brand-new performance management framework for all employees.

## Investors in People

Our Investors in People (IIP) assessment was successfully completed between September and October 2018, with the Charity achieving 'developed' or 'established' status across all the indicators used.

The assessment included some 260 interviews undertaken by the external IIP team across our Charity.



**The 2018/19 financial result broadly reflects where we expected to be in terms of the investments outlined in our 2017 – 2022 strategic plan, as well as the significant investments made during the year in brand, technology, and supporting our quality agenda through an expanded quality and safe-guarding team.**

## Charitable activities

We provide services and develop new models of care to support disabled people to live independent lives, in line with the Charity's purpose. Fees and grants for delivering our social care services remain our major source of income. We also receive fees and grant income to fund our international activities.

This income reduced from £149.3million in 2017/18 (84.9 per cent of total income) to £145.2million this year (89.6 per cent of total income). This fall is primarily due to two services which we closed during the year, where commissioner demand fell to unsustainable levels.

Expenditure on social care activities reduced from £158.9million in 2017/18 (92.7 per cent of total expenditure) to £154.5 million this year (92.1 per cent of total expenditure). This reduction was mainly caused by not requiring a further provision for the sleeping nights liability, which was £3.1million in 2017/18, and the service closures referred to above.

## Donations and legacies

Donations and legacies fell from £25.1million to £14.9million this year, reflecting the very large legacy which we received in 2017/18. Expenditure on raising funds reduced from £4.1million to £3.4million. Our ratio of our donations and legacies to the cost of generating voluntary funds is 4.4:1 compared to 6.1:1 last year.

## Total expenditure

Total expenditure reduced from £171.5million to £167.7million this year. Our expenditure on activities that directly relate to delivering charitable activities reduced from £154.0million to £149.0million, reflecting the service closures. At the same time our expenditure on support costs increased from £13.6million to £15.5million, driven in the main by our investments in brand and technology.

## Net movement in funds

There was an overall net decrease in funds from £124.2million to £119.6million. The deficit on our defined benefit pension scheme decreased from £10.8million to £7.6million.

## Reserves

We regularly review our reserves position to ensure that we have adequate funds to support the work of the Charity. As a minimum, this review is completed annually. In doing this, we take into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and unforeseen circumstances.

The Charity has previously adopted a risk-based approach to reserves that is aligned with the strategy for 2017 to 2022. As part of its regular annual review of the reserves policy, the Trustees have now updated this policy to be set in terms of minimum levels of cash and managed investments required to ensure that the Charity will be able to meet its financial commitments as they fall due, and deliver on its strategic objectives, making an appropriate allowance for future risks and their potential financial consequences.

We will monitor cash and managed investment levels, to include all amounts available for general activities, net of any overdraft or borrowings. The Trustees have set a target level for cash and managed investments, in terms of expenditure that is not covered by contracted social care income, adjusted for risks that could lead to additional cost. The total funds available should exceed 4 months of this annualised cashflow, but should not exceed 7 months.

Based on the 2019/20 budget, this reserves policy requires us to have levels of cash and managed investments of between £13.9million and £24.3million. As at 31 March 2019, we have a cash balance of £14.8million.

On 31 March 2019, the Charity has £119.6million total funds comprising: £0.9 million endowment funds (2017/18: £0.9million); £23.7million legally restricted funds (2017/18: £24.7million); and £95.1million unrestricted funds (2017/18: £98.6million).

#### **Cash flow**

Our net cash flow from operating activities moved from an inflow of £6.0million to an outflow of £0.9million this year. We also received £2.1million (2017/18: £2.0million) cash from the sale of property, plant and equipment and £0.3million (2017/18: £0.4million) cash from investment returns. We invested £7.9million (2017/18: £6.9million) of cash in fixed assets. The Charity has £0.6million of external debt as at 31 March 2019 (2018: £0), which is a Social Investment Loan, approved by the Welsh Government, to develop our "Together as One" programme, an innovative approach to social care delivery in Wales. On 31 March 2019 we had £14.8million (2017/18: £19.9million) cash which is held in retail bank accounts, including £0.8million (2017/18: £0.7million) held on behalf of disabled people who use our services.

#### **Financial impact of significant events**

The decrease in the donations and legacies income for the year is mainly because of the one significant donation from a generous benefactor received during 2017/18.

On 31 July 2019, the Charity completed the sale of 16 residential services to Valorum Care Ltd, a wholly owned subsidiary of Fairhome Care.

Funds raised from the sale will be used to support the delivery of our strategy.

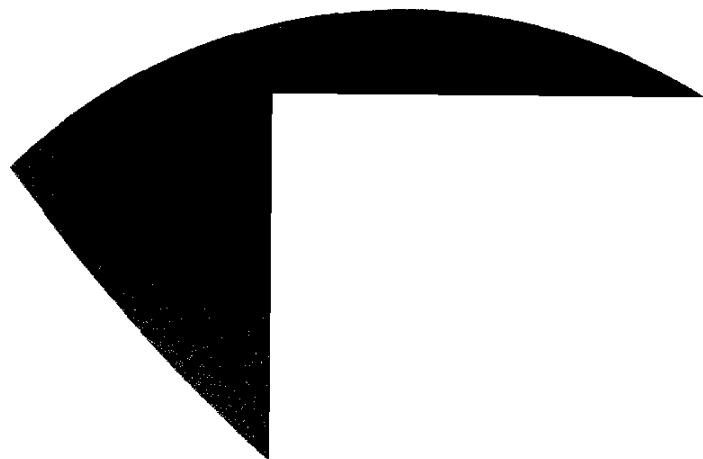
#### **Fundraising practices**

Leonard Cheshire raises funds from the public through individual giving. This includes:

- Direct marketing both online and offline generating one off donations; regular gifts in the form of direct debits, raffles and gifts in wills;
- Events of various types including challenge events e.g. the London Marathon, special events, and corporate events;
- Payroll giving to elicit tax efficient donations.

We also apply to trusts and foundations and other funders such as lottery and statutory sources and work with corporate partners to fund specific projects in the UK and internationally.

In 2018/19 Leonard Cheshire recruited new supporters through online activity, inserts, legacy promotion, events, media appeals and payroll activities. We also ran a digital campaign, 'Together Unstoppable', to create engagement with our work and recruit new supporters. Our supporters receive an annual survey where they can feedback on their experience and the frequency of our communications.



Leonard Cheshire does not exchange or share data with other organisations and have reduced our use of third-party data for direct mail campaigns. We request evidence of consent for third party communication for each source of data and decide to use the data on a case by case basis in line with the law and the Information Commissioner's Office (ICO) recommendations. Where consent is expressed, it is captured compliantly and recorded on the Leonard Cheshire central Fundraising database.

In 2018/19 we received eight complaints regarding our fundraising activities. None were escalated or referred to external organisations.

Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Institute of Fundraising (IoF), the Direct Marketing Association (DMA) and the Lotteries Council.

All supporter data, for both individuals and organisations is secured in line with specific legislation:

- Prior to 25 May 2018: The Data Protection Act 1998;
- From 25 May 2018: The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679).

As the laws about personal data continue to develop, we will update our privacy notice accordingly and let you know about any changes. We respect the rights of our supporters and their preferences to be erased, removed or forgotten at any point in time on their journey supporting Leonard Cheshire.

### **Subsidiaries**

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered company and Charity with the Manx Government. This year, incoming resources were £675,000 (2017/18: £677,000) and total expenditure was £564,000 (2017/18: £609,000). This means that the Isle of Man services recorded net incoming resources of £111,000 (2017/18: £68,000).

The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income was £14.8million, and total expenditure was £14.5million. .

### **The Charity has the following dormant subsidiaries:**

- Leonard Cheshire Trading Limited;
- Leonard Cheshire Trading Limited (IOM).

Internationally, the Charity also has registered offices in India, Kenya, Zambia and Thailand, and each office is led by regional programme managers. Together, they provide training and technical support to partners and projects in the regions.

## Principal risks and uncertainties

**Working to support disabled people entails taking risks. The Trustees are ultimately responsible for risk management and they are satisfied that appropriate internal control systems and risk management processes are in place. The Trustees consider that the following framework provides the Charity with adequate measures to reduce the impact of identified risk.**

At each meeting the Board of Trustees reviews the Charity's risk register, serious incidents and health and safety reports.

At each meeting, the Audit and Risk Committee also reviews the Charity's risk register plus departmental risk registers on a rotational basis. The Committee also approves the annual risk-based internal audit plan, receives regular internal audit reports and progress updates.

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

**Our most significant potential risks and mitigating actions are set out in no particular order:**

### Potential risk:

Insufficient statutory social care funding

### Action taken to mitigate:

- Refreshed 5-year strategy with agreed business plan KPIs
- Roll-out of enhanced pay framework which pays the living wage across the UK and increases percentage of permanent staff, reducing recruitment and agency costs
- Completed implementation of the attraction, recruitment and retention strand of the 2-year People Strategy Programme, including Services Employment Framework to improve retention of staff

### Potential risk:

Compromise to the Integrity, availability and confidentiality of personal and sensitive information

### Action taken to mitigate:

- Establishment of a Data Processing Management System and business level ownership for data processing activities
- Information Governance and Security Training programme
- Ongoing GDPR communication plan

### Potential risk:

Loss of public trust

### Action taken to mitigate:

- Proactive management of media, government and civil society relationships
- All safeguarding and ethical policies updated and staff trained as appropriate
- Reviewed Serious Incident Procedure

<b>Potential risk:</b>  Failure to meet safe quality standards	<b>Action taken to mitigate:</b> <ul style="list-style-type: none"> <li>• Electronic medication system</li> <li>• New clinical governance and Quality Assurance Frameworks, with Oversight by Care Quality and Safeguarding Committee</li> <li>• New Service Improvement Database</li> <li>• Rigorous Safeguarding, Serious Incident, Health and Safety, and Whistleblowing procedures, with regular review of safeguarding alerts and complaints via Quality Team</li> <li>• Investment in facilities and staff training</li> </ul>
<b>Potential risk:</b>  Inability to deliver timely change	<b>Action taken to mitigate:</b> <ul style="list-style-type: none"> <li>• Completed review of communications functions across Internal Communications and accountability of External Communications in collaboration with Policy and Campaigns and the Executive Team</li> <li>• Dedicated transformation budget</li> <li>• Monthly Programme Management Office report to Executive Team</li> </ul>
<b>Potential risk:</b>  Serious breach of information or cyber security	<b>Action taken to mitigate:</b> <ul style="list-style-type: none"> <li>• Data protection policies built into terms and conditions for all staff</li> <li>• IT security policies in place, including Acceptable use policy; Staff computer usage policy; IT Network security policy; Confidentiality policy; Own devices policy; Encryption policy for laptops, removable media and smartphones</li> <li>• Remote access controls with secure connections</li> <li>• Information Governance and Security Board oversight on security of information</li> </ul>
<b>Potential risk:</b>  Failure to achieve income growth	<b>Action taken to mitigate:</b> <ul style="list-style-type: none"> <li>• Proactive partnering approach to sector consortia</li> <li>• Funding targets spread across International, Partnerships and Fundraising</li> <li>• Set up Charity Operating Board – CEO, CFO, Executive Directors for Marketing and Fundraising, International and Partnerships – to monitor performance and ensure progress</li> <li>• Implementation of CRM (customer relationship management) system to support National and International Partnership Engagement Plan</li> </ul>
<b>Potential risk:</b>  Failure to complete sale of group of services as anticipated	<b>Action taken to mitigate:</b> <ul style="list-style-type: none"> <li>• Weekly steering groups of key management from both sides to ensure a smooth transition</li> <li>• Regular discussions with the CQC, to understand their position and mitigate potential problems early</li> <li>• Agreed communications plan for all stakeholders including our people, service users, families and commissioners</li> <li>• All formal and informal consultation managed effectively through an agreed programme with the incoming provider and Staff Association</li> </ul>

## Governance and structure

### Registration

The registered name of the Charity is Leonard Cheshire Disability. The Charity is a charitable company limited by guarantee and was incorporated in England and Wales on 3 August 1955. The registered Charity number is 218186 and the registered company number is 552847. The Charity is also present in Scotland and the Scottish registered Charity number is SC005117. The address of the registered office is 66 South Lambeth Road, London, SW8 1RL. It is governed by the Memorandum and Articles of Association, which were last amended on 23 October 2014.

### Objects and public benefit

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

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the Charity in 2018/19. 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.

### Governance and operating structure

The Board of Trustees (the 'Board') meet at least four times a year. Each year, we approve the annual budget and review the strategic plan of the Charity. Trustees set the strategic direction for the Charity and have delegated authority to the Chief Executive to manage the affairs of the Charity within this strategy, reporting against the agreed objectives. The Chief Executive is supported by an executive team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular and direct contact between the Trustees, staff and volunteers who are responsible for the people who use our services at a local level. In addition, we have appointed five board committees: People; Finance; Audit and Risk; Quality and Safeguarding and Governance and Nominations.



**The People Committee is chaired by Colin Hunter. This Committee meets at least three times per year. It is responsible for:**

- Monitoring the cultural health of the organisation and employee satisfaction with the aim of being a best in class employer of choice;
- Maintaining an overview of people-related policies and practices in relation to all staff;
- Making recommendations to the Trustee Board on all aspects of the remuneration and terms and conditions of the CEO and Executive team; and
- Ensuring that appropriate levels of executive remuneration and reward is set to support the organisation's strategy.

**The Quality and Safeguarding Committee is chaired by Rana Mair. This Committee meets at least three times per year. It is responsible for:**

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

**The Finance Committee was chaired by Catriona Rayner until her retirement as a Trustee, and is now chaired by David Pugh. The Committee supports the Board in fulfilling its global oversight responsibilities in respect of financial performance. It meets at least three times per year and is responsible for:**

- Recommending to the Board the longer-term business plan, the annual budget and annual business plans, and the quarterly forecasts, including cash flow;
- Monitoring the financial performance of the Charity and ensuring that significant issues are being appropriately dealt with by management;
- Approving those financial transactions that are not within the delegated authority of the Chief Executive, and where appropriate, to seek endorsement from the Board, where the policies of the Charity stipulate such approval is needed; and
- Recommending financial policies that are reserved to the Board.

**The Audit and Risk Committee is chaired by Richard Brooman. The Committee meets at least three times per year and is responsible for:**

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate, including the role of internal audit;
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements;
- Considering the appointment, remuneration, effectiveness and independence of the external auditors;
- Monitoring the integrity of the required statements to regulators, reviewing significant financial reporting issues and judgements contained therein;
- Reviewing the effectiveness of the Charity's internal controls; and
- Reviewing the effectiveness of the Charity's framework for risk management.

Auditors PricewaterhouseCoopers LLP have expressed their willingness to continue to act as auditors.

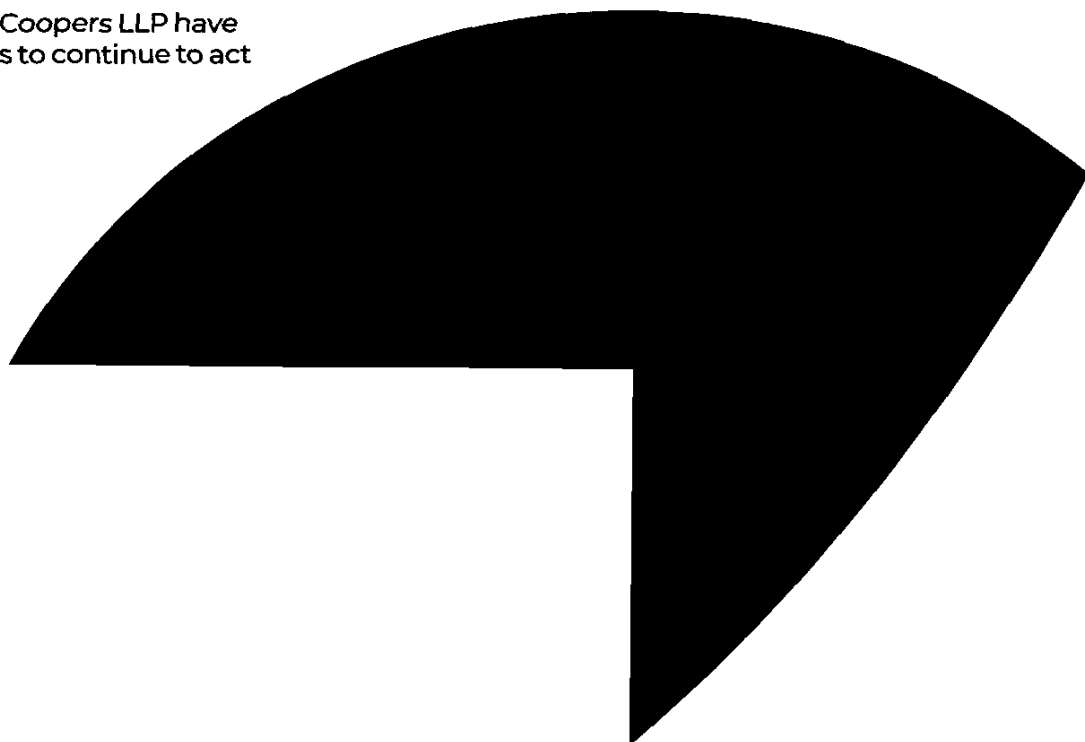
**The Governance and Nominations Committee is chaired by Martin Davidson.**

The Committee is responsible for identifying, recruiting and proposing new members of the Board and the Chief Executive and for their induction, support and development.

#### **Advisory Groups**

There are two Advisory Groups. The Customer Council, chaired by Vidar Hjordeng MBE, seeks to ensure that we are led by people with disabilities in our decision making.

The Fundraising Advisory Group helps to guide our strategy to grow reach, influence and income. The Group includes members of the Board to support with expertise in brand, marketing, influencing, profile raising and fundraising. The Advisory Group was chaired by Sally Davis, and is now chaired by Richard Brooman.



### **Appointment and induction of Trustees**

All vacancies for Trustees are externally advertised. The Governance and Nominations Committee considers prospective Trustees and makes its recommendation to the Board which votes on all new appointments of Trustees. We place particular emphasis on the representation of disabled people. People having lived with or professional experience of disability make up more than half of the current Board.

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

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

### **Emoluments**

In 2018/19, Trustees received no emoluments.

### **Directors' indemnities**

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

### **Customer Council**

The views and ambitions of disabled people are at the heart of our work. As part of our broader Customer Engagement Framework we formed the Customer Council in 2017/18 to bring these views even more fully to the centre of our decision making. The Customer Council is an Advisory Group to the Board of Trustees and the Executive team, to ensure our decision making is led by disabled people. It advises on broad strategic considerations of the organisation.

The Council members reflect a diversity of people with different disabilities, from different geographies and with a variety of experience. There are residents of our social care services as well as those who've participated in our confidence, skills and employment programmes.

They are passionate about giving a voice to those who may struggle to be heard, championing inclusion in society and helping us to grow our reach and impact. The Customer Council is chaired by Vidar Hjordeng MBE, one of our Trustees who has lived experience of disability.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 02 August 2019.



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**Sally Davis**  
Chair

# 03

**Statement of Trustees'  
responsibility**

## 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' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.**

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Report is approved:

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



04



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

### Opinion

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2019; the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the consolidated cash flow statement for the year then ended; and the notes to the financial statements.

### Report on the audit of the financial statements

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Charity's activities, beneficiaries, suppliers and the wider economy.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Trustees' Report*

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

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

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the Trustees for the financial statements*

As explained more fully in the statement of Trustees' responsibilities set out on page 70, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

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

**Other required reporting**

Matters on which we are required to report by exception

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

- we have not received all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility



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**Nicholas Boden**

Senior Statutory Auditor

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

02 August 2019

05

## Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income  
and Expenditure Account) for the year ended  
31 March 2019

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Totals 2019 £000	Funds 2018 £000
<b>Income and</b>						
<b>Endowments from:</b>						
Donations and legacies	2	10,486	4,380	-	14,866	25,141
Charitable activities - Social care		142,144	-	-	142,144	142,297
Charitable activities - UK & international programmes		185	2,849	-	3,034	6,986
Other trading activities		482	1	-	483	451
Investments	3	343	-	1	344	358
Other including gains on disposal of assets		1,151	-	-	1,151	662
<b>Total</b>		<b>154,791</b>	<b>7,230</b>	<b>1</b>	<b>162,022</b>	<b>175,895</b>
<b>Expenditure on:</b>						
Raising funds	4	3,364	-	-	3,364	4,080
Charitable activities:						
Social care	4	151,331	3,124	1	154,456	158,929
International services	4	2,992	3,634	-	6,626	5,275
Campaigning	4	663	-	-	663	629
Partnerships	4	1,019	1,538	-	2,557	2,618
<b>Total</b>		<b>159,369</b>	<b>8,296</b>	<b>1</b>	<b>167,666</b>	<b>171,531</b>
Net gains on investments		173	-	-	173	253
<b>Net (expenditure) / income</b>	6	<b>(4,405)</b>	<b>(1,066)</b>	<b>-</b>	<b>(5,471)</b>	<b>4,617</b>
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	23	926	-	-	926	942
<b>Net movement in funds</b>		<b>(3,479)</b>	<b>(1,066)</b>	<b>-</b>	<b>(4,545)</b>	<b>5,559</b>

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Totals 2019 £000	Funds 2018 £000
<b>Reconciliation of funds:</b>						
Total funds brought forward		98,598	24,735	856	124,189	118,630
<b>Total funds carried forward</b>	<b>15-17</b>	<b>95,119</b>	<b>23,669</b>	<b>856</b>	<b>119,644</b>	<b>124,189</b>

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.

There is no difference between the net income for the year above and their historical cost equivalents.

Income and Endowments from 'Other including gains on disposal of assets' includes the sale of Greathouse (care home) on 22 March 2019 for £1.1million.

**Consolidated Balance Sheet**

as at 31 March 2019

Company Number 552847

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	8	90	201
Tangible assets	7	109,172	109,885
Investments	9	7,615	7,751
<b>Total fixed assets</b>		<b>116,877</b>	<b>117,837</b>
<b>Current assets</b>			
Debtors	11	20,226	17,922
Investments	10	14	13
Cash at bank and in hand	12	14,772	19,896
<b>Total current assets</b>		<b>35,012</b>	<b>37,831</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	13	(17,195)	(12,819)
<b>Net current assets</b>		<b>17,817</b>	<b>25,012</b>
<b>Total assets less current liabilities</b>		<b>134,694</b>	<b>142,849</b>
Creditors: Amounts falling due after more than one year	13	(4,441)	(3,939)
Provisions for liabilities	14	(3,023)	(3,926)
<b>Net assets excluding pension liability</b>		<b>127,230</b>	<b>134,984</b>
Defined benefit pension scheme liability	23	(7,586)	(10,795)
<b>Total net assets</b>		<b>119,644</b>	<b>124,189</b>

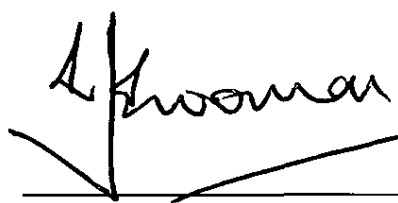


	Note	2019 £000	2018 £000
<b>The Funds of the Charity</b>			
Endowment funds	15	856	856
Restricted income funds	16	23,669	24,735
Unrestricted funds	17		
Designated	17	99,042	98,993
General	17	(3,014)	3,896
Revaluation reserve	17	6,677	6,504
Pension reserve	17	(7,586)	(10,795)
<b>Total unrestricted funds</b>		<b>95,119</b>	<b>98,598</b>
<b>Total Charity funds</b>		<b>119,644</b>	<b>124,189</b>

The financial statements were approved by the Trustees on 02 August 2019 and signed on their behalf by:



**Sally Davis**  
Chair



**Richard Brooman**  
Chairman of the Audit & Risk Committee

# Company Balance Sheet

as at 31 March 2019  
Company Number 552847

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	8	90	201
Tangible assets	7	109,150	109,855
Investments	9	7,615	7,751
<b>Total fixed assets</b>		<b>116,855</b>	<b>117,807</b>
<b>Current assets</b>			
Debtors	11	20,563	17,898
Investments	10	14	13
Cash at bank and in hand	12	14,155	19,857
<b>Total current assets</b>		<b>34,732</b>	<b>37,768</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	13	(18,342)	(13,753)
<b>Net current assets</b>		<b>16,698</b>	<b>24,015</b>
<b>Total assets less current liabilities</b>		<b>133,553</b>	<b>141,822</b>
Creditors: Amounts falling due after more than one year	13	(4,441)	(3,939)
<b>Provisions for liabilities</b>	14	<b>(3,023)</b>	<b>(3,926)</b>
<b>Net assets excluding pension liability</b>		<b>126,089</b>	<b>133,957</b>
<b>Defined benefit pension scheme liability</b>	23	<b>(7,586)</b>	<b>(10,795)</b>
<b>Total net assets</b>		<b>118,195</b>	<b>123,162</b>

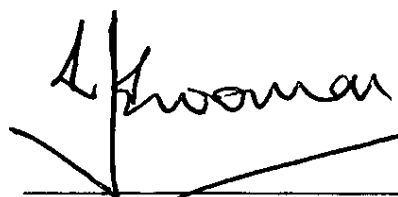
	Note	2019 £000	2018 £000
<b>The Funds of the Charity</b>			
Endowment funds	15	856	856
Restricted income funds	16	23,622	24,686
Unrestricted funds			
Designated	17	99,042	98,993
General	17	(4,416)	2,918
Revaluation reserve	17	6,677	6,504
Pension reserve	17	(7,586)	(10,795)
<b>Total unrestricted funds</b>		<b>93,717</b>	<b>97,620</b>
<b>Total Charity funds</b>		<b>118,195</b>	<b>123,162</b>

The net deficit for the year of the parent Charity was £4.7million (2018: net surplus of £5.6million).

The financial statements were approved by the Trustees on 02 August 2019 and signed on their behalf by:



**Sally Davis**  
Chair



**Richard Brooman**  
Chairman of the Audit & Risk Committee

## Consolidated Cash Flow Statement

for the year ended 31 March 2019

	Reference	2019 £000	2018 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>A</b>	<b>(867)</b>	<b>5,960</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		344	358
Proceeds from the sale of property, plant and equipment		2,085	2,047
Purchase of property, plant and equipment		(7,871)	(6,924)
Purchase of intangible assets		-	(5)
Proceeds from sale of investments		583	-
<b>Net cash used in investing activities</b>		<b>(4,859)</b>	<b>(4,524)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		-	-
Cash inflow from new borrowing		600	-
Receipt of endowment		-	-
<b>Net cash provided by financing activities</b>		<b>600</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(5,124)</b>	<b>1,436</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>19,896</b>	<b>18,460</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>B</b>	<b>14,772</b>	<b>19,896</b>

## Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2019

	2019 £000	2018 £000
<b>A. Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>		
Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities)	(5,471)	4,617
Adjustments for:		
Depreciation and impairment charges	7,464	7,113
Amortisation on programme related investments	20	20
(Gains) on investments	(173)	(253)
Dividends, interest and rents from investments	(344)	(358)
(Gains) on the sale of fixed assets	(1,151)	(662)
Pension reserve and actuarial gains on the defined benefit schemes	(2,283)	(1,369)
(Increase) in debtors	(2,304)	(3,474)
Increase in creditors	3,375	326
<b>Net cash provided by operating activities</b>	<b>(867)</b>	<b>5,960</b>
<b>B. Analysis of cash and cash equivalents</b>		
Cash in hand	14,772	19,896
<b>Total cash and cash equivalents</b>	<b>14,772</b>	<b>19,896</b>

## Notes to the financial statements

for the year ended 31 March 2019

### 1. Accounting policies and basis of preparation of financial statements

#### General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - "Accounting and Reporting by Charities" and with applicable accounting standards in the UK and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared using the historical cost basis of accounting as modified for the valuation of investments at market value.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. Based on the level of unrestricted reserves and the fact that no material uncertainties that may cast significant doubt about the ability of the Group to continue to operate have been identified by the Trustees, the Charity is a going concern.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. No separate Statement of Financial Activities (SOFA) has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

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

The Charity is a public benefit entity.

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

The consolidated Group disclosures include the results of services in the UK and worldwide and central administration up to 31 March 2019. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Limited, Leonard Cheshire Trading Limited and Leonard Cheshire Services CIC have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its income and expenditure account. The Group results include gross income of the Company of £147.3million and net expenditure of £19.7million for the year (2018: gross income of £175.2million and net income of £4.5million).

### Income Policies

Donations are credited to income on receipt. Gift aid receivable is included in income when there is a valid declaration from the donor.

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate. Once entitlement is confirmed, any conditions within the Charity's control have been met and the executors establish there are sufficient assets to settle the legacy then it is deemed the legacy is probable to be received. Where we are informed that an interim payment will be made, we recognise any remaining income that meets the above criteria; if sufficient uncertainty remains over the remaining amount, then only interim payments will be recognised. Reversionary interests involving a life tenant are not recognised.

Income from charitable activities include social care, which consists of residential care, respite, day care and care at home. Income earned is both from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102.

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

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

### Expenditure Policies

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

The cost of raising funds for voluntary income is the cost of persuading others to make voluntary contributions as well as costs relating to 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 Charities SORP. 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.

The categorisation and allocation of these support costs is shown 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. and have been allocated proportionately across charitable activities.

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

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

### Pensions

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

- 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
- iii) The actuarial gain or loss on scheme assets and liabilities.

Liabilities for the multi-employer plans are recognised using discounted future cash flows in respect of funding deficit reduction plans on defined benefit pension schemes where no actuarial reports are obtained and the deficits are funded by lump sum or employer contributions.

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.

### Liability Policies

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

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

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

- i) **Dilapidations on leasehold properties** - this relates to the estimated future cost of building work required when vacating leasehold premises;
- ii) **Proposed redundancy costs** - these costs will be payable where notification of intended redundancy was made before year end;
- iii) **Sleeping nights** - recognising the potential liability for historical costs relating to sleeping nights and our membership of the Social Care Compliance Scheme ("SCCS"); and
- iv) **Other provisions** - these represent estimates of future expenditure on a number of matters where the outcome is not known with certainty.

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



### Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands.

The Group's functional and presentation currency is the pound sterling.

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

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

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

### Asset Policies

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price.

Other financial assets, including investments in equities which are not subsidiaries, are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value is recognised in profit and loss.

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

- i) Freehold land and buildings and improvements to freehold land and buildings at 2 per cent per annum;
- ii) Leasehold properties and improvements to leasehold properties over the remaining period of the lease;
- iii) Furniture, fittings, equipment and vehicles at 5-25 per cent per annum; and
- iv) Intangible assets amortised at 25 per cent per annum.

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

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

Investment properties make up the majority of our investments, and are properties being held for long term investment to earn rental income or for capital appreciation or both. Investment properties are measured initially at cost and subsequently measured at fair value which reflects market conditions at the balance sheet date unless fair value cannot be measured reliably, in which case it is measured at cost less impairment.

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

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

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

Investments are included in the financial statements at 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.

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 FRS 102. The asset is capitalised at its market value and depreciated in accordance with the depreciation policy.

### **Funds Policies**

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) Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained;
- iii) Expendable endowment funds can be used for general purposes;
- iv) Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity; and
- v) Designated funds which have been 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 schemes, measured on an FRS 102 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.

### **Other Policies**

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

### **Critical Accounting Judgements and estimation uncertainty**

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

- i) Provisions (note 14)  
Provision is made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and discount rates used to establish net present value of the obligations require management's judgement.
- ii) The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.
- iii) Legacy income  
It is the Group's practice to wait six months from the date of probate before recognising income to allow for any claims against the estate to be made which could affect entitlement and measurement of the assets for distribution. Measurement will then be based on details contained in the estate accounts received.
- iv) Investment properties (note 9)  
The Charity has undertaken an internal valuation for some of the investment properties, by a qualified RCIS employee. A full external valuation will be conducted for year end 2020.

## 2. Donations and legacies

	2019 £000	2018 £000
Legacies	7,453	21,359
Donations	7,413	3,782
<b>Total</b>	<b>14,866</b>	<b>25,141</b>

The estimated amount of legacies for which the Group has received notice of entitlement, but which has not been accrued-either because probate has not yet been obtained, or on the grounds of insufficient information or certainty - was £0.9million (2018: £1.8million).

## 3. Investment income

	2019 £000	2018 £000
Quoted investments	1	1
Bank interest	129	96
Rent from investment properties	214	261
<b>Total</b>	<b>344</b>	<b>358</b>

#### 4. Total resources expended

	Direct staff costs £000	Other direct costs £000	Allocated support costs £000	<b>Total 2019 £000</b>	Total 2018 £000
Fundraising	2,265	900	199	<b>3,364</b>	4,080
<b>Total costs of raising funds</b>	<b>2,265</b>	<b>900</b>	<b>199</b>	<b>3,364</b>	<b>4,080</b>
<b>Charitable activities</b>					
Social care	96,213	43,199	15,044	<b>154,456</b>	158,929
International services	1,971	4,585	70	<b>6,626</b>	5,275
Campaigning	470	153	40	<b>663</b>	629
Partnerships	533	1,840	184	<b>2,557</b>	2,618
<b>Total charitable activities</b>	<b>99,187</b>	<b>49,777</b>	<b>15,338</b>	<b>164,302</b>	<b>167,451</b>
<b>Total resources expended</b>	<b>101,452</b>	<b>50,677</b>	<b>15,537</b>	<b>167,666</b>	<b>171,531</b>

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.

	Management & administration £000	Finance, IT & purchasing £000	Human resources £000	<b>Total 2019 £000</b>	Total 2018 £000
<b>Support costs</b>					
Voluntary income	104	73	22	<b>199</b>	140
Social care	7,787	5,566	1,691	<b>15,044</b>	13,273
International	36	26	8	<b>70</b>	52
Campaigning	20	15	5	<b>40</b>	36
Partnerships	95	68	21	<b>184</b>	127
<b>Total</b>	<b>8,042</b>	<b>5,748</b>	<b>1,747</b>	<b>15,537</b>	<b>13,628</b>

## 5. Governance costs

	2019 £000	2018 £000
Internal audit	224	182
External auditors' remuneration		
~ audit services	115	105
~ non-audit services	8	31
Governance and professional support for Trustees	34	129
<b>Total</b>	<b>381</b>	<b>447</b>

Governance and professional support for Trustees comprises the internal cost of strategic planning and providing legal support to Trustees, together with recruitment costs of new Trustees £69,909 (2018: £23,995).

The total Trustee expenses incurred by Leonard Cheshire Disability or reimbursed during the year was £12,319 (2018: £9,768) which related to travel and subsistence.

The number of Trustees who were reimbursed were 8 (2018: 10).

The audit fees shown above are inclusive of irrecoverable VAT.

## 6. Net income before transfers

	2019 £000	2018 £000
This is stated after charging / (crediting):		
Depreciation - tangible fixed assets	7,351	6,929
Depreciation - intangible fixed assets	112	184
Operating lease rentals:		
Property	1,531	1,362
Equipment	97	78
Auditors' remuneration - audit	91	88
Auditors' remuneration - other	8	26
Exchange rate losses	90	17
Gains on disposal of assets	(1,151)	(662)

## 7. Tangible fixed assets - Group

	Freehold land & buildings £000	Leasehold properties £000	Assets under construction £000	Furniture, fittings, equipment & vehicles £000	Total £000
<b>Cost</b>					
At 1 April 2018	116,662	7,862	2,491	64,436	191,451
Transfer to investment properties	(295)	-	-	-	(295)
Additions	1,567	-	3,454	2,850	7,871
Disposals	(2,681)	(85)	-	(1,967)	(4,733)
Transfers	1,194	-	(1,603)	409	-
<b>At 31 March 2019</b>	<b>116,447</b>	<b>7,777</b>	<b>4,342</b>	<b>65,728</b>	<b>194,294</b>
<b>Accumulated depreciation and impairments</b>					
At 1 April 2018	41,005	4,588	-	35,972	81,565
Transfer to investment properties	(210)	-	-	-	(210)
Charge for the year	2,096	117	-	5,138	7,351
Disposals	(1,884)	(35)	-	(1,665)	(3,584)
<b>At 31 March 2019</b>	<b>41,007</b>	<b>4,670</b>	<b>-</b>	<b>39,445</b>	<b>85,122</b>
<b>Net book value at 31 March 2019</b>	<b>75,440</b>	<b>3,107</b>	<b>4,342</b>	<b>26,283</b>	<b>109,172</b>
Net book value at 31 March 2018	75,656	3,274	2,491	28,464	109,885

## 7. Tangible fixed assets - Company

	Freehold land & buildings £000	Leasehold properties £000	Assets under construction £000	Furniture, fittings, equipment & vehicles £000	Total £000
<b>Cost</b>					
At 1 April 2018	116,662	7,862	2,491	64,355	<b>191,370</b>
Transfer to investment properties	(295)	-	-	-	<b>(295)</b>
Additions	1,567	-	3,454	2,850	<b>7,871</b>
Disposals	(2,682)	(85)	-	(1,967)	<b>(4,734)</b>
Transfers	1,194	-	(1,603)	409	-
<b>At 31 March 2019</b>	<b>116,446</b>	<b>7,777</b>	<b>4,342</b>	<b>65,647</b>	<b>194,212</b>
<b>Accumulated depreciation and impairments</b>					
At 1 April 2018	41,002	4,587	-	35,926	<b>81,515</b>
Transfer to investment properties	(210)	-	-	-	<b>(210)</b>
Charge for the year	2,094	117	-	5,130	<b>7,341</b>
Disposals	(1,884)	(35)	-	(1,665)	<b>(3,584)</b>
<b>At 31 March 2019</b>	<b>41,002</b>	<b>4,669</b>	<b>-</b>	<b>39,391</b>	<b>85,062</b>
<b>Net book value at 31 March 2019</b>	<b>75,444</b>	<b>3,108</b>	<b>4,342</b>	<b>26,256</b>	<b>109,150</b>
Net book value at 31 March 2018	75,660	3,275	2,491	28,429	109,855



## 8. Intangible assets - Group and Company

	2019 £000
<hr/>	
<b>Cost</b>	
At 1 April 2018	1,989
Additions	-
Disposals	-
<b>At 31 March 2019</b>	<b>1,989</b>
<b>Accumulated amortisation and impairments</b>	
At 1 April 2018	(1,788)
Charge for the year	(111)
Disposals	-
<b>At 31 March 2019</b>	<b>(1,899)</b>
<b>Net book value at 31 March 2019</b>	<b>90</b>
Net book value at 31 March 2018	201

Intangible assets consist of computer software systems used to run significant business processes.

## 9. Investments - Group and Company

	Investments properties £000	Programme related investments £000	Total £000
At 1 April 2018	7,643	108	7,751
Disposals	(414)	-	(414)
Additions	-	-	-
Transfer from fixed assets	295	-	295
Amortised in year	-	(20)	(20)
Revaluation	3	-	3
<b>At 31 March 2019</b>	<b>7,527</b>	<b>88</b>	<b>7,615</b>

Investment properties are included in the balance sheet at fair value. The properties were valued by independent professionally qualified valuers as at 31 March 2017, therefore a mixture of internal and external valuations have been undertaken as at 31 March 2019 (3.3 per cent uplift applied 2018).

Programme related investments are in the form of loans and have been made to facilitate the establishment of new supported living units. They are amortised over the length of the related management agreement or the period over which the investment will provide benefit where this is shorter.

## 10. Current asset investments - Group and Company

	2019 £000	2018 £000
Opening market value at 1 April 2018	13	9
Gain on revaluation	1	4
<b>Closing market value at 31 March 2019</b>	<b>14</b>	<b>13</b>

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

## 11. Debtors

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Trade debtors	12,274	8,214	8,416	8,213
Amounts owed by subsidiary undertakings	-	-	4,272	-
Prepayments	1,165	2,090	1,164	2,067
Accrued income	6,787	7,618	6,711	7,618
<b>Total</b>	<b>20,226</b>	<b>17,922</b>	<b>20,563</b>	<b>17,898</b>

## 12. Cash at bank and in hand

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Group funds	13,942	19,173	13,325	19,134
Service users' funds held in trust	830	723	830	723
<b>Total</b>	<b>14,772</b>	<b>19,896</b>	<b>14,155</b>	<b>19,857</b>

## 13. Creditors

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Amounts falling due within one year				
Trade creditors	8,856	3,449	8,845	3,413
Amounts owed to subsidiary undertakings	-	-	1,883	985
Taxation and social security	2,097	1,832	1,452	1,832
Accruals	3,678	4,760	3,661	4,749
Deferred income	1,639	1,954	1,576	1,950
Service users' funds	825	723	825	723
Capital grants	100	101	100	101
<b>Total</b>	<b>17,195</b>	<b>12,819</b>	<b>18,342</b>	<b>13,753</b>
Amounts falling due after more than one year				
Capital grants	3,841	3,939	3,841	3,939
Loan	600	-	600	-
<b>Total</b>	<b>4,441</b>	<b>3,939</b>	<b>4,441</b>	<b>3,939</b>

The Loan is for social improvement opportunity in Wales, from the Welsh Government. The total loan will be £1 million, Leonard Cheshire have received £600,000 in the 2018/19 financial year; £200,000 will then be received in both 2019/20 and 2020/21. There is no interest on the loan and it is not secured.

Capital grants received are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £100,000 (2018: £101,000) and is shown within 'Amounts falling due within one year'.

Deferred income represents the payment of fees in advance and government grants. During the year the Group received income of £1.6million which related to future years. (2018: £2million). The movement in the year has been taken to income.

Intercompany balances are unsecured and no interest is charged.

#### 14. Provisions for liabilities and charges - Group and Company

	SCCS £000	Dilapidation £000	Redundancy £000	Other £000	Total £000
At 1 April 2018	3,100	706	43	77	3,926
Charged to the SOFA	-	134	34	-	168
Unused amounts	(456)	(322)	(9)	(65)	(852)
Amount utilised	(179)	-	(34)	(6)	(219)
<b>At 31 March 2019</b>	<b>2,465</b>	<b>518</b>	<b>34</b>	<b>6</b>	<b>3,023</b>

The SCCS provision represents the potential liability to the Charity for any arrears identified under the Social Care Compliance Scheme. The resolution is not likely before the Mencap case, which is due to be heard in February 2020.

The dilapidation provision represents the potential liability of the Charity for repairs at the end of the leases on occupied buildings.

The provision for redundancy relates to the cost of redundancies to be incurred in the next financial year.

Other provisions relate to a number of items where the outcome is not known with certainty at the year end.

#### 15. Endowment funds - Group and Company

	Balance at 1 April 2018 £000	Incoming resources £000	Released Resources expended £000	Transfers £000	Balance at 31 March 2019 £000
Permanent endowments:					
Albert Alexander Fund	11	-	-	-	11
Kirby Worthington Fund	110	1	-	(1)	110
St. Michael's Home	735	-	-	-	735
<b>Total</b>	<b>856</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>856</b>

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

The home at St. Michael's was donated as an endowment to Leonard Cheshire in 1968 by the Sisters of St Peters to be run as a residential care home.

## 16. Restricted income funds

Group - movement in funds	Balance at 31 March 2018 £000	Incoming resources £000	Released resources expended £000	Transfers £000	Balance at 31 March 2019 £000
Social care	22,005	2,256	(2,801)	(323)	21,137
UK programmes	534	1,791	(1,538)	-	787
International	2,196	3,183	(3,634)	-	1,745
<b>Total</b>	<b>24,735</b>	<b>7,230</b>	<b>(7,973)</b>	<b>(323)</b>	<b>23,669</b>
Company - movement in funds	Balance at 31 March 2018 £000	Incoming resources £000	Released resources expended £000	Transfers £000	Balance at 31 March 2019 £000
Social care	21,956	2,256	(2,799)	(323)	21,090
UK programmes	534	1,791	(1,538)	-	787
International services	2,196	3,183	(3,634)	-	1,745
<b>Total</b>	<b>24,686</b>	<b>7,230</b>	<b>(7,971)</b>	<b>(323)</b>	<b>23,622</b>

Restricted funds for Social care are those which have been donated to the Group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas.

During the course of the year the Charity has undertaken a comprehensive review of its restricted and designated funds. The amounts shown in transfers represent the outcome of this review.

Restricted funds at 31 March 2019 include £Nil in relation to Northern Ireland Supporting People (31 March 2018: £80,207).

### The following projects received support from these organisations:

Funder	Project	Project/ grant ID	Total £
The 29th May 1961 Charity	Can Do	N/A	5,000
Awards for All Northern Ireland	Sow & Grow	0010340698	9,977
Awards for All Wales	My Voice, My Choice - Swansea	010327676	9,990
Bank Workers Charity	Bank Workers Charity	N/A	118,156
BBC Children in Need	YouthAbility	Ref: 2016-4837/NW	26,962
British Council	Overseas Volunteering	UK01-KA125-048503	67,246
Careers and Enterprise Company	ChangeNow NE	CEF480	19,967
City Bridge Trust	Enablement and Healthy living	Ref 12576	39,000

Funder Project		Project/ grant ID	Total £
City Bridge Trust	Change London - Bridge to Work	Ref 14314	9,500
City Bridge Trust	Change London - Bridge to Work bursary		19,000
Comic Relief	Uganda Livelihoods	824179	199,528
Comic Relief	Tanzania Inclusive Education	Grant ID:1952284	217,577
Comic Relief	Can Do Southampton	2785722	23,150
Cumbria Community Foundation	YouthAbility	CCF 20717	5,000
Department for International Development	Pioneering Inclusive Education Strategies for Disabled Girls in Kenya	LCD 6627	1,410
Department for International Development	Disability and Climate Resilience Research	40102800	70,404
Department for International Development	Disability Data Global Mapping & Assessment	N/A	51,003
Dubai Cares	Uganda Livelihoods	288830	195,151
European Union	Inclusive Education for Disabled Children in Zambia	DCI-NSAPVD/2014/351-557	50,878
European Union	Accessible and Sustainable Livelihoods for People with Disabilities in Uganda	DCI-NSAPVD/2014/338-560	50,012
European Union	Livelihoods and Employment in India		240,869
Flintshire County Council	Partnership Coordinator	N/A	18,000
Genesis Charitable Trust	Philippines Livelihoods	363790	90,316
Gloucester County Council	Opening Doors Gloucester	N/A	15,000
Hanfod Cymru	Strictly Cymru	GB2018-GW18	5,000
Heritage Lottery Fund	Can Do		10,000
Kirklees Council	Opening Doors - Kirklees	PCT1621257	17,500
Masonic Charitable Foundation	Can Do	N/A	16,500
National Lottery Community Fund	Healthy Living	N/A	100,147
National Lottery Community Fund & ESF Building Better Opportunities Grant	Opportunity Suffolk	NeAn/2/2	72,982
National Lottery Community Fund & ESF Building Better Opportunities Grant	Wise Steps	NE/1/3	60,604
National Lottery Community Fund & ESF Building Better Opportunities Grant	Able, Capable, Employed	LON/1/6	147,277
National Lottery Community Fund (Office for Northern Ireland)	Moving On Project ID: RY/1/010426528	RY/1/010426528	100,000
National Lottery Community Fund (Office for Northern Ireland)	Access for Success Project: Ref: 10275313	010275313	115,013
National Lottery Community Fund (Wales) People and Places	Can Do Wales	010264124	164,064
National Lottery Community Fund Reaching Communities	Opening Doors	0010242940	19,728
National Lottery Community Fund Reaching Communities	Opening Doors Cheltenham	00103457	20,007

Funder Project		Project/ grant ID	Total £
Nesta	Innovate to Save - Prime Members Club	N/A	7,500
Peter Cundill Foundation	Zambia Inclusive Education	383793	75,000
Southwark Council	Southwark Advice Plus	N/A	90,000
Sport England	Can Do Sport	2017006732	25,124
Sport England	Road to Me	TBC	44,178
Stavros Niarchos Foundation	Zambia Inclusive Education	307627	67,000
Swedish Postcode Lottery	Zambia Inclusive Education	343542	100,087
The Masonic Charitable Foundation	Can Do	N/A	16,500
The Mathew Trust	Can Do Fife	N/A	8,491
The National Lottery Community Fund	Uganda Livelihoods	010329009	206,855
Walney Extension Community Fund (GrantScape)	YouthAbility	N/A	23,000
Wandsworth Council	Keep Warm, Keep Well	N/A	6,000
Wimbledon Foundation	Keep Warm, Keep Well	N/A	5,000

## 17. Unrestricted income funds

Group	Balance at 1 April 2018 £000	Incoming resources £000	Resources (expended)/ released £000	Transfers, gains / (losses) £000	Balance at 31 March 2019 £000
Designated funds	98,993	-	-	49	99,042
General funds	3,896	154,791	(161,974)	273	(3,014)
Revaluation reserve	6,504	-	-	173	6,677
Pension reserve	(10,795)	-	2,283	926	(7,586)
<b>Total</b>	<b>98,598</b>	<b>154,791</b>	<b>(159,691)</b>	<b>1,421</b>	<b>95,119</b>

Free reserves consist of the general funds and the investment property revaluation reserve totalling £3.7million (2018:£10.4million).

During the year the Charity has completed a comprehensive review of its reserves with a particular focus on reviewing endowment and legacy funds. Transfers between funds reflect the outcome of this work.

Company	Balance at 1 April 2018 £000	Incoming resources £000	Resources (expended)/ released £000	Transfers, gains / (losses) £000	Balance at 31 March 2019 £000
Designated funds	98,993	-	-	49	99,042
General funds	2,918	154,182	(161,481)	273	(4,108)
Investment property revaluation reserve	6,504	-	-	173	6,677
Pension reserve	(10,795)	-	2,283	926	(7,586)
<b>Total</b>	<b>97,620</b>	<b>154,182</b>	<b>(159,198)</b>	<b>1,421</b>	<b>94,025</b>

## 18. Analysis of Group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2019 £000
Fixed assets	107,733	8,409	735	116,877
Net current assets	2,113	15,583	121	17,817
Long term liabilities	(7,464)	-	-	(7,464)
Pension liability	(7,586)	-	-	(7,586)
Transfer	323	(323)	-	-
<b>Total</b>	<b>95,119</b>	<b>23,669</b>	<b>856</b>	<b>119,644</b>

### Analysis of Compay net assets between funds

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2019 £000
Fixed assets	107,714	8,406	735	116,855
Net current assets	1,038	15,539	121	16,698
Long term liabilities	(7,464)	-	-	(7,464)
Pension liability	(7,586)	-	-	(7,586)
Transfer	323	(323)	-	-
<b>Total</b>	<b>94,025</b>	<b>23,622</b>	<b>856</b>	<b>118,503</b>

## 19. Lease commitments

At 31 March the Group had annual payments under non-cancellable operating leases as follows

	2019 £000	2018 £000
within 1 year	1,423	1,346
between 2 to 5 years	3,356	1,279
after 5 years	1	1,286
<b>Total</b>	<b>4,780</b>	<b>3,911</b>

## 20. Capital commitments

At 31 March 2019 the Group had commitments for capital expenditure that have not been provided for in the financial statements as follows

	2018 £000	2017 £000
<b>Contracted</b>	<b>1,061</b>	<b>582</b>



## 21. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2019 and 31 March 2018.

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Dormant
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by Guarantee	Trading
Leonard Cheshire Trading Limited	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820	Limited by Shares £1	Trading
Leonard Cheshire International	Republic of Ireland	10616088	Limited by Guarantee	Trading

All trading subsidiaries have been consolidated in the Group financial statements. The following subsidiaries were dissolved in 2018; Fundability Limited (04082374); The Leonard Cheshire Foundation Limited (060388332); Ability Media Limited (05867060) and Beyond Disability Limited (05866987). The directors believe that the carrying value of the investments is supported by their underlying net assets.

All subsidiaries registered in England and Wales operate from the following registered office: 66 South Lambeth Road, London SW8 1RL. The subsidiaries registered in the Isle of Man operate from the following registered office: Unit B Part First Floor, Willow House, Main Road, Onchan, Isle of Man IM3 1AJ. The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

	2018 £000	2017 £000
<b>Leonard Cheshire Trading Limited</b>		
Summary of profit and loss account		
Assets	4	4
Liabilities	(4)	(4)
<b>Total</b>	-	-

### Leonard Cheshire Foundation (Isle of Man) Limited

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited., which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2019 and 31 March 2018 is shown below.

Summary of statement of financial activities

Incoming resources	675	677
Resources expended	(564)	(608)
<b>Net income</b>	<b>111</b>	<b>69</b>

Summary of assets and liabilities

Assets	1,163	1,078
Liabilities	(24)	(51)
<b>Total</b>	<b>1,139</b>	<b>1,027</b>

### Leonard Cheshire Services CIC

The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2019 and 31 March 2018 is shown below. The subsidiary was incorporated in November 2017, but did not start trading until 1 April 2018.

#### Summary of statement of financial activities

	2019 £000
Incoming resources	14,843
Resources expended	(14,535)
<b>Net income</b>	<b>308</b>

#### Summary of assets and liabilities

Assets	5,285
Liabilities	(5,285)
<b>Net income</b>	<b>-</b>

## 22. Staff costs

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Wages and salaries	96,644	97,599	96,277	97,183
Redundancy costs	694	1,093	694	1,091
Social security costs	7,168	7,233	7,142	7,202
Other pension costs	5,110	3,630	5,107	3,629
Other staff benefits	293	286	293	286
<b>Total</b>	<b>109,909</b>	<b>109,841</b>	<b>109,513</b>	<b>109,391</b>

The provision for redundancies to be paid at 31 March 2019 (included above) is £0.03million (2018: £0.04million). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year end date.

#### Ex-Gratia payments

During the year, the Charity made two ex-gratia payments totalling £40,507 (2018: £10,000).

The average monthly headcount for the Group was 5,887 staff (2018: 6,094 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:

	Group 2019 Staff FTE	2018 Staff FTE
Volunteering	54	43
Social care	3,843	3,844
International	19	16
Campaigning	11	11
Partnerships	50	39
Governance	1	1
Support	247	247
<b>Total</b>	<b>4,225</b>	<b>4,201</b>

The average monthly headcount for the company was 5,847 staff (2018: 6,052 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:

	Company 2019 Staff FTE	2018 Staff FTE
Volunteering	54	43
Social care	3,826	3,828
International	19	16
Campaigning	11	11
Partnerships	50	39
Governance	1	1
Support	247	247
<b>Total</b>	<b>4,208</b>	<b>4,185</b>

### Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group 2019 Staff	2018 Staff	Company 2019 Staff	2018 Staff
£60,001 - £70,000	15	16	15	16
£70,001 - £80,000	6	7	6	7
£80,001 - £90,000	2	4	2	4
£90,001 - £100,000	6	3	6	3
£100,001 - £110,000	4	4	4	4
£110,001 - £120,000	1	1	1	1
£120,001 - £130,000	1	-	1	-
£130,001 - £140,000	1	1	1	1
£140,001 - £150,000	-	-	-	-
£150,001 - £160,000	1	1	1	1
<b>Total</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

These amounts include compensation payments made to former higher paid employees.

	2019 £000	Staff	2018 £000	Staff
<b>Defined contribution schemes</b>	<b>298</b>	<b>35</b>	<b>258</b>	<b>31</b>

### Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2019 (2018: £nil).

The Charity has purchased insurance to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

### Key management personnel

The key management personnel of the Charity consists of the Trustees and main board directors. The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
<b>Remuneration and benefits</b>	<b>1,021</b>	<b>944</b>	<b>1,021</b>	<b>944</b>

## 23. Pension schemes

### Defined contribution pension schemes

The Charity operates a number of defined contribution pensions schemes. Members' contributions are between 2% and 5% of pensionable salary and employer contributions are between 4% and 11% of pensionable salary.

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 2% of pensionable salary. The total cost of the schemes in 2019 was £3.2million (2018 £2.3million).

### Defined benefit pension schemes

The Charity operates a number of defined benefit pension schemes. Following a risk-based assessment the Charity has obtained an FRS 102 actuarial valuation for its material defined benefit pension schemes.

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

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

#### *The Pension Trust Growth Plan*

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan (the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2019 is £6.1million (2018 £8.4million).

A full actuarial valuation was carried out at 30 September 2018 and the preliminary results have been updated to 31 March 2019 by a qualified actuary, independent of the scheme's sponsoring employer. The last full valuation as at 30 September 2018 showed a deficit valuation of £12.5million with gross assets of £65.8million and gross liabilities of £78.3million.

Member contributions are payable in addition as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the period commencing 1 April 2019 is £1.9million (2018 £2.1million).

#### *Clwyd Pension Fund*

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the Charity's service in Dolywern. The Fund is closed to new entrants. On 31 March 2019 the Fund has 4 active members (2018: 4), 4 deferred members (2018: 4), 15 pensioners (2018: 16) and 5 dependents (2018: 5). The net pension liability recognised in the balance sheet at 31 March 2019 is £0.3million (2018: £0.2million) with gross assets of £1.6million (2018: £1.5million) and gross liabilities of £1.9million (2018: £1.7million).

A full actuarial valuation was carried out at 31 March 2016. The best estimate of employer contributions to be paid for the period commencing 1 April 2019 is £31,000 (2018: £30,000).

#### *South Yorkshire Pension Fund*

The South Yorkshire Pension Fund (the Fund) relates to a small number of staff who joined the Charity's services in Sheffield. The Fund is closed to new entrants. On 31 March 2019 the Fund has 1 active members (2018: 1), 3 deferred members (2018: 3), 20 pensioners (2018: 20) and 3 dependents (2018: 3). The net pension liability recognised in the balance sheet as at 31 March 2019 is £0.09million (2018: £0.06million) with gross assets of £1.25million (2018: £1.23million) and gross liabilities of £1.34million (2018: £1.28million).

A full actuarial valuation was carried out at 31 March 2016. The best estimate of employer contributions to be paid for the period commencing 1 April 2019 is £5,000 (2018: £7,000).

### Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2019 for The Pension Trust Growth Plan, Clwyd Pension Fund and South Yorkshire Pension Fund.

	At 31 March 2019 (per annum)	At 31 March 2018 (per annum)
<b>Financial assumptions</b>		
Discount rate	2.35 - 2.4%	2.5 - 2.6%
Rate of increase in salaries	3.55%	3.55 - 7%
Rate of increase pensions:		
LPI 5% (Pre 6 April 2005 accrual)	2.35%	2.25%
LPI 2.5% (post 5 April 2005 accrual)	1.75 - 1.95%	1.7 - 2.2%
Rate of revaluation of deferred pensions in excess of the GMP	3.3%	3.2%
Inflation assumption (RPI)	3.3%	3.2%
Inflation assumption (CPI)	2.3%	2.1 - 2.3%
Expected return on the Scheme assets*	5.34 - 5.88%	4.26 - 6.3%
* as at beginning of each year presented.		
<b>Demographic assumptions</b>		
Mortality		
Male pensioner at age 65 in 2018	21.4 - 23.2	22.3 - 23.1
Female pensioner at age 65 in 2018	23.1 - 25.9	24 - 25.6
Male non-pensioner at age 65 in 2038	22.7 - 25.9	23.7 - 25.7
Female non-pensioner at age 65 in 2038	24.3 - 28.4	25.2 - 28.3
<b>Balance sheet pension liability summary</b>		
	Value at 31 March 2019 £000	Value at 31 March 2018 £000
Pensions Trust Growth Plan, Clwyd Pension Fund & South Yorkshire Pension Fund	6,467	8,721
Scottish Voluntary Sector Pension Scheme	57	71
TPT GP3	975	1,126
Dyfed	87	87
NHS	-	790
<b>Total</b>	<b>7,586</b>	<b>10,795</b>

Fair value of assets	Value at 31 March 2019 £000	Proportion	Value at 31 March 2018 £000	Proportion
Equities	16,062	22%	22,155	31%
Bonds	44,049	60%	42,863	60%
Property	4,172	6%	4,762	7%
Cash/liquidity & other	8,783	12%	1,094	2%
<b>Total value of assets</b>	<b>73,066</b>	<b>100%</b>	<b>70,874</b>	<b>100%</b>

Balance sheet impact	Value at 31 March 2019 £000	Value at 31 March 2018 £000
Present value of funded obligations	(79,533)	(79,594)
Fair value of scheme assets	73,066	70,874
<b>Net pension liability</b>	<b>(6,467)</b>	<b>(8,720)</b>

SOFA Impact	Year ending 31 March 2019 £000s	Year ending 31 March 2018 £000s
Current service cost*	30	141
Expenses	146	171
Net interest cost	197	259
Losses on settlements and curtailments	417	492
<b>Total</b>	<b>790</b>	<b>1,063</b>

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

**Analysis of amount recognised in the SOFA  
as unrealised gains / (losses)**

	<b>Year ending 31 March 2019 £000</b>	<b>Year ending 31 March 2018 £000</b>
Net actuarial (losses) / gains recognised in year	(94)	157
Return on plan assets - gains	2,276	2,404
Experience gains / (losses) arising on plan liabilities	75	(119)
Effect of changes in demographic and financial assumptions - (losses)	(1,331)	(1,500)
<b>Total recognised in other comprehensive income - gains</b>	<b>926</b>	<b>942</b>

**Reconciliation of present value of scheme liabilities**

**Change in the present value of the defined  
benefit obligations**

	<b>Year ending 31 March 2019 £000</b>	<b>Year ending 31 March 2018 £000</b>
<b>Opening defined benefit obligation</b>	<b>79,594</b>	<b>78,555</b>
Expenses	-	170
Service cost	30	141
Interest cost	1,981	2,006
Contributions by employees	5	49
Losses on curtailments	417	492
Actuarial losses	1,431	1,507
Benefits paid	(3,925)	(3,326)
<b>Closing defined benefit obligation</b>	<b>79,533</b>	<b>79,594</b>



### Reconciliation of present value of scheme assets and actual return on assets

Change in the fair value of the scheme assets	Year ending 31 March 2019 £000s	Year ending 31 March 2018 £000s
<b>Opening fair value of the scheme assets</b>	<b>70,874</b>	67,872
Interest income	1,784	1,747
Admin expenses	(146)	(1)
Actuarial gains / (losses)	2,357	2,449
Contributions by employer	2,117	2,084
Contributions by employees	5	49
Benefits paid	(3,925)	(3,326)
<b>Closing fair value of the scheme assets</b>	<b>73,066</b>	<b>70,874</b>
<b>Actual return on scheme assets</b>	<b>4,141</b>	<b>4,197</b>

### Other defined benefit pension schemes

The Charity operates several other multi-employer defined benefit schemes as follows:

- The Scottish Voluntary Sector Pension Scheme. The pension deficit on this scheme of £57,000 (2018: £71,000) will be funded by lump sum payments over the recovery period of 9 years as specified in the most recent triennial valuation;
- The TPT GP3 scheme. The pension deficit on this scheme of £1million (2018: £1.1million) will be funded by lump sum payments over the recovery period of 4 years as specified in the most recent triennial valuation;
- The Federated Flexiplan. The pension has a zero pension deficit (2017: £0million) It is now fully insured and no further payments are required to be made; and
- In addition, the Charity operates a number of other smaller, multi-employer defined benefit pension schemes. These schemes have a combined pension deficit of £0.08million (2018: £0.9million) and the deficits will be funded by annual payments based on the contribution rates and recovery periods of between 12 and 15 years.

Scheme name	Contribution rate		Recovery period years	Scheme deficit	
	2019 %	2020 %		2019 £000	2018 £000
Dyfed	23.3	23.3	14	87	87
NHS - No liability under this scheme	-	-	-	-	790
Wiltshire - No further liability under this scheme	-	-	-	-	-
Oxfordshire - No further liability under this scheme	-	-	-	-	-
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>87</b>	<b>877</b>

## 24. Contingent assets

The Charity has a legal charge on a property that entitles it to 13.9per cent of the value of the site should it be developed. The property is currently owned by another organisation which uses it to provide care to people with learning difficulties.

The Charity is entitled to 20per cent of the sale proceeds on a house which is currently occupied by a private individual. There are no current plans to dispose of the property.

## 25. Contingent liabilities

At the year end there were a number of unresolved legal disputes, contractual commitments to meet rental obligations on vacant property and other matters which may result in a liability to the Charity. It is not possible to estimate reliably the potential liability arising from these matters.

## 26. 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.

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## 27. Related party transactions

E Haywood is a non-executive director of Natural Resources Wales who provide sewerage services to one of our properties. The total value of goods and services purchased from Natural Resources Wales in the year to 31 March 2019 is £1,026 (2018: £1,026).

S Dhanda is an employee of Virgin Media, the total value of goods and services purchased from Virgin Media was £3,799 (2018: £0).

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £66,000 (2018: £62,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 13.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £14.535million of invoiced sales.

The resultant intercompany liability is reflected in creditors as shown in Note 13.

Aggregate donations from Trustees was as follows:

2018/19 : £6,200

2017/18 : £2,000

## 28. Financial instruments

	Notes	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
<b>Financial assets at fair value through statement of financial activities</b>					
Investments	10	14	13	14	13
<b>Financial assets that are debt instruments measured at amortised cost</b>					
Amount owed by subsidiary undertakings	11	-	-	4,272	-
Trade debtors	11	12,274	8,214	8,416	8,213
Accrued income	11	3,199	2,695	3,123	2,695
Accrued legacies	11	3,588	4,923	3,588	4,923
Cash and cash equivalents		14,772	19,896	14,155	19,857
<b>Total</b>		<b>33,833</b>	<b>35,728</b>	<b>33,554</b>	<b>35,688</b>
<b>Financial liabilities at fair value through statement of financial activities</b>					
SCCS provision	14	2,465	3,100	2,465	3,100
Dilapidations provision	14	518	706	518	706
Redundancy provision	14	34	43	34	43
Other provision	14	6	77	6	77
<b>Total</b>		<b>3,023</b>	<b>3,926</b>	<b>3,023</b>	<b>3,926</b>
<b>Financial liabilities that are debt instruments measured at amortised cost</b>					
Amount owed to subsidiary undertakings	13	-	-	1,883	985
Trade creditors	13	8,856	3,449	8,845	3,413
Taxes and social security	13	2,097	1,832	1,452	1,832
Accruals	13	3,678	4,760	3,661	4,749
Deferred income	13	1,639	1,954	1,576	1,950
Service users funds	13	825	723	825	723
Capital grant	13	100	101	100	101
<b>Total</b>		<b>17,195</b>	<b>12,819</b>	<b>18,342</b>	<b>13,753</b>

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## 29. Sale of 16 services

On 31 July 2019, Leonard Cheshire completed the sale of 16 residential services to Valorum Care Ltd.

The services and properties that transferred are Alne Hall, Beechwood, Champion House, Douglas House, Freshfields, Green Gables, Holme Lodge, James Burns House, John Masefield House, Kenmore, Marske Hall, Mickley Hall, Oaklands, St. Anthony's, The Grange and Westmead.

Funds raised from the sale will be invested by Leonard Cheshire to increase the difference we make to disabled people's lives and widen the range of support we offer in communities across the UK.

Thank you

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Thank you

## **Thank you**

### **Charitable trusts, corporate partners and other supporters:**

A very big thank you to all those supporters who have made donations to Leonard Cheshire in the last 12 months and to many others not listed, including those who wish to remain anonymous and those who remembered Leonard Cheshire in their wills.

#### **Corporate Partners**

Accenture  
Anglo American  
Baker Botts  
GlaxoSmithKline plc  
Howdens Joinery Limited  
JTI UK  
Linklaters  
Marstons Plc  
Microsoft  
National Garden Scheme  
Nurseplus  
O2  
Pimco LLC

#### **Charitable Trusts and other supporters**

29th May Charitable Trust  
Anonymous  
Awards For All Wales  
Awards for All Northern Ireland  
BBC Children in Need  
Barnwood Trust  
Bernard Sunley Charitable Foundation  
Big Lottery Northern Ireland

Bill Brown's Charitable Settlement of 1989  
Bryan Guinness Charitable Trust  
Calderdale Community Foundation  
Careers and Enterprise Company  
City Bridge Trust  
Comic Relief  
Copley May Foundation  
Cumbria Community Foundation  
Denise Coates Foundation  
Derrill Allat Foundation  
Donald Forrester Trust  
Dubai Cares  
Epping Forest District Council  
European Social Fund  
Francis C Scott Charitable Trust  
Genesis Charitable Trust  
Gloucester County Council  
Haberdashers' Company  
Hanfod Cymru  
Heathrow Community Fund  
Hospital Saturday Fund Charitable Trust  
Kirklees Council  
London Marathon Charitable Trust  
Masonic Charitable Foundation  
Mathew Trust

We acknowledge and remember those supporters whose legacy was a gift in their will to Leonard Cheshire whilst also respecting the wishes of some to maintain anonymity:

National Heritage Lottery Fund  
 National Lottery Community Fund  
 Nesta  
 Open Society Foundations  
 Payback Time Trust  
 People's Postcode Trust  
 Peter Cundill Foundation  
 PF Charitable Trust  
 Police Service Northern Ireland  
 Salford Council for Voluntary Services  
 Sir John Fisher Foundation  
 Sir Ken Morrison & Mrs Edna Morrison Charitable Trust  
 Sport England  
 Stavros Niarchos Foundation  
 Stelios Philanthropic Foundation  
 Swedish Postcode Lottery  
 Tompkins Foundation  
 Unum UK  
 Walney Extension Community Fund (GrantScape)  
 Wandsworth Council  
 William Brake Charitable Trust  
 Wimbledon Foundation  
 Wolfson Foundation

Dr A Adams	Mrs M Kay
Ms J Attrill	Mr T Kay
Mrs D Badcock	Mr C King
Mr J Balme	Mrs J King
Mr F Barber	Mr H Kirby
Mr D Cadey	Ms B Lewis
Ms P Carney	Mrs R Mason
Mr R Chandler	Ms M Owen
Miss A Clifton	Mrs P Peacock
Mr J Crabtree	Mrs P Pointer
Mrs D Crossman	Mrs P Portman
Mrs P Culeen	Ms R Renwick
Mr C Darwent	Mrs M Rogers
Mr W Davis	Mr N Sharp
Mr C Dawson	Mr J Taylor
Mr R De Souza	Mr C Tinson
Miss D Evans	Mrs D Tozer
Miss K Faulkner	Mrs D Treweek
Ms M Ferguson	Mr D Treweek
Mr J Flux	Mr K Underwood
Mr T Forgham	Mr C Wakeling
Ms O Goddard	Mr H Walker
Mr A Gray	Mr R Wand
Miss R Hesel	Mrs S Watson
Mr H Hillary	Mr A Watts
Mrs B Hine	Mr J Whittaker
Ms D Horobin	Miss L Wilson
Mr M Inglis	Ms L Wilson
Miss H Johnston	Mr A Winch





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**Who's who**

# Who's who

## Trustees and senior officers

### Patron

Her Majesty Queen Elizabeth II

### Founder

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

- Governance and Nominations Committee
- ⌘ Finance and Major Projects Committee
- People Committee
- \* Audit and Risk Committee
- Quality and Safeguarding Committee
- ◆ Customer Council
- ◇ Fundraising Group

## Trustees

### Sally Davis (Chair)

*(appointed October 2015)*

### Martin Davidson (Vice Chair) ●

*(appointed October 2011)*

### Dr Sylvia Anie ■

*(appointed March 2018)*

### Richard Brooman ●\*◇

*(appointed June 2012)*

### Shani Dhanda

*(appointed November 2018)*

### Stephen Duckworth ●□

*(appointed March 2018)*

### Elizabeth Haywood ●\*◇

*(appointed December 2014)*

### Vidar Hjordeng ◆

*(appointed May 2016)*

### Colin Hunter ⌘■□

*(appointed July 2016)*

### Ranald Mair □\*

*(appointed May 2016)*

### David Pugh ⌘

*(appointed March 2018)*

### Catriona Rayner ⌘■\*

*(retired May 2019)*

### Hilary Sears ◇

*(appointed September 2018)*

## Global Ambassadors

**Judy Heumann**

*Advocacy*

**Jane Asher**

*Arts*

**Sir Stelios Haji-Ioannou**

*Business*

**Lord Puttnam**

*Education*

**Mark Lane**

*Gardening and Wellbeing*

**Sophie Morgan**

*International and Fashion*

**Robin Millar**

*Music*

**Olivia Breen**

*Sport*

**Alastair Hignell**

*Sport*

**Dan Eley**

*Youth*

## Senior officers

**Chief Executive**

Neil Heslop

**Chief Financial Officer**

Andy James

**Executive Director, UK Services**

Hugh Fenn

**Executive Director, International**

Tiziana Oliva

**Executive Director, Partnerships**

Laura Crandley

**Executive Director, Marketing and Fundraising**

Kate Burt

**Executive Director, People**

David Jessop

**Executive Director, Technology**

Jon Petty

## Ambassadors

### Judy Heumann

Global Ambassador for Advocacy

The renowned activist and campaigner for disability rights. Judy served as an advisor in both the Obama and Clinton administrations, and is a senior fellow of The Ford Foundation. Judy is keen to support and promote our access to education and livelihoods programmes in Africa and Asia.

### Mark Lane

Global Ambassador for Gardening and Wellbeing

Mark is the UK's first garden designer / BBC gardening broadcaster to use a wheelchair. He is a regular presenter on BBC TV Gardeners' World and also fronts BBC TV coverage of the RHS shows. Mark is also a published garden writer. Mark was in a car accident in 2001 and had to have operations on his spine, which were complicated by him being born with spina bifida. Following a long rehabilitation period, when he was 're-built' both physically and mentally, he switched professions to study garden / landscape design and launched his own award-winning garden design and landscape practice.

### Olivia Breen

Global Ambassador for Sport

Paralympian Olivia began training at the City of Portsmouth Club at age 12 where her athletic skills quickly became apparent. Both a talented sprinter and long jumper, Olivia is the current IPC World Champion for the T38 long jump which she won in 2017. More recently, in 2018's Commonwealth Games in Australia, Olivia claimed gold for Wales with both a games record and personal best in the long jump in her class.

### Jane Asher

Global Ambassador for Arts

An award winning actress, author and chef, Jane Asher was a long-term friend of our founder, and has been a supporter of the Charity for over 35 years. In her role as ambassador she has asked to celebrate our next generation of staff and volunteers.

### Sophie Morgan

Global Ambassador for International and Fashion

Paralysed in a car crash aged 18, Sophie is an award-winning disability activist and television presenter.

Sophie has an impressive television career that includes fronting all live coverage of Paralympic sport for Channel 4 as well as presenting cutting-edge documentaries such as The World's Worst Place to be Disabled for the BBC on human rights abuses towards disabled people in Ghana in 2015. She has also reported for Channel 4's award-winning current affairs strand Unreported World.

### Dan Eley OBE

Global Ambassador for Youth

Once himself a Charity worker in Latin America, Dan spent five years living in one of our services after an accident in Columbia where he broke his neck. Now living independently, he runs his own Charity. The Dan Eley Foundation delivers apprenticeship-style training schemes for children living in poverty in Colombia and Latin America. He is keen to work with Leonard Cheshire to support young disabled people to live as independently as they choose, whatever their ability.

**Sir Stelios Haji-Ioannou**

Global Ambassador for Business

Founder of the easyJet group, Sir Stelios has had a relationship with the Charity for over 12 years. In partnership with the Stelios Philanthropic Foundation, Leonard Cheshire runs the Stelios Awards. These annual awards recognise the exceptional spirit and business ability of disabled entrepreneurs.

**Robin Millar CBE**

Global Ambassador for Music

Executive Group Chairman of the Blue Raincoat Chrysalis Group, and a leading member of the music industry for more than 20 years. He was instrumental in setting up the 'Young Voices' project with Leonard Cheshire in Africa. Robin is keen to harness music to engage disabled people and create opportunity.

**Lord Puttnam CBE, Hon FRSA, Hon FRPS**

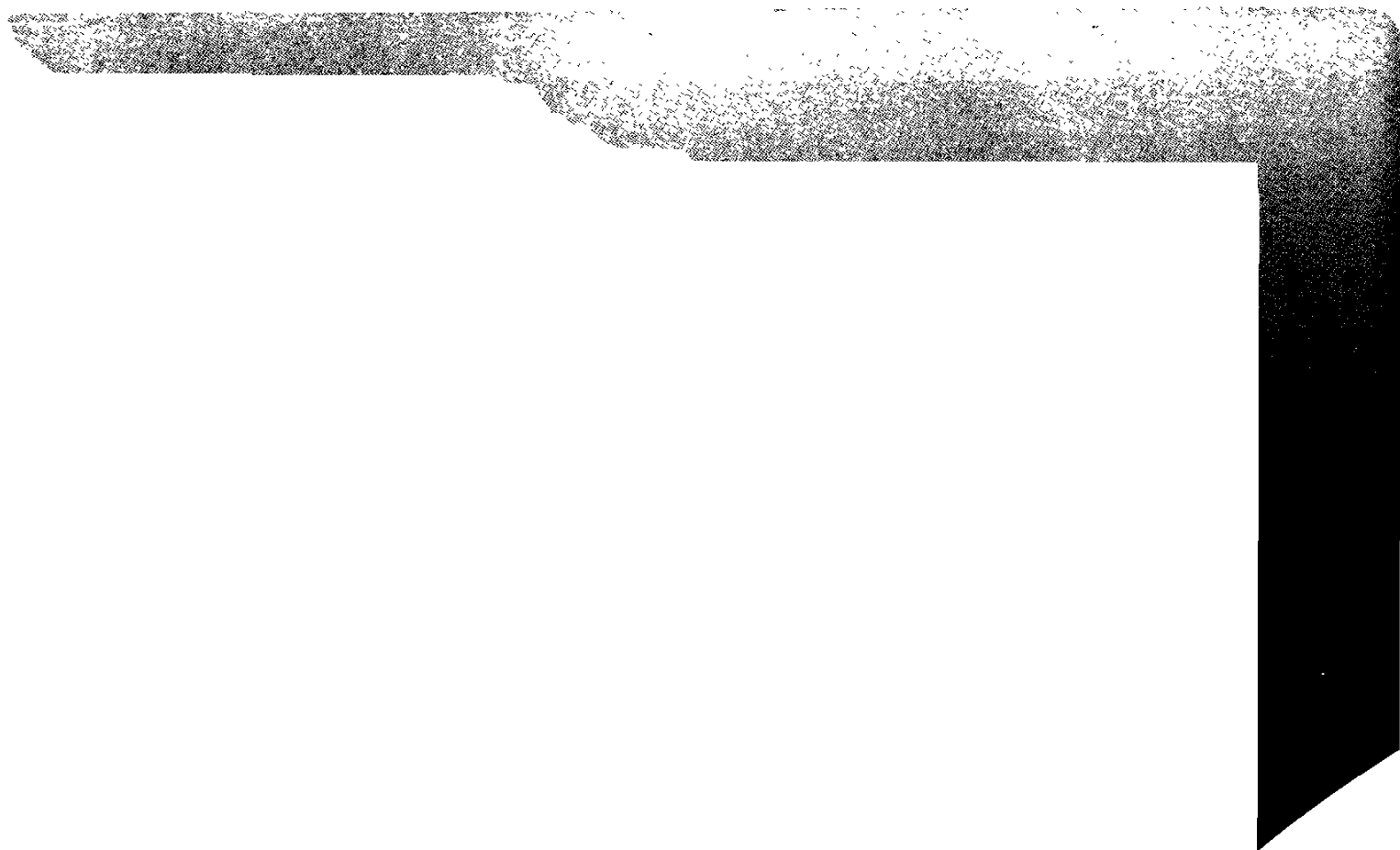
Global Ambassador for Education

A major award winning film producer and close friend of our founder, Lord Puttnam has been a long-term supporter of the Charity, and in 2017 gave the inaugural lecture at Merton College, Oxford in memory of our founder. He is keen to promote education and opportunity for disabled people internationally and encourage and support film making.

**Alastair Hignell CBE**

Global Ambassador for Sport

Alastair Hignell is a former English rugby union international and cricketer, and broadcaster. He recently stepped down as a Trustee but will continue to support the Charity in his role as UK Ambassador for Sport, helping the Charity reach out to young disabled people about the opportunities and benefits sport can bring.



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**Principal advisors**

**Leonard Cheshire**  
66 South Lambeth Road  
London  
SW8 1RL

020 3242 0200  
[leonardcheshire.org](http://leonardcheshire.org)  
[@LeonardCheshire](https://www.instagram.com/LeonardCheshire)