



Annual Report and Accounts 2022/23

leonardcheshire.org

WEDNESDAY



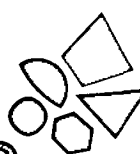
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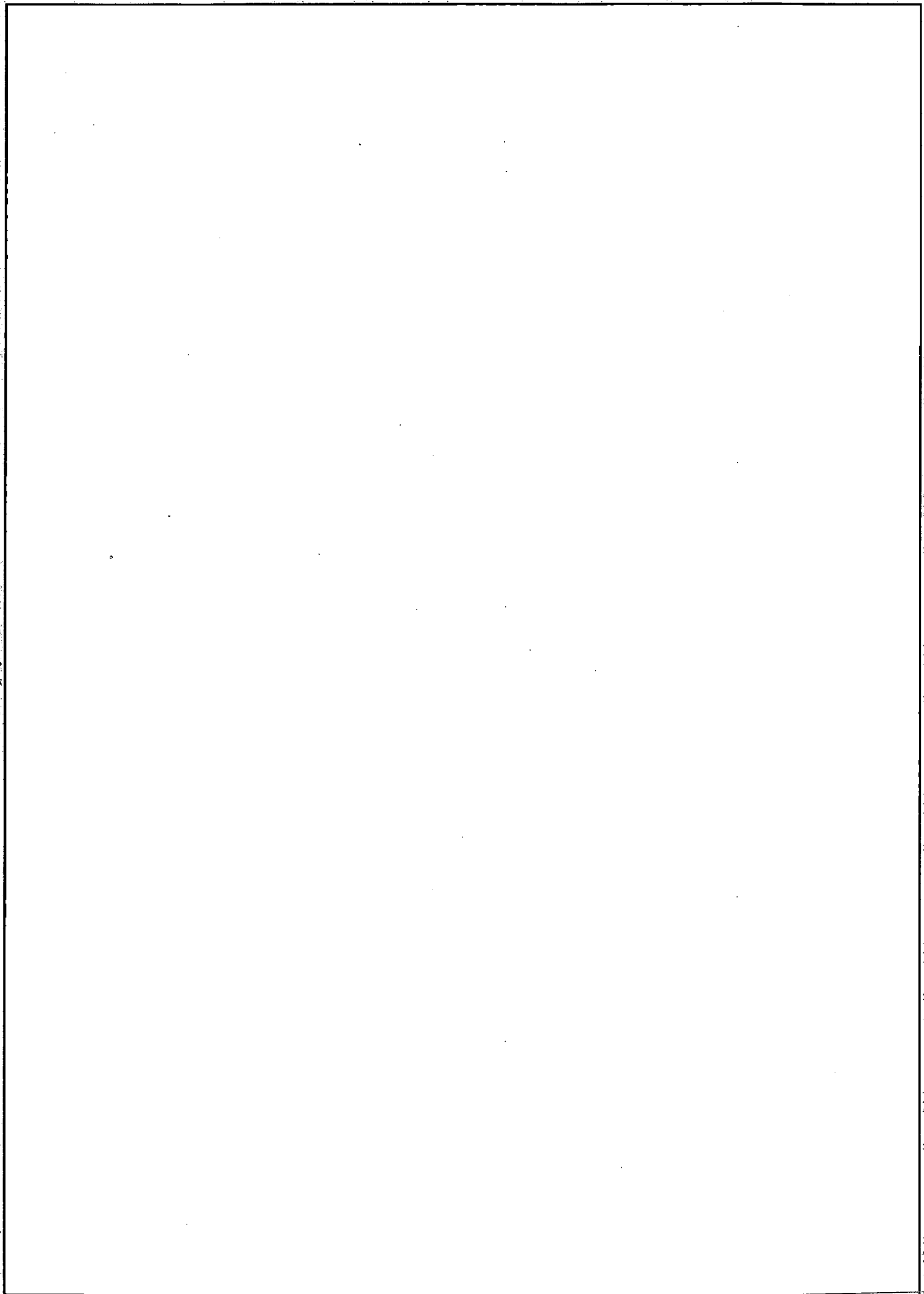
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COMPANIES HOUSE

Leonard
Cheshire 



Contents

1. About us	1
Welcome from the Chair	2
A message from the CEO	4
2. Trustees' report	6
Live	7
Learn	11
Work	13
Fundraising	17
Our People	19
Financial review	22
Principal risks and uncertainties	33
Plans for future periods	36
Structure, governance and management	38
3. Statement of Trustees' responsibilities	45
4. Auditors' report	47
5. Financial statements	52
6. Thank you	121
7. Who's who	123
8. Principal advisors	125

1.

About us

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

▼ Jonathan busy working in his home at Eden Square



Welcome from the Chair

Significant steps forward



Neil Goulden
Chair of Trustees

A stylized, handwritten signature of Neil Goulden in black ink, positioned below the printed name and title.

I was immensely proud to join Leonard Cheshire as its Chair at the very end of the period covered by the Annual Report and Accounts 2022/23.

The charity plays a vital role in the lives of thousands of disabled people every day, delivering essential support and opening doors to opportunity through its inclusive employment work with individuals and organisations.

Last year was an important one, in which strong foundations started to be put in place to address the significant financial issues we had reported in 2021/22. In April 2022, the Board made a serious incident report to the Charity Commission, highlighting the financial challenges faced by the organisation. This followed several years of the charity running deficits, and spending its reserves. A statutory inquiry was subsequently launched by the Commission following this notification. The Inquiry, which continues, is examining the administration, governance, and management of the Charity.

In particular, the Commission is determining:

- The extent to which the trustees had adequate oversight of the Charity's finances
- Whether the trustees had complied with and fulfilled

their duties and responsibilities as trustees under charity law.

This relates to historical matters predating the current Board and leadership. We are fully cooperating with the Commission's Inquiry.

I am pleased to say that the strong three-year turnaround being implemented is progressing well. It has included securing increased fees and reducing agency staff spend at services. At the same time we are strengthening our financial and governance frameworks in tandem. This essential work is continuing throughout the course of 2023/24.

We maintain a close, open and constructive relationship with the Charity Commission, updating it as we meet key milestones. The Commission, as well as other key stakeholders, including our Bank, are satisfied that the charity has a robust turnaround plan in place and is making progress in putting it into action.

Some of the measures taken, including pulling out of our international delivery and our UK community programmes, were undeniably difficult for all but vital for the long-term sustainability of the organisation. Our work over the years has left behind a lasting legacy, indelibly changing the lives of individuals and communities.

Ruth and her Executive team are making good progress in reshaping and modernising the charity as it is put once again on a positive path. During the course of last year, there have been a range of new appointments to the Board to complement the work of the Executive team.

People who rely on our services remain at the forefront of everyone's minds as we move forward. The focus of the Board and the Executive is on rebuilding Leonard Cheshire as a quality provider of care and support for disabled adults, ensuring the highest possible standards of delivery at all times. In doing so we need to recognise the financially challenging environment all social care providers operate in, delivering our support in a way that is financially sustainable for the organisation and alongside excellent governance.

We owe it to people we support, our staff and supporters to get this right. Since joining the organisation I have been impressed by the passion and commitment shown by all involved to do just that.

In a relatively short period of time, significant steps forward, recognised by our stakeholders, have already been taken.

We are satisfied with where we are at this stage, as we work together to securing future success and improvements for people we support.

While we are not out of turnaround, with more activity to come in reducing costs, modernising how we operate and increasing income, we have come a long way. We can begin to look further ahead, with the Board and the Executive Team both ambitious about what the charity can achieve in the long term.

Ruth and her Executive team are making good progress in reshaping and modernising the charity as it is put once again on a positive path.

▼ Zahra, a Change 100 intern, at a Professional Development Session



A message from the CEO

A solid foundation



Dr Ruth Owen
CEO

Ruth Owen

Leonard Cheshire has a proud history of delivering life changing support and accommodation. We were innovators in this field when we were founded in 1948 and this frontline delivery remains at the very core of what we do, day in day out, 365 days a year.

Staff in our UK social care services do vital work that is essential but underfunded. This support must continue to change, modernise, and adapt so it meets the needs of future generations – with an emphasis on continued improvements in quality and pushing the boundaries of what is possible in care delivery. We need to be ready to seize the opportunities from technology and as people's preferences for the type of support they want changes.

Since joining Leonard Cheshire, a huge amount of my time, and that of my wider leadership team, has been devoted to addressing a serious financial crisis which had built up over many years. After many years of operating with large deficits between income and expenditure, we had to start reversing this trend urgently in 2022/23. We have been working to improve the administration, governance, and financial management of the organisation, in line with the Charity Commission's Inquiry and have been updating them on our progress.

We are now over one year into implementing our robust turnaround plan – and although this work is not complete, we are in a much better position.

In 2022/23 we set about major restructuring across the charity to make savings. At the same time, we put concerted effort into securing increased fees, to reflect the true cost of care provided and changing needs. Meanwhile we have driven savings across all our functions, including reducing agency staff use at our services. Other savings have been secured through renegotiation of contracts held, getting better deals from suppliers and exits from activities which were loss making or unsustainable to the charity.

The difficulties we were facing at the start of 2022, meant that we needed to begin consolidating our activities. We have now pulled out from all of our international delivery, as well as community projects in the UK. I do not underestimate the profound impact of these hugely difficult decisions. Where we have exited from programmes, we've strived at all times to do so as responsibly as we could – passing on delivery where possible.

So where are we now and what does the future look like?



It's worth looking back to how far we have come since Spring 2022, given that we finished the financial year cash positive. I'd like to thank everyone involved in getting us to this crucial point in our ongoing journey.

Overall, while there is more to be achieved in the coming months and years, our progress has been remarkable. Where there are outstanding challenges, these are being addressed.

We have reduced our exposure to debt and are steadily turning the corner in being able to build up funds for investment in our services. Now we have a solid foundation in place for a sustainable future – at the heart of which will be our social care services and people we support in these.

It goes without saying that we are not complacent. Everyone connected with our amazing charity feels an immense sense of

responsibility to people we support to get things right as together we move forward positively. There are no doubt some further difficult choices ahead.

But as we progress our financial turnaround, we are now starting to look at our future strategy to transform Leonard Cheshire for longer-term success. We will be focusing on doing fewer things but doing them exceptionally well.

I am ambitious about what we can achieve together, working in partnership with disabled people in our services, as well as others. We want to be the leading high quality care provider for people with complex disabilities. I want us to be setting the standard for others and shaping discussions on the future of social care in the UK. Meanwhile, we also have an important role to play in helping young disabled people get into employment. We can approach our future with renewed confidence.

△ A member of staff chats and holds hand with a resident at Danybryn

2.

Trustees' report

► Emilie, staff member, helping Mariusz on his laptop at Moray Lodge



Leonard Cheshire fights for a society in which everyone can thrive.

Live

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 March 2023 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 7 to 44 incorporate the requirements of the Strategic Report.

Every single day of the year, our social care staff are there to support disabled people to have greater levels of independence. We transform lives and open up new opportunities for individuals through the provision of residential and supported living services, sometimes with nursing support for those with the most complex needs. Our staff have specialist knowledge, passion and commitment to strive for the best outcomes for people whose home is a Leonard Cheshire service.

However, we operate in a difficult and challenging environment. The whole of the social care sector remains under huge pressure because of difficulties recruiting staff, inadequate funding and the cost of living crisis.

Turning around Leonard Cheshire's financial position required tough decisions and measures. But at all times we remained focused on sustaining our delivery of frontline services and supporting front line staff in our services the best we can.

We've managed to significantly reduce our agency staff use over the past year, which means better continuity for residents in our care services. Targeted recruitment drives in areas when agency use was high, as well as better oversight and monitoring has been very successful. At the same time,

we've taken a robust approach to fees negotiation with local authorities to ensure that residents receive uplifts in line with the true cost of care provision, inflation and changing needs.

Our social care delivery is central to our future as we modernise, reshape and build funds to invest in the highest quality social care services we can.

At the same time, Leonard Cheshire is playing a key role in advocating for social care reform at a national level. We are engaged directly with the Government and working with not-for-profit coalition partners to advocate for a future in which every disabled person can draw on the high quality person-centred support they need to live as they choose.

In the future we look forward to working towards pushing the boundaries of what good social care can do, through innovative approaches as we move forward from financial turnaround.

Despite the pressures of the year, during 2022/23 our care staff achieved some remarkable things, including the innovative use of technology at some services, creating greater opportunities for residents and supporting people to achieve their goals – however big or small.



1,673

people were supported
every day through
our care services
(2021/22: 2,266)

As of 31 March 2023:

- We supported 1,673 people every day through our care services
- We had 62 residential services (care and nursing homes)
- We had 36 supported living services.

During 2022/23 we opened Bennett Court, a brand new and exciting facility developed with partners. This supports disabled people to live independently in Nailsea, near Bristol. Bennett Court can support up to 12 tenants with learning disabilities, with help available based on need and preferences. Staff are on hand to support people with their daily tasks, get involved in local activities, and achieve personal goals. This could be through volunteering, getting work experience or a job for example.

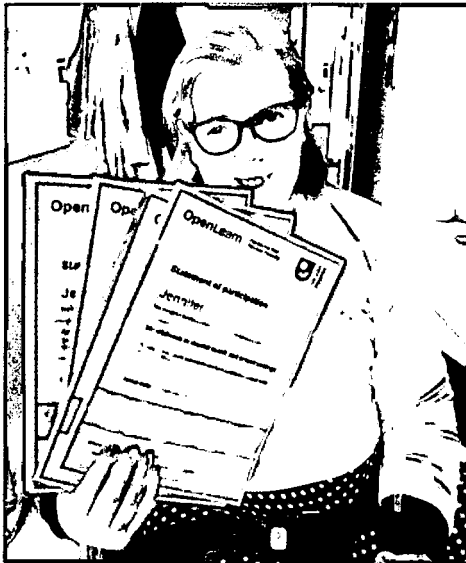
Where there are concerns about the quality of care and support provided to residents, we will always look at ways to raise standards. In locations where the challenge of recruitment of key

staff is particularly severe, and agency use growing, our ability to deliver sustainable improvements is chronically undermined. Last year we took the difficult decision to close the following care homes in these circumstances: Agate House in Bedfordshire, Alder House in Essex and Greenhill House in Somerset.

We are a highly rated provider of care and supported living services in the UK. Across the UK, 82 (84%) of our services are rated as 'good' or 'outstanding' by regulators.

Keeping people safe and delivering care to the highest standards will always be our priority. Towards the end of the financial year, we created a new Executive Director of Quality and Clinical Care position. This role will provide a greater level of visibility of quality, safeguarding and compliance issues to the Executive team. A key activity in 2023/24 will be enhancing the existing structures in place around safeguarding and quality. This will help drive forward improvements in services.

△ Danielle, staff member, and Alistair, resident, at Ty Cwm.



▲ **Jenny** with her online course certificates

Jenny, pictured left, set herself the goal of starting a course with The Open University. Thanks to staff supporting her goal, she's completed her preparatory online courses and started a Psychology with Counselling course.

With Disabled Students' Allowance funding, she received a laptop with software, a new desk to work on, as well as books and lighting to support her studies. Another resident, Jean, set a goal to visit Cisco, the donkey that she has been sponsoring for about 19 years. She hadn't been able to visit during the pandemic, and had an emotional day when she was finally able to see Cisco again.

▼ **Corey** in his powered wheelchair

Residents going for goals

Setting and achieving goals is something we encourage in our services, to support residents to live as independently as they choose. Here are just a few examples of this in action.

At Newlands House, in the peaceful village of Netherseal, Derbyshire, Activities Worker Lisa Fisher told us about some of the goals that had been set and achieved. Corey, pictured right, set a goal to find independence via a powered wheelchair.

Corey had never owned a powered wheelchair before, and the Newlands staff helped him to get accustomed to the controls for use inside, as well as trips out of the service. Lisa said it had expanded his horizons greatly.



Creating opportunities for residents

At Gloucestershire House and Cheltenham Supported Living, "Leonard's Lounge" hosted a Valentine's Day special in support of 'Right Support, Right Care, Right Culture.' This was run by residents with the help of Support Worker and Occupational Therapy Student Becky Bennett from UWE, Bristol.

What initially started as a Valentine's event in "Leonard's Lounge", a coffee shop run by residents for residents, has reached new heights. Now, even more residents are involved in the running of their homes, making choices around their interests and personal goals.

Leonard's Lounge is open weekly and run by residents Rachel and Paula. The event the pair ran in February meant they engaged in three main activities: buying ingredients for baking at the local supermarket, baking cakes for the coffee shop, and selling their baked goods in Leonard's Lounge.

With Leonard's Lounge being so successful, service manager Grace Clawley has been working closely with colleagues and residents alike to come up with other roles that can involve and include residents.

The roles were advertised at both Gloucestershire House and Cheltenham Supported Living. Once appointed to a role, each person has a name badge that displays their official job title and also a uniform.

Residents who have taken on roles include Chris.



Chris has taken on the role of internal post person. His new role has given him a sense of purpose, a reason to get out of bed and importantly, a sense of responsibility. Chris has got a Royal Mail uniform which he wears whilst on duty. Every day, he meets the Royal Mail post person or administrator Jo at the front door to take delivery of letters and parcels, after which he makes his deliveries around the service.

△ Tom taking on his domestic role

Prior to becoming Domestic Assistant in communal areas alongside another resident, Tom was one of the infection control 'leads' on the mini-infection control residents audit which Grace developed as part of the main audit. Working alongside Dawn, Tom has learnt all about infection control, remembering what colour mops and cloths are used for different things.

Grace said: "These roles complement the tasks and jobs already being undertaken – I see them as an 'extra benefit to the service'. For myself and the team it is all about inclusion and involvement of residents."



Learn

▲ Johnkeen was supported through a Leonard Cheshire schools programme and went on to become a strong advocate for inclusive education in Kenya

During the course of last year, we took the immensely difficult decision to start withdrawing from Leonard Cheshire's delivery of international work, after 20 years of working in this field.

Sadly, the financial pressures we faced meant we had to make significant savings in our staff costs and related spending across the whole organisation, as we

prioritised and protected social care delivery in the UK – which has always been the charity's main source of income.

We worked closely with our funders and partners to exit our international programmes in the most coordinated and responsible way possible. Where possible we transferred delivery to other providers.

58,000+

58,000+ people with disabilities in Africa and Asia supported to get into paid or self employment since the international programmes began

We are immensely proud of what the charity has been able to deliver through our international work. The creation of school places for thousands of children with disabilities, support for new generations of young campaigners, as well as life changing employment opportunities leaves a lasting legacy around the world.

Advocating for inclusion

Johnkeen, was supported to get a school place as part of the inclusive education work we did in Kenya. He remains a strong advocate and campaigner for inclusive education in the country many years later.

Before he was able to get an education, Johnkeen said he faced a lot of challenges. "I was discriminated against. I came up against stigma around my disability and my mental health. I was close to giving up."

Johnkeen attended inclusive primary and secondary schools which had a huge impact on him, helping him to improve his self-esteem, and it enabled him to build good relationships with non-disabled peers.

55,000+

55,000+ children and young adults with disabilities in Africa and Asia supported to get an education since 2008

"My positive school experience made me want to advocate for the importance of inclusive education. I came out of school and wanted to be a champion for it."

Johnkeen had seen first hand how vital inclusive education was in reducing discrimination and stigmatisation of people with disabilities, as community attitudes changed. "I advocated for the importance of having more inclusive schools. During my time at high school, there were over 33 schools that incorporated inclusive education, including seven secondary schools. And I believe that number has now increased!"

As Johnkeen, along with many others sharing his goals, continues to strive for improved accessibility in Kenya, the government is also taking action. However, he is well aware that there is still a long way to go: "The government offers vocational training colleges and skills training. But in many education settings, young disabled people are still excluded because of a lack of education about disability and inclusion. And there's not enough access to assistive devices in education settings too. So, as you can see, despite progress, there's still work to do. And this is why I'm such a passionate advocate."

Work

Many disabled people want and are able to work, but all too often experience a hostile employment landscape. Discrimination and stigma, incorrect assumptions about capabilities or lack of access to reasonable adjustments can all play a part in disabled people being locked out of the labour market or hindered in achieving their career goals.

More than 9 million people of working age (16–64) in the UK are disabled. Despite some progress in closing the disability employment gap (the difference between how many disabled people are in work compared to how many non-disabled people are in work) wide disparities remain.

Just over half (53.7%) of disabled people of working age were in employment as of March 2023, which was unchanged from the previous year. The employment rate for people who are not disabled was 82.7%. Between 2014 and January to March 2023, the disability employment gap has reduced by just 4.8 percentage points.

Disabled people don't want special treatment, just a level playing field in which to demonstrate their talent. We lobby Government and

work with coalitions of disabled organisations to tackle the barriers that may be holding disabled people back when they are looking for work. Our research has consistently shown that around 1 in 5 recruiting managers are less likely to employ someone with a disability.

We have significant expertise in working with disabled people to support them to overcome barriers to employment. Through our award-winning Change 100 programme we match diverse talent with progressive UK companies and organisations, including some of the biggest name brands in the UK. Paid summer work placements and mentoring are available for disabled students and recent graduates. As well as supporting individuals to kickstart their careers, organisations benefit from guidance and training that helps them create inclusive workplace cultures and practices.

At the same time, our Training and Consultancy team works with organisations to help them develop best practice approaches to disability inclusion. This includes providing bespoke training to teams and managers, supporting organisations

654

Our Training and Consultancy team delivered training to 654 delegates in 2022/23

223

In 2022/23 we supported 223 young people to get paid internships through our Change 100 programme (2021/22: 141)

wishing to progress through the Government's Disability Confident scheme, as well as reviewing and developing inclusive policies and processes. Whatever the challenge organisations are facing, the T&C team can help.

Supporting disabled people into employment in the UK and expanding what we offer in this area will be a key part of our plans for the future – as we put in place the foundations for growing our impact in a sustainable way.

GradEmploy Success

Last year, we celebrated the success of a scheme in Northern Ireland that aimed to turn the tide on the poor employment rates of qualified disabled graduates. The GradEmployNI programme was funded by the UK Government.

Roisin McDermott, Programme Manager, said GradEmploy NI was developed due to the success of our Change 100 programme in England.

"We knew that young people with disabilities can find it more difficult to find employment," she said.

"The idea of the programme was to reach out to graduates, learn about their skills and disabilities, and find them a three-to-four-month work placement. Various types of organisations were enthusiastic to offer placement roles.

"We also wanted to build their confidence and business skills. So, we partnered with the University of Ulster Business school. The school delivered a one-week 'bootcamp' and a series of business workshops during their placements."

Twenty-five graduates with physical or hidden disabilities were supported. Almost half have hidden disabilities.

"Our aim for the graduates was that they will have greater job prospects at the end of it," said Roisin. "Also, that they will have an ability to do an interview and have the chance to apply their university learning in a real workplace."

Thanks to the success of the GradEmployNI Programme, one participant, Starr Hamilton, had the chance to gain work experience. Starr's placement was at Fresh Minds Education, a charity organisation based in Antrim.

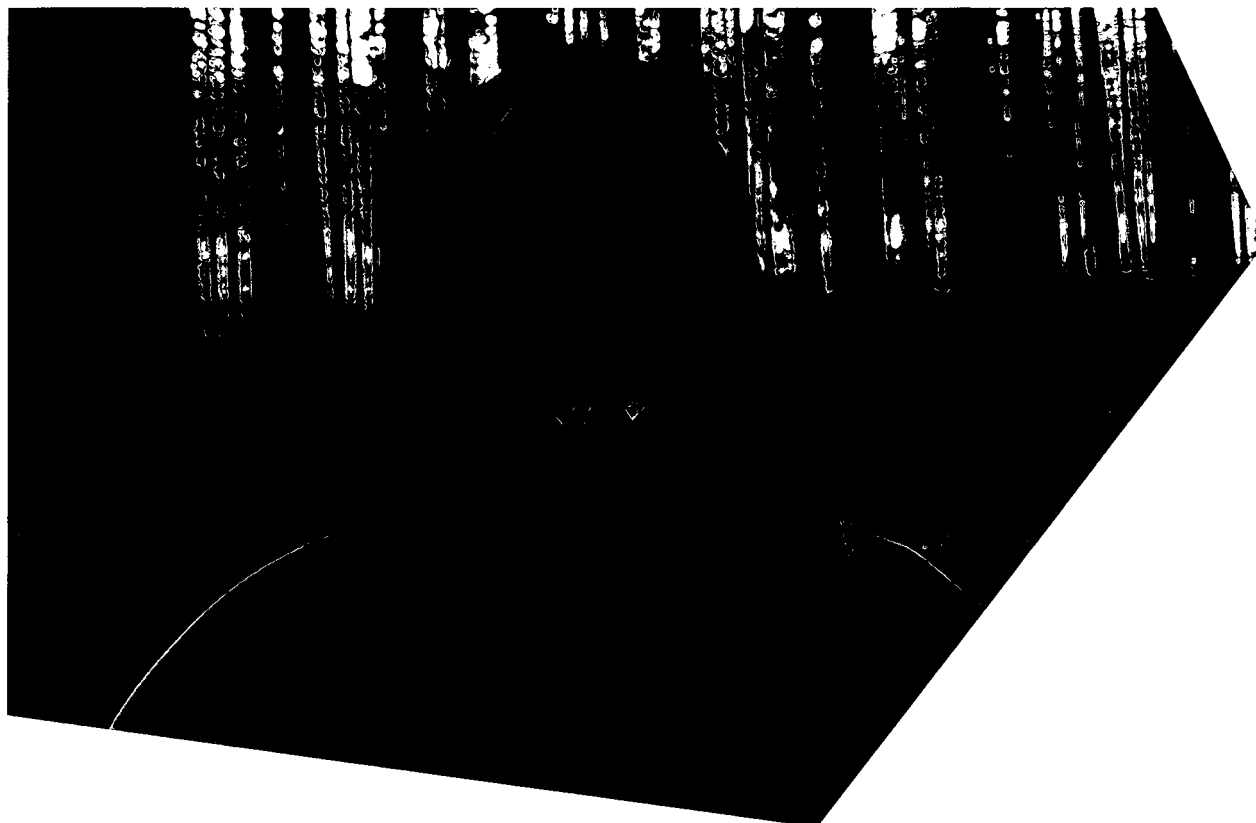
As a result of the experience she gained, Starr secured full-time employment with another organisation. Now she's looking forward to starting the next chapter of her graduate life, something she did not think would be possible beforehand.

"I have been watching my confidence grow day by day. I'm making new friendships, connecting with people and not being so into myself as I was before. I was very much a closed book. Whereas now I'm open to the idea of making friends and meeting new people in a way I wouldn't have been before. Without the placement, I don't think I could have secured full-time employment."

Starr Hamilton

1180+

In the 10 years of Change 100, the programme has supported over 1180 young people to get paid internships with leading UK employers



Change 100 – Sophie’s Story

Change 100 offers disabled students and graduates paid work experience with top organisations. The placements run across a range of industries and sectors. Participants also receive mentorship and take part in a professional development programme too. Running during the summer months, Change 100 is our leading employment programme.

Sophie, a participant in the Change 100 programme, took part in an internship within the engagement team at the National Lottery heritage fund, which distributes grants to projects that sustain and transform the UK’s heritage.

As well as a line manager, each Change 100 intern is assigned a mentor. Interns have regular meetings and catch-ups with their mentor, where the mentor will offer advice and support, and answer questions. The intern chooses the focus of each session, meaning it can be tailored to their needs. Sophie

said: “The relationship with my mentor was extremely positive and empowering. I hugely benefited from having frequent sessions. They were a great way of checking in with my progress and being able to celebrate it which was encouraging.”

Sophie says that she learned a lot about her strengths in the workplace, and what she can offer to employers, but also learned a lot about adjustments: “Before applying for the Change 100 programme, I had never known that asking for adjustments in a job or even during interviews or assessments were something that I could do. The process helped me think about how I could perform my best in an assessment. After the internship, I was able to understand what worked best for me and it encouraged me to think about what I could ask for in future interviews and assessments that would help me preform my best. Overall, it was a hugely positive experience.”

▲ Sophie McCrum,
National Lottery
Heritage Fund intern

Ingeus

The Training and Consultancy Team at Leonard Cheshire work with businesses and organisations to design, develop and deliver bespoke training and consultancy solutions to develop best practice approaches to disability in the workplace, and create impactful organisational change.

An example of their work comes in the form of Ingeus, a service provider who work to help create and improve employment, skills, health and wellbeing within businesses and communities, as well as supporting governments and employers to design and deliver services to solve today's challenges and improve opportunities for all.

Ingeus partnered with Leonard Cheshire for guidance on how to remove barriers, make adjustments and understand the practical actions that advisors should take to enable disabled service users to receive an inclusive and barrier free service.

The first stage of support was facilitating a workshop on disability and the anticipatory adjustments that Ingeus can make for disabled service users. This was followed by the second stage, which involved the delivery of two bespoke "Disability Inclusive Service" workshops. Our training primarily focused on enhancing the understanding of disability and implementing positive, practical changes that advisors could adopt to promote inclusive practices within their processes.

As part of the partnership, Leonard Cheshire seconded a member of staff to Ingeus across each region. The seconded advisors worked with Ingeus employment advisors offering support, information, and advice on how best to support service users to overcome barriers, and potential adjustments that can be made.

The feedback from the training showed that 100% of survey respondents agreed the training had met its objectives and their knowledge, skills and confidence had improved.

Training participants reported that they could now explain what is considered a disability. They could recognise legislation from the Equality Act 2010 related to disability and service provision. They were able to categorise the different models of disability, identify why disability matters to service provision and express what anticipatory adjustments can be made.

"I will apply the learning within my daily role when interacting with service users, probation officers and external providers, to ensure that the provision is inclusive and allows for people with disabilities to actively engage and participate within our ETE service." – Ingeus training participant



Fundraising

People are at the centre of all we do at Leonard Cheshire and this extends to the support we receive from generous people and organisations that fundraise for us, donate to us, or fund our projects and programmes. Thank you to everyone who chose to support Leonard Cheshire in the past year – we are truly grateful for your support. Below are just a few of our highlights:

Continuing to rise to the challenge

Despite the challenges of the ongoing cost of living crisis, the support we received from individuals remained a fundamental part of our fundraising at Leonard Cheshire in 2022/2023.

The reduction from last year in fundraised income reflects significantly reduced staffing and resource currently in this area, because of redundancies during 2022, reduced spend on fundraising activities and closure of programmes and projects.

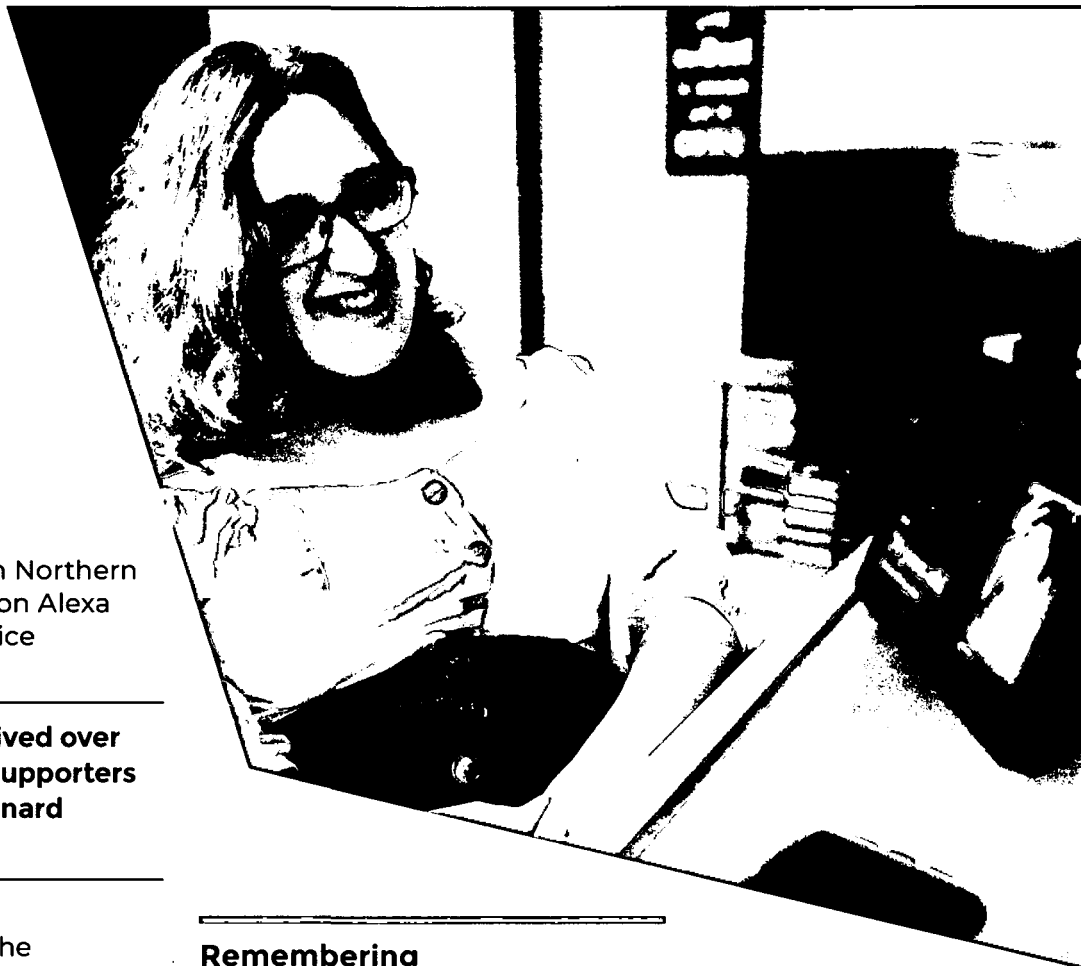
In 2023 we saw the London Marathon return to its normal April date just six months since the previous event in 2022. We were lucky to have some

£41,000+

Thanks to the fantastic fundraising efforts of our supporters who ran the London Marathon, more than £41,000 was raised for Leonard Cheshire.

amazing supporters donning their running shoes and taking to the 26.2 mile course, all raising funds for Leonard Cheshire. In total our supporters raised over £41,000.

Our dedicated supporters continued to donate and show unwavering support to our organisation. There was an incredible response to our Christmas Appeal. Our Christmas story centred around one of our residents, Jane, who has progressive Multiple Sclerosis (MS) and is losing the ability to speak. As part of our assistive tech project, we recorded and 'banked' Jane's voice using specialist technology. This means that she will be able to use her own voice to speak once she is no longer physically able to. Jane is an incredible woman and as a preacher, vicar and lecturer her voice is a huge part of her life, so we are thrilled to be able to give Jane her voice back and future proof her ability to live as she chooses.



► Natalie, a resident in Northern Ireland with her Amazon Alexa Echo smart-home device

In 2022/2023 we received over £3.6m from amazing supporters who remembered Leonard Cheshire in their Will.

It's difficult to escape the challenges we're facing as a country, but even during these unsettling times our supporters dug deep and raised £35,661 in response to Jane's story. On top of this, more than 80 individuals signed up to become Leonard Cheshire campaigners; proving again that our supporters are truly committed to building a more inclusive world for disabled people.

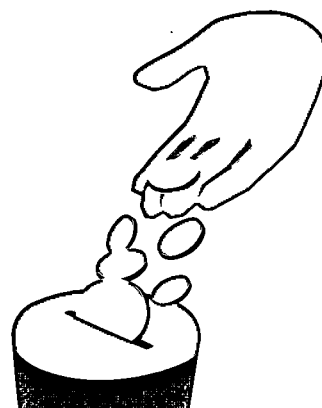
A helping hand through technology

Jane's story was one example of the work we are pioneering through our assistive technology hub at Hill House, in Cheshire. In 2022/2023, thanks to further funding from a number of grant-making Trusts and Foundations, we have been able to take what we've learned at Hill House and apply it to other Leonard Cheshire homes across the North West of England. Such funding is vital in our attempts to bring the best integrated person-centred care, utilising cutting-edge technology, to all our residents.

Remembering Leonard Cheshire

Gifts in Wills makes up a significant proportion of our annual donated income. Gifts of any size build a brighter future with more choices and opportunities for disabled people.

In 2022/2023 we received over £3.6m from amazing supporters who remembered Leonard Cheshire in their Will. People like Mabel, a physiotherapist from Bath, who saw and treated many patients from all walks of life both in the hospital where she worked and in their own homes. Mabel became disabled in later life due to arthritis. She empathised with those who lived with disabilities, and she wanted to further the possibilities for those who need it, so she included Leonard Cheshire in her Will. Mabel supported others all through her life and when she died aged 94, through her generosity in leaving a gift in her Will, has continued to support disabled people well into the future, for which we are eternally grateful.



Our People

At the end of the financial year, we employed 4,479 people across our UK organisation, with 92% being employed in front-line social care or support roles. The headcount figure is down 6.3% from the prior year.

In light of the turnaround focus, staffing changes and programmes ending we paused centrally managed volunteering. A small number of volunteers continue to provide much valued support across some of our homes.

The year was dominated by the organisational turnaround, and activities included two rounds of voluntary redundancy and a compulsory redundancy programme, with employees leaving by the end of March 2023. The largest reduction in our headcount was in non-front line roles, known as Support Services, which saw a reduction of nearly 30% over the prior year, with roles removed across all teams and functions.

In addition, we took the difficult but necessary decision to close our international programmes, closing the majority of our offices and operations across 13 countries within the financial year.

Recruitment

It continues to be a challenging and competitive recruitment landscape for us to work within, with the social care sector saturated with vacancies and our financial challenges making it difficult for us to stand out against upper quartile competitors within the sector.

We have, however, held our own. By maximising the benefits from changes we introduced to our pay for unsociable hours shifts, we received almost 15,000 applications for frontline roles, which was up over 200% from the prior year, during which Covid had continued to have a great influence on the recruitment market.

We continued our targeted recruitment initiatives throughout the year, including:

- Recruiting nurses from Zimbabwe with the final nurses of the seven we recruited arriving during the year. All nurses remain with us and have established themselves as key members of the teams, with all having passed their Objective Structured Clinical Examination (OSCE) qualification which is a legal requirement for them to be able to stay and work in the UK.

At the end of the financial year, we employed 4,479 people across our UK organisation, with 92% being employed in front line or support roles for the front line.

- Our social media 'Make life happen for a Living' recruitment campaign continued; this was focused on recruiting for hard to fill vacancies in our most challenging locations, targeting non care staff to raise awareness of flexible opportunities, and the job satisfaction caring roles provide. The results of the first phase showed significant success with a cost per hire of £254, with the funding coming from Local Authority grants.
- We ran an extension of the campaign, specifically aimed at the older generation, recognising that many who may have retired early, or reduced their working hours, might now – due to the cost of living crisis – be seeking further work on flexible hours.

We are a Disability Confident Leader, having undergone external assessment of our processes around employing, supporting, and developing our disabled colleagues.

As a Disability Confident Leader, we are committed to fully supporting applications received from people with a disability and offer a Guaranteed Interview Scheme. We ensure accessibility throughout the recruitment process and proactively offer reasonable adjustments at all stages. Changes to support each applicant and offered employee are made where possible to meet individual needs.

To support the ongoing employment and support of our disabled employees, Leonard Cheshire has well-established policies and practices in place including Disability Leave.

The identification of barriers and workplace adjustments to support disabled colleagues is integral to our Performance Management process, ensuring that these employees receive the support and development opportunities to thrive at Leonard Cheshire.

Employee Networks

We want Leonard Cheshire to be a diverse and fully inclusive employer, where colleagues can be themselves and feel that they are the core of the organisation.

We have four employee led networks:

- Disability Employee Network (DEN)
- Women
- Pride
- Cultural Diversity and Inclusion

We have been engaging with these networks during the course of the year to support the rebuilding process following the reduction in employee numbers as a result of the financial turnaround. We have looked at how we can rebuild and grow the networks as well as establish a single Equality, Diversity, and Inclusion strategy for Leonard Cheshire. This work continues to be a key focus for us as we develop our policies and practices to ensure that all employees and candidates have full and fair opportunity to join and progress within Leonard Cheshire, with appropriate adjustments being made to support colleagues in their work and progression.

We want Leonard Cheshire to be a diverse and fully inclusive employer, where colleagues can be themselves and feel that they are the core of the organisation.

The Staff Association continues to provide valuable support for colleagues across the organisation but during the year lost its long established Chair through retirement. With a new Chair, we have worked closely to review and refresh the structure and support that the Staff Association brings to colleagues, focusing particularly on how we ensure it is a fluid two way communication forum, and increasing the number of representatives across our front line services.

Developing our People

With the financial turnaround focus this year our development focused predominantly on maximising the Apprenticeship Levy and supporting employees to gain job related skills and knowledge, as well as accredited qualification.

We provided apprenticeships from level 2 to level 7 covering 18 different subjects across frontline and support services roles including:

- Adult Care Worker
- Healthcare Assistant Practitioner
- Production Chef
- Lead Practitioner in Adult Care
- Team Leader / Supervisor
- Advanced Credit Controller Specialist
- Coaching Professional
- Business Administration
- Fundraising

With the organisational challenges we have faced we have reviewed our apprenticeship levy programme and refocused it to include:

- Programme expansion to include new colleagues, improving the recruitment pipeline
- Creation of clear development career pathways
- Expansion of the Leonard Cheshire Learning Academy to include apprenticeship programmes

We also launched a Discovery Insights Leadership Development programme, partnering with Westminster Associates to facilitate the development of the new Leadership Team before rolling the programme out to the Senior Management Team across the organisation.

Supporting our People

The cost of living crisis will have a disproportionate effect on many of our staff when compared with those working across other sectors. We have therefore looked at ways we can support employees which has included loans and advances to address short term requirements and needs.

We have also partnered with WageStream, which is being implemented for all employees and will enable employees to access part of their money earned ahead of payday as well as provide financial tools and benefit entitlement support.

With the move to full home working for our Support Services roles during the pandemic we have continued to provide ongoing support through our employee assistance programme and have started to reestablish regular in person meetings and opportunities for teams and individuals to come together.

Financial review

The financial year 2022/23 was a transformative year. Per the Chair's opening comments, in April 2022 the charity reported a serious incident to the Charity Commission relating to the charity's financial challenges. This triggered a statutory inquiry which is ongoing, the details of which are outlined in the Chair's opening comments.

Whilst the charity has continued to exit unviable situations a significant deficit (£9.3m before actuarial loss) was incurred during the period due in part to continued redundancy and exit costs, increased staff costs owing to a shortage of suitably qualified workers, reduced programme activity, fewer donations and legacies and lower gains on disposal. However, the streamlined headcount and more effective recruitment initiatives position the charity well for the future. Further details of transformation actions are provided in the Going Concern section of this review.

As part of the transformation, and using our professional advisors, we have developed a finance function road map which, amongst other things, will strengthen and improve our financial controls and processes. Specifically, work is already underway to review and strengthen our month end financial controls and processes whilst also improving our financial systems.

Charitable activities

Our major sources of income are fees and grants in respect of social care services, alongside grant income to deliver predominantly UK programmes. Our services and programmes are all delivered with the objective of supporting disabled people to live independent lives, in line with our fundamental purpose. There are great examples throughout this report of how we empower people to live and work as independently and productively as possible.

Social Care financial performance in 2022/23, remained consistent. Income increased year on year, from £133.5m (restated) in 2021/22 to £141.8m in 2022/23 due to a determined effort on fee increases more than offsetting a slight reduction in occupancy. Fee discussions continue and will be regularly reviewed to ensure we obtain an appropriate fee for the services provided.

Our International Programmes show an income of £3.4m compared to £5.1m in 2021/22, with the reduction in income primarily due to the charity consciously exiting certain programmes in 2022/23. Our UK Programmes income reduced from £3.3m in 2021/22 to £1.5m in 2022/23, with the reduction in national lottery funding. Expenditure on charitable activities increased from £159.3m

(restated) in 2021/22 (97.6 per cent of total expenditure) to £160.3m this year (98.7 per cent of total expenditure). The increase in cost was primarily due to higher staff costs in our social care services.

Donations and legacies

Donations and legacies income decreased from £7.6m to £4.5m this year, primarily due to a decrease in legacies. Expenditure on fund raising also decreased from £3.3m to £1.6m, while the ratio of our donations and legacies to the cost of generating voluntary funds increased from 2.3:1 to 2.8:1.

Gain on property disposals

There is a net gain on disposal of properties (including Bungalows 2 & 3 Hill House, 6 Dollis Court, 4 Romulus Close, 2 Thornhill Close and 3 Cranford Avenue) of £1.1m included within the income this year, compared to £4.9m last year.

Total expenditure

Total expenditure before gains/losses on pensions decreased from £163.3m (restated) to £162.3m this year. Our expenditure on activities that directly relate to delivering social care activities increased from £148.1m (restated) to £153.8m, which was primarily the result of increased staff costs, mainly agency, due to a shortage of suitably qualified workers in our social care business.

Net movement in funds

There was an overall net decrease in funds from £94.7m (restated) to £83.7m. The charity is experiencing continuing

deficits, because the cost of service delivery is higher than the fees generated. The focus now is to negotiate inflationary fee increases across our social care services, eliminate any residual deficits across our programme activity and further reduce central costs. The deficit on our defined benefit pension schemes marginally decreased from £0.03m to £0.008m, as certain of the groups pension schemes are accounted for as defined contribution schemes in accordance with accounting standards despite having defined benefit features as the information necessary to determine the asset and liability values of the groups share of these multi-employer schemes is not available. The Pension Trust Growth Plan scheme has a surplus restriction that eliminates any surplus entirely. At March 2023 this surplus cap was £2.031m.

Funds/Reserves

Subsequent to the publication of the financial Annual Report and Accounts for the year ended 31 March 2022, a review of the charity's processes for fund accounting, identified that the governance and systems in this area were historically weak. This meant that eligible restricted expenditure had historically been attributed to unrestricted funds rather than restricted funds. Management has completed a review of all available financial information and restated the reserves position as at 1 April 2021 and for the year ended 31 March 2022. As set out in more detail in note 26 to the financial statements, this has resulted in an increase in the level of expenditure allocated against restricted funds.

The total amount of all types of funds held by the Charity totals £83.7m (Restated 2021/22 £94.7m). The total amount of restricted funds, including assets acquired using restricted funds that will be amortized over their life, is £21.3m (Restated 2021/22 £21.7m). This includes £1.1m relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per charity law. The amount of unrestricted funds totals £61.5m (Restated 2021/22 £72.2m).

These overall funds are partially represented by net cash and cash equivalent balances of £2.2m (2021/22 net £1.1m overdrawn because of group funds of £0.2m) but primarily by tangible fixed assets, intangible fixed assets, and investments of £86.1m (2021/22 £91.5m).

The reserves policy was last reviewed in March 2023. We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, adequate working capital, planned development projects and scenario planning for the potential impact of risk, such as an event similar to the Covid-19 pandemic.

The current policy is set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and their possible financial consequences. The target level for those cash and managed investments available

should exceed four months of our annualised, risk adjusted cashflow, but should not exceed seven months. The risk adjusted cashflow is the net cashflow excluding property sales with an assumed notional 10% reduction in income levels whilst expenditure continues unchanged.

The reserves policy requires us to have levels of cash and managed investments of between £8.9m and £15.7m. As at 31 March 2023, we had positive cash balances of £2.2m excluding service user funds. The continued delivery of the turnaround plan, principally the property disposal programme, has meant that at the point of signing the financial statements the charity was within its reserves policy even though it was outside of the policy as at March 2023.

Within the overall reserves policy the trustees have reviewed the approach taken to the maintenance of assets related to restricted funds and, with effect from 1 April 2024, it is the charity's intention to support its restricted funds with a higher level of liquid assets (excluding the value of any liquid assets that have been acquired with restricted funds).

Where assets are acquired from restricted funds to be used for activities related to that restricted fund the asset is "allocated" against the fund with depreciation charged against the fund over the life of the asset.

Going Concern

The financial year 2022/23 was the first year of a multi-year turnaround plan that followed successive years of reported deficits at the charity. The actions taken mean that the charity is leaner, more focused and increasingly commercial. A successful disposal programme has also meant that the charity has not needed to use its credit facilities in the nine months to December 2023.

Disposal Sales - FY2023/24

Sale Type	Service	Proceeds £000's	Status
VP *	DLDS Maiden Castle Road	433	Sale completed Apr 23
VP	DLDS Birch Way	427	Sale completed May 23
VP	The Risings, Exeter	538	Sale completed May 23
VP	Agate House	4,605	Sale completed Jun 23
VP	Greenhill House	1,804	Sale completed Oct 23
VP	Alder House	2,812	Sale completed Oct 23
Completed Sales		10,619	

*Vacant possession

Specifically, year one of the turnaround involved 275 redundancies as all central support functions were overhauled, improving the operational efficiency of our care business, a significant reduction in both our UK and international non-care programmes, continued fee negotiations with all of our funders as well as the commencements of a disposal programme to bolster liquidity and fund the restructuring costs.

Year two of the turnaround plan for the financial period 2023/24 targets an overall surplus for the charity and nine months into the financial period this is on track. This will be achieved by the improved efficiency of our social care business, the resolution of any loss-making activities and a specific focus on the financial

performance of our Scottish operation further to a change in leadership. The turnaround plan will continue to include property disposals as we consolidate and modernise our portfolio of services and the sale proceeds will continue to boost liquidity.

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements, the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes that extend to 31 March 2025.

Given the overall uncertainty of the wider economic outlook, including the continued financial challenges across the Care Sector, alongside the charity's progression

through its turnaround plan, a number of different scenarios have been considered including a severe but plausible downside scenario. This downside scenario assumes a fee increase for 2023/24 of 6.15% which is lower (with little risk of fluctuation given we are over 9 months into the financial year) than the actual fee increase expected to be achieved for the year of 6.35%. The fee increase assumption for 2024/25 for the downside scenario is a prudent 5%.

From April 2024, the downside scenarios assumes that the National Minimum Wage increases by 10%, non-care staff wage increases by 4% and general inflationary price increases of 4%.

This scenario also only captures disposal proceeds that had already been received at 31 December 2023 despite strong interest in our pipeline and our proven track record to date. In this severe but plausible downside scenario the charity doesn't use its current credit facilities at any time (an uncommitted £5m overdraft facility with Barclays Bank to fund general corporate purposes as at the time of signing the financial statements).

Furthermore, the benefit of several initiatives that are already underway are excluded from the afore mentioned downside and base case scenarios. These include a significant improvement in the financial performance of our Scottish business following the change in leadership. Likewise, we have reassessed the care needs of every England care home resident that we support which, when combined with our new costing model, will provide granular analysis for

targeted fee discussions. A similar approach is expected to be extended to our supported living operations. There is also further upside by improved rostering. Consequently, our downside modelling is considered to be very prudent.

However, if the financial recovery did stall, several levers are available to further preserve liquidity. These include using the headroom in our existing credit facilities, increasing our credit lines and increasing the value of our intended pot of disposals, particularly where we have received unsolicited offers. Furthermore, our monthly performance reviews and our short and medium term cash forecasting mean that such a situation should be identified well in advance of it occurring so that there is sufficient time for remedial action to be taken.

Conclusion

Taking into consideration that Leonard Cheshire is now in a positive cash position, is expected to generate a surplus in the financial period ended March 2024 and we are making good progress with the property disposals, the Trustees consider that it is appropriate for the financial statements to be prepared on a going concern basis given there remains adequate liquidity in the base case and downside scenarios.

Balance Sheet

Although the overall debtor balance reduced to £21.6m (£28.2m: Restated 2021/22) this was predominantly driven by a reduction in accrued income to £4.0m (£14.1m: 2021/22) as the prior year backlog billing issue due to poor system processes was resolved. Trade debtors were £16.8m (£12.9m: Restated 2021/22), the increase being driven by the resolution of the prior year's billing issue, which was completed late in the 22/23 year, resulting in the year end debtor build up. Overall creditor balances falling due within one year increased to £25.4m (£21.0m: Restated 2021/22) driven by increases in other creditors, taxation, and deferred income. Our net cash balance (including service users' funds) has increased to £4.0m (£0.7m net of overdraft 2021/22). There was a revaluation of investment properties carried out as at 31 March 2023, which resulted in an unrealised revaluation gain of £0.5m. At year end, we provided for £0.8m of redundancy costs for the redundancy process which is expected to complete in the financial year 2023/24.

Cash flow

Our net cash flow from operating activities increased from £0.001m to £2.2m this year. The positive cash inflow during the year was driven by the one off impact from the reduction in working capital due to the resolution of the prior year billing issues and delayed payment terms agreed with HMRC. We received £2.1m cash (Restated 2021/22: £5.7m per cash flow) from the sale of property, plant and equipment and received

£0.1m from investment returns (2021/22: £0.1m). We invested £1.2m in fixed and intangible assets in the year (2021/22: £4.2m). We have £0.6m (split between current and non-current) of external debt as at 31 March 2023 (2022: £0.6m) which primarily relates to a social investment loan, approved by the Welsh Government. On 31 March 2023 we had positive group funds of £2.2m (2021/22: net £1.1m overdrawn). The cash was held in retail bank accounts. Amounts relating to disabled people who use our services of £1.8m (2021/22: £1.8m) were held in trust on their behalf.

Prior year restatements

A number of prior year restatements have been identified which relate to funds, capital grants and VAT. The detailed explanation and impact of these can be found in Note 26.

Fundraising practices

Leonard Cheshire raises funds from the public through individual giving. This includes: direct marketing, both online and offline generating, one-off donations and regular gifts in the form of direct debits/standing orders. We promote and receive gifts in wills and supporters raise money through participating in challenge events such as the London Marathon and Great North Run. We also work with corporate partners and apply to trusts and foundations and other funders, such as the National Lottery, to fund specific projects.

Leonard Cheshire does not exchange or share data with other organisations and have

reduced our use of third-party data for direct mail campaigns. We request evidence of consent for third party communication for each source of data and decide to use the data on a case by case basis in line with the law and the Information Commissioner's Office (ICO) recommendations. Where consent is expressed, it is captured compliantly and recorded on the Leonard Cheshire central customer relationship database.

In 2022/23 we received 8 complaints regarding our fundraising activities (2021/22: 13). None required escalation or referral to external organisations, and all were dealt with internally. Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (CioF) and the Direct Marketing Association (DMA). All required schemes and standards were complied with. All supporter data, for both individuals and organisations is secured in line with The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679). As the laws about personal data continue to develop, we will update our privacy notice accordingly. We respect the rights of our supporters and their preferences to be erased, removed or forgotten at any point in time on their journey supporting Leonard Cheshire. We place great care to ensure that all of our fundraising practices are carried out in an ethical manner, compliant with all regulatory requirements. This is to ensure that all people, especially those who might be vulnerable are not at risk of encountering unethical practices in relation to Leonard Cheshire. All fundraising communications

provide supporters information on how they can contact us via our Supporter Care Team on email or phone; emails also include an option to unsubscribe. Our Fundraising team is trained to help supporters with queries, concerns or to update their communication preferences.

Subsidiaries

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered Company and charity with the Manx Government. This year, incoming resources were £0.52m (2021/22: £0.57m) and total expenditure was £0.61m (2021/22: £0.52m). This means that the Isle of Man services recorded net outgoing resources (loss) of £0.09m (2021/22: incoming resources (profit) of £0.04m).

The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income in 2022/23 was £28.5m (2021/22: £26.1m), and total expenditure was £28.2m (2021/22: £23.8m). It gift-aided £0.3m (2021/22: £0.7m) to the Charity.

The Charity also had a subsidiary, Leonard Cheshire Trading Ltd, which ceased trading in May 2022

Leonard Cheshire International is a subsidiary established in the Republic of Ireland in 2019. Leonard Cheshire USA inc is a subsidiary registered with the tax authorities as a non-profit corporation in the State of Delaware, USA. In July

2022, the Board of Trustees approved the decision to wind up the Leonard Cheshire International and Leonard Cheshire USA subsidiaries – the activity for which is underway and expected to complete by the end of March 2024.

The Charity has two dormant subsidiaries: Leonard Cheshire Trading Ltd, and Leonard Cheshire Trading Ltd (Isle of Man).

During 2022/23, the Charity made the decision to close its regional offices in India, Kenya, Zambia, and Thailand following on from the strategic withdrawal of international program delivery. The closure and deregistration process will be completed in 2023/24.

Streamlined Energy and Carbon Reporting

Environment Intentions

Leonard Cheshire recognises the global challenges presented by climate change and the responsibility it has to reducing the impact of the charity on the environment.

We are therefore committed to reducing our energy, fuel water and waste consumption.

We are particularly mindful that people with disabilities are more likely to be affected by global climate change and are more vulnerable to its negative effects.

Leonard Cheshire is therefore committed to be operating as Net Zero by 2050.

Environmental Approach

The charity has developed our Carbon Reduction Plan and an Environmental Delivery Plan to enable us to set objectives linked to our Net Zero Values to improve on our impact on the environment.

During 2022/23, Leonard Cheshire has continued to use our Carbon Reduction Plan and Delivery Plan to implement our Net Zero Values:

- Maintaining our existing resources
- Buying renewable energy
- Reduce the waste we produce
- We use the resources we need to use
- Electric rather than gas and oil
- Generate more energy ourselves
- Offsetting the carbon which we used

Our Net Zero principles since the baseline reporting period of 2019/20 have delivered an overall carbon reduction in the 2022/23 reporting year of 1,268 tCO₂e a 13% reduction.

This reduction was realised in **Scope 1** emissions which continue to be impacted by the reduction in service premises and the move to home working for our office-based workforce. Our environmental initiatives to use less energy are now embedded into our work practices and the organization continues to seek the introduction of more efficient gas boilers where heating systems are replaced, or parts are replaced.

The reduction in **Scope 2** emissions has been achieved through the continued implementation of environmental initiatives to use less energy by replacing lights with energy efficient lights, improved heating control systems, smart metering and only using energy when we need to do so through timers and motion detection lighting. In addition to these initiatives in our services the organization has moved to home working for our office-based staff leading to less **Scope 2** energy consumption within our office premises.

There has however been an increase in **Scope 3** emissions relating to the use of personal vehicles. This has been impacted by bringing the statutory compliance task of completing Fire Risk Assessments in house which had the effect of transferring the carbon from the journeys from **Scope 1** to **Scope 3**, and the reduction of the provision of company cars to our staff which has also had the effect of transferring the carbon from the journeys from **Scope 1** to **Scope 3**, where staff replace the provision of a company car with a personal vehicle.

This negative impact should be limited to 2022/23 and due to the previous investment in IT leading to a reduction in the number of face-to-face meetings where travel is necessary, and this should be reflected in future years reporting figures.

Looking Forward to 2023/24

We have developed a 5-year Environmental Delivery Plan which sets the key environmental objectives for implementation.

The key focus of this plan in 2023/24 focuses on the following activity:

1. Evaluating key areas of our environmental impact to identify improvements.
2. Establish local "Green teams" to drive forward environmental objectives at a local level.
3. Improvements to the quality of our environmental data from our suppliers to make it easier to quantify our environmental impact.
4. Improvements to the quality of our internal environmental impact so information can be shared to drive forward local initiatives.

Baseline Emissions Footprint

Baseline emissions are a record of greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Our baseline figures are from the financial year 2019/20 and have been reported consistently on a yearly basis within our annual report.

Carbon Footprint Reporting

The company's greenhouse gas emissions and energy consumption is reported in tonnes of carbon dioxide equivalent (**tCO₂e**) and is broken down as follows:

Carbon footprint (Greenhouse gas emissions)		2022/2023		
Type of emissions	Activity	kWh	tCO ₂ e	% of total
Direct	Services Gas	18,214,836	3,325	40.8%
(Scope 1)	Services Oil	5,097,958	1,258	15.4%
	Services LPG	3,073,143	659	8.1%
	Company Vehicle	701,129	169	2.1%
Energy Indirect (Scope 2)	Services Electricity	9,503,551	1,838	22.6%
Other Indirect (Scope 3)	Personal Vehicle	879,810	880	10.80%
	Flight	54,906	10	0.12%
	Train	51,049	7	0.09%
Total gross emissions (tCO₂e)			8,146	
Total energy consumed (kWh)		37,576,382		

Intensity metric

Number of employees (FTE's)	3131
Tonnes of CO₂e per employee	2.60

Carbon Footprint (Greenhouse Gas Emissions)

Type of emissions	Activity	tCO ₂ e			Year on year variance	Baseline variance
		2022/23	2021/22	Baseline		
Direct (Scope 1)	Services Gas	3,325	3,877	4,026	85.8%	82.6%
	Services Oil	1,258	582	1,295	216.2%	97.1%
	Services LPG	659	453	555	145.5%	118.8%
	Company Vehicle	169	294	290	57.5%	58.3%
Energy Indirect (Scope 2)	Services Electricity	1,838	1,966	2,361	93.5%	77.8%
Other Indirect (Scope 3)	Personal Vehicle	880	226	714	389.3%	123.2%
	Flight	10	–	112.8	–	8.8%
	Train	7	6	59.5	116.7%	11.8%
	Ferry	–	–	0.2	–	–
	Taxi	–	–	–	–	–
	Overseas Internal Journeys	–	56	–	–	–

Intensity metric

	tCO ₂ e		
	2022/23	2021/22	Baseline
Number of employees (FTE's)	3131	3407	3822
Tonnes of CO ₂ e per employee	2.60	2.19	2.46

Assessment parameters

Baseline year	2019/20
Reporting organisation	Leonard Cheshire Disability
LCD Environmental Leads	Karl Monet, Head of Health, Safety and Environment
Reporting period covered	1 April 2022 – 31 March 2023
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification 2019 baseline	Supported by Energy Managers Association Lead Assessor

Principal risks and uncertainties

The Trustees are ultimately responsible for risk management. As part of a governance review and improvement initiative, the board have approved a new risk management framework which is currently being implemented.

This year, the risk agenda has been dominated by financial turnaround and associated measures, as well as a focus on future strategy, governance, and care quality.

The ongoing underfunding by central government of social care across the sector remains a concern for us and other providers. Fee negotiations with local authorities are progressing based on the actual cost of care provision, including the changing needs of service users and inflationary impacts.

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

Improved oversight of agency staff usage in services, and other controls, are being embedded. We have strengthened our resources in the areas of quality, safeguarding and regulatory compliance. Where we have exited from services, we have done so in a way that is responsible, seeking to achieve the best outcomes for residents through working with partners.

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

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

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

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	– Regular monitoring of Local Authority fees and payments, with plan focused on securing inflationary fee uplifts and fee recovery – Individual care needs assessment being carried out to identify necessary fee increases in line with care needs – Review and reduction of operating costs: Reduction in agency costs through improved controls, recruitment, and retention of permanent staff. Reducing non-labour costs through improved controls – Future strategy being defined with primary focus on care services and review of portfolio being undertaken
Loss of public trust	– Governance frameworks and practices reviewed including self-assessment of compliance with Charity Governance Code, action plan defined and being implemented – All policies and guidelines being reviewed, with Quality and Finance prioritised. Safeguarding and ethical policies updated, and staff trained as appropriate – Compliance with relevant regulations and proactive engagement with Regulators, including proactive cooperation with the Charity Commission on the Statutory Inquiry – Proactive management of media, government, and civil society relationships
Failure to meet safe quality standards	– Recruitment of Executive Director Quality and Clinical Care and strengthening Quality team – Baseline audit of all services undertaken, with action plans being defined. – Investment in operational care quality improvement team – Clinical guidelines in place with clear instructions to staff to ensure the safety of the people we support – Rigorous Safeguarding, Serious Incident, health and safety, recruitment, and whistle blowing procedures – Serious Incidents Policy and Procedures – Safeguarding All Framework & Policy reviewed annually. Comprehensive national guidelines in place – Executive and Quality & Safety Committee oversight

Potential risk:	Action taken to mitigate:
Major disruption to some or all of our activities for prolonged period (e.g. a pandemic similar to Covid-19)	– Executive Management ownership and three stage crisis management plans in place (response, transition, and re-set) – Evaluation of impact around staffing levels and staff morale and wellbeing – Financial modelling and stress testing scenarios in place to ensure resilience and sustainability – Board, Audit, Risk and Finance Committee, People Committee oversight
Serious breach of information or cyber security; failure to uphold rights of all individual data subjects	– Executive Management ownership and support for information Governance and Security issues – Monitoring and maintenance of the Data Processing Management System and business ownership for data processing activities – Data protection policies built into terms and conditions for all staff – Mandatory staff training undertaken on Information Governance and Security – IT security policies in place – Firewalls, automatically updated anti-virus software and email/internet filtering – Multi-factor authentication for accessing IT systems and VPN to encrypt information
Failure to manage turnaround and change programmes such that cost savings are not realised or adverse outcomes to service delivery are experienced	– Turnaround plan to deliver savings and funding agreed with Trustees and key stakeholders and delivery being monitored and updated as necessary – Active engagement with banking partners and other external stakeholders with regular updates – Monthly monitoring of deliverables by Board of Trustees – Revised Delegation of Authority implemented and costs being controlled – Improving credit control arrangements – Strengthening financial controls

Plans for future periods

Since Leonard Cheshire was founded, the world has changed, but not enough for people with disabilities. To continue to deliver impact for many years to come, we are resizing and reshaping for the future.

We believe in a fair and inclusive world, where everyone can live as they choose. Central to our ethos is independence, dignity and respect, with our service to people with disabilities front and centre of everything we do.

In future, Leonard Cheshire will primarily be a high-quality care service provider of residential, nursing and supported living services for people with severe physical disabilities (our core competence).

In future, our services will be purpose designed, technology enabled, well equipped, 'home from home', and situated close to communities, with good transport infrastructure and access to local labour.

Our services will work under a commercial operating model, whereby we are able to provide high standards of care through being paid fair fees based on the changing needs of our residents.

Leonard Cheshire will continue to be a strong advocate for fair cost of care and other policy agendas that support our primary care service area and mission.

We will continue to promote employment of young people with disabilities, through Change 100 and Training & Consultancy and our advocacy.

To build the foundations for the future, over the next three years we are progressing our turnaround plan, set in February 2022.

Our other priorities for next year are:

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

- a. Review and improve our quality, safeguarding and improvement teams.
- b. Reduce our reliance on agency workers.

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

- a. Review portfolio of UK services to improve financial sustainability and increase liquidity.
- b. Negotiate fair fee increases with care funders to address inflationary increases and additional support needs of people who use our services.
- c. Over time, it is the charity's intention to support its restricted funds with a higher level of liquid assets.
- d. Restructure central support functions aligned to future strategic focus.
- e. Further consolidate programmes portfolio.

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

- a. Influence national policies, strategies and standards in social care.
- b. Increase the impact of Change 100 (internship programme) and our training and consultancy support for employers.
- c. Influence the inclusive employment agenda in the context of new approaches from Government.
- d. Lobby and influence to ensure adequate support for disabled people during the cost of living crisis.

Structure, governance and management

Registration

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

Objects and public benefit

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

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2022/23. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Further detail on the public benefit can be found in the section on Objectives and activities. Details of our charitable activities, achievements and performance are included on pages 7-16.

Governance and operating structure

The Board of Trustees (the 'Board') meets at least four times a year. Each year, we approve the annual budget and review the strategic plan of the Charity. Trustees set the strategic direction for the Charity.

In 2022/23, the Board led a recruitment exercise to identify a new Chair of the Board of Trustees, resulting in the formal appointment of Neil Goulden in March 2023, which followed the retirement of the previous Chair, David Grayson.

The Board of Trustees have delegated authority to Ruth Owen, the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an Executive Team, all of whom are officers of the Charity. Advisers to the charity are listed on page 125.

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

In 2022/23, there were five board committees: Audit and Risk, Finance, Governance and Nominations, People, and Quality and Safety. From July 2023, following an extensive review of governance arrangements, there are four board committees comprising: a merged Audit, Risk and Finance Committee, People, Remuneration and Nominations, and Quality and Safety. Trustees for the period of the report are listed on page 123.

The People Committee is chaired by Valerie Todd. It was chaired by Stephen Duckworth until December 2022, and subsequently under Hilary Sears until July 2023. The Committee meets at least four times per year.

It is responsible for:

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

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

The Quality and Safety Committee was chaired by Randal Mair until September 2022 and is now chaired by Michele Golden. This Committee meets at least four times per year.

It is responsible for:

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

The Finance Committee was chaired by Adam Wiltshire until March 2023. During the second half of 2022/23, it met on a monthly basis to support the Board in fulfilling its oversight of financial performance.

The Committee has now been merged with the Audit and Risk Committee to create the Audit, Risk and Finance Committee from July 2023, which is chaired by Stephen Billingham.

The Audit and Risk Committee was chaired by Philip Cassidy until July 2023. The Committee met quarterly during 2022/23.

The Committee has now merged with the Finance Committee to create the Audit, Risk and Finance Committee from July 2023.

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

- Ensuring that robust financial reporting, risk management and internal control principles are applied and are adequate
- Reviewing policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Considering the appointment, remuneration, effectiveness, and independence of internal and external auditors

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

The Governance and Nominations Committee was chaired by Colin Hunter until October 2022, and subsequently by Hilary Sears until July 2023. From July 2023, it has been reconstituted as the Remuneration and Nominations Committee, and is chaired by Neil Goulden. The Committee meets on an as-required basis. It is responsible for:

- Overseeing and planning Board and Committee governance arrangements related to membership, succession, composition, skills, training,

diversity and appraisal of Trustees and the CEO

- Monitoring and ensuring an effective Board composition, including identifying and recommending new members of the Board of Trustees, succession planning, Trustee skills assessment and mapping of skills to corporate needs
- Overseeing strategy for reward and remuneration of Executive Team members
- The arrangement for setting annual pay review for key management is based on an annual benchmarking of Leonard Cheshire's pay structure against the charity and social care sectors, and considering affordability.

Advisory Groups

The Customer Council was chaired by Vidar Hjordeng until December 2022.

The Council sought to ensure that the charity is led by people with disabilities in its decision-making, having been comprised of beneficiaries from across the charity including representatives of services, volunteers, and international programmes. The Council has been stood down in its current constitution, reflecting the exit from international delivery and other reshaping across the charity as part of turnaround measures. Alternative options for effective engagement of beneficiaries from our care services and other UK work, in the governance of the charity, are being explored.

Directors duties statement

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

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

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

Upon appointment, Leonard Cheshire Trustees receive an induction which includes briefing on their duties. Trustees are directed to more advice,

information and guidance via the online Trustee Handbook, including governance documents and past Board papers, Leonard Cheshire staff and our external advisors. Trustees fulfil their duties through the governance framework explained elsewhere in this report, delegating day to day decision making to employees, led by the Chief Executive and Executive Directors.

Delegation to employees is based not only on financial authority, but also on explicit values and behaviors expected of volunteers, staff and other stakeholders.

The Board has established measures and structures in place, for example the actions and processes identified against our principal risks to ensure a robust system of control and assurance processes are in operation.

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

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

Towards the end of 2022, we began planning work to enhance the voice of our staff in shaping the way our organisation operates. This work includes reviewing and refreshing the Staff Association structures and ways of operating. Building on firm foundations, the aim is to empower the Staff Association to strengthen its role in enabling constructive engagement between Leonard Cheshire and its people, and in building a positive workplace culture. The project team, under the sponsorship of the Executive Director People, is partnering with the Staff Association Chair and working with key stakeholders to review, refresh and relaunch the Staff Association during 2023/24.

Leonard Cheshire's ambition is to continue extending our positive impact in communities by supporting disabled people to develop and achieve their potential. This report includes stories of how this is being achieved.

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

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

Appointment and induction of Trustees

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

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

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

Emoluments

In 2022/23, Trustees received no emoluments.

Directors' indemnities

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

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 2 February 2024.

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

Neil Goulden
Chair

3.

Statement of Trustees' responsibilities

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

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

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

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

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

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

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

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

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

4.

Auditors' report

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2023; the Consolidated Statement of Financial Activities; the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial

statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

certain opinions and matters as described below.

Strategic Report and Trustees' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Use of this report

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

Other required reporting

Matters on which we are required to report by exception

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

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

We have no exceptions to report arising from this responsibility.



Frances Cucinotta
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers
LLP

Chartered Accountants and Statutory Auditors
London

2 February 2024

5.

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 31 March 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2023 £'000	Restated* Totals 2022 £'000	Notes
Income and Endowments from:						
Donations and legacies	3,469	1,027	-	4,496	7,613	3A
Charitable Activities – Social Care	141,495	324	-	141,819	133,469	
Charitable Activities – International Programmes	-	3,443	-	3,443	5,064	3D
Charitable Activities – UK Programmes	870	624	-	1,494	3,303	3E
Other trading activities	17	-	-	17	135	
Government support – Covid-19	132	-	-	132	3,747	3C
Investment income	104	-	-	104	135	4
Gain on property disposals	1,059	9	-	1,068	4,894	
Total	147,146	5,427	-	152,573	158,360	
Expenditure on:						
Raising funds	1,626	2	-	1,628	3,291	5
Charitable Activities – Social Care	152,455	1,342	-	153,797	148,082	5
Charitable Activities – International Programmes	546	3,336	-	3,882	6,867	5
Charitable Activities – UK Programmes	1,458	1,115	-	2,573	4,376	5
Campaigning	408	-	-	408	674	5
Total	156,493	5,795	-	162,288	163,290	
Revaluation of investments	464	-	-	464	(660)	11
Net (expenditure)/income	(8,883)	(368)	-	(9,251)	(5,590)	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2023 £'000	Restated* Totals 2022 £'000	Notes
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	(1,800)	-	-	(1,800)	42	21
Net movement in funds	(10,683)	(368)	-	(11,051)	(5,548)	
Reconciliation of funds:						
Total funds brought forward*	72,164	21,694	857	94,715	100,262	
Total funds carried forward	61,481	21,326	857	83,664	94,715	17

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

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

The Notes on pages 61 to 120 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2023

Company Number 00552847

Charity number 218186

	2023 £'000	Restated * 2022 £'000	Notes
Fixed assets			
Tangible assets	76,995	81,997	9
Intangible assets	4,299	4,871	10
Investments	4,761	4,638	11
Total fixed assets	86,055	91,506	
Current assets			
Investments	15	15	12
Debtors	21,598	28,196	13
Cash at bank and in hand	3,985	1,988	14
Total current assets	25,598	30,199	
Liabilities			
Creditors: Amounts falling due within one year	(25,430)	(20,993)	15
Net current assets	168	9,206	
Total assets less current liabilities	86,223	100,712	
Creditors: Amounts falling due after more than one year	(480)	(631)	15
Provisions for liabilities	(2,071)	(5,333)	16
Net assets excluding defined benefit pension liability	83,672	94,748	
Defined benefit pension scheme liability	(8)	(33)	21
Total net assets	83,664	94,715	

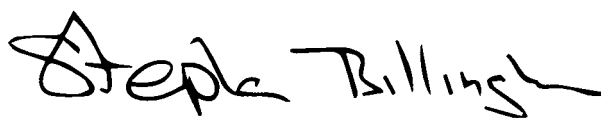
	2023 £'000	Restated * 2022 £'000	Notes
The Funds of the Charity			
Endowment funds	857	857	17
Restricted income funds	21,326	21,694	17
Unrestricted funds			
Designated	8,111	5,055	17
General	48,943	62,852	17
Revaluation reserve	4,435	4,290	17
Pension reserve	(8)	(33)	17
Total unrestricted funds	61,481	72,164	17
Total Charity funds	83,665	94,715	

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

The financial statements on pages 52 to 120 were approved by the Trustees on 2 February 2024 and signed on their behalf by:



Neil Goulden
Chair



Stephen Billingham
Chair of the Audit, Risk and Finance
Committee

The Notes on pages 61 to 120 form part of these financial statements.

Company Balance Sheet

as at 31 March 2023

Company Number 00552847

Charity number 218186

	2023 £'000	Restated* 2022 £'000	Notes
Fixed Assets			
Tangible assets	76,990	81,987	9
Intangible assets	4,299	4,871	10
Investments	4,761	4,638	11
Total fixed assets	86,050	91,496	
Current Assets			
Investments	15	15	12
Debtors	17,338	25,707	13
Cash at bank and in hand	3,801	1,916	14
Total current assets	21,154	27,638	
Liabilities			
Creditors: Amount falling due within one year	(24,155)	(21,578)	15
Net current (liabilities)/assets	(3,001)	6,060	
Total assets less current liabilities	83,049	97,556	
Creditors: Amount falling due after more than one year	(480)	(631)	15
Provisions for liabilities	(2,071)	(5,333)	16
Net assets excluding defined benefit pension liability	80,498	91,592	
Defined benefit pension scheme liability	(8)	(33)	21
Total net assets	80,490	91,559	

	2023 £'000	Restated* 2022 £'000	Notes
The Funds of the Charity			
Endowment funds	857	857	17
Restricted income funds	21,241	21,608	17
Unrestricted funds			
Designated	8,185	5,025	17
General	45,780	59,812	17
Revaluation reserve	4,435	4,290	17
Pension reserve	(8)	(33)	17
Total unrestricted funds	58,392	69,094	17
Total Charity funds	80,490	91,559	

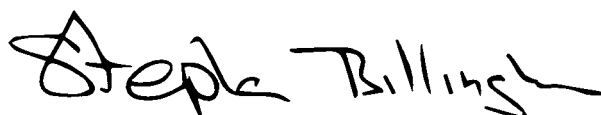
*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

The net deficit for the year of the parent Charity was £11,070,000 (Restated 2022: net deficit of £6,442,000). This includes a gift aid payment of £706,963 from Leonard Cheshire Services CIC.

The financial statements on pages 52 to 120 were approved by the Trustees on 2 February 2024 and signed on their behalf by:



Neil Goulden
Chair



Stephen Billingham
Chair of the Audit, Risk and Finance
Committee

The Notes on pages 61 to 120 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	Reference	2023 £'000	Restated 2022 £'000
Cash flows from operating activities:			
Net cash generated from/(used in) operating activities	A	2,245	1
Cash flows from investing activities:			
Dividends, interest and rents from investments		104	135
Proceeds from the sale of tangible assets		2,132*	5,707
(Purchase) of tangible assets		(1,187)	(4,241)
Purchase of intangible assets		(3)	(670)
Net cash generated from investing activities		1,046	931
Change in cash and cash equivalents in the reporting year		3,291	932
Cash and cash equivalents at the beginning of the reporting year		694	(238)
Cash and cash equivalents at the end of the reporting year	Note 14	3,985	694

*Included in the proceeds of tangible assets are proceeds of £1,812k from property, plant and equipment and proceeds from the sale of investment properties of £320k.

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	2023 £'000	Restated* 2022 £000
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net expenditure for the reporting year (as per the Statement of Financial Activities)	(9,251)	(5,590)
Adjustments for:		
Amortisation, depreciation and impairment charges	6,028	6,469
Amortisation on programme related investment	20	20
Revaluations on investments	(464)	660
Dividends, interest and rents from investment	(104)	(135)
(Gains) on the sale of fixed assets	(1,076)	(4,895)
Difference between pension contributions and current service cost	(1,583)	(1,935)
Decrease in stock	-	1,486
Decrease/(Increase) in debtors	6,587	(526)
Increase/(Decrease) in creditors	5,343	1,325
(Decrease)/Increase in provisions	(3,255)	3,122
Net cash generated from/(used in) operating activities	2,245	1

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

Notes to the financial statements

For year ending 31 March 2023

1. Accounting policies and basis of preparation of financial statements

General Policies

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – “Accounting and Reporting by Charities” and with applicable accounting standards in the United Kingdom, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”), and with reference to the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost basis of accounting as modified for the valuation of investments at market value.

Some of the comparative balances from the year ended 31 March 2022 have been restated following the identification of some errors. Further detail can be found in the Restatements section in this note and Note 26.

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

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. The trustees are confident that accounting for the charity as a going concern is appropriate.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

No separate statement of financial activities (SOFA) has been presented for the parent charity alone, as permitted by Section 408 of the Companies Act 2006.

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

The Charity is a public benefit entity.

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

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

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2023. In addition, the results of the wholly-owned subsidiaries: The Leonard Cheshire Foundation (Isle of Man) Limited; Leonard Cheshire Trading Limited; Leonard Cheshire Services CIC; Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

Income Policies

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

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

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

Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.

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

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

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

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

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

Grant income is recognised in the financial statements when the conditions have been fulfilled and the Charity becomes entitled to payment. When a grant is received relating to a future accounting period the amount is deferred to future accounting period. Deferred grant income at the yearend is included in creditors.

Expenditure Policies

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

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

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

The total support costs, which also include an element of staff costs, are apportioned across

the specific activities in accordance with the number of full time equivalent employees allocated to each activity during the financial year. The categorisation and allocation of these support costs is detailed in note 5. They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

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

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

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

Going Concern

The financial year 2022/23 was the first year of a multi-year turnaround plan that followed successive years of reported deficits at the charity. The actions taken mean that the charity is leaner, more focused and increasingly commercial. A successful disposal programme has also meant that the charity has not needed to use its credit facilities in the six months to December 2023.

Disposal Sales - FY2023/24

Sale Type	Service	Proceeds	Status
VP*	DLDS Maiden Castle Road	433	Sale completed Apr 23
VP	DLDS Birch Way	427	Sale completed May 23
VP	The Risings, Exeter	538	Sale completed May 23
VP	Agate House	4,605	Sale completed Jun 23
VP	Greenhill House	1,804	Sale completed Oct 23
VP	Alder House	2,812	Sale completed Oct 23
Completed Sales		10,619	

*Vacant possession

Specifically, year one of the turnaround involved 275 redundancies as all central support functions were overhauled, improving the operational efficiency of our care business, a significant reduction in both our UK and international non-care programmes, continued fee negotiations with all of our

funders as well as the commencements of a disposal programme to bolster liquidity and fund the restructuring costs.

Year two of the turnaround plan for the financial period 2023/24 targets an overall surplus for the charity and nine months into the financial period this is on track. This will be achieved by the improved efficiency of our social care business, the resolution of any loss-making activities and a specific focus on the financial performance of our Scottish operation further to a change in leadership. The turnaround plan will continue to include property disposals as we consolidate and modernise our portfolio of services and the sale proceeds will continue to boost liquidity.

In assessing the appropriateness of applying the going concern basis in preparation of the consolidated and company financial statements, the Trustees have considered liquidity and forecast cash flows under a range of potential scenarios, considering reasonable possible outcomes that extend to 31 March 2025.

Given the overall uncertainty of the wider economic outlook, including the continued financial challenges across the Care Sector, alongside the charity's progression through its turnaround plan, a number of different scenarios have been considered including a severe but plausible downside scenario. This downside scenario assumes a fee increase for 2023/24 of 6.15% which is lower (with little risk of fluctuation given we are over 9 months into the financial year) than the actual fee increase expected to be achieved for the year of 6.35%. The fee increase assumption for 2024/25 for the downside scenario is a prudent 5%.

From April 2024, the downside scenarios assumes that the National Minimum Wage increases by 10%, non-care staff wage increases by 4% and general inflationary price increases of 4%.

This scenario also only captures disposal proceeds that had already been received at 31 December 2023 despite strong interest in our pipeline and our proven track record to date.

In this severe but plausible downside scenario the charity doesn't use its current credit facilities at any time (an uncommitted £5m overdraft facility to fund general corporate purposes).

Furthermore, the benefit of several initiatives that are already underway are excluded from the afore mentioned downside scenario. These include a significant improvement in the financial performance of our Scottish business following the change in leadership. Likewise, we have reassessed the care needs of every England care home resident that we support which, when combined with our new costing model, will provide granular analysis for targeted fee discussions. A similar approach is expected to be extended to our supported living operations. There is also further upside by improved rostering. Consequently, our downside modelling is considered to be very prudent.

However, if the financial recovery did stall, several levers are available to further preserve liquidity. These include using the headroom in our existing credit facilities, increasing our credit lines and increasing the value of our intended pot of disposals, particularly where we have received unsolicited offers. Furthermore, our monthly performance reviews and our short and medium term cash forecasting mean that such a situation should be identified well in advance of it occurring so that there is sufficient time for remedial action to be taken.

Conclusion

Taking into consideration that Leonard Cheshire is now in a positive cash position, is expected to generate a surplus in the financial period ended March 2024 and we are making good progress with the property disposals, the Trustees consider that it is appropriate for the financial statements to be prepared on a going concern basis given there remains adequate liquidity in the base case and downside scenarios.

Pensions

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

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

If a defined benefit pension scheme is in surplus, the surplus will only be recognised if we have an unconditional right to a refund of that surplus.

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

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

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

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

Currently, employer contribution for pension is 11%.

Liability Policies

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

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

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

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

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

Foreign Currency

The Group financial statements are presented in pounds sterling and are rounded to thousands. The Group's functional and presentation currency is the pound sterling.

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

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

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

Volunteers

The charity appreciates the hard work and dedication of its volunteers. 75 volunteers engaged in a number of activities supporting our social care services, fundraising and campaigning.

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

Asset Policies

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

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

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

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

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

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

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

Investment properties are measured initially at cost and subsequently measured at fair value which reflects market conditions at the balance sheet date unless fair value cannot be measured reliably, in which case it is measured at cost less impairment.

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

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

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

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

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment is to capitalise the asset at its market value and depreciate in accordance with the depreciation policy, along with the capital grant.

Funds Policies

The funds of the Group have been segregated as follows:

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

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

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of funds targets take into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk.

The reserves policy was reviewed by the former trustees in March 2023. We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, adequate working capital, planned development projects and scenario planning for the potential impact of risk, such as an event similar to the Covid-19 pandemic.

The current policy is set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and their possible financial consequences. The target level for those cash and managed investments available should exceed four months of our annualized, risk adjusted cashflow, but should not exceed seven months. The risk adjusted cashflow is the net cashflow excluding property sales with an assumed notional 10% reduction in income levels whilst expenditure continues unchanged. The Charity's reserve policy is discussed in detail in the Financial Review section and there has been a restatement this year with the detailed impact shown in note 26.

The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds.

Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

Other Policies

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

Critical Accounting Judgements and Estimation Uncertainty

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

Estimates

1. Defined benefit pension scheme (note 21). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.
2. Investment properties (note 11). The Charity has undertaken several external valuations and some by a qualified RCIS employee, of the investments.
3. Impairment provisions are taken against certain assets where the carrying value is no longer supportable, and prudent estimates may be made as to the appropriate value in order to calculate the required impairment provision.

4. Provisions-debtors. The charity has made provision for potential non recoverability of debtor balances in relation to social care balances. For Local authorities 10% of aged debt over 300 days has been provided for and for private customers 90%.
5. Provisions-redundancy. The charity has made a provision for redundancy and staff termination cost.
6. Provisions-dilapidations. Arising where property leases oblige the charity to cover the cost of restoring properties to their original condition when ending its occupation as those leases terminate.

Judgements

These accounts include judgements as noted below.

1. Legacy income is recognised from the earliest date of the Charity being notified of an impending distribution following settlement of the estate or the legacy being received, where entitlement is established and it can be measured with reasonable accuracy. Entitlement is assumed six months after grant of probate is received and the executor is satisfied that the property in question will not be required to satisfy claims on the estate.
2. Defined benefit pension scheme surplus – The net surplus at 31 March 2023 of £2,273,000 on the defined benefit pension scheme has not been recognised in these financial statements, and therefore capped, as it is not currently possible to demonstrate that this is recoverable by the charity.

Restatements

A number of prior year adjustments have been identified and incorporated in the financial statements as described below. Further detail can be found in note 26.

Allocation of expenditure to funds

During the year, we identified historical expenditure which should have been classified to restricted activities but had been incorrectly classified as unrestricted in prior periods. The correction of this classification has resulted in a decrease in restricted funds at 1 April 2021 of £8,127,000. There has also been an increase in expenditure classified to restricted activities in the year ended 31 March 2022 of £1,144,000 (split between an increase of £530,000 on Social Care and £614,000 on UK Programmes) and a decrease of £9,000 to International Programmes. The other side of this change is an increase to capital grants.

The total cumulative impact on funds is an increase of £9,262,000 in unrestricted funds.

Accounting for capital grants

The group has previously received grants to support the acquisition of properties used for the provision of care. A number of these grants include terms requiring repayment of the grant (and related gains/losses) on disposal of the buildings. The group had previously recognised as a liability the amount of refundable grant (equivalent to the net book value of the asset, whereas this is contingent on the sale of the property). The liability was amortised through charitable activities income over the life of the asset. This accounting has been corrected to recognise the grant income in full on receipt with a liability to refund being recognised when the disposal of a property is considered likely. This has resulted in an increase in funds at 1 April 2021 of £2,508,087 and a reversal of the amortisation credit through grant income previously recognised in the year ended 31 March 2022 amounting to £90,707. The cumulative error impact of this restatement as at 31 March 2022 when considering the impact from the £9,000 decrease in expenditure described above, is £2,517,000.

VAT accounting

An error has been identified in the recognition of VAT liabilities as at 31 March 2022 as a result of liabilities not being recognised in the ledger but reported correctly on the VAT returns. This has resulted in an increase of VAT liabilities at 31 March 2022 of £918,863 and an increase in Debtors of £918,863. This had no impact on the opening balance as at 1 April 2021.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2023.

Income & Endowments from:

Donations and legacies

Charitable Activities – Social Care

Charitable Activities – International Programmes

Charitable Activities – UK Programmes

Other trading activities

Government support – Covid-19

Investments

Other including gains/(losses) on disposal of assets

Total

Expenditure on:

Raising funds

Charitable Activities – Social Care

Charitable Activities – International Programmes

Charitable Activities – UK Programmes

Campaigning

Total

Net gains/(losses) on investments

Net (expenditure)/income

Other recognised (losses)/gains:

Actuarial gains on defined benefit pension schemes

Net movement in funds

Reconciliation of funds:

Total funds brought forward*

Total funds carried forward

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

Year ended 31 Mar 2023				Year ended 31 Mar 2022			
Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2023 £'000	Restated* Unrestricted funds £'000	Restated* Restricted Funds £'000	Restated* Endowment Funds £'000	Restated* Totals 2022 £'000
3,469	1,027	-	4,496	4,888	2,725	-	7,613
141,495	324	-	141,819	133,236	233	-	133,469
-	3,443	-	3,443	7	5,057	-	5,064
870	624	-	1,494	577	2,726	-	3,303
17	-	-	17	126	9	-	135
132	-	-	132	2,197	1,550	-	3,747
104	-	-	104	135	-	-	135
1,059	9	-	1,068	4,900	(6)	-	4,894
147,146	5,427	-	152,573	146,066	12,294	-	158,360
1,626	2	-	1,628	3,209	82	-	3,291
152,455	1,342	-	153,797	144,990	3,092	-	148,082
546	3,336	-	3,882	1,785	5,082	-	6,867
1,458	1,115	-	2,573	1,697	2,679	-	4,376
408	-	-	408	674	-	-	674
156,493	5,795	-	162,288	152,355	10,935	-	163,290
464	-	-	464	(660)	-	-	(660)
(8,883)	(368)	-	(9,251)	(6,949)	1,359	-	(5,590)
(1,800)	-	-	(1,800)	42	-	-	42
(10,683)	(368)	-	(11,051)	(6,907)	1,359	-	(5,548)
72,164	21,694	857	94,715	79,071	20,335	857	100,262
61,481	21,326	857	83,664	72,164	21,694	857	94,715

3. Income

3A. Donations and legacies

	Restricted £'000	Unrestricted £'000	Total 2023 £'000	Restricted £'000	Unrestricted £'000 *Restated	Total 2022 £'000 *Restated
Legacies	740	2,772	3,512	2,426	3,855	6,281
Donations	287	697	984	299	1,033	1,332
Total (Donations& Legacies)	1,027	3,469	4,496	2,725	4,888	7,613

Legacies which have been notified but not accrued in line with our legacy policy are £0.5m (2022: £1.0m)

3B. Detail of Total Donations

	2023 Total £'000s	2022 Total £'000s
Individual Giving	410	555
Other donations	190	92
Regional and Local fundraising	161	347
Trusts and Foundations	110	5
Events	83	43
Corporate – Cash	18	142
Major Donors	12	37
Corporate – Gifts in Kind	-	111
Total	984	1,332

3C. Government support - Covid-19

	Income received £'000	
Funder type	2023 £'000s	2022 £'000s
Job Retention Scheme	-	29
Infection Control Fund	-	927
Rapid Testing Support	-	595
Local Authority Support	132	2,196
Total	132	3,747

The following projects received support from these organisations:

3D. Charitable activities - International Programmes

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - : Innovating Pathways	300055-107	-	527	527
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	816	816
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind- Education for Life	AAIK/LNG/100523	-	828	828
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	24	24
	UK Foreign, Commonwealth & Development Office	Inclusive Preparedness- Giving Voice Through Pictures and Words	66294	-	33	33
	UK Foreign, Commonwealth & Development Office (Funds Received through Marie Stopes International)	Women's Integrated Sexual Health		-	331	331
	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	-	2	2

The following projects received support from these organisations:

3D. Charitable activities - International Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with Disabilities in Asia and Pacific	4500446521	-	16	16
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	-	114	114
		Disability Inclusive Development Programme (DID) Kenya		-	52	52
		Disability Inclusive Development Programme (DID) Tanzania		-	239	239
		Disability Inclusive Development (DID) TO53-FCDO-IE (Nepal)		-	126	126
Corporates, Individuals, Trusts & Foundations	Motability Foundation	UK- Accessible Taxis User Research		-	145	145
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	-	33	33

The following projects received support from these organisations:

3D. Charitable activities - International Programmes (continued)

				Year Ended 31 March 2023		
Funder type	Funder	Project Name	Project/grant ID	Unrestricted £'000	Restricted £'000	Total £'000
Corporates, Individuals, Trusts & Foundations	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	44	44
	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	61	61
	Other Grants & Contracts			-	52	52
Total				-	3,443	3,443

The following projects received support from these organisations:

3D. Charitable activities - International Programmes (continued)

Year Ended 31 March 2022

Funder type	Funder	Project Name	Project/grant ID	Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	UK Foreign, Commonwealth & Development Office	Aid Connect - : Innovating Pathways	300055-107	-	1,135	1,135
		Girls Education Challenge: Expanding Inclusive Education Strategies for Girls with Disabilities in Kenya	1020513	-	638	638
		Skills for Job Programme - Apprenticeship Model "Inclusion 100"	202865	-	55	55
	UK Foreign, Commonwealth & Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	-	1,515	1,515
	UK Foreign, Commonwealth & Development Office (Funds received through Action Aid)	Leave No Girl Behind- Education for Life	AAIK/LNG/100523	-	660	660
	UK Foreign, Commonwealth & Development Office & Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	-	62	62
	UK Foreign, Commonwealth & Development Office (Funds Received through Enhancing Learning & Research Assistance)	Inclusive Preparedness- Giving Voice Through Pictures and Words	66294	-	41	41

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	UK Foreign, Commonwealth & Development Office (Funds Received through Sexual Health Marie Stopes International)	Women's Integrated		-	165	165
	European Commission	Fit for the Future		-	3	3
	UK Foreign, Commonwealth & Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	-	170	170
		Disability Inclusive Development Programme (DID) Kenya		-	75	75
		Disability Inclusive Development Programme (DID) Tanzania		-	27	27
		Disability Inclusive Development Programme (DID) Nepal		-	9	9
		Disability Inclusive Development Programme (DID) Nepal	94001	-	18	18
	UK Foreign, Commonwealth & Development Office (Funds Received through University College London)	AT2030 - Life Changing Assistive Technology for All	CID3372445	-	18	18

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		Total £'000
				Unrestricted £'000	Restricted £'000	
Governments and Institutions	United Nations Educational, Scientific & Cultural Organisation	Addressing school violence and bullying against learners with disabilities in the ESA region	4500436142	-	35	35
	World Bank Inclusive Education Initiative	Report on gender, disability and education	7202848	-	5	5
	United Nations Educational, Scientific & Cultural Organisation	Needs Assessment of CSE Professional Development for Teachers of Learners with Disabilities in Asia and Pacific	4500446521	-	25	25
Corporates, Individuals, Trusts & Foundations	Comic Relief	Tanzania Inclusive Education	1952284	7	-	7
	National Lottery Community Fund	Uganda Livelihoods	10329009	-	102	102
	America India Foundation	First Million Initiative		-	23	23
	London Stock Exchange Group	Access to Livelihoods - Economic Inclusion for women with disabilities in Jaffna, Northern Province, Sri Lanka		-	50	50
	ZVM Rangoonwala Foundation	Establishing a Livelihoods Resource Centre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	-	39	39

The following projects received support from these organisations:

3D. Charitable activities – International Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		Total £'000
				Unrestricted £'000	Restricted £'000	
Corporates, Individuals, Trusts & Foundations	Sir Horace Kadoorie International Foundation	Sustainable Employment and Social Inclusion of Persons with Disabilities in Guangxi and Guizhou Province		-	30	30
	Accenture Foundation	Learning Exchange Pilot	India: 08015 Kenya: 07097	-	59	59
	Other Grants & Contracts			-	98	98
Total				7	5,057	5,064

The following projects received support from these organisations:

3E. Charitable activities - UK Programmes

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	129	129
	National Lottery - Sport England	Randall Close - Road to Me		-	146	146
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	-	102	102
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	23	23
	Southwark Council	Southwark Advice Plus		-	45	45
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	99	99
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	-	(56)	(56)
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	45	45
	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	191	191

The following projects received support from these organisations:

3E. Charitable activities - UK Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2023		
				Unrestricted £'000	Restricted £'000	Total £'000
	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	8	8
	Sport England	All Active Together	2020029655	-	22	22
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	101	101
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	-	(3)	(3)
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do**		-	(786)	(786)
	Bank Workers Charity	Bank Workers Charity		19	-	19
	3i	Changing Futures London		-	30	30
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	145	145
	Gallaher Limited	TechWorks Project Delivery & Mgmt		-	82	82
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing	SSSTSG 20-23/26	(113)	135	22
	Various	Change 100 internships		735	2	737
	Other Grants & Contracts			229	164	393
Total				870	624	1,494

The following projects received support from these organisations:

3E. Charitable activities - UK Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		
				Restated* Unrestricted £'000	Restated* Restricted £'000	Restated* Total £'000
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	-	168	168
	Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	-	34	34
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Adult	P3-WWV-25+ R02	-	182	182
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	-	73	73
	Southwark Council	Southwark Advice Plus		-	90	90
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Opportunity Suffolk	NEAn/2/2	-	202	202
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	-	118	118
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	-	55	55

The following projects received support from these organisations:

3E. Charitable activities - UK Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		
				Restated* Unrestricted £'000	Restated* Restricted £'000	Restated* Total £'000
	National Lottery Community Fund & European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) South London	LON/1/5	-	39	39
Governments & Institutions	West of England Combined Authority & European Social Fund Work Force for the Future	IDEA for SME's	WftF K	-	128	128
	Comic Relief	Can Do Southampton	2785722	-	4	4
	UK Community Renewal Fund	Inclusive Workforce	CRF99021	-	83	83
	Department of Work and Pensions	Kickstart Scheme	KS9B4E56A7	-	17	17
	Sport England Potentials Fund	Can Do Sport	2017006732	-	75	75
	Third Sector Resilience Fund for Wales Phase 2 Scheme, managed and administered by WCVA on behalf of Welsh Government	E-Commerce: Social Bean Social Enterprise	TSRFfW_027217	-	14	14
	Sport England	All Active Together	2020029655	-	34	34
	Wales Council for Voluntary Action on behalf of Welsh Government: VS RF Small Grant	Volunteering Cymru	VSRF_027188	-	18	18
	The Careers and Enterprise Fund	Change Now - Journey to Work		-	55	55
	Flintshire County Council	Partnership Coordinator	RFX GSC1000436REQ	-	18	18

The following projects received support from these organisations:

3E. Charitable activities - UK Programmes (continued)

Funder type	Funder	Project Name	Project/grant ID	Year Ended 31 March 2022		
				Restated* Unrestricted £'000	Restated* Restricted £'000	Restated* Total £'000
	National Lottery Community Fund (Wales)	My Voice My Choice	20155510	-	19	19
	National Lottery Heritage Fund	Digitising the Sound Archive	OH-18-06111	-	8	8
Governments & Institutions	European Commission	Erasmus+ Programme	2017-2-UK01-KA135-037116 / 2018-2-UK01-KA125-048503 / 2018-1-UK01-ESC13-060133 / 2019-2-UK01-ESC13-062324	-	91	91
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	-	31	31
Corporates, Individuals, Trusts & Foundations	Covid 19 Support Fund: supported by Association of British Insurers	Can Do		-	400	400
	Bank Workers Charity	Bank Workers Charity		-	81	81
	3i	Changing Futures London		-	160	160
	John Lewis Partnership Community Investment Fund	Young Entrepreneurial Skills		-	19	19
	Good Things Foundation	Future Digital Inclusion Fund 2020/21		-	20	20
	Other Grants & Contracts			577	490	1,067
Total				577	2,726	3,303

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

** Covid 19 support fund is showing as negative due to an over recognition of funds of £786k in financial year 2021/22 which has been revised in 2022/23.

4. Investment income

	2023 £'000	2022 £'000
Bank interest	7	3
Rent from investment properties	97	132
Total	104	135

5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2023 £'000	Restated* Direct staff costs £'000	Restated* Other direct costs £'000	Restated* Allocated support costs £'000	Restated* Total 2022 £'000
Fundraising	1,302	309	17	1,628	2,650	389	252	3,291
Total costs of raising funds	1,302	309	17	1,628	2,650	389	252	3,291
Charitable activities								
Social care	105,977	23,574	24,246	153,797	96,282	33,724	18,076	148,082
International services	1,395	2,346	141	3,882	2,617	4,045	205	6,867
Campaigning	389	19	-	408	623	45	6	674
UK Programmes	1,926	267	380	2,573	3,312	525	539	4,376
Total charitable activities	109,687	26,206	24,767	160,660	102,834	38,339	18,826	159,999
Total resources expended	110,989	26,515	24,784	162,288	105,484	38,728	19,078	163,290

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

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

5. Total resources expended (continued)

The categorisation and allocation of these support costs is shown in the table below.

	Management & admin £'000	Finance, IT and purchasing £'000	Human resources £'000	Total 2023 £'000	Restated* Management & admin £'000	Restated* Finance, IT and purchasing £'000	Restated* Human resources £'000	Restated* Total 2022 £'000
Support costs								
Fundraising	7	8	2	17	146	72	34	252
Social care	10,240	11,660	2,346	24,246	10,509	5,133	2,434	18,076
International services	59	68	14	141	119	58	28	205
Campaigning	-	-	-	-	3	2	1	6
UK Programmes	160	183	37	380	313	153	73	539
Total	10,466	11,919	2,399	24,784	11,090	5,418	2,570	19,078

*Restated to reflect the correction of an error in the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

6. Governance cost

	2023 £'000	2022 £'000
Internal Audit	29	180
External Audit		
Audit services current year	400	196
Amounts payable to auditors in respect of additional costs for the prior year audit	211	153
Non-audit services	18	15
Governance and professional support for Trustees	1	2
Total	659	546

The total Trustee expenses incurred by LCD or reimbursed during the year was £924 (2022: £2,959) which related to travel and subsistence. The number of Trustees who were reimbursed was 1 (2022: 5).

The audit fees shown above are exclusive of VAT.

7. Group net expenditure

	2023 £'000	2022 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	5,452	4,881
Amortisation – intangible fixed assets	575	537
Programme related investments amortisation	20	20
Operating lease rentals:		
Property	1,619	1,619
Equipment	744	702
Auditors' remuneration – external audit	611	349
Auditors' remuneration – other	18	18
Exchange rate gains	(22)	(79)
Loss on disposal of assets	1,068	4,895
Loss on impairment	-	1,051

*Loss on disposal of assets in the year end 31 March 2022 is including the net gains on disposals of assets and the related refund of deferred capital grants in respect of 2 properties

8. Staff costs

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Wages and salaries	86,578	89,565	86,189	89,089
Social security costs	7,645	7,053	7,616	7,019
Other pension costs	3,548	3,996	3,539	3,983
Other staff benefits	350	293	350	292
Redundancy costs	2,552	3,990	2,542	3,990
Total	100,673	104,897	100,236	104,373

The provision for redundancies to be paid at 31 March 2023 (included above) is £771,000 (2022: £2,928,657). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year end date, yet still on a best estimate basis.

8. Staff costs (continued)

The average monthly headcount for the Group was 4,489 staff (2022: 5,043 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	Group 2023 Staff FTE	2022 Staff FTE
The monthly average number of FTE employees during the year was:		
Volunteering	2	14
Social care	2,947	3,087
International	17	34
Campaigning	-	1
UK Programmes	46	92
Governance	-	1
Support	119	178
Total	3,131	3,407

The average monthly headcount for the company was 4,336 staff (2022: 5,004 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	Company 2023 Staff FTE	2022 Staff FTE
The monthly average number of FTE employees during the year was:		
Volunteering	2	14
Social care	2,933	3,073
International	17	34
Campaigning	-	1
UK Programmes	46	87
Governance	-	1
Support	119	178
Total	3,117	3,388

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group 2023 Staff	2022 Staff	Company 2023 Staff	2022 Staff
£60,001 - £70,000	23	25	23	25
£70,001 - £80,000	11	19	11	19
£80,001 - £90,000	5	3	5	3
£90,001 - £100,000	4	-	4	-
£100,001 - £110,000	6	1	6	1
£110,001 - £120,000	1	1	1	1
£120,001 - £130,000	1	1	1	1
£130,001 - £140,000	1	2	1	2
£140,001 - £150,000	1	1	1	1
£150,001 - £160,000	1	1	1	1
£160,001 - £170,000	-	-	-	-
£170,001 - £180,000	-	1	-	1
£180,001 - £190,000	-	1	-	1
£220,001 - £230,000	1	-	1	-
£250,001 - £260,000	-	1	-	1
Total	55	57	55	57

The highest paid director was an interim and not on payroll and as such no contributions were made to pension or other benefits. These amounts include compensation payments made to former higher paid employees.

	2023 £'000	2023 Staff	2022 £'000	2022 Staff
Defined contribution schemes	317	53	394	56

Trustees

No Trustee, or person related or connected by business to a Trustee, has received any remuneration from the Charity or its subsidiaries during the year ended 31 March 2023 (2022: £nil).

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

Key management personnel

The key management personnel of the Charity consists of the Executive Board, in 2023 11 members (2022: 11). The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Remuneration and benefits	1,598	1,661	1,598	1,661

9. Tangible fixed assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	Total £'000
Cost					
At 1 April 2022	91,734	5,755	1,544	62,023	161,056
Additions	11	-	543	633	1,187
Disposals	(837)	(59)	-	(662)	(1,558)
Transfers	-	-	(799)	799	-
As 31 March 2023	90,908	5,696	1,288	62,793	160,685
Accumulated depreciation and impairments					
At 1 April 2022	33,228	4,984	-	40,847	79,059
Charge for the year	1,613	52	-	3,787	5,452
Disposals	(224)	(38)	-	(559)	(821)
At 31 March 2023	34,617	4,998	-	44,075	83,690
Net book value at 31 March 2023	56,291	698	1,288	18,718	76,995
Net book value at 31 March 2022	58,506	771	1,544	21,176	81,997

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Alder House, Lambourne Road, Chigwell, Essex, IG7 6HH; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

After undertaking the impairment review, no impairment charges against fixed assets are deemed to be required. In the prior year, a charge of £1,100,000 was recognised, relating to the carrying value of land, buildings and fixtures and fittings for a property where we were expecting to exit the service offered and did not expect to obtain further value from these assets.

9. Tangible fixed assets - Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	Total £'000
Cost					
At 1 April 2022	91,734	5,755	1,544	61,942	160,975
Additions	11	-	543	633	1,187
Disposals	(837)	(59)	-	(662)	(1,558)
Transfers	-	-	(799)	799	-
As 31 March 2023	90,908	5,696	1,288	62,712	160,604
Accumulated depreciation and impairments					
At 1 April 2022	33,223	4,982	-	40,783	78,988
Charge for the year	1,618	54	-	3,777	5,449
Disposals	(224)	(38)	-	(561)	(823)
At 31 March 2023	34,617	4,998	-	43,999	83,614
Net book value at 31 March 2023	56,291	698	1,288	18,713	76,990
Net book value at 31 March 2022	58,511	773	1,544	21,159	81,987

10. Intangible assets – Group and Company

	Intangible assets £'000	Total £'000
Cost		
At 1 April 2022	7,626	7,626
Additions	3	3
At 31 March 2023	7,629	7,629
Accumulated amortisation and impairments		
At 1 April 2022	2,755	2,755
Charge for the year	575	575
At 31 March 2023	3,330	3,330
Net book value at 31 March 2023	4,299	4,299
Net book value at 31 March 2022	4,871	4,871

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

11. Investments – Group and Company

	Investment properties £'000	Programme related investments £'000	Total £'000
At 1 April 2022	4,610	28	4,638
Amortised in year	-	(20)	(20)
Disposals	(321)	-	(321)
Revaluation	464	-	464
At 31 March 2023	4,753	8	4,761

The group holds 19 investment properties with individual values ranging from £175,000 to £375,000 at 31 March 2023. The most recent valuations were performed by third party surveyors as at 31 March 2023 in accordance with practice statements in the valuation standards (The Red Book) published by the Royal Institution of Chartered Surveyors. The valuations of these residential properties assess the market value on sale, mainly applying a direct comparison market approach. The valuations are based on vacant possession or subject to tenancies based on the occupation status at the valuation date.

12. Current Asset Investments – Group and Company

	2023 £'000	2022 £'000
Opening market value at 1 April 2022/1 April 2021	15	14
Gain on revaluation	-	1
Closing market value at 31 March	15	15

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

13. Debtors

	Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
Trade debtors	16,802	12,870	11,746	8,788
Amounts owed by subsidiary undertakings	-	-	956	4,663
Prepayments	752	1,207	752	1,207
Accrued income	4,044	14,119	3,884	11,049
Total	21,598	28,196	17,338	25,707

*Restated to reflect the correction of errors in the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

14. Cash at bank and in hand

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Group / company funds	2,170	207	1,986	135
Service users' funds held in trust	1,815	1,781	1,815	1,781
Total	3,985	1,988	3,801	1,916

Cash and cash equivalents include the following for the purpose of the Cash Flow Statement:

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Group funds	2,170	207	1,986	135
Service users' funds held in trust	1,815	1,781	1,815	1,781
Bank overdraft	-	(1,294)	-	(1,294)
Total	3,985	694	3,801	622

Bank guarantees exist, see Note 23.

15. Creditors

	Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
Amounts falling due within one year				
Bank loans and overdrafts	-	1,294	-	1,294
Trade creditors	3,704	7,690	3,703	7,670
Amounts owed to group undertakings	-	-	1,750	1,199
Taxation and social security	6,428	2,488	4,359	2,086
Other creditors	4,457	1,800	3,904	1,800
Service users' funds	1,924	1,781	1,924	1,781
Accruals	5,339	4,448	5,317	4,437
Deferred income	3,578	1,492	3,198	1,311
Total	25,430	20,993	24,155	21,578

Amounts falling due after more than one year

Loan	480	631	480	631
Total	480	631	480	631

*Restated to reflect the correction of errors in the recognition of grants related to the acquisition of property, plant and equipment and the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

Deferred income represents the payment of fees in advance. During the year the Group received income of £3,578,359 which related to future years (2022: £1,500,000). The increase in the current year is included in the cash balance.

Intercompany balances are unsecured and no interest is charged.

The total overdraft facility available is £7,500,000, which is secured against the following properties:

Stated properties have been pledged against the bank overdraft facility: Heatherley, Effingham Lane, Copthorne, West Sussex, RH10 3HS; Gloucestershire House, Charlton Lane, Leckampton, Gloucestershire, GL53 9HD; St Bridget's, 4 Illex Close, Rustington, Littlehampton, BN16 2RX; 646 Fryers House Romsey, SO51 5OD; Bradbury House, Worthington Close, Crook, County Durham, DL15 8NL; Hill House, Newcastle Road, Sandbach, Cheshire, CW11 1LA; Newlands House, Main Street, Swadlincote, Derbyshire, DE12 8DE; Lavender Fields, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; Symonds House, Lucas Lane, Hitchin, Hertfordshire, SG5 2JB; The Manor, Church Road, Huntingdon, Cambridgeshire, PE28 4PF; King Street, 61-63 King Street, Loughborough, Leicestershire, LE12 7LZ; Chiltern House, 82 Packhorse Road, Gerrards Cross, Buckinghamshire, SL9 8JT; Alder House, Lambourne Road, Chigwell, Essex, IG7 6HH; Agnes Court, Warwick Road, Banbury, Oxfordshire, OX16 2AB; Chipstead Lake, Chevening Road, Seven Oaks, Kent, TN13 2SD; and Danybryn, Heol Isaf, Radyr, Cardiff, CF15 8AJ.

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

The loan balance falling due after more than one year relates to a social improvement opportunity in Wales, from the Welsh Government. Leonard Cheshire received £600,000 in the 2018/19 financial year. There is no interest on the loan and it is not secured. £120,000 of this loan is repayable in 2023/24 financial year so has been moved to other creditors.

16. Provisions for liabilities and charges

Group and Company	Dilapidation £'000	Annual Leave £'000	Redundancy £'000	Other £'000	Pension £'000	Total £'000
At 1 April 2022	1,242	333	2,929	5	824	5,333
Charged to the SOFA	16	-	771	-	-	787
Amount utilised	(781)	-	(2,929)	(1)	(338)	(4,049)
At 31 March 2023	477	333	771	4	486	2,071

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

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 22/23 but where the payments will be made in 23/24. Communication to staff has already taken place, it started in May 2022.

The pension provision relates to the present value of the future deficit contributions, for our Defined Benefit pension schemes which are multi-employer schemes. See note 21 for further details.

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

17. Total funds – Group

Group – movement in funds	Year ending 31 March 2022					Year ending 31 March 2023				
	Restated*	Restated*	Restated*	Gains,	Restated*			Gains,	Balance	
	Balance at	Restated*	Released	(disposals)	Balance at		Released	(disposals)	at	
	1 April	Incoming	resources	and	31 March	Incoming	resources	and	31 March	
	2021	resources	expended	transfers	2022	resources	expended	transfers	2023	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Restricted Funds										
Legacy - Swift	6,967	-	(376)	-	6,591	-	-	-	6,591	
Social care	11,445	4,599	(2,798)	-	13,246	1,218	(1,343)	-	13,121	
UK programmes	1,894	2,625	(2,679)	-	1,840	741	(1,116)	-	1,465	
International services	29	5,070	(5,082)	-	17	3,468	(3,336)	-	149	
Total	20,335	12,294	(10,935)	-	21,694	5,427	(5,795)	-	21,327	
Endowment Funds										
Permanent endowments:										
Albert Alexander Fund	11	-	-	-	11	-	-	-	11	
Kirby Worthington Fund	111	-	-	-	111	-	-	-	111	
St. Michaels Home	735	-	-	-	735	-	-	-	735	
Total	857	-	-	-	857	-	-	-	857	
Unrestricted income funds										
Designated funds	5,319	182	(529)	83	5,055	3,519	(463)	-	8,111	
General funds	69,914	145,884	(152,444)	(502)	62,852	143,614	(157,353)	(170)	48,943	
Revaluation reserve	5,786	-	-	(1,496)	4,290	-	-	145	4,435	
Pension reserve	(1,948)	-	-	1,915	(33)	-	-	25	(8)	
Total	79,071	146,066	(152,973)	-	72,164	147,132	(157,816)	-	61,481	
Total Funds	100,263	158,360	(163,908)	-	94,715	152,560	(163,611)	-	83,665	

17. Total funds – Company

Company – movement in funds	Year ending 31 March 2022					Year ending 31 March 2023				
	Restated*	Restated*	Restated*	Gains, Restated*	Restated*			Gains, Restated*	Balance	
	Balance at	Restated*	Released	(disposals)	Balance at		Released	(disposals)	at	
	1 April	Incoming	resources	and	31 March	Incoming	resources	and	31 March	
	2021	resources	expended	transfers	2022	resources	expended	transfers	2023	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Restricted Funds										
Legacy - Swift	6,967	-	(376)	-	6,591	-	-	-	6,591	
Social care	11,380	4,585	(2,805)	-	13,160	1,219	(1,343)	-	13,036	
UK programmes	1,894	2,625	(2,679)	-	1,840	741	(1,116)	-	1,465	
International services	29	5,070	(5,082)	-	17	3,468	(3,336)	-	149	
Total	20,270	12,280	(10,942)	-	21,608	5,428	(5,795)	-	21,241	
Endowment Funds										
Permanent endowments:										
Albert Alexander Fund	11	-	-	-	11	-	-	-	11	
Kirby Worthington Fund	110	1	-	-	111	-	-	-	111	
St. Michaels Home	735	-	-	-	735	-	-	-	735	
Total	856	1	-	-	857	-	-	-	857	
Unrestricted income funds										
Designated funds	5,288	178	(499)	58	5,025	3,519	(359)	-	8,185	
General funds	67,748	144,369	(151,828)	(477)	59,812	142,627	(156,489)	(170)	45,780	
Revaluation reserve	5,786	-	-	(1,496)	4,290	-	-	145	4,435	
Pension reserve	(1,948)	-	-	1,915	(33)	-	-	25	(8)	
Total	76,874	144,547	(152,327)	-	69,094	146,146	(156,848)	-	58,392	
Total Funds	98,001	156,828	(163,269)	-	91,559	151,574	(162,643)	-	80,490	

In respect of the Group and Company;

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

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

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

Given that the cash position for the Group is a net positive £2.2m and the Company is £2.0m (excluding service user funds), it is expected that certain property or other assets will be required to meet the future obligations arising from the restricted funds obligations.

Restricted funds for social care are those which have been donated to the group to be used specifically for the purchase of new tangible assets, improvements to existing assets or support costs for disabled people to be used at specific locations. Other restricted funds have been donated to the Group to support specific projects in the UK and overseas. Included within restricted funds is £1.1m relating to closed services which will be subject to a Cy-Pres scheme application to the Charity Commission as per Charity law.

Designated funds consist of funds donated to be spent at one of our Social Care services but not restricted to a particular project. These funds were received at a service at a preference but not legal restriction.

18. Analysis of net assets between funds

Analysis of Group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total 2023	Restated* Unrestricted funds	Restated* Restricted funds	Endowment funds	Restated* Total 2022
	£'000	£'000	£'000	£'000	*Restated	£'000	£'000	*Restated
Fixed assets	77,258	8,062	735	86,055	81,641	9,130	735	91,506
Investments	15	-	-	15	15	-	-	15
Debtors	7,580	14,018**	-	21,598	12,481	15,593	122	28,196
Cash	1,914	1,949	122	3,985	1,988	-	-	1,988
Current liabilities	(22,727)**	(2,703)	-	-(25,430)	(17,964)	(3,029)	-	-(20,993)
Net current (liabilities)/ assets	(13,218)	13,264	122	168	(3,480)	12,564	122	9,206
Long term liabilities	(2,551)	-	-	(2,551)	(5,964)	-	-	(5,964)
Pension liability	(8)	-	-	(8)	(33)	-	-	(33)
Total	61,481	21,326	857	83,664	72,164	21,694	857	94,715

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds, the recognition of grants related to the acquisition of property, plant and equipment and in the recognition of VAT liabilities. Further details are provided within Note 26.

** Balances include an inter-fund loan from restricted funds to unrestricted funds of £12m (2022: £12.5m). The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds. Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

18. Analysis of net assets between funds (continued)

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Restated* Unrestricted funds £'000	Restated* Restricted funds £'000	Endowment funds £'000	Restated* Total 2022 £'000
Fixed assets	77,253	8,062	735	86,050	81,631	9,130	735	91,496
Investments	15	-	-	15	15	-	-	15
Debtors	3,320	14,018**	-	17,338	10,078	15,507	122	25,707
Cash	1,815	1,864	122	3,801	1,916	-	-	1,916
Current liabilities	(21,452)**	(2,703)	-	(24,155)	(18,549)	(3,029)	-	(21,578)
Net current (liabilities)/assets	(16,302)	13,179	122	(3,001)	(6,540)	12,478	122	6,060
Long term liabilities	(2,551)	-	-	(2,551)	(5,964)	-	-	(5,964)
Pension liability	(8)	-	-	(8)	(33)	-	-	(33)
Total	58,392	21,241	857	80,490	69,094	21,608	857	91,559

*Restated to reflect the correction of errors in the allocation of expenditure between unrestricted and restricted funds and the recognition of grants related to the acquisition of property, plant and equipment. Further details are provided within Note 26.

** Balances include an inter-fund loan from restricted funds to unrestricted funds of £12m (2022: £12.5m). The Group does not currently retain cash and other liquid assets to cover the balance of restricted funds, net of the net book value of assets. Other assets are assumed to be provided from the unrestricted activities of the business as collateral for restricted funds. Whilst there is no formal policy to allocate specific assets in support of restricted funds, more liquid unrestricted assets, including investments, cash and debtors, are allocated on an informal basis in advance of unrestricted fixed assets.

19. Lease commitments

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

				2023				2022
				£'000				£'000
	Property	Vehicle	Equipment	Total	Property	Vehicle	Equipment	Total
Within 1 year	1,220	298	166	1,684	1,272	324	191	1,787
Between 2 to 5 years	1,185	206	208	1,599	1,190	513	177	1,880
After 5 years	712	-	3	715	682	-	-	682
Total	3,117	504	377	3,998	3,144	837	368	4,349

20. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2022 and 31 March 2023

Name	Registered	Company No.	Issued capital	Status
Leonard Cheshire Trading Limited	England and Wales	03244651	£100	Trading
The Leonard Cheshire Foundation (Isle of Man) Limited	Isle of Man	074693C IOM No.669	Limited by guarantee	Trading
Leonard Cheshire Trading Limited	Isle of Man	095071C	£100	Dormant
Leonard Cheshire Services CIC	England and Wales	11081820	Limited by Shares £1	Trading
Leonard Cheshire International	Republic of Ireland	10616088	Limited by guarantee	Trading
Leonard Cheshire USA inc.	Delaware, USA	7313137	Limited by guarantee	Trading

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

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

All subsidiaries registered in England and Wales operate from the following registered office: 66 South Lambeth Road, London SW8 1RL.

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

The Republic of Ireland subsidiary operates from the following registered office: Marine House, Clanwilliam Place, Dublin 2, Dublin.

The USA subsidiary operates from the following registered office: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE 19934, County of Kent.

The Board of Trustees have approved the decision to wind up the Leonard Cheshire International and Leonard Cheshire USA subsidiaries in July 2022.

20. Subsidiaries (continued)

2023*
£'000

2022
£'000

Leonard Cheshire Trading Limited

The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.

*Leonard Cheshire Trading Ltd ceased its trading in May 2022, therefore the results for the year ended 31 March 2023 only include activities for two months ending in May 2022.

Summary of statement of financial activities

Incoming resources	5	51
Resources expended	(12)	(225)
Net (expenses)	(7)	(174)

Summary of assets and liabilities

Assets	-	33
Liabilities	(273)	(308)
Total	(273)	(275)

Leonard Cheshire Foundation (Isle of Man) Limited

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.

Summary of statement of financial activities

Incoming resources	520	566
Resources expended	(613)	(531)
Net (expenses) / income	(93)	35

Summary of assets and liabilities

Assets	1,188	1,271
Liabilities	(30)	(20)
Total	1,158	1,251

Leonard Cheshire Services CIC

The principal activity of Leonard Cheshire Services CIC is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2023 and 31 March 2022 is shown below.

Summary of statement of financial activities

Incoming resources	28,536	26,511
Resources expended	(28,176)	(24,341)
Net income	360	2,170

Summary of statement of financial activities

Assets	5,237	7,096
Liabilities	(3,645)	(5,157)
Total	1,592	1,939

21. Pension schemes

Defined contribution pension schemes

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

From 1 July 2013, the Charity joined the government auto-enrolment scheme. This means that all eligible staff who are not already members of a defined benefit pension scheme or defined contribution schemes are automatically enrolled unless the staff member explicitly chooses to opt-out. Employer contributions for these staff members are 4% of pensionable salary. The total cost of the schemes in 2023 was £2,000,000 (2022 £4,000,000).

Defined benefit pension schemes

The Charity operates a number of defined benefit schemes. The charity has obtained FRS 102 actuarial valuations for The Pension Trust Growth Plan, the Clwyd Pension Fund and the Isle of Man pension fund. Other defined benefit pension funds have been accounted for as defined contribution schemes in line with FRS 102 as there is insufficient information available to properly apply defined benefit accounting.

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

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

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan (the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2023 is £nil (2022 £nil). A surplus cap of £2,031,000 was applied during the year.

Scheme liabilities have been based on liability information as at 30 September 2021 updated to 31 March 2023 by a qualified actuary. The most recent funding valuation was completed as at 30 September 2021 resulting in a surplus of £6,041,000. This valuation has been updated for accounting purposes at 31 March 2023 by a qualified actuary.

Member contributions are payable as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the year commencing 1 April 2023 is £1,900,000 (2022 £1,900,000).

Clwyd Pension Fund – LGPS Scheme

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The net pension surplus recognised in the balance sheet at 31 March 2023 is £69,000 (2022: £56,000 asset). A full actuarial valuation was carried out at 31 March 2022. Employer contributions to be paid for the year commencing 1 April 2023 is £nil (2022: £nil).

Isle of Man Local Government Superannuation Scheme – LGPS Scheme

Isle of Man Local Government Superannuation Scheme relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2023 is £10,000 (2022: £25,000). A full actuarial valuation was carried out at 31 March 2022. Employer contributions to be paid for the year commencing 1 April 2023 is £nil (2022: £nil).

21. Pension schemes (continued)

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2022 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2023 (per annum)	At 31 March 2022 (per annum)
Financial assumptions		
Discount rate	4.80-4.90%	2.60-2.80%
Rate of increase in salaries	2.85-3.95%	3.50-4.65%
Rate of increase pensions :	1.95-2.85%	2.04 - 3.50%
Inflation assumption (RPI)	3.21%	3.52-3.53%
Inflation assumption (CPI)	2.70-2.85%	3.00-3.5%
Demographic assumptions		
Mortality		
Male pensioner at age 65	19.6-21.5	21.2-24.2
Female pensioner at age 65	23.8-24.7	24.1-26.9
Male non-pensioner at age 65 in 20 years	21.0-23.1	22.5-23.3
Female non-pensioner at age 65 in 20 years	25.4-26.2	24.9-25.7
Balance sheet pension liability summary		
	Value at 31 March 2023 £'000	Value at 31 March 2022 £'000
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM Surplus	(59)	(31)
Other schemes (Dyfed and South Yorkshire Pension Scheme)	67	64
Total	8	33

21. Pension schemes (continued)

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2023 £'000	Proportion	Value at 31 March 2022 £'000	Restated* Proportion
Equities	134	202	38	374	0.63%	4,036	5.08%
Bonds	35,985	696	26	36,707	62.20%	47,600	59.91%
Property	6,712	113	10	6,835	11.58%	8,892	11.19%
Cash/liquidity and other	14,265	836	1	15,102	25.59%	19,966	25.13%
Total	57,096	1,847	75	59,018		80,494	

**Proportion percentages have been restated to correct for errors in the percentages disclosed in the prior year.

Balance sheet impact	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2023 £'000	Value at 31 March 2022 £'000
Present value of funded obligations	(55,065)	(1,536)	(85)	(56,686)	(76,315)
Fair value of scheme assets	57,096	1,847	75	59,018	80,494
Effect of asset ceiling	(2,031)	(242)	-	(2,273)	(4,148)
Total	-	69	(10)	59	31

SOFA impact	TPT £'000	Clywd £'000	IOM £'000	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Current service cost	31	28	-	59	28
Expenses	201	1	-	202	143
Net interest cost	-	-	1	1	18
Total	232	29	1	262	189

21. Pension schemes (continued)

	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Analysis of amount recognised in the SOFA as unrealised gains/(losses)		
Other gains/(losses)	4	208
Return on plan (losses)/assets – (losses)/gains	(22,608)	974
Experience (losses)/gains arising on plan liabilities	(2,331)	393
Effect of changes in demographic and financial assumptions – gains	21,119	2,615
Effects of changes in the amount of surplus that is not recoverable – gain/(loss)	2,016	(4,148)
Total recognised in other comprehensive income – (losses)/gains	(1,800)	42

	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Reconciliation of present value of scheme liabilities		
Change in the present value of the defined benefit obligations		
Opening defined benefit obligation	76,315	81,327
Service cost	28	28
Interest cost	2,083	1,668
Contributions by employees	4	4
Actuarial losses / (gains)	(18,788)	(3,007)
Benefits paid	(2,956)	(3,705)
Closing defined benefit obligation	56,686	76,315

	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Reconciliation of present value of scheme assets and actual return on assets		
Change in the fair value of the scheme assets		
Opening fair value of the scheme assets	80,494	79,447
Interest income	2,223	1,649
Admin expenses	(202)	(142)
Return on plan assets excluding interest	(22,608)	1,182
Contributions by employer	2,063	2,059
Contributions by employees	4	4
Benefits paid	(2,956)	(3,705)
Closing fair value of the scheme assets	59,018	80,494
Return on plan assets including interest	(20,385)	2,830

21. Pension schemes (continued)

Other defined benefit pension schemes

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

- TPT Growth plans 1 & 2 pension schemes – These are smaller defined benefit schemes that the Charity participates in. These schemes have been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. The net present value of future contributions is £155,173 (2022: £243,401).
- The TPT Growth plan 3 is a defined contribution scheme, the scheme also has a defined benefit underpin. However there is insufficient information available to account for this underpin on a defined benefit basis. As such the underpin has been accounted for under defined contribution accounting in line with FRS102. The net present value of underpin is £40,000. The annual employer contributions of the defined contribution scheme itself is £88,678 (2022: £142,987).
- The TPT Growth plan 4 pension scheme – This is included as part of the DC schemes noted earlier in this note, however it is also included here for reference as it is part of the TPT Growth plan series, annual employer contributions are £120 (2022: £120).
- The Scottish Voluntary sector pension scheme – It is smaller defined benefit scheme that the Charity participates in. This scheme has been accounted for under defined contribution accounting in line with FRS102 as there is insufficient information available to appropriately apply defined benefit accounting. Net present value of future contributions is £4,218 (2022: £7,748).
- The Charity participates in a further LGPS, South Yorkshire Pension Fund. The charity no longer has any participation in the scheme, however has a deficit value of £6,250, expected to be fully paid within the next year. As such this amount has been recognised as a liability within the pensions balance noted further above.
- The Charity participates in a further LGPS, Dyfed. As at the year end date the charity has a deficit value of £60,830. The amount is expected to be paid in full within the next year. As such this amount has been recognised as a liability within the pensions balance noted above.

22. Contingent liabilities

There are two banking guarantees (totalling £332,200 (2022: £332,200) that have been provided by the bank to 2 third parties. The figure is made up of 2 individual guarantees, one for £200,000 (2022: £200,000) and one for £132,200 (2022: £132,200).

Contingent liabilities primarily comprise of potential liabilities arising from matters relating to disposal of property funded by means of a Capital Grants. The Charity is liable for up to 98% of the disposal proceeds should the properties be sold. There are currently no plans to dispose of the properties. The book value of the properties subject to such grant refund obligations at 31 March 2023 was £2,536,673.

The Charity has been notified by the Trustee of The Pensions Trust (TPT) that a review had been undertaken for all schemes under the TPT umbrella trust, which involved reviewing the historic changes made to the benefits of members alongside the requirements of the TPT Trust Deed and Rules to assess the validity of those changes. The Trustee of TPT will be seeking court directions on the validity of various amendments made to TPT (including the Scheme). There are significant uncertainties, but the current assessment of the additional possible exposure if some or all of the changes impacting past service benefits are found to be invalid is in the range £0-£10m of liability. No legal or constructive obligation will arise until the court has handed down its judgement, which is not expected any earlier than Q1 2025 (and may subsequently be subject to appeal).

23. Company limited by guarantee

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

24. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2022: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 15.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £28,631,000 of invoiced sales (2022: £23,883,000). The resultant intercompany liability is reflected in creditors as shown in Note 15.

No Trustees donations were made in year (2022: £2,475).

25. Financial instruments

		Group 2023 £'000	Restated* Group 2022 £'000	Company 2023 £'000	Restated* Company 2022 £'000
	Notes				
Financial assets at fair value through statement of financial activities					
Investments	12	15	15	15	15
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	13	-	-	956	3,744
Trade debtors	13	16,802	12,870	11,746	8,788
Accrued income	13	2,024	11,874	1,864	8,804
Accrued legacies	13	2,020	2,245	2,020	2,245
Cash and cash equivalents	14	3,985	1,988	3,801	1,916
Total		24,846	28,992	20,402	25,512
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	15	-	-	1,750	1,199
Trade creditors	15	3,704	7,690	3,073	7,670
Other creditors	15	4,457	1,800	3,904	1,800
Accruals	15	5,339	4,448	5,317	4,437
Service users funds	15	1,924	1,781	1,924	1,781
Overdraft	15	-	1,294	-	1,294
Loans	15	480	631	480	631
Total		15,904	17,644	16,448	18,812

*Restated to reflect the correction of errors in the allocation of expenditure to unrestricted funds, the recognition of grants related to the acquisition of property, plant and equipment and the recognition of VAT previously recorded as a liability but not charged. Further details are provided within Note 26.

26. Restatement due to prior year issues

A number of prior year adjustments have been identified, these are detailed below along with their impact on the prior year financial statements. The impact of the restatements is the same for both the consolidated and company financial statements.

Allocation of expenditure to funds

During the year, we identified historical expenditure which should have been classified to restricted activities but had been incorrectly classified as unrestricted in prior periods. The correction of this classification has resulted in a decrease in restricted funds at 1 April 2021 of £8,127,000.

There has also been a net increase in expenditure classified to restricted activities in the year ended 31 March 2022 of £1,135,000 (split between an increase of £530,000 on Social Care and £614,000 on UK Programmes and a decrease of £9,000 to International Programmes expenditure).

The total cumulative impact on funds is an increase of £9,262,000 in unrestricted funds as at 31 March 2022.).

Accounting for capital grants

The group has previously received grants to support the acquisition of properties used for the provision of care. A number of these grants include terms requiring repayment of the grant (and related gains/losses) on disposal of the buildings. The group had previously recognised a liability for the amount of the refundable grant. The liability recognised was incorrectly recorded as equal to the net book value of the property, on receipt of the grant. The liability was amortised through charitable activities income over the life of the asset. This accounting has been corrected to recognise the grant income in full on receipt with a liability to refund only being recognised when the disposal of a property is considered likely. This has resulted in an increase in funds at 1 April 2021 of £2,598,794. This reduces to £2,508,087 for the year ended 31 March 2022 (split between creditors: amounts falling due within one year (£70,000) and creditors: amounts falling due in more than one year (£2,438,000)). The amortisation credit of £90,707 has been reversed for the year ended 31 March 2022.

VAT accounting

An error has been identified in the recognition of VAT liabilities as at 31 March 2022 as a result of liabilities not being recognised in the ledger but reported correctly on the VAT returns. This has resulted in an increase of VAT liabilities at 31 March 2022 of £918,863 and an increase in Debtors of £918,863. This had no impact on the opening balance as at 1 April 2021.

Restated Consolidated Statement of Financial Activities - Unrestricted

Unrestricted

Year ended 31 March 2022	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Income and Endowments from:					
Donations and legacies	4,888	-	-	-	4,888
Charitable Activities – Social Care	133,327	-	(91)	-	133,236
Charitable Activities – International Programmes	7	-	-	-	7
Charitable Activities – UK Programmes	577	-	-	-	577
Other trading activities	126	-	-	-	126
Government support – COVID	2,197	-	-	-	2,197
Investments	135	-	-	-	135
Other including (losses)/gains on disposal of assets	4,900	-	-	-	4,900
Total	146,157	-	(91)	-	146,066
Expenditure on:					
Raising funds	3,209	-	-	-	3,209
Charitable Activities – Social Care	145,520	(530)	-	-	144,990
Charitable Activities – International Programmes	1,776	9	-	-	1,785
Charitable Activities – UK Programmes	2,311	(614)	-	-	1,697
Campaigning	674	-	-	-	674
Total	153,490	(1,135)	-	-	152,355
Net gains/(losses) on investments	(660)	-	-	-	(660)
Net (expenditure)/income	(7,993)	1,135	(91)	-	(6,949)
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	42	-	-	-	42
Net movement in funds	(7,951)	1,135	(91)	-	(6,907)
Reconciliation of unrestricted funds:					
Total funds brought forward	68,345	8,127	2,599	-	79,071
Total funds carried forward	60,394	9,262	2,508	-	72,164

Restated Consolidated Statement of Financial Activities - Restricted

Restricted

Year ended 31 March 2022	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Income and Endowments from:					
Donations and legacies	2,725	-	-	-	2,725
Charitable Activities – Social Care	233	-	-	-	233
Charitable Activities – International Programmes	5,057	-	-	-	5,057
Charitable Activities – UK Programmes	2,726	-	-	-	2,726
Other trading activities	9	-	-	-	9
Government support – COVID	1,550	-	-	-	1,550
Investments	-	-	-	-	-
Other including (losses)/gains on disposal of assets	(6)	-	-	-	(6)
Total	12,294	-	-	-	12,294
Expenditure on:					
Raising funds	82	-	-	-	82
Charitable Activities – Social Care	2,562	530	-	-	3,092
Charitable Activities – International Programmes	5,091	(9)	-	-	5,082
Charitable Activities – UK Programmes	2,065	614	-	-	2,679
Campaigning	-	-	-	-	-
Total	9,800	1,135	-	-	10,935
Net gains/(losses) on investments	-	-	-	-	-
Net (expenditure)/income	2,494	(1,135)	-	-	1,359
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	-	-	-	-	-
Net movement in funds	2,494	(1,135)	-	-	1,359
Reconciliation of restricted funds:					
Total funds brought forward	28,462	(8,127)	-	-	20,335
Total funds carried forward	30,956	(9,262)	-	-	21,694

The errors have been corrected by restating each of the effected financial statement line items for the prior period as follows

Consolidated Balance Sheet

	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Year Ended 31 March 2022					
Debtors	27,277	-	-	919	28,196
Total current assets	29,280	-	-	919	30,199
Creditors: Amounts falling due within one year	(20,144)	-	70	(919)	(20,993)
Net current assets	9,136	-	70	-	9,206
Creditors: Amounts falling due in more than one year	(3,069)	-	2,438	-	(631)
Total net assets	92,207	-	2,508	-	94,715
Funds of the Charity					
Restricted income funds	30,956	(9,262)	-	-	21,694
Unrestricted funds – general	51,082	9,262	2,508	-	62,852
Total unrestricted funds	60,394	9,262	2,508	-	72,164
Total charity funds	92,207	-	2,508	-	94,715

Company Balance Sheet

	As previously reported £'000	Funds £'000	Capital Grant £'000	VAT £'000	As restated £'000
Year Ended 31 March 2022					
Debtors	24,788	-	-	919	25,707
Total current assets	26,719	-	-	919	27,638
Creditors: Amounts falling due within one year	(20,729)	-	70	(919)	(21,578)
Net current assets	5,990	-	70	-	6,060
Creditors: Amounts falling due in more than one year	(3,069)	-	2,438	-	(631)
Total net assets	89,051	-	2,508	-	91,559
Funds of the Charity					
Restricted income funds	30,870	(9,262)	-	-	21,608
Unrestricted funds – general	48,042	9,262	2,508	-	59,812
Total unrestricted funds	57,324	9,262	2,508	-	69,094
Total charity funds	89,051	-	2,508	-	91,559

Year ended 31 March 2022

Group - movement in funds

	Reported funds balance as at 1 April 2021 £'000	Adjustments to funds FY20/21 balances £'000	Restated funds balance as at 1 April 2021 £'000	Reported income resources as at 31 March 2022 £'000
Restricted Funds				
Legacy - Swift	7,514	(547)	6,967	-
Social care	13,878	(2,433)	11,445	4,599
UK programmes	4,916	(3,022)	1,894	2,625
International services	2,154	(2,125)	29	5,070
Total	28,462	(8,127)	20,335	12,294
Unrestricted income funds				
Designated funds	5,319	-	5,319	182
General funds	59,188	10,726	69,914	145,975
Revaluation reserve	5,786	-	5,786	-
Pension reserve	(1,948)	-	(1,948)	-
Total	68,345	10,726	79,071	146,157
Total Funds*	97,663	2,599	100,262	158,451

*The total funds comprise of restricted funds, unrestricted funds and endowment funds.

Reported released resources expended as at March 2022 £'000	Reported gain, (disposals) and transfers as at 31 March 2022 £'000	Adjustments to income and resources FY21/22 £'000	Adjustments to released resources expended FY21/22 £'000	Total restated funds balance as at 31 March 2022 £'000
-	-	-	(376)	6,591
(2,644)	-	-	(154)	13,246
(2,065)	-	-	(614)	1,840
(5,091)	-	-	9	17
(9,800)	-	-	(1,135)	21,694
(529)	83	-	-	5,055
(153,579)	(502)	(91)	1,135	62,852
-	(1,496)	-	-	4,290
-	1,915	-	-	(33)
(154,108)	-	(91)	1,135	72,164
(163,908)	-	(91)	-	94,715

Year ended 31 March 2022

Company – movement in funds

	Reported funds balance as at 1 April 2021 £'000	Adjustments to funds FY20/21 balances £'000	Restated funds balance as at 1 April 2021 £'000	Reported income resources as at 31 March 2022 £'000
Restricted Funds				
Legacy - Swift	7,514	(547)	6,967	-
Social care	13,813	(2,433)	11,380	4,585
UK programmes	4,916	(3,022)	1,894	2,625
International services	2,154	(2,125)	29	5,070
Total	28,397	(8,127)	20,270	12,280
Unrestricted income funds				
Designated funds	5,288	-	5,288	178
General funds	57,022	10,726	67,748	144,460
Revaluation reserve	5,786	-	5,786	-
Pension reserve	(1,948)	-	(1,948)	-
Total	66,148	10,726	76,874	144,638
Total Funds*	95,402	2,599	98,001	156,918

*The total funds comprise of restricted funds, unrestricted funds and endowment funds.

Reported released resources expended as at March 2022 £'000	Reported gain, (disposals) and transfers as at 31 March 2022 £'000	Adjustments to income and resources FY21/22 £'000	Adjustments to released resources expended FY21/22 £'000	Total restated funds balance as at 31 March 2022 £'000
-	-	-	(376)	6,591
(2,651)	-	-	(154)	13,160
(2,065)	-	-	(614)	1,840
(5,091)	-	-	9	17
(9,807)	-	-	(1,135)	21,608
(499)	58	-	-	5,025
(152,963)	(477)	(91)	1,135	59,812
-	(1,496)	-	-	4,290
-	1,915	-	-	(33)
(153,462)	-	(91)	1,135	69,094
(163,269)	-	(91)	-	91,559

6.

Thank you

Charitable trusts, corporate partners and other supporters:

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

Corporate Partners

Great Portland Estates
Howdens Joinery Limited
Hyatt Corporate
John Lewis Foundation
JTI UK
Meridian Business Support
Microsoft Corporation
Odgers Berndtson

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& Social Care
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P F Charitable Foundation	William Brake Foundation
Payback Time Trust	Wolfson Foundation
Pennington Bequest	ZVM Rangoonwala Foundation UK
Postcode Community Trust	
Salford County Council	

7.

Who's who

Trustees and Senior Officers in 2022/23

Founder

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

Trustees

Neil Goulden (Chair)

People Committee; Remuneration
and Nominations Committee
(appointed 31 March 2023)

David Porter

Audit, Risk and Finance Committee
(appointed 10 January 2023)

Michele Golden

Chair of the Quality and Safety
Committee (appointed
1 September 2022)

Valerie Todd

Chair of the People Committee;
Remuneration and Nominations
Committee (appointed 1 July 2023)

Stephen Billingham

Chair of the Audit, Risk and
Finance Committee; Remuneration
and Nominations Committee
(appointed 20 July 2023)

John Cowman

Quality and Safety Committee
(appointed 1 July 2023)

Julian Spurling

Quality and Safety Committee
(appointed 1 July 2023)

David Green

Audit, Risk and Finance
Committee (appointed 1 July 2023)

Stuart Secker

Audit, Risk and Finance
Committee (appointed
1 September 2023)

Hilary Sears

People Committee; Remuneration
and Nominations Committee
(retired 5 October 2023)

Philip Cassidy

Former Chair of the Audit,
Risk and Finance Committee
(retired 19 July 2023)

Anne Goodman

Finance and Turnaround
Committee (retired 19 June 2023)

David Grayson CBE

Governance and Nominations
Committee; Former Chair of
the Board (retired 31 March 2023)

Piers White

Finance and Turnaround
Committee (retired 8 March 2023)

Adam Wiltshire

Former Chair of the Finance
and Turnaround Committee
(retired 25 March 2023)

Stephen Duckworth

Former Chair of People Committee
(retired 2 December 2022)

Dr Sylvia Anie

Governance and Nominations
Committee; People Committee
(retired 30 December 2022)

Vidar Hjordeng

Customer Council, Fundraising
Advisory (retired 30 December
2022)

Colin Hunter (Vice Chair)

Governance and Nominations,
Committee, Quality and Safety
Committee (retired 13 October
2022)

David Pugh

Finance Committee (retired
28 September 2022)

Gareth Davies

Finance Committee (retired
28 September 2022)

Ranald Mair

Audit and Risk Committee, Quality
and Safety Committee (retired
28 September 2022)

Shani Dhanda

Quality and Safeguarding
Committee, Customer Council
(retired 28 September 2022)

*Senior Officers***Chief Executive**

Ruth Owen

Chief Financial Officer

Stuart Dean (from September
2023) Nigel Armitt (interim until
September 2023)
Steve Page (interim – March 2023
until June 2023)

Executive Director – People

Jon Forde

**Executive Director – Partnerships,
Advocacy and Impact**

Marcus Missen

Executive Director –**Transformation and Technology**

Gavin Bounds (until January 2023)

Executive Director – Operations

Peter James

Executive Director –**Strategy Delivery**

David Slater

Executive Director –**Quality and Clinical Care**

Lorraine Lee (interim, April 2023 –
July 2023)

Vanessa Davies (from May 2023)

Global ambassadors**Amar Latif**

Business and Travel

Olivia Breen

Sport

Josh Wintersgill

Young Entrepreneurs and Tech

Jane Asher

Arts

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

Education

Mark Lane

Gardening and Wellbeing

Sophie Morgan

Inclusive Education and Women

Sir Stelios Haji-Ioannou

Business

Robin Sheppard

Catering and Hotel Industry

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

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

Eversheds Sutherland LLP

1 Wood Street
London EC2V 7WC

Farrer & Co

66 Lincoln's Inn Fields
London WC2A 3LH

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Linklaters

One Silk Street
London EC2Y 8HQ

Legal

Leonard Cheshire uses a range
of legal advisors including:

Internal Audit

BDO

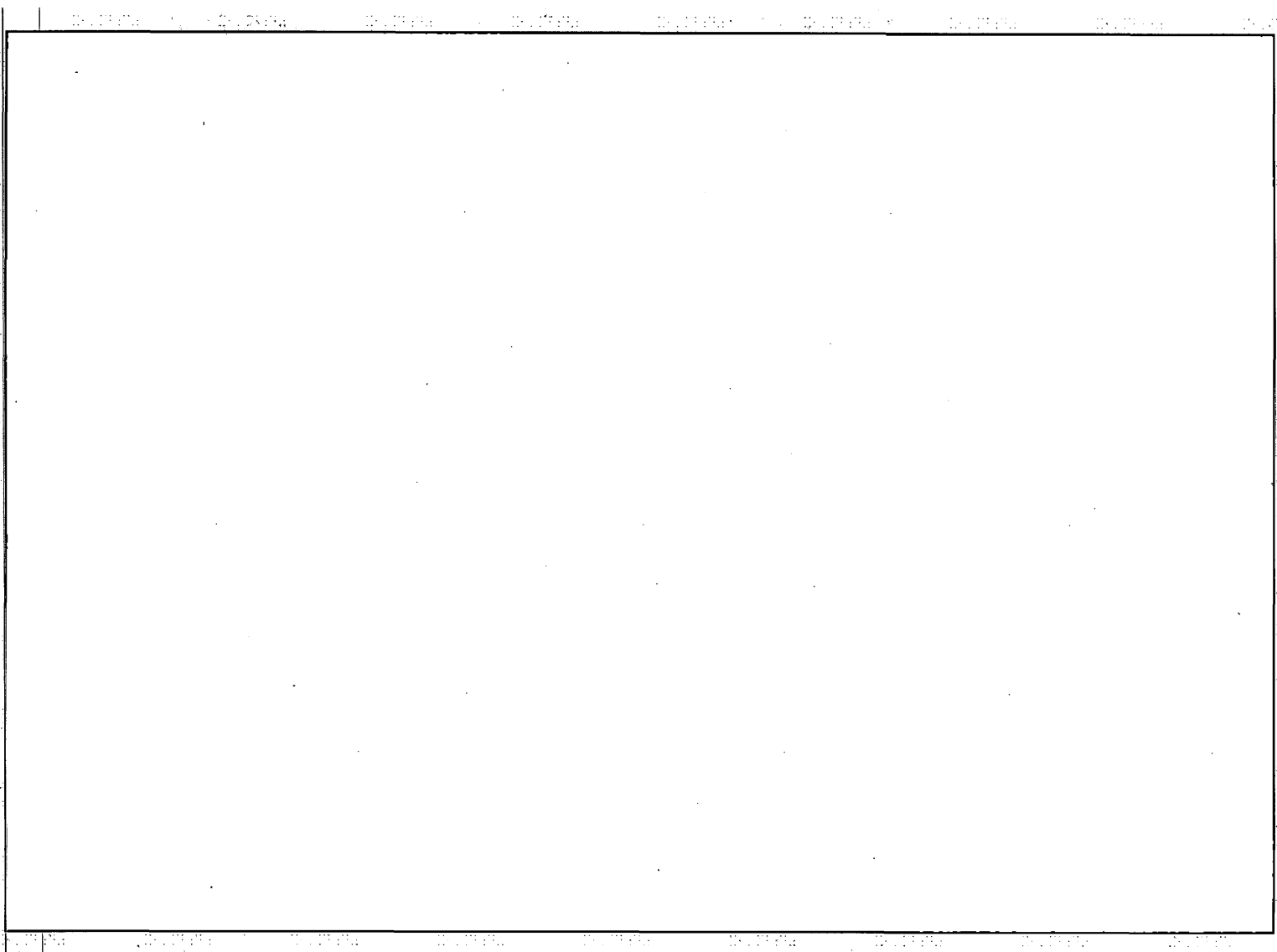
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London W1U 7EU

Bates Wells

10 Queen Street Place
London EC4R 1BE

Bevan Brittan

Fleet Place House
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