



Innovating for impact

Annual Report
& Accounts
2019/20

Leonard
Cheshire



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01

About us



“““

We must rise to the challenge as Leonard did in the years following the war. We must all play our part in ensuring a fair and inclusive world is created.

Message from the Chair

Our charity has a proud history of supporting individuals to have choice and control in their lives, as well as independence.

In recent years, our charity's impact has grown considerably under the leadership of CEO Neil Heslop. Rapid modernisation and expansion of life changing programmes means we are now making more of a difference in the UK and internationally. At the same time, the foundations of our organisation have been strengthened. On behalf of the Board, I would like to thank Neil for a period of remarkable progress made at the charity.

At the time of writing, we are all facing challenges from a pandemic that has devastated the lives of countless individuals and families across the world. Disabled people are among those most affected by COVID-19.

The suspension of key community services was felt keenest by disabled people. The virus also poses a greater risk to many as a result of their health conditions.

Uncertainty over the long-term impact on the economy is a concern for all. For disabled people, the future may look particularly perilous. Some fear for the continuation of support that made work or training possible. Meanwhile, alarming numbers of disabled people have for too long been denied the life-changing opportunities that employment can bring, despite the huge talent pool out there. Government success in closing the employment gap with non-disabled people has been pitifully slow.

There are some positives to be taken from the pandemic. Communities came together to show their solidarity for all key workers in an unprecedented way. There's greater public appreciation of the role social care staff such as Leonard Cheshire's play, achieving so much under huge pressure during the

pandemic. A £150,000 donation from Sir Stelios's Foundation, paying for a gift to all our frontline heroes, was a thoughtful expression of support during very challenging times and immensely generous of our Ambassador.

When our founder set up the charity in 1948, he believed in building a better world, one of equality, of choice and independence for disabled people. Much has changed since then, but there is still some way to go in realising his vision of a world that is fair and inclusive for all.

The charity continues to grow and evolve as it meets today's challenges head on. Staff, volunteers and our partners all play an essential part in ensuring we can deliver support around the world. I am also once again grateful to my fellow Trustees who provide their expertise, insight and time.

Programmes in the heart of communities that support independence, enabling people to find work, learn new skills or get a school education in developing countries have been central to our recent ambitions.

As the world responds to COVID-19 and contemplates how to recover following the tragedies it has brought, we must rise to the challenge as Leonard did in the years following the war. We must all play our part in ensuring a fair and inclusive world is created.

Sally Davis
Chair of Trustees

Message from the Chief Executive

In this my fourth, and last, annual report message it is helpful to reflect on our progress in delivering our 2017 to 2022 “Supporting Journeys Toward Independence” strategy.

In 2017 we set out to grow community reach, become the international pan disability partner of choice and innovate to extend our impact.

Since then we have more than doubled our total direct reach from less than 30,000 in 2017/18 to more than 75,000 today. In 2019/20 we increased direct reach by 30,000 from 46,000 people the previous year. This impressive growth has been driven by expansion of international and UK programmes and partnerships.

At the same time, our UK residential services have delivered an excellent performance with CQC now assessing us as the highest quality provider in our sector, including five higher acuity nursing services rated overall outstanding. The devolved nations in Scotland, Wales and Northern Ireland have deepened our impact in their communities with independent living innovations.

In the latest people survey, 10% of staff anonymously self-identify as disabled, up from 2% in 2017 and our volunteer offer has been modernised, with the number of people supporting us in this way growing from around 3,000 in 2017 to 9,000 last year.

Our public presence has been refreshed, positioning us as the international pan-disability partner of choice and extending our global profile, not least by leading a large consortium including the World Bank and International Labour Organisation in the Innovation to Inclusion initiative that will support 10,000 people with disabilities into work in Kenya and Bangladesh.

Our progress is especially noteworthy, given it has been achieved with reduced headcount. We now have around 5,000 staff, some 2,500 fewer than three years ago, after stepping away from some activities. Over the past three years we have invested nearly £50 million in people, technology and property, which has strengthened us into a more resilient and agile organisation.

That same resilience and agility has enabled us to respond better than many to the challenge of COVID-19. This year will become a seminal moment in our history, following the pandemic and its aftermath. Decisions made by leaders across society in the coming years will shape the world and all organisations for generations to come. In 2020/21 Leonard Cheshire will agree an updated long term strategy and appoint a new CEO.

I shall be leaving to become CEO of the Charities Aid Foundation. It has been an enormous honour to serve as CEO of Leonard Cheshire, and I wish to thank the Board, staff and supporters for the opportunity to contribute to such an amazing organisation. My time at Leonard Cheshire has been both professionally enriching and personally important for me. As someone who has lived with a disability for more than thirty years, having the chance to advance the rights and choices of disabled people around the world, has been the most profoundly important privilege.

Leonard Cheshire will embrace the new challenges 2020/21 will bring, certain of the ingenuity and skill of its extraordinary staff, volunteers and supporters in doing so. Their commitment to support disabled people to live, learn and work independently is extraordinary and befitting of the finest traditions of the charity's Founder.

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Having the chance to advance the rights and choices of disabled people around the world, has been the most profoundly important privilege.

Neil Heslop OBE
CEO



How we supported people

In 2019/20 we directly reached more than 75,000 people and organisations. This includes supporting 61,000 disabled people in the UK and internationally. Around 95% of this reach was through our employment, education and community programmes.

Our reach goes much further than this, totalling 1.3 million individuals and organisations. This includes influencing and wider awareness raising with decision makers and government officials.

Total direct reach

75,000



1.3 million

people and organisations.
Our reach through
influencing and awareness
raising work with
supporters, governments
and decision-makers



61,000

disabled people
supported in the UK
and internationally

**5,135**

children with
disabilities in Africa
supported to get
an education

**32,078**

disabled people supported
to find employment



14,060

disabled people
supported in the UK
through social care or
community programmes

1,931

teachers,
disabled people's
organisations and
government officials
in Africa trained
about inclusive
education



5,500+

people learned about
disability awareness
and the charity through
our volunteers' UK
speaker network events





02

Trustees' report: Strategic report

Live

Leonard Cheshire plays a vital role in local communities around the world. We break down barriers, raise awareness, challenge unfairness and tackle discrimination wherever it exists. Wherever we work, our programmes are tailor-made to have the greatest possible impact.

Being part of a community and being able to make the most of what it has to offer is essential. No one should miss out.

But we know that disabled people do miss out on opportunities, key services and can even be denied fundamental rights. Challenging inequality and providing solutions that create stronger, more inclusive communities is a powerful way in which we are striving to bring about lasting change.

Leonard Cheshire support people to live independently, create opportunities for disabled people to have new experiences, build confidence and skills so they can play more active roles in local life.

Through pioneering and life-changing projects, as well as best in class social care, we are making a bigger difference in communities than ever before.

Leonard Cheshire is now the highest rated nursing care provider for disabled people in England, based on inspection findings by the Care Quality Commission.

Across the UK, 90% of our services are now rated as 'good' or 'outstanding' by regulators.

Five of our services received 'outstanding' ratings in the last year:

St Bridget's in Rustington, West Sussex

Bradbury House in Crook, County Durham

Bradbury Wing in Jesmond, Newcastle-upon-Tyne

St Michaels in Axbridge, Somerset

Gloucestershire House, in Cheltenham, Gloucestershire

We continue to invest in and drive forward improvements in the care we provide to people who live with us. Over the past three years, more than £25 million has been invested in our residential care buildings. We have strengthened clinical support for services with new posts and increased the capacity of our quality team. These teams provide direct support to service managers and our nursing staff.

As of 31 March 2020, Leonard Cheshire has 120 residential and supported living services across the UK. Around 2,700 people benefit from our UK social care services. Individuals have different needs with some requiring intensive nursing support.

A close-up photograph of a person with a prosthetic arm, wearing a wheelchair. They are smiling broadly and pointing their index finger towards the camera. They are wearing a purple long-sleeved shirt and a colorful striped scarf. The background is blurred, showing other people and what appears to be an outdoor event.

90%

services rated as either 'good'
or 'outstanding'



Live

Debbie's journey

Debbie North had a successful career as a solicitor. A devastating stroke meant she became a wheelchair user and had to give up a job she loved and was good at.

Her husband Carl, a musician, now supports her with day to day activities. "We love going out and listening to live music and socialising."

After some rehab and wheelchair use sessions through NHS teams, Debbie began attending Leonard Cheshire's Randall Close service in London. Coached in strengthening and balance exercises, Debbie was supported to use the centre's specialist equipment, including seated bikes and parallel bars.

"The team also encouraged me to chat throughout the sessions, I told them about my love of music, and they bought in a mini-speaker so that we could play the music I like while I exercised, and we all sang along. This has helped with my speech."

This intensive work continued over many months as Debbie's mobility and strength slowly improved. "I walked 10 metres with the stick, and finally felt like I am on my way to recovering. Hopefully, it won't be long until I'm dancing again with my friends and walking in to meet them."

"The staff filmed me walking so that I could show my husband. The following week, they told me that when I left the room, they cried too."

Debbie continues to use the service and is now able to walk 90 metres with one crutch independently. She has accessed other activities the centre offers, such as sailing.

Debbie started to regain the use of her right arm and hand following an intensive exercise program. She now regularly helps Carl with food preparation.

Debbie needs far less help with her personal care than last year and is excited to be planning activities that she and Carl can enjoy in the future.

*The Randall Close Resource Centre is moving to a new base in Wandsworth. Leonard Cheshire Community Support at 52 East Hill will be able to offer even more services and opportunities.

**Residential
and
community
support**



Live

First of its kind service

In January 2020 Leonard Cheshire opened a pioneering specialist rehabilitation service in Belfast for people with an alcohol-related brain injury (ARBI).

ARBI describes the devastating impact of long-term alcohol consumption, which takes away a person's independence and ability to perform normal day-to-day activities.

Relatively young people with ARBI can end up in dementia care settings, with little chance of recovery. Inappropriate acute bed usage at hospital is also common, at considerable cost to the NHS. This is despite the fact that with the right support, damage to the brain from long-term alcohol use is reversible for many.

Leonard Cheshire worked with the Belfast and South-Eastern Health and Social Care Trusts, as well as leading medical experts to develop a new service that gave hope to people with ARBI. It is the first dedicated ARBI service in Northern Ireland.

Fourteen people with an ARBI will be supported at the Belfast service at any one time. A specialist team will assist people towards alcohol abstinence, improving their mental health, employability and helping them towards independence.

The service was set up with £250,000 from Leonard Cheshire, plus £100,000 from a fundraising drive. With a widespread lack of specialist ARBI units, we are looking at the potential for setting up similar services in other parts of the UK.

Strictly unstoppable

Diane Carter, of South Wales, grew in confidence and self-belief after Leonard Cheshire's unique annual dance competition in Wales had fired her imagination.

Having tried wheelchair rugby, she had struggled to find a sport she liked but still wanted to be active. She attended her first session at a local para dance club who told her about Strictly Cymru. Fancying this idea, a week later she entered the Cardiff Heat.

Strictly Cymru seemed just the thing and a fun way to keep fit. Initially nervous, during her first session she stayed in the corner and had to be spurred on by her partner to take part in the dancing. Support from the Strictly team meant she quickly got over her nerves and started showing what she could really do on the dancefloor. After one to one support, Diane decided to continue to attend the local Bridgend Coalition of Disabled People (BCDP) Para Dance Club.

At the Strictly Cymru final, Diane was highly commended. Her confidence and self-belief had hugely improved, and conversations with other participants were much easier now. Her movement and wheelchair control were unrecognisable from the early days.



Diane attended the UK Open Para Dance Championships in June 2019 with her Welsh Team colleagues and entered a group Freestyle dance gaining Gold and with her new Duo Dance Partner entered Freestyle Class 2 and gained Bronze.

Supported by her Leonard Cheshire project worker and dance delivery partner, Diane has since volunteered and now assists by coaching in an inclusive dance session for children and young people with Impetus Dance CIC. She's now also a volunteer for Strictly Cymru and working towards becoming an instructor level coach for the Welsh BCDP Para Dance Team.

"I have gained a lot more confidence, gained medals and working to improve my skills to maybe teach one day."

Diane, from South Wales

Live

Harnessing the power of technology

At Leonard Cheshire, we believe technology has the potential to transform the way we deliver care. It can increase choice and bring improvements for people who benefit from our services.

This could be a game changer as we seek to become a sector leader in these devices and software, bringing benefits to staff and disabled people who use our services.

Over the past two years, the charity has invested in the day to day technology used by staff across the organisation, and assistive technology for the people we support.

A leading edge assistive technology project funded entirely by the Denise Coates Foundation is well underway at our Hill House service in Cheshire.

A predictive health analytics tool from MySense to help alert us to any changes in health or activity before a resident becomes unwell has been installed. Initial results are promising and it has been well received by care staff and residents.

A virtual audio book club and communal video conferencing facilities to aid with social inclusion have been implemented, along with a range of audio visual assistive technology including Interactive Smart TV's and virtual reality headsets to expand the range of activities on offer to residents.

The specialist project team will now move on to the implementation of Grid 3 augmentative and alternative communication tools from Smartbox.

Grid 3 is a complete communication solution that enables people to have a voice, control their environment and live more independent lives. It promises some truly life changing improvements for our residents.

Leonard Cheshire also work with leading technology partners to deliver improvements to the delivery of programmes. We've now been awarded a grant from Microsoft's AI for Accessibility program.

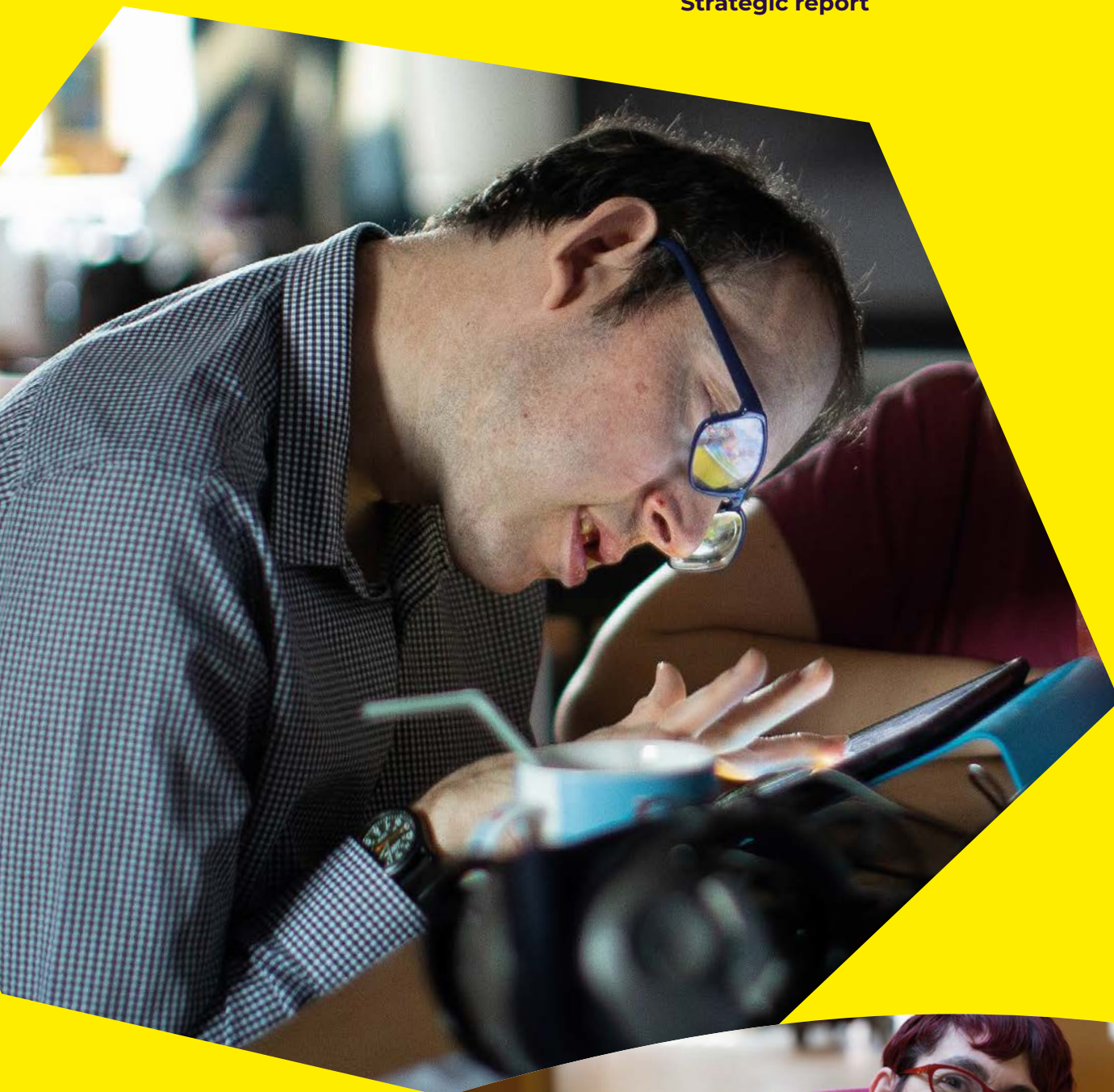
For over a decade, we have had employment projects in Africa and Asia, lifting people with disabilities out of poverty. A new pilot in India as part of the Microsoft AI for Accessibility program has the potential for us to dramatically increase the number of people supported on these life changing projects.

We are working with a Microsoft AI partner to develop a sophisticated digital platform. Using the latest artificial intelligence advances, we will quickly be able to get a detailed profile of a candidate's skills, beyond those gained through employment or training. It will reveal confidence issues that may be holding people back and use AI to identify interests and career goals. Where there are gaps in skills, support will be individually matched.

Following the pilot, we will look to roll out the platform in different nations and other organisations we work with.

"I like to look at my watch first thing in the morning when I wake up, I feel comforted that my heart is beating."

Janice Webborn,
Hill House resident



"I like to think that since it was installed they give us peace of mind by alerting the nursing team to any concerns more quickly."

Claire Martin, Team Leader,
Hill House



Live

Get on board for trains for all

The lack of accessible rail travel in Britain means that many disabled people are not able to participate fully in society.

Rail is key to our transport system. It connects us to friends and family, allows us to get to work and school, take up hobbies and explore.

In December 2019, we launched the latest phase of our transport campaign to make train travel accessible to everybody. This is putting pressure on the Government to create a new law that guarantees all rail journeys in Britain will be fully accessible by 2030.

Leonard Cheshire research found that 38 per cent of stations in Britain don't have step-free access. New analysis by our charity showed that if updates to make stations step-free continue at the current rate, the system won't be fully accessible until 2070. It's not good enough that disabled people will have to wait another half a century before they can use the whole rail system.


38%
of stations in Britain
don't have step-
free access



"If I could count on rail to be accessible, I'd be free to travel further and not just for work. If I could get on and off trains quickly and easily, and be treated like any other passenger, I'd be more confident and would travel for pleasure."

Kathy, a wheelchair user who relies on trains in Suffolk





"I have made quite a few journeys by train in the last couple of years and have found that it takes meticulous planning to organise each trip. I'm lucky that my local station is accessible, but that is not always the case at my destination. The lack of consistent step-free access at stations across the country makes journeys at best, a logistical challenge, and at worst, impossible to achieve."

Hannah, from Cheshire

3659

people have added their name in support for #TrainsForAll

53

MPs signed up to our General Election pledge

240

stories in the media

60

influencers engaged with the campaign on social media



Live

Supporting young people to challenge discrimination

Young people with disabilities can be among the most marginalised and poorest groups. This is despite their potential to be powerful voices for lasting change in communities.

In different parts of the world, Leonard Cheshire supports young people to campaign and raise the profile of the issues that matter most to them. We amplify their voices with decision makers, helping young people with disabilities to hold governments and public institutions to account. By building their confidence and skills, a movement of future leaders and campaigners is being developed.

In 2015, global leaders agreed the UN's Sustainable Development Goals (SDGs). They address the global challenges to be met by 2030, including those related to poverty and inequality, with specific obligations for governments.

'Our 2030 and Counting' project brought together young adults with disabilities and local disabled people's organisations (DPOs) in Kenya, Zambia, and the Philippines. Young people are often underrepresented in DPOs, which are run by and for people with disabilities.

Almost 80 young people with disabilities were recruited as 'citizen reporters'. These reporters were trained to use mobile phones and powerfully capture their experiences, filming and recording in real-time the challenges young people with disabilities faced. Around 330 of these reports were put on a specially created online area. Reporters were then able to directly present their findings to Government officials and decision makers.

As well as building compelling evidence around progress towards SDGs, one major outcome was a review by the Kenyan government of its National Youth Policy.

Leonard Cheshire will continue to support young disabled people in the UK and internationally so they can play their full part in bringing about social change. Our new 'Change Makers' advocacy and campaign programme for young disabled people (aged 16-25) is being delivered across four UK communities in 2020/21. Citizen reporter training and story collection through mobile phones are once again essential elements.



"I know, as a person with a disability, that I am fully capable of bringing about change; I am an expert of experience and that is powerful. So many new networks have opened up to me... I have formed incredible partnerships with DPOs, other brilliant disability and inclusion activists, media personalities and high-profile people"

Maria Njeri

Ma SamuA woman, identified as Ma Samu, is standing in a classroom. She is wearing a black jacket over a pink top and a dark skirt. She has her hair in a bun and is waving her right hand. The background is a chalkboard with the name 'Ma Samu' written at the top and 'ata' written below it. In the foreground, the heads of several children are visible, looking towards her. A large purple triangle is overlaid on the bottom left of the image, containing white text.

**Around half of
children with
disabilities
globally are
not in school**

Learn

Lack of a good education holds children and their communities back. In developing countries, a school place is still beyond the reach of many children with disabilities.

We work with schools, children and their families as well as government officials in developing countries so that no child will be denied the life changing opportunities that education brings.

Leonard Cheshire education programmes in Africa and Asia now support more children to get a school place, and train more teachers and government officials than ever before. We create stronger, more inclusive communities.

We also know that in the UK young disabled people often miss out on skills training and other opportunities. Lack of these opportunities can have a devastating impact, damaging confidence and stopping individuals from fulfilling their potential.

With the support of our partners, Leonard Cheshire has continued to expand its work with disabled people across the UK. Programmes like Can Do and Discover IT are supporting record numbers of people to learn new skills or benefit from experiences in their communities.



Can Do



**Discover
IT**

“”

I now know that children with impairments are like other children, they have the right to education and have the ability to learn like other children.

Esther Banda is a primary school teacher at one of the schools taking part in Leonard Cheshire's Inclusive Education project in the Eastern Province of Zambia

Learn



4,415

parents and male
mentors trained about
inclusive education in
Africa

5,135

children with
disabilities were
supported to get an
education in Africa

1,931

teachers, disabled
people's organisations
and government officials
in Africa trained about
inclusive education

This girl can

More than 3,000 children with disabilities have been able to get a precious school place in Kenya since 2014.

Flagship 'Girls Education Challenge' programmes in the country have been funded by the UK Government. They continue to transform the lives of children, their families and help to make schools inclusive.

Last year, 541 children were supported to get an education in Kenya, beginning a journey that leads to university for many.

Vanessa, who has a hearing impairment, was initially supported by Leonard Cheshire to get her first hearing aid and a place in primary school. We recently supported her enrolment in secondary school.

"I have a disability, but I am also working hard and am pretty sure that given the right support I can achieve the same goals as my peers without disability, and even surpass them"

Vanessa

As in other parts of Africa, stigma around disability can still persist. Mothers are sometimes shunned while fathers of children with disabilities often abandon their families, leaving an extra burden both emotionally and financially. Young people with disabilities, already isolated can be further ostracised.

They struggle to get an education or training beyond primary school. These challenges are often heightened by discrimination against girls.

A Leonard Cheshire team, backed by social workers, find children who are at risk of dropping out of school education. Children and parents then get tailored support from specialist teachers, and equipment provided if mobility or other issues are preventing attendance at school.

Training provided with education officials and teachers is also helping to ensure classrooms in Kenya are inclusive.

Meanwhile cultural change is in action through 'male mentors'. These are fathers whose children have been supported into school through our projects. They are now among the greatest champions of children with disabilities, supporting other parents in their communities and challenging prejudice.



Learn

Life changing education in Zambia

More than 500 children with disabilities have so far been enrolled for mainstream school places as part of our latest education project in the Eastern Province of Zambia*. It will eventually support 750 children to get an education before it concludes in 2021. Forty headteachers and 349 teachers in the region have already been trained about inclusive education.

Nine year old Harriet Munkombwe is one of the children who have benefited from the project so far. Her visual impairment had meant she stopped going to school, after not being able to read materials in books or the blackboard in class. She was also called names by her classmates and laughed at. Her parents could not afford to send her to an eye specialist.

After being given a proper eye and medical assessment, Harriet was then supported to enrol at Ndake primary school where teachers had been trained in inclusive education. She went on to represent her school at an inclusive education workshop, confidently telling Government officials and community leaders about the needs of students with disabilities.

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

"I never thought my daughter would one day step foot in class again. Leonard Cheshire have encouraged me to believe my daughter can finish school as well as learn properly. I'm so grateful to Leonard Cheshire for helping my daughter go back to school."

Harriet's mother





Can Do

Learning in the UK

Can Do is our unique UK-wide programme for young people with any disability. It's driven by what young people want to do and builds skills and confidence. Those taking part are then closely matched to opportunities that benefit their communities. There's something for everyone.

City of Guilds and Scottish Qualification Authority certificates can also be worked towards by taking part in Can Do.

Leonard Cheshire want Can Do to be available in even more locations and for more communities and individuals to benefit from it. Expanding the programme is just one way we are making a bigger difference across the UK.

Can Do now operates in 25 locations.

2,743

people took part in Can Do to build their confidence and life-skills, and give back to their communities.

2

new Can Do locations

566

Can Doers received a recognised certificate

11,670

opportunities in communities across the UK

Learn

Adam's story

Can Do gave 29-year-old Adam, who is deaf and has additional needs, much more confidence. It got him involved in his community and feeling less isolated.

Adam got the chance to meet new people. He did a survey for a hotel about accessibility, helped at events, created artwork for a community centre and promoted Can Do at a volunteer fair.

A zipwire challenge over the River Tyne to raise money for Leonard Cheshire was a highlight. More volunteering opportunities came about because of his involvement in Can Do. He's now interested in getting a driving job to gain even more independence.

"It is a good way to socialise and get out and about", says Adam about Can Do. "This has led to volunteering at a food bank. I am a driving volunteer; I collect and deliver donations. I am hoping to get a paid job through this."

“”

Regular volunteering makes me feel less isolated, more confident to volunteer and know how to get support. My advice is get involved!

Adam
Can Do participant



Learn technology

"I have gained more confidence and learnt a lot about the use of computers. I have achieved greater confidence within myself and I am more interactive with people."

Theresa, a 58 year old who has Osteo Arthritis was given support for job searches, learning about computers and office software through Discover IT.

Digital technology can make things easier for everyone, but we know for disabled people it can be life changing by unlocking activities and experiences that were previously impossible.

The latest digital technology can make the difference between being able to communicate with your family or not. It can open up new employment or education opportunities. And as technology develops, more and more possibilities will unfold.

Our digital inclusion programmes support people to access the digital world, providing training and support, as well as the latest technology devices and software.

In recent years, we've been investing in having the latest assistive technology at our services. We've also expanded what we do in communities. Last year was no different.

**Discover
IT**

13

**new Discover
IT Centres in
communities**

2,560

**disabled people
received training and
equipment through
digital inclusion
projects**



Work

In the UK and internationally, we increased the number of disabled people we supported into employment. Leonard Cheshire worked with more businesses and government officials than ever before – helping to make sure that workplaces and practices are as inclusive as possible.

Stigma, discrimination or lack of awareness can mean people with disabilities are disregarded, treated unfairly and unable to pursue their career ambitions. We won't stop until this doesn't happen.

80 – 90%
of working age people
with disabilities in
developing countries are
unemployed

30,567

people with disabilities in Africa and Asia supported to find employment

1,511

disabled people in the UK supported to find employment

15,932

organisations and employees trained and engaged with

467

politicians and government departments lobbied on inclusive employment

Work

Building better futures for women with disabilities in Uganda

A three-year project in Adjumani, Northern Uganda, supported women with disabilities living in poverty. It was put in place by Leonard Cheshire and Cheshire Services Uganda.

Since February 2018, around 250 women have been trained and encouraged to set up businesses based on their ambitions. Those who took part were empowered to gain skills, confidence and independence. Professional training was given in areas such as agriculture, hairdressing, textiles and tailoring. Business skills around customer care, marketing and finances were also honed. Kits provided the key things needed by the women to get their businesses up and running.

Some of the women supported had the confidence to take up leadership positions in their communities.

Acidria Scovia's story

Lack of skills and discrimination against women with disabilities in her community was holding Acidria Scovia back. That all changed when she was selected to take part in the Leonard Cheshire and Cheshire Services Uganda project.

Born in the Adjumani district of Northern Uganda, she has a physical disability from an illness when she was four years old. This makes it difficult for her to move around. She could not continue in her education to high school or take a course because her parents could not afford it.

She supported her parents with chores but really wanted a proper job. Prejudice stopped her achieving this. Her community regarded her as useless – as someone who could do nothing for herself.

On the project she received six months hairdressing training at a community polytechnic. After completing her training, her start-up kit had the tools she needed to establish her own hairdressing salon, including a sink, dryer, chemicals and rollers. Elbow crutches were also provided to improve her mobility.

Two months on Acidria Scovia is earning well after setting up a salon at a refugee camp. She is now able to buy her own food, clothes and medication, pay rent for her salon and is also sending some of her earnings to her parents.

Her community no longer sees her as useless – in fact many people now come to her for advice, and she's been invited to speak at seminars.



“””

I'm so very much delighted to be among the few empowered young women with disabilities in Adjumani. My self-esteem is high. I have proved many people in my community wrong through my capabilities and achievements, and I'm inspiring many to look up to me and to believe they can do something for themselves just like me

Acidria Scovia, just one of 1,485 people with disabilities supported by our economic inclusion work in Uganda





“”

**Life is about ability,
not disability.
This incredible
environment can
change lives**

Mark Colbourne MBE

The Social Bean – More than just great coffee

“I never thought that with my past I would ever have a job. There is life at the end of darkness. My confidence is through the roof and I am really happy and thankful to those who saw a future in me. It’s given me something to get up every day for. I will not disappoint their trust”

Michelle, an employee at the Social Bean, has experienced chronic depression and medically controlled schizophrenia. After support from her advisor on Leonard Cheshire’s Changing Futures programme, she got qualifications and a job at our unique social enterprise in Swansea

In 2019/20 we opened the first of our new social enterprises in the heart of Swansea.

The Social Bean is a pioneering coffee shop with a difference, providing work and experience to disabled people.

Disabled staff at the coffee shop are joined by volunteers and people undertaking work placements to gain employment skills and experience.

The Social Bean provides: meeting rooms for local businesses to hire; an accessible toilet with extra space and equipment; a Go Digital IT suite; and Virtual Reality headsets.

Paralympic Gold medallist Mark Colbourne MBE joined staff at the official launch of the café.

Facebook: @thesocialbeanswansea

Work

Disability means business

"The training was valuable and thought-provoking, and helped us to identify barriers and adjustments that remove them, which will ensure our programmes are accessible and inclusive for disabled young people. We look forward to working with Leonard Cheshire and applying the learning over the next few months"

Jodie McNally, Head of Young People Services, EY Foundation

We know that it can be hard for disabled people to find and keep a job, often because of barriers they encounter in the workplace or during recruitment. This is despite the huge benefits to businesses of accessing this pool of talent, with the vast array of skills and experience disabled people bring.

As well as supporting disabled people to gain skills and confidence, we work with organisations to have inclusive workplaces and practices.

These activities grew momentum in 2019/20 as we increased capacity in our Training and Consultancy team. Leonard Cheshire can now engage with more companies and organisations, on top of those we already have relationships with through work programmes such as Change Works and Change 100.

We work closely with organisations to get a detailed understanding of their people and priorities. We identify what companies want to achieve and provide bespoke solutions that create lasting organisational change. Barriers for disabled people are removed through the knowledge, skills and confidence training Leonard Cheshire provide. Whether you need awareness training for managers, support on making recruitment or customer service more inclusive, we've got it covered.

4,345

delegates at our UK disability awareness training sessions

745

organisations trained in inclusive business practices in the UK

19,623

organisations and employees engaged with in the UK and internationally

New Ambassadors

Our ambassadors are passionate about the charity and support us in so many ways, promoting our work in the UK and around the world. In 2019/20 two inspirational new figures joined us.



Amar Latif, blind traveller, entrepreneur and TV personality

Amar Latif is a blind traveller, entrepreneur and TV personality. He was the first winner of The Stelios Award for Disabled Entrepreneurs UK in 2007, and has been a great supporter of Leonard Cheshire's work ever since.

Amar is the founder and director of Traveleyes, the world's first commercial tour operator to specialise in holidays for blind as well as sighted travellers. Amar now has a career as a TV presenter, and this has included presenting 'Travelling Blind' on BBC and 'How to Get Fit Fast' on Channel 4.

He was recently one of seven celebrities following an ancient route for BBC's 'Pilgrimage' and in July 2020 appeared as the first blind contestant in Celebrity MasterChef.



Josh Wintersgill, young disabled entrepreneur

Josh is a young disabled entrepreneur from Bristol. Josh invented the portable easyTravelseat, which enables wheelchair users to use aeroplane seats safely, comfortably, and with dignity.

He founded his Ablemove company in February 2018. The same year, he won the Stelios Award for Disabled Entrepreneurs, presented in partnership with Leonard Cheshire.

EasyJet and other airlines, have now adopted the innovative device for use by disabled travellers.

"As a disabled person myself, I know all too well the challenges faced with living, learning and working independently.

Being an Ambassador means I can share the brilliant pioneering work that the charity is doing around the world, and it allows me to bring my younger voice, perspective and ideas."

Josh Wintersgill

Our fundraising

**Fundraised
income excluding
legacies was up
by £2.1 million**

Without fundraised income, thousands of disabled people would miss out on vital support from the charity. Activities and programmes that change the lives of disabled people can only be run as a result of the generosity and dedication of our fundraisers. We are once again hugely grateful for their support.

Last year, fundraised income made up 10% of our total income. The rest is from commissioned care for individuals, and specific grants and funding for delivery of community programmes in the UK and internationally.

**Thanks to the
generosity of our
incredible supporters,
Leonard Cheshire
raised £16.8million in
2019/20**

89%
**of all 2019/20
spending was
on charitable
activity**



Pedal to the metal

A husband and wife from Nottinghamshire raised vital funds for Leonard Cheshire by taking their vintage 1930 Austin Seven called 'Chummy' 230 miles from Belgium to Luxembourg.

In honour of the charity's founder, RAF Pilot Leonard Cheshire, Sophie and Gary Bainbridge began their journey at RAF Scampton.

Expecting freezing November temperatures in Belgium, they donned 1930s vintage clothing to protect themselves from the elements as they took on the challenge. With the classic car vibrating at over 40mph, the journey over hilly terrain was going to be an uncomfortable bone shaker.

“””

What started out as a fun idea for a holiday quickly morphed into an eccentric fundraising idea.

Elaine

Landmark 100th marathon

Super runners Diane and Nick Armstrong completed their 100th marathon in May 2019, organised in memory of Nick's mum and fellow marathon runner Valerie Harrold.

Valerie was a resident at Leonard Cheshire's Holehird care home in Windemere. After a walking accident in Austria in 2013, Valerie suffered a life changing head injury, becoming paralysed from the neck down.

Diane and Nick raised more than £4,000 for Holehird. This went towards a specialist mobile sensory unit equipped with a range of materials that encourage independence, imagination and cognitive development.

Diane said: "This is something that every resident at Holehird will be able to benefit from".



People

Our People strategy is built upon the mission of 'creating a great place to work and volunteer for'. Finding great people to do great work for our charity around the world has never been more critically important and this past year has seen us continue to make good progress toward achieving this. At the end of the year we faced the onset of the COVID-19 pandemic threat and so our mission importantly now extends to being even more clear about how we create a safe place to work too.

We employ around 5,000 employees and have the active support of some 9,000 volunteers, all of whom play their part in making our organisation so unique.

Leonard Cheshire is an international organisation and our workforce reaches out across the United Kingdom, Africa, India, South-east Asia and the USA. The impact of our workforce and volunteer-force has never been in more demand and so we take pride in doing all we can to ensure our values of 'Proud, Positive and Pioneering' are demonstrated in all we do. We will continue to take this same purpose-driven approach into the coming year.

Workforce insight

Over the past year, we have taken time to listen to how our employees feel about working for our organisation. Understanding this insight from all those who commit to working and volunteering for us helps shape our approach to talent attraction, development and retention.

The survey results over this past year all improve on the previous year's findings. 92% of our employees believe in our purpose and 92% consider their role helps to deliver this. 95% of respondents know what is expected of them in order to do a great job and 90% know the values of the charity and understand what they stand for.

78% of respondents state they have the right tools to do their job and 80% feel their line manager really values the work they do. 70% believe they have a career pathway in our organisation and 75% state they plan to be with the charity in a year's time. In the coming year we will invest more time and resources into developing these key themes across our workforce, all as part of achieving our ambition of being a great place to work.

We recognise the positive impact our Staff Association has delivered in creating a more inclusive and engaging experience for our employees. During this past year the Association has successfully established new workforce community networks. A Pride network for our LGBTQ+ employees is just one of the networks now available. These networks create opportunities to engage on workforce matters and take part in social networking. The Staff Association actively seeks and shares the voice of our workforce directly with our executive team and with Trustees through the People Committee.

Developing our leaders

In 2019/20, we continued the development of the curriculum for our leadership community and cascaded this through a range of dedicated programmes covering 'managing people', 'managing quality' and managing finance'. We further embedded our approach to leading change and transformation with a focus on coaching leaders to better support employees through transition.

Being a leader in our charity is a great responsibility, but it is also a great opportunity for individuals to build a career which influences how we deliver our mission in society. Our 'Managing for Excellence' programme is a fundamental way we make this happen and this programme received ILM (The Institute for Learning and Management) approval during the year.

Creating a great place to work requires great leaders and the continued attraction and development of our leadership community is a key component of how we will achieve this ambition.





Financial review

We continued to invest in our people, technology and the quality of our services and property infrastructure in the 2019/20 fiscal year, as envisaged in the 2017 – 2022 strategic plan.

The disposal of 17 services to Valorum Care continued the re-alignment of our estate with our ambitions to deliver community-based services.

The growth in our UK and International programmes activity was particularly strong, increasing from £3.0million to £7.2million.

Although we budgeted for a deficit, the final result was made somewhat worse by COVID-19 during February and March, with both costs of PPE and covering front-line absence increasing; it was also a difficult year for legacy income, affected as it was by systemic issues which caused delays in the notification process across the sector.

Looking forward, we expect COVID-19 to continue to have an impact on our activities and our financial performance during the year to 31 March 2021. Our Voluntary Income will be adversely affected, and we will incur additional costs from higher PPE usage and absence levels. Having modelled those factors and evaluated the likely impacts, we are pleased to say that we are confident that we will be able to continue to deliver high quality services and programmes, within our existing cash and borrowing facilities..

Charitable activities

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

Our income from charitable activities reduced from £145.2million in 2018/19 (89.6 per cent of total income) to £140.5million this year (92.7 per cent of total income). The main driver of this reduction in income was the disposal of 17 services and their related properties during the year, to Valorum Care.

Expenditure on charitable activities reduced from £161.1million in 2018/19 (96.1 per cent of total expenditure) to £157.5 million this year (94.7 per cent of total expenditure). This was also driven by the sale of the 17 properties referred to above.

Donations and legacies

Donations and legacies fell from £14.9million to £9.0million this year, which reflects a reduction in legacy income, from £7.5million to £3.8million, and a reduction in donations and grants, from £7.4million to £5.3million. Expenditure on raising funds fell slightly, from £3.4million to £3.3million, while the ratio of our donations and legacies to the cost of generating voluntary funds reduced from 4.4:1 to 2.7:1.

Total expenditure

Total expenditure reduced from £167.7million to £166.3million this year. Our expenditure on activities that directly relate to delivering social care activities reduced from £154.5million to £149.9million, reflecting the services sold to Valorum Care. At the same time our expenditure on support costs reduced slightly from £15.5million to £15.3million.

Net movement in funds

There was an overall net decrease in funds from £119.6million to £109.3million. The deficit on our defined benefit pension schemes decreased from £7.6million to £0.4million, although this also includes a reclassification of £1.3million into long-term provisions.

Reserves and going concern

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

The Charity has previously adopted a risk-based approach to reserves that is aligned with the strategy for 2017 to 2022. As a result of the annual review of the reserves policy in June 2019, the Trustees updated this policy to be set in terms of minimum levels of cash and managed investments required to ensure that the Charity will be able to meet its financial commitments as they fall due, and deliver on its strategic objectives, making an appropriate allowance for future risks and their potential financial consequences.

We will monitor cash and managed investment levels, to include all amounts available for general activities, net of any overdraft or borrowings. In July 2019, the Trustees set a target level for cash and managed investments, in terms of expenditure that is not covered by contracted social care income, adjusted for risks that could lead to additional cost. The total funds available should exceed 4 months of this annualised cashflow, but should not exceed 7 months.

Based on the 20/21 “Business As Usual” budget, this reserves policy requires us to have levels of cash and managed investments of between £10.5million and £18.4million. As at 31 March 2020, we have a cash balance of £9.7million. This is below our target cash holdings, driven primarily by the shortfall in legacy income and additional costs related to COVID-19. Our modelling suggests that the COVID-19 crisis will continue to adversely affect our cash balances well into the 20/21 fiscal year, and possibly beyond. However, in 20/21 we have less investment planned in our back office systems than in previous years, as that programme comes to an end, and we are re-structuring our central functions to reduce cost and increase impact. This means the COVID-19 scenario plans show that our cash balances will not fall below £3million in our more positive scenario (based on a return to normal levels of activity and cost by March 2021), or exceed our existing overdraft facility if COVID-19 continues to impact us beyond March 2021. Therefore, we are comfortable with the preparation of these accounts on a going concern basis.

On 31 March 2020, the Charity has £109.3million total funds comprising: – £0.9million endowment funds (2018/19: £0.9million); – £24.6million legally restricted funds (2018/19: £23.7million); and – £83.8million unrestricted funds (2018/19: £95.1million).

Cash flow

Our net cash flow from operating activities moved from an outflow of £0.9million to an increased outflow of £17.1million this year. We received £19.7million (2018/19: £2.1million) cash from the sale of property, plant and equipment, with £18.5million coming from the sale of the 17 services, and £0.2million (2018/19: £0.3million) cash from investment returns. We invested £9.2million (2018/19: £7.9million) of cash in fixed assets. The Charity has £0.6million of external debt as at 31 March 2020 (2018: £0.6million), £600,000 of which is a Social Investment Loan, approved by the Welsh Government. On 31 March 2020 we had £9.7million (2018/19: £14.8million) cash which is held in retail bank accounts, including £1.1million (2018/19: £0.8million) held on behalf of disabled people who use our services.

Financial impact of significant events

The sale of 17 services and related properties to Valorum took place during the year. The proceeds (all received in cash) were £18.5million and this gave rise to a profit on disposal of £0.8million, when compared with the Net Book Value of the assets at the time of the disposal (£17.7million).

Fundraising practices

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

- Direct marketing both online and offline generating one-off donations; regular gifts in the form of direct debits, raffles and gifts in wills;
- Events of various types, including challenge events e.g. the London Marathon, Great North Run and Royal Parks; special and corporate events; Varsity Match gala lunch and collections; and A Tribute to Ginger Baker (Eric Clapton) concert;
- Payroll giving to elicit tax efficient donations.

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

In 2019/20 Leonard Cheshire recruited new supporters through online activity, inserts, legacy promotion, events, media appeals and payroll activities. We also ran a digital campaign, Actually I Can, to create engagement with our work and recruit new supporters. Our supporters receive an annual survey where they can feedback on their experience and the frequency of our communications.

We also regularly ask supporters for feedback after specific events and campaign interactions to ensure we are providing relevant content. Surveys and our feedback forms are available in multiple formats (digital, large print, braille, Welsh, etc) upon request to ensure accessibility and inclusion for all supporters.

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

In 2019/20 we received eight complaints regarding our fundraising activities. 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 Institute of Fundraising (IoF), the Direct Marketing Association (DMA) and the Lotteries Council.

All supporter data, for both individuals and organisations is secured in line with The UK Data Protection Act 2018 (incorporating the General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679).

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

We place great care to ensure that all of our fundraising practices are carried out in an ethical manner, compliant with all regulatory requirements. This is to ensure that all people, especially those who might be vulnerable are not at risk of encountering unethical practices in relation to Leonard Cheshire.

We do this by closely monitoring calls to ensure compliance with regulatory standards and to make sure our supporters have a good experience with our fundraisers. Fundraisers are also trained on how to identify vulnerable people and how to manage these interactions.

All fundraising communications provide supporters information on how they can contact us via our Supporter Care team on email or phone; emails also include an option to unsubscribe. Our Supporter Care 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 £649,000 (2018/19: £675,000) and total expenditure was £595,000 (2018/19: £564,000). This means that the Isle of Man services recorded net incoming resources of £54,000 (2018/19: £111,000).

The Charity has a subsidiary, Leonard Cheshire Services CIC, which began activity in the year 2018/19, holding contracts on behalf of Leonard Cheshire Disability, and sub-contracting their delivery to the Charity. Its income in 2019/20 was £23.3million (2018/19: £14.8million), and total expenditure was £22.8million (2018/19: £14.5million). It gift-aided £0.5million (2018/19: £0.3million) to the Charity.

The Charity also has a subsidiary, Leonard Cheshire Trading Ltd, which has been dormant but became active on 1st April 2019. It manages the trading activity within the Leonard Cheshire group, such as our shops and the on-line sale of merchandise.

Leonard Cheshire International is a subsidiary established in Dublin, Ireland, and work has been undertaken during the year to complete its registration with the Charities Regulator and recruit Trustees.

Leonard Cheshire USA was established during the year in Washington D.C., USA, registering with the tax authorities and recruiting Trustees.

The Charity has the following dormant subsidiary:

- Leonard Cheshire Trading Limited (IOM).

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

Streamlined energy and carbon reporting

Environment Intentions

Leonard Cheshire recognises the global challenges presented by climate change and the part it has to play in reducing the charity's impact upon the environment. We are committed to reducing our energy, water and fuel use, as well as waste.

Environment Approach

To reduce our environmental impact we have set challenging targets and the effects of our actions to meet these targets will be continually monitored by an Environmental Management Working Group.

Environmental impact reporting

The environmental impact reporting period is for the period 1 April 2019 to 31 March 2020:

- we have worked to increase staff awareness of environmental good practice
- we have highlighted opportunities for reduced environmental impact within UK operations
- we continued to roll out sustainable lighting, heating and other solutions.

Over the next year, we will work with staff to identify further ways that progress can be made, targeting reduced consumption in our buildings. We will invest in technology and devices, embed awareness across our charity, and work with suppliers to achieve the following by 2022:

- A 20% reduction in energy consumption in building stock
- A 10% reduction in emissions from the company car fleet
- A 20% reduction in waste going to landfill by increasing re-use, recycling and resource recovery
- A 10% reduction in water consumption

Carbon Footprint Reporting

Carbon footprint (Greenhouse gas emissions)

Type of emissions	Activity	2019/20 kWh	2019/20 tCO ₂ e	2019/20 % of total
Direct (Scope 1)	Services Gas	21,867,593	4,026	44%
	Services Oil	5,105,346	1,295	14%
	Services LPG	2,590,823	555	6%
	Company Vehicle	1,248,991	290	3%
Energy Indirect (Scope 2)	Services Electricity	9,311,676	2,361	25%
Other Indirect (Scope 3)	Personal Vehicle	3,071,173	714	8%
Total gross emissions (tCO₂e)			9,241	
Total energy consumed (kWh)		43,195,602		

Intensity metric

Number of employees (FTE's): 3822

Tonnes of CO₂e per employee: 2.42

Assessment parameters

Baseline year: 2019 - Current year.

Reporting organisation: Leonard Cheshire Disability.

LCD Environmental Leads: Karl Monet, Head of Health, Safety and Environment. Joanne Antcliff, Head of Procurement.

Reporting period covered: 1 April 2019–31 March 2020

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.

Quantification and Reporting Methodology used

We have followed the 2019 UK Government Environmental Reporting Guidelines. We have used the 2019 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology has been created based on energy management best practice.

Principal risks and uncertainties

Working to support disabled people entails taking risks. The Trustees are ultimately responsible for risk management and they are satisfied that appropriate internal control systems and risk management processes are in place.

The Trustees consider that the following framework provides the Charity with adequate measures to reduce the impact of identified risk.

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

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

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

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

Potential risk:

Insufficient statutory social care funding

Action taken to mitigate:

- 5-year strategy with agreed business plan KPIs , e.g. occupancy and absence rates, fee recovery and inflation.
- Continuation of rollout of enhanced pay framework which pays the living wage across the UK & increases percentage of permanent staff, reducing recruitment and agency costs.
- Regular evaluation of attraction, recruitment & retention strand of the People Strategy, including Services Employment Framework to continuously optimise retention of staff.
- Number of services using neutral vendor system for outsourced recruitment now consistently at 95%.

Potential risk:

Failure to achieve income growth

Action taken to mitigate:

- Funding targets spread across International, Partnerships and Fundraising
- Implementation of CRM (Customer Relationship Management) system to support National and International Partnership Engagement Plan
- International HR & Finance Business partners in situ and impact regularly assessed to measure effective support of International growth strategy.
- Exploring alternative methods of funding (on an ongoing basis)

Potential risk:

Loss of public trust

Action taken to mitigate:

- Proactive management of media, government and civil society relationships
- All safeguarding and ethical policies updated and staff trained as appropriate
- Safeguarding Team established to improve case management and organisational learning
- Further implementation of current fundraising, governance and impact reporting best practice

<p>Potential risk:</p> <p>Failure to meet safe quality standards</p>	<p>Action taken to mitigate:</p> <ul style="list-style-type: none"> • Electronic medication system • Clinical governance and Quality Assurance Frameworks • Rigorous Safeguarding, Serious Incident, health and safety, and whistle blowing procedures, • Serious Incidents Policy & Procedures reviewed & simplified • Safer recruitment processes
<p>Potential risk:</p> <p>Inability to deliver timely change</p>	<p>Action taken to mitigate:</p> <ul style="list-style-type: none"> • Completed review of communications functions. • Dedicated transformation budget. • Quarterly Senior Leader Strategic Learning Forums • Pan-organisational Project Management Office established with specialist dedicated leadership. • Change board established and monthly review of all projects reviewed by Board and Executive team updated monthly
<p>Potential risk:</p> <p>Serious breach of information or cyber security</p>	<p>Action taken to mitigate:</p> <ul style="list-style-type: none"> • Data protection policies built into terms and conditions for all staff • IT security policies in place, including Acceptable use policy; Staff computer usage policy; IT Network security policy; Confidentiality policy; Own devices policy; Encryption policy for laptops, removable media and smartphones • Firewalls, automatically updated anti-virus software and e-mail/internet filtering
<p>Potential risk:</p> <p>Compromise to the Integrity, Availability and Confidentiality of Personal and Sensitive Information</p>	<p>Action taken to mitigate:</p> <ul style="list-style-type: none"> • Executive Management ownership and support for Information Governance and Security issues • The monitoring and maintenance of the Data Processing Management System and business level ownership for data processing activities. • An Information Governance and Security Training programme • NHS IG Toolkit compliance
<p>Potential risk:</p> <p>A significant or unavoidable event or series of events causes major disruption to some or all of our activities, over a prolonged period of time, e.g. the COVID-19 crisis.</p>	<p>Action taken to mitigate:</p> <ul style="list-style-type: none"> • Executive Management ownership and four stage crisis management plans in place (business continuity, workforce planning, transition and re-set) • Regular evaluation of impact around staffing levels and staff morale and wellbeing • Clinical guidelines in place with clear instructions to staff to ensure customer safety • Financial modelling and stress testing scenarios in place to ensure resilience and sustainability • Board, Finance Committee and Risk and Audit Committee oversight.

Governance and structure

Registration

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

Objects and public benefit

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

The Trustees, in exercising their powers and duties, have complied with their duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In preparing the report and accounts, the Trustees have complied with the requirements set out in that guidance to report on the significant activities and achievements of the charity in 2019/20. They have reported in a way that both sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity were carried out for the public benefit. Further detail on the public benefit can be found in the section Objectives and Activities.

Governance and operating structure

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

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

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

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

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

In line with good practice, a range of benchmarking assesses the current positioning of our Executive Team's pay in the market to ensure that pay for this group is proportional, justifiable and defensible. The XpertHR Top Charities survey has been used as our primary source, supplemented by review of the Korn Ferry (formerly Hay Group) Not-for-Profit and Public sector survey.

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

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

The Finance Committee is chaired by David Pugh. The Committee supports the Board in fulfilling its global oversight responsibilities in respect of financial performance. It meets at least three times per year and is responsible for:

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

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

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

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

The Governance and Nominations Committee is chaired by Colin Hunter.

Previously chaired by former Trustee Martin Davidson, Colin Hunter was appointed the chair of this committee in July 2019. The Committee is responsible for identifying, recruiting and proposing new members of the Board and Chief Executive and for their induction, support and development.

The Investment Committee is chaired by Richard Brooman. It was established during the financial year and met twice.

The Committee sets the investment management policy and will manage our investment advisors.

It comprises the chair of the Finance Committee and an independent expert.

Advisory Groups

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

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

Director duties statement

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

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

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

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

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

The Trustee Board sets the strategic direction of Leonard Cheshire and decisions are taken in the context of the current 2017/22 'Supporting Journeys Towards Independence' strategy. This provides for a consistent and coordinated approach to the Trustee Board's decision-making, with Trustees considering the charity's sustainability and long-term success at all times.

Directors maintain the interests of Leonard Cheshire employees and volunteers, through its People Strategy and workforce insight work overseen by the People Committee and described in more detail on page 59. Regular surveys are taken to hear and respond to staff views, complemented by a strong working relationship with the Staff Association. The Staff Association Chair attends the People Committee.

The views and ambitions of disabled people are vital to inform Board work and decisions. The Customer Council (page 64) is an advisory body to the Trustee Board and is chaired by a Trustee with a lived experience of disability. Our Girls Education Challenge in Kenya has built up relationships with teachers, disabled people's organisations and government officials, giving them the knowledge and drive to make schools more inclusive.

Our strong business relationships, with suppliers understanding and supporting our vision, have been particularly successful. Examples include receiving pro bono legal support from Linklaters, and the annual Stelios awards, supporting business opportunities for people with a disability.

Leonard Cheshire's ambition is to continue extending its positive impact in communities around the world and to increase our reach by supporting more disabled people to develop and achieve their potential. This report includes stories of how this is being achieved, for example in the Social Bean coffee shop (page 39) and the work of our Training and Consultancy Team to create inclusive workplaces and practices.

Policies form part of the suite of Leonard Cheshire protocols and processes to ensure that the charity is run efficiently and effectively, conforming to high standards in business conduct. Expectations and standards are spelt out in policies, so governance standards are consistent. These policies are subject to regular review, for example the Anti-Fraud Policy and Anti-Bribery and Corruption Policy were reviewed by the Finance Committee in March 2020 and will be reviewed in 2023.

Appointment and induction of Trustees

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

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

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

Emoluments

In 2019/20, Trustees received no emoluments.

Directors' indemnities

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

Customer Council

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

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

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

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 14 August 2020.



Sally Davis
Chair

03

**Statement of Trustees'
responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (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.

04

Auditors' report

Independent auditors' report to the members of Leonard Cheshire Disability

Opinion

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 2020; the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the consolidated cash flow statement for the year then ended; and the notes to the financial statements.

Report on the audit of the financial statements

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

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

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.

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

Strategic Report and Trustees' Report

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

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

Responsibilities for the financial statements and the audit*Responsibilities of the Trustees for the financial statements*

As explained more fully in the Statement of Trustees' Responsibilities set out on page 67, 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

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with 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**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate 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.



Nicholas Boden

Senior Statutory Auditor

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

14 August 2020

05

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income
and Expenditure Account) for the year
ended 31 March 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Totals 2020 £'000	Totals 2019 £'000
Income and Endowments from:						
Donations and legacies	3	7,955	1,051	-	9,006	14,866
Charitable activities - social care	2	133,298	-	-	133,298	142,144
Charitable activities - UK & international programmes		1,982	5,199	-	7,181	3,034
Other trading activities		578	30	-	608	483
Investments	4	236	-	1	237	344
Other including gains on disposal of assets		2,403	(1,102)	-	1,301	1,151
Total		146,452	5,178	1	151,631	162,022
Expenditure on:						
Raising funds	5	3,328	2	-	3,330	3,364
Charitable activities - social care	5	148,890	1,038	1	149,929	154,456
Charitable activities - UK & international programmes	5	5,197	2,346	-	7,543	6,626
Campaigning	5	245	-	-	245	663
Partnerships	5	4,457	829	-	5,286	2,557
Total		162,117	4,215	1	166,333	167,666
Net (losses) / gains on investments	10/11	(19)	-	-	(19)	173
Net (expenditure) / income	7	(15,684)	963	-	(14,721)	(5,471)
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	24	4,366	-	-	4,366	926
Net movement in funds		(11,318)	963	-	(10,355)	(4,545)

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Totals 2020 £'000	Totals 2019 £'000
Reconciliation of funds:						
Total funds brought forward		95,119	23,669	856	119,644	124,189
Total funds carried forward	16-18	83,801	24,632	856	109,289	119,644

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

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

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

Income and Endowments from 'Other including gains on disposal of assets' includes the sale of 17 services and properties during the year to Valorum Care for £18.5million.

Consolidated Balance Sheet

as at 31 March 2020

Company Number 552847

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	9	33	90
Tangible assets	8	92,519	109,172
Investments	10	6,101	7,615
Total fixed assets		98,653	116,877
Current assets			
Debtors	12	26,270	20,226
Investments	11	10	14
Cash at bank and in hand	13	9,687	14,772
Total current assets		35,967	35,012
Liabilities:			
Creditors: Amounts falling due within one year	14	(16,647)	(17,195)
Net current assets		19,320	17,817
Total assets less current liabilities		117,973	134,694
Creditors: Amounts falling due after more than one year	14	(4,371)	(4,441)
Provisions for liabilities	15	(3,910)	(3,023)
Net assets excluding pension liability		109,692	127,230
Defined benefit pension scheme liability	24	(403)	(7,586)
Total net assets		109,289	119,644

	Note	2020 £'000	2019 £'000
The Funds of the Charity			
Endowment funds	16	856	856
Restricted income funds	17	24,632	23,669
Unrestricted funds	18		
Designated	18	5,909	99,042
General	18	71,637	(3,014)
Revaluation reserve	18	6,658	6,677
Pension reserve	18	(403)	(7,586)
Total unrestricted funds		83,801	95,119
Total Charity funds		109,289	119,644

The financial statements were approved by the Trustees on 14 August 2020 and signed on their behalf by:



Sally Davis
Chair



Richard Brooman
Chairman of the Audit & Risk Committee

Company Balance Sheet

as at 31 March 2020

Company Number 552847

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	9	33	90
Tangible assets	8	92,502	109,150
Investments	10	6,101	7,615
Total fixed assets		98,636	116,855
Current assets			
Debtors	12	24,042	20,563
Investments	11	10	14
Cash at bank and in hand	13	8,737	14,155
Total current assets		32,789	34,732
Liabilities:			
Creditors: Amounts falling due within one year	14	(15,351)	(18,342)
Net current assets		17,438	16,390
Total assets less current liabilities		116,074	133,245
Creditors: Amounts falling due after more than one year	14	(4,371)	(4,441)
Provisions for liabilities	15	(3,910)	(3,023)
Net assets excluding pension liability		107,793	125,781
Defined benefit pension scheme liability	24	(403)	(7,586)
Total net assets		107,390	118,195

	Note	2020 £'000	2019 £'000
The Funds of the Charity			
Endowment funds	16	856	856
Restricted income funds	17	24,586	23,622
Unrestricted funds			
Designated	18	5,832	99,042
General	18	69,861	(4,416)
Revaluation reserve	18	6,658	6,677
Pension reserve	18	(403)	(7,586)
Total unrestricted funds		81,948	93,717
Total Charity funds		107,390	118,195

The net deficit for the year of the parent Charity was £10.8million (2019: net deficit of £4.7million).

The financial statements were approved by the Trustees on 14 August 2020 and signed on their behalf by:



Sally Davis
Chair



Richard Brooman
Chairman of the Audit & Risk Committee

Consolidated Cash Flow Statement

for the year ended 31 March 2020

	Reference	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(17,124)	(867)
Cash flows from operating activities:			
Dividends, interest and rents from investments		237	344
Proceeds from the sale of property, plant and equipment		19,843	2,085
Purchase of property, plant and equipment		(9,367)	(7,871)
Purchase of intangible assets		(7)	-
Proceeds from sale of investments		1,303	583
Net cash generated from / (used in) investing activities		12,009	(4,859)
Cash flows from financing activities:			
Cash inflow from new borrowing		30	600
Net cash provided by financing activities		30	600
Change in cash and cash equivalents in the reporting period		(5,085)	(5,124)
Cash and cash equivalents at the beginning of the reporting period		14,772	19,896
Cash and cash equivalents at the end of the reporting year	B	9,687	14,772

Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2020

	2020 £'000	2019 £'000
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(14,721)	(5,471)
Adjustments for:		
Depreciation and impairment charges	7,718	7,464
Amortisation on programme related investment	20	20
Losses / (Gains) on investments	19	(173)
Dividends, interest and rents from investment	(237)	(344)
(Gains) on the sale of fixed assets	(1,301)	(1,151)
Difference between pension contributions and current service cost	(2,817)	(2,283)
Increase in debtors	(6,043)	(2,304)
Increase in creditors	238	3,375
Net cash used in operating activities	(17,124)	(867)
B. Analysis of cash and cash equivalents		
Cash in hand	9,687	14,772
Total cash and cash equivalents	9,687	14,772

Notes to the financial statements

for the year ended 31 March 2020

1. Accounting policies and basis of preparation of financial statements

General Policies

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

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. We have modelled the potential impacts of COVID-19 on our finances and cashflows, reflecting the potential for lost income and increased costs (specifically of Personal Protective Equipment and higher levels of absence). 20/21 will see reduced costs, as we come to the end of our system investment programme and re-structure some of our central functions. Based on the level of forecast future cash balances, the predictability of our core income streams, the £5million overdraft facility we have in place, and the general strength of our balance sheet, the Trustees are confident that accounting for the charity as a going concern is appropriate.

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

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

The Charity is a public benefit entity.

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

The consolidated Group disclosures include the results of services in the United Kingdom and worldwide and central administration up to 31 March 2020. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Ltd, Leonard Cheshire Trading Ltd and Leonard Cheshire Services CIC have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its income and expenditure account.

Income Policies

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

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

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

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

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

Income from other trading activities includes income from both trading activities to raise funds for the Charity and income from sale of merchandise. To fall within this category the income must be received in exchange for supplying goods and services in order to raise funds for the

Charity. Income is recognised when the Charity has entitlement in accordance with the rules set out in FRS 102, the receipt is probable and the amount measurable.

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

Expenditure Policies

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

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

Operating support costs have been allocated to the appropriate charitable activity in accordance with Charities SORP. These costs include both primary costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs. The total support costs, which also include an element of staff costs, are apportioned across the specific activities in accordance with the number of full time equivalent employees allocated to each activity at the end of the financial year. The categorisation and allocation of these support costs is detailed in note 5.

They include the costs of all activities not engaged directly in charitable, fundraising or publicity activities.

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

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

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

Pensions

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

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

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

Liabilities for the multi-employer plans, are treated as defined contribution schemes because the liabilities cannot be accurately calculated for an individual employer. They are recognised using discounted future cashflows in respect of funding deficit reduction plans, and are presented within Provisions for Liabilities.

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

Defined contribution pension scheme costs represent the contributions payable for the period.

Liability Policies

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

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

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

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

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

Foreign Currency

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

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

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

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

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

Asset Policies

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

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

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

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

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

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

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

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

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

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

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

Where assets have been acquired via the receipt of specific capital in the form of a capital grant agreement, the accounting treatment 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:

- i) Restricted funds consisting of donations and legacies received and for which the donor has specified the purposes to which the funds must be applied;
- ii) Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained;
- iii) Expendable endowment funds can be used for general purposes;
- iv) Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity; and
- v) Designated funds which have been set aside at the discretion of the Trustees for specific purposes but which otherwise form part of the unrestricted funds. The Group designates funds for future capital developments which are for the long term use of its service users.

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

The Trustees review the Charity's reserves policy annually. It was restated in July 2019 to be based on cash and managed investments balances, and expressed as levels required to cover 4-7 months of risk-adjusted net expenditure. This is recalculated at least annually, and includes requirements for working capital, estimates for potential impacts of risk areas, and a contingency for unforeseen costs. The Charity's reserves policy is discussed in detail in the Report of the Trustees.

Other Policies

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

Critical Accounting Judgements and Estimation Uncertainty

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

There are no significant judgements made in these accounts.

- i) Provisions (note 15). Provision is made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and discount rates used to establish net present value of the obligations require management's judgement.
- ii) Defined benefit pension scheme (note 24). The Charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.
- iii) Legacy income. It is the Group's practice to wait six months from the date of probate before recognising income to allow for any claims against the estate to be made which could affect entitlement and measurement of the assets for distribution. Measurement will then be based on details contained in the estate accounts received.
- iv) Investment properties (note 10). The Charity has undertaken several external valuations and some by a qualified RCIS employee of the investment properties. A full external valuation was planned, but COVID-19 meant this wasn't possible.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2020.

Income and Endowments from:

- Donations and legacies
- Charitable activities - social care
- Charitable activities - UK & international programmes
- Other trading activities
- Investments
- Other including gains / (losses) on disposal of assets

Total

Expenditure on:

- Raising funds
- Charitable activities - social care
- Charitable activities - UK & international programmes
- Campaigning
- Partnerships

Total

Net gains on investments

Net (expenditure) / income

Other recognised gains :

- Actuarial gains on defined benefit pension schemes

Net movement in funds

Reconciliation of funds:

Total funds brought forward

Total funds carried forward

Year Ended 31 March 2020				Year Ended 31 March 2019			
Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Totals 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Totals 2019 £'000
7,955	1,051	-	9,006	10,486	4,380	-	14,866
133,298	-	-	133,298	142,144	-	-	142,144
1,982	5,199	-	7,181	185	2,849	-	3,034
578	30	-	608	482	1	-	483
236	-	1	237	343	-	1	344
2,403	(1,102)	-	1,301	1,151	-	-	1,151
146,451	5,178	1	151,631	154,791	7,230	1	162,022
3,328	2	-	3,331	3,364	-	-	3,364
148,890	1,038	1	149,929	151,331	3,124	1	154,456
5,197	2,346	-	7,543	2,992	3,634	-	6,626
245	-	-	245	663	-	-	663
4,457	829	-	5,286	1,019	1,538	-	2,557
162,117	4,215	1	166,333	159,369	8,296	1	167,666
(19)	-	-	(19)	173	-	-	173
(15,684)	963	-	(14,721)	(4,405)	(1,066)	-	(5,471)
4,366	-	-	4,366	926	-	-	926
(11,318)	963	-	(10,355)	(3,479)	(1,066)	-	(4,545)
95,119	23,669	856	119,644	98,598	24,735	856	124,189
83,801	24,632	856	109,289	95,119	23,669	856	119,644

3. Donations and legacies

	Year Ended 31 March 2020			Year Ended 31 March 2019		
	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Legacies	3,694	58	3,752	3,533	3,920	7,453
Donations	4,261	993	5,254	6,953	460	7,413
Total	7,955	1,051	9,006	10,486	4,380	14,866

The estimated amount of legacies for which the Group has received notice of entitlement, but which has not been accrued-either because probate has not yet been obtained, or on the grounds of insufficient information or certainty - was £1.2million (2019: £0.9 million).

4. Investment income

	2020 £'000	2019 £'000
Quoted investments	2	1
Bank interest	86	130
Rent from investment properties	148	215
Total	236	346

5. Total resources expended

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2020 £'000	Total 2019 £'000
Fundraising	2,283	778	269	3,330	3,364
Total costs of raising funds	2,283	778	269	3,330	3,364
Charitable activities					
Social care	96,270	39,326	14,333	149,929	154,456
International services	3,142	4,256	145	7,543	6,626
Campaigning	200	21	24	245	663
Partnerships	4,153	571	562	5,286	2,557
Total charitable activities	103,765	44,174	15,064	163,003	164,302
Total resources expended	106,048	44,952	15,333	166,333	167,666

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

	Management & administration £'000	Finance, IT & purchasing £'000	Human resources £'000	Total 2020 £'000	Total 2019 £'000
Support costs					
Fundraising	137	78	54	269	199
Social care	7,289	4,176	2,868	14,333	15,044
International services	73	42	30	145	70
Campaigning	12	7	5	24	40
Partnerships	286	164	112	562	184
Total	7,797	4,467	3,069	15,333	15,537

6. Governance costs

	2020 £'000	2019 £'000
Internal audit	214	224
External auditors' remuneration		
audit services current year	150	115
amounts payable to auditors in respect of additional costs for the prior year audit	55	-
non-audit services	8	8
Governance and professional support for Trustees	60	34
Total	487	381

Governance and professional support for Trustees comprises the internal cost of strategic planning and providing legal support to Trustees, together with recruitment costs of new Trustees.

The total Trustee expenses incurred by Leonard Cheshire Disability or reimbursed during the year was £14,881 (2019: £12,319) which related to travel and subsistence.

The number of Trustees who were reimbursed were 9 (2019:8).

The audit fees shown above are inclusive of irrecoverable VAT.

7. Net expenditure

	2020 £'000	2019 £'000
This is stated after charging / (crediting):		
Depreciation - tangible fixed assets	7,654	7,351
Amortisation - intangible fixed assets	64	112
Operating lease rentals:	-	-
Property	1,557	1,531
Equipment	218	97
Auditors' remuneration - audit	205	91
Auditors' remuneration - other	8	8
Exchange rate losses	25	90
Gains on disposal of assets	(1,301)	(1,151)

8. Tangible fixed assets - Group

	Freehold land & buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment & vehicles £'000	Total £'000
Cost					
At 1 April 2019	116,447	7,777	4,342	65,728	194,294
Transfer from investment properties	684	-	-	-	684
Additions	92	-	6,332	2,943	9,367
Disposals	(23,417)	-	(579)	(15,815)	(39,811)
At 31 March 2020	93,806	7,777	10,095	52,856	164,534
Accumulated depreciation and impairments					
At 1 April 2019	41,007	4,670	-	39,445	85,122
Transfer to investment properties	-	-	-	-	-
Charge for the year	2,621	129	-	4,904	7,654
Disposals	(11,395)	-	-	(9,366)	(20,761)
At 31 March 2020	32,233	4,799	-	34,983	72,015
Net book value at 31 March 2020	61,573	2,978	10,095	17,873	92,519
Net book value at 31 March 2019	75,440	3,107	4,342	26,283	109,172

During the year, 17 services and their associated properties were sold to Valorum Care.

The properties Heatherley (NBV: £1,909,868) and Gloucestershire House (NBV: £2,193,349) are pledged as security against our £5million overdraft facility, which is unused at present.

8. Tangible fixed assets - Company

	Freehold land & buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment & vehicles £'000	Total £'000
Cost					
At 1 April 2019	116,446	7,777	4,342	65,647	194,212
Transfer from investment properties	684	-	-	-	684
Additions	92	-	6,332	2,943	9,367
Disposals	(23,417)	-	(579)	(15,815)	(39,811)
At 31 March 2020	93,805	7,777	10,095	52,775	164,452
Accumulated depreciation and impairments					
At 1 April 2019	41,002	4,669	-	39,391	85,062
Transfer to investment properties	-	-	-	-	-
Charge for the year	2,621	129	-	4,899	7,649
Disposals	(11,395)	-	-	(9,366)	(20,761)
At 31 March 2020	32,228	4,798	-	34,924	71,950
Net book value at 31 March 2020	61,577	2,979	10,095	17,851	92,502
Net book value at 31 March 2019	75,444	3,108	4,342	26,256	109,150

9. Intangible assets - Group and Company

	2020 £'000
Cost	
At 1 April 2019	1,989
Additions	7
Disposals	-
At 31 March 2020	1,996
Accumulated amortisation and impairments	
At 1 April 2019	(1,899)
Charge for the year	(64)
Disposals	-
At 31 March 2020	(1,963)
Net book value at 31 March 2020	33
Net book value at 31 March 2019	90

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

10. Investments - Group and Company

	Investment properties £'000	Programme related investments £'000	Total £'000
At 1 April 2019	7,527	88	7,615
Disposals	(1,303)	-	(1,303)
Transfer to fixed assets	(176)	-	(176)
Amortised in year	-	(20)	(20)
Revaluation	(15)	-	(15)
At 31 March 2020	6,033	68	6,101

Investment properties are included in the balance sheet at fair value. The properties were valued by independent professionally qualified valuers as at 31 March 2020 and our internal experts where external valuation was not possible due to COVID-19 related restrictions on visiting the services.

The external valuers were Allied Surveyors, Dumfries; Graves Jenkins, Crawley; Bracketts, Tunbridge Wells; and James and Sons, Poole. The valuations are to Fair Market Value, with standard assumptions of existing use, good title, and no planning or contamination issues.

The outbreak of Covid-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that external valuers are faced with an unprecedented set of circumstances on which to base a judgment. The valuations across our investment properties are therefore reported on the basis of “material valuation uncertainty” as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations provided than would normally be the case. The external valuers have confirmed, the inclusion of the “material valuation uncertainty” declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to valuations than would otherwise be the case.

The disposals were part of the overall sale to Valorum Care of 17 services and associated properties.

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

11. Current asset investments - Group and Company

	2020 £'000	2019 £'000
Opening market value at 1 April 2019	14	13
(Loss) / gain on revaluation	(4)	1
Closing market value at 31 March 2020	10	14

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

12. Debtors

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Trade debtors	18,286	12,274	12,787	8,416
Amounts owed by subsidiary undertakings	-	-	3,221	4,272
Prepayments	1,170	1,165	1,170	1,164
Accrued income	6,814	6,787	6,863	6,711
Total	26,270	20,226	24,041	20,563

13. Cash at bank and in hand

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Group / company funds	8,609	13,942	7,661	13,325
Service users' funds held in trust	1,078	830	1,076	830
Total	9,687	14,772	8,737	14,155

14. Creditors

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Amounts falling due within one year				
Trade creditors	7,308	8,856	6,384	8,845
Amounts owed to subsidiary undertakings	-	-	1,164	1,883
Taxation and social security	1,940	2,097	1,311	1,452
Accruals	3,717	3,678	3,717	3,661
Deferred income	2,421	1,639	1,514	1,576
Service users' funds	1,161	825	1,161	825
Capital grants	100	100	100	100
Total	16,647	17,195	15,351	18,342
Amounts falling due after more than one year				
Capital grants	3,741	3,841	3,741	3,841
Loan	630	600	630	600
Total	4,371	4,441	4,371	4,441

The Loan is for a social improvement opportunity in Wales, from the Welsh Government. The total loan will be £1 million; Leonard Cheshire received £600,000 in the 2018/19 financial year, and £400,000 will be received in 2020/21. There is no interest on the loan and it is not secured.

The £30,000 movement on the loan balance results from reclassification of a loan in respect to refurbishment of a service user's accommodation.

Capital grants received are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £100,000 (2019: £100,000) and is shown within 'Amounts falling due within one year'.

Deferred income represents the payment of fees in advance. During the year the Group received income of £4.8 million which related to future years. (2019: £1.6 million). The movement in the year has been taken to income.

Intercompany balances are unsecured and no interest is charged.

15. Provisions for liabilities and charges

Group and Company	SCCS £'000	Dilapidation £'000	Redundancy £'000	Other £'000	Pension £'000	Total £'000
At 1 April 2019	2,465	518	34	6	-	3,023
Charged to the SOFA	-	117	31	-	1,272	1,420
Unused amounts	(400)	(48)	(14)	-	-	(462)
Amount utilised	(50)	-	(20)	(1)	-	(71)
At 31 March 2020	2,015	587	31	5	1,272	3,910

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

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

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

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

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 24 for further details.

16. Endowment funds - Group and Company

	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Transfers £'000	Balance at 31 March 2020 £'000

Permanent endowments:					
Albert Alexander Fund	11	-	-	-	11
Kirby Worthington Fund	110	1	(1)	-	110
St. Michael's Home	735	-	-	-	735
Total	856	1	(1)	-	856

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

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

17. Restricted income funds

	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Disposals £'000	Balance at 31 March 2020 £'000
Group - movement in funds					
Social care	21,137	516	(1,024)	(1,102)	19,527
UK programmes	787	1,834	(846)	-	1,775
International services	1,745	3,930	(2,345)	-	3,330
Total	23,669	6,280	(4,215)	(1,102)	24,632

	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Disposals £'000	Balance at 31 March 2020 £'000
Company - movement in funds					
Social care	21,090	516	(1,023)	(1,102)	19,481
UK programmes	787	1,834	(846)	-	1,775
International services	1,745	3,930	(2,345)	-	3,330
Total	23,622	6,280	(4,214)	(1,102)	24,586

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.

Disposals reflect the restricted assets that were included in the sale to Valorum Care.

The following projects received support from these organisations:

Funder project	Project name	Project / grant ID	Income received
Act for Change Fund: Paul Hamlyn Foundation, Esmée Fairbairn Foundation in partnership with the National Lottery Community Fund awarding on behalf of the #iwill fund	Change Makers		£50,000
BBC Children in Need	YouthAbility		£27,097
Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	£117,511
Big Lottery Fund (Office for Northern Ireland)	NI ARBI	10362987	£50,000
Comic Relief	Can Do Southampton	2785722	£43,150
Comic Relief	Tanzania Inclusive Education	1952284	£220,515
Comic Relief	Uganda Livelihoods	824179	£22,170
Denise Coates Foundation	Hill House Assistive Technology		£552,732
Dubai Cares	Uganda Livelihoods	288830	£208,335
European Union	Livelihoods and Employment in India		£99,831
Flintshire Coordinator	Partnership Coordinator		£36,000
Genesis Charitable Trust	Philippines Livelihoods	363790	£30,549
Mathew Trust	Can Do Fife		£5,000
National Lottery Community Fund*	Inclusive Education Uganda		£84,780
National Lottery Community Fund*	Uganda Livelihoods	010329009	£84,780
National Lottery Community Fund & European Social Fund, Building Better Opportunities Grant*	Opportunity Suffolk	NEAn/2/2	£83,493
National Lottery Community Fund & European Social Fund, Building Better Opportunities Grant*	Wise Steps	NE/1/3	£8,614
National Lottery Community Fund (Wales) People and Places*	Can Do Wales	010264124	£41,140
National Lottery Community Fund (Wales) People and Places*	Can Do Wales	0010356938	£40,222
National Lottery Community Fund Reaching Communities*	Opening Doors Cheltenham	00103457	£30,858
National Lottery Heritage Fund*	Leonard Cheshire Archive Digitisation		£39,950
Southwark Council*	Southwark Advice Plus		£90,000

Funder project	Project name	Project / grant ID	Income received
Sport England*	All Active Together		£62,500
The Careers and Enterprise Fund	Change Now - Journey to Work		£101,319
The Peter Cundill Foundation	Zambia Inclusive Education	383793	£75,000
The Wolfson Foundation	Go Digital Salford		£24,500
UK Department for International Development*	Aid Connect - : Innovating Pathways for Employment Inclusion	300055-107	£1,864,440
UK Department for International Development*	Girls Education Challenge - Expanding inclusive education strategies for girls with disabilities in Kenya	6627	£1,020,513
UK Department for International Development*	Skills for Job programme - Apprenticeship Model 'Inclusion 100'	202865	£4,625
UK Department for International Development & Global Affairs Canada (Funds received through Mott McDonald)*	Girls' Education South Sudan Phase 2		£119,562
UK Department for International Development (Funds Received through Action Aid)*	Leave No Girl Behind - Education for Life	AAIK/ LNG/100523	£372,922
UK Department for International Development (Funds Received through Marie Stopes International)*	Womens Integrated Sexual Health		£219,062
UK Department for International Development (Funds Received through Sightsavers)*	Disability Inclusive Development	9400	£43,148
Ulster Garden Villages	NI ARBI		£45,000
Wales Council for Voluntary Action & European Social Fund Active Inclusion Fund	Changing Futures Adult	24093	£43,259
Wales Council for Voluntary Action & European Social Fund Active Inclusion Fund	Changing Futures Youth	24110	£57,225

Government grants are indicated with an asterisk, and the income is reported in UK and international programmes. There are no unfulfilled conditions or other contingencies attached to grants that have been recognised as income. There is no other form of government assistance from which Leonard Cheshire has directly benefited.

18. Unrestricted income funds

Group	Balance at 1 April 2019 £'000	Incoming resources £'000	Resources (expended)/ released £'000	Transfers gains/ (losses) £'000	Balance at 31 March 2020 £'000
Designated funds	99,042	1,368	(1,334)	(93,167)	5,909
General funds	(3,014)	145,084	(163,619)	93,186	71,637
Revaluation reserve	6,677	-	-	(19)	6,658
Pension reserve	(7,586)	-	2,817	4,366	(403)
Total	95,119	146,452	(162,136)	4,366	83,801

Company	Balance at 1 April 2019 £'000	Incoming resources £'000	Resources (expended)/ released £'000	Transfers gains/ losses £'000	Balance at 31 March 2020 £'000
Designated funds	99,042	1,355	(1,326)	(93,239)	5,832
General funds	(4,416)	119,758	(138,434)	92,953	69,861
Revaluation reserve	6,677	-	-	(19)	6,658
Pension reserve	(7,586)	-	2,817	4,366	(403)
Total	93,717	121,113	(136,943)	4,061	81,948

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

19. Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Fixed assets	91,045	6,873	735	98,653
Net current assets	1,440	17,759	121	19,320
Long term liabilities	(8,281)	-	-	(8,281)
Pension liability	(403)	-	-	(403)
Total	83,801	24,632	856	109,289

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Fixed assets	91,031	6,870	735	98,636
Net current assets	(399)	17,716	121	17,438
Long term liabilities	(8,281)	-	-	(8,281)
Pension liability	(403)	-	-	(403)
Total	81,948	24,586	856	107,390

20. Lease commitments

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

	2020 £'000	2019 £'000
within 1 year	1,426	1,423
between 2 to 5 years	2,667	3,356
after 5 years	741	1
Total	4,834	4,780

21. Capital commitments

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

	2020 £'000	2019 £'000
Contracted	1,837	1,061

22. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2020 and 31 March 2019.

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

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

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

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

The subsidiaries registered in the Isle of Man operate from the following registered office:
Unit B Part First Floor, Willow House, Main Road, Onchan, Isle of Man IM3 1AJ.

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

2020
£'000 2019
£'000

Leonard Cheshire Trading Limited

The principal activity of Leonard Cheshire Trading is the sale of goods via our shops, and services such as training and consultancy.

Summary of statement of financial activities

Incoming resources	250	-
Resources expended	(253)	-
Total	(3)	-

Summary of assets and liabilities

Assets	255	4
Liabilities	(258)	(4)
Total	(3)	-

Leonard Cheshire Foundation (Isle of Man) Limited

The principal activity of The Leonard Cheshire Foundation (Isle of Man) Limited, which is a registered Charity in the Isle of Man, is the provision of residential care for disabled people. A summary of its financial statements for the year ended 31 March 2020 and 31 March 2019 is shown below.

Summary of statement of financial activities

Incoming resources	649	675
Resources expended	(595)	(564)
Net income	54	111

Summary of assets and liabilities

Assets	1,211	1,163
Liabilities	(18)	(24)
Total	1,193	1,139

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 2020 and 31 March 2019 is shown below.

Summary of statement of financial activities

Incoming resources	24,753	14,843
Resources expended	(24,347)	(14,535)
Net income	406	308

Summary of statement of financial activities

Assets	6,008	5,285
Liabilities	(5,602)	(5,285)
Total	406	-

23. Staff costs

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	92,883	96,644	92,414	96,277
Redundancy costs	570	694	570	694
Social security costs	7,094	7,168	7,063	7,142
Other pension costs	5,139	5,110	5,130	5,107
Other staff benefits	362	293	362	293
Total	106,048	109,909	105,539	109,513

The provision for redundancies to be paid at 31 March 2020 (included above) is £30,972 (2019: £34,447). Redundancy costs are provided for where staff are identified as "at risk of redundancy" and consultation has commenced prior to the year end date.

Ex-Gratia payments

During the year, the Charity made ex-gratia payments of £97,493 to 9 members of staff (2019: £40,507 paid to 2 members of staff). This represents payments made to employees where employment ended with the Charity during the year. All payments were made in line with the Charity's policies and standard practice.

The average monthly headcount for the Group was 5,626 staff (2019: 5,887 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	Group 2020 Staff FTE	2019 Staff FTE
The monthly average number of FTE employees during the year was:		
Volunteering	67	54
Social care	3,376	3,843
International	36	19
Campaigning	6	11
Partnership	140	50
Governance	3	1
Support	194	247
Total	3,822	4,225

The average monthly headcount for the company was 5,587 staff (2019: 5,847 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	Company 2020 Staff FTE	2019 Staff FTE
The monthly average number of FTE employees during the year was:		
Volunteering	67	54
Social care	3,360	3,826
International	36	19
Campaigning	6	11
Partnership	140	50
Governance	3	1
Support	194	247
Total	3,806	4,208

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group 2020 Staff	2019 Staff	Company 2020 Staff	2019 Staff
£60,001 - £70,000	25	15	25	15
£70,001 - £80,000	9	6	9	6
£80,001 - £90,000	5	2	5	2
£90,001 - £100,000	1	6	1	6
£100,001 - £110,000	7	4	7	4
£110,001 - £120,000	2	1	2	1
£120,001 - £130,000	2	1	2	1
£130,001 - £140,000	1	1	1	1
£140,001 - £150,000	-	-	-	-
£150,001 - £160,000	1	1	1	1
Total	53	37	53	37

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

	2020 £'000	2020 Staff	2019 £'000	2019 Staff
Defined contribution schemes	385	52	298	35

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 2020 (2019: £nil).

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

Key management personnel

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

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Remuneration and benefits	1,046	1,021	1,046	1,021

24. 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 2020 was £3.8million (2019 £3.2million).

Defined benefit pension schemes

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

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

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

The Pension Trust Growth Plan

The Charity's largest defined benefit pension scheme is The Pension Trusts Growth Plan (the Plan). The Plan is closed to new entrants. The net pension liability recognised in the balance sheet as at 31 March 2020 is £0million (2019 £6.1million). A surplus cap of £2.3million has been applied.

A full actuarial valuation was carried out at 30 September 2018 and the preliminary results have been updated to 31 March 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The last full valuation as at 30 September 2018 showed a deficit valuation of £11.3 million with gross assets of £65.8million and gross liabilities of £77.1million.

Member contributions are payable in addition as stated in the Schedule of Contributions dated 1 November 2016. The best estimate of employer contributions to be paid to the scheme for the period commencing 1 April 2020 is £1.9million (2019 £1.9million).

Clwyd Pension Fund

The Clwyd Pension Fund (the Fund) relates to a small number of staff who joined the charity's service in Dolywern. The Fund is closed to new entrants. On 31 March 2020 the Fund has 4 active members (2019: 4), 4 deferred members (2019: 4), 15 pensioners (2019: 15) and 5 dependents (2019: 5). The net pension liability recognised in the balance sheet at 31 March 2020 is £0.2million (2019: £0.3million) with gross assets of £1.6million (2019: £1.6million) and gross liabilities of £1.8million (2019: £1.9million).

A full actuarial valuation was carried out at 31 March 2016. The best estimate of employer contributions to be paid for the period commencing 1 April 2020 is £31,000 (2019: 31,000).

South Yorkshire Pension Fund

The South Yorkshire Pension Fund (the Fund) relates to a small number of staff who joined the charity's services in Sheffield. The Fund is closed to new entrants. On 31 March 2020 the Fund has no active members (2019: 1), 4 deferred members (2019: 3), 20 pensioners (2019: 20) and 3 dependents (2019: 3). The net pension liability recognised in the balance sheet as at 31 March 2020 is £0.09million (2019: £0.09million) with gross assets of £1.25million (2019: £1.25million) and gross liabilities of £1.34million (2019: £1.34million).

A full actuarial valuation was carried out at 31 March 2016. The best estimate of employer contributions to be paid for the period commencing 1 April 2020 is £5,000 (2019: £5,000).

Principal actuarial assumptions

The disclosures below state the principal actuarial assumptions used to complete the FRS 102 actuarial valuation for the year ended 31 March 2020 for The Pension Trust Growth Plan, Clwyd Pension Fund and South Yorkshire Pension Fund.

	At 31 March 2020 (per annum)	At 31 March 2019 (per annum)
Financial assumptions		
Discount rate	2.3 - 2.4%	2.35 - 2.4%
Rate of increase in salaries	3.35%	3.55%
Rate of increase pensions :		
LPI 5% (Pre 6 April 2005 accrual)	1.85%	2.35%
LPI 2.5% (post 5 April 2005 accrual)	1.45%	1.75 - 1.95%
Rate of revaluation of deferred pensions in excess of the GMP	2.70%	3.3%
Inflation assumption (RPI)	2.70%	3.3%
Inflation assumption (CPI)	1.70%	2.3%
Expected return on the Scheme assets*		5.34 - 5.88%

* as at beginning of each year presented.

Demographic assumptions

Mortality		
Male pensioner at age 65 in 2018	21.8 - 22.5	21.4 - 23.2
Female pensioner at age 65 in 2018	23.6 - 24.9	23.1 - 25.9
Male non-pensioner at age 65 in 2038	23.2 - 24.1	22.7 - 25.9
Female non-pensioner at age 65 in 2038	24.8 - 26.9	24.3 - 28.4

	Value at 31 March 2020	Value at 31 March 2019
Balance sheet pension liability summary		
Pensions Trust Growth Plan, Clwyd Pension Fund & South Yorkshire	317	6,467
Scottish Voluntary Sector Pension Scheme	-	57
TPT GP3	-	975
Dyfed	86	87
NHS	-	-
Total	403	7,586

Fair value of assets	TPT	Clywd	S Yorks	Value at 31 March 2020 £'000	Proportion	Value at 31 March 2019 £'000	Proportion
Equities	5,552	208	635	6,395	8%	16,062	22%
Bonds	45,418	430	288	46,136	60%	44,049	60%
Property	4,574	111	121	4,806	6%	4,172	6%
Cash/liquidity & other	19,215	810	204	20,229	26%	8,783	12%
Total	74,759	1,559	1,248	77,566	100%	73,066	100%

Balance sheet impact				Value at 31 March 2020 £'000	Value at 31 March 2019 £'000
Present value of funded obligations	(72,462)	(1,789)	(1,335)	(75,586)	(79,533)
Fair value of scheme assets	74,759	1,559	1,248	77,566	73,066
Effect of asset ceiling	(2,297)	-	-	(2,297)	-
Total	-	(230)	(87)	(317)	(6,467)

SOFA impact	Year ending 31 March 2020 £'000	Year ending 31 March 2019 £'000
Current service cost*	33	30
Expenses	165	146
Net interest cost	129	197
Losses on settlements and curtailments	4	417
Total	331	790

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

	Year ending 31 March 2020 £'000	Year ending 31 March 2019 £'000
Analysis of amount recognised in the SOFA as unrealised gains / (losses)		
Net actuarial gains / (losses) recognised in year	88	(94)
Return on plan assets - gains	3,668	2,276
Experience gains arising on plan liabilities	243	75
Effect of changes in demographic and financial assumptions - gains / (losses)	2,664	(1,331)
Effects of changes in the amount of surplus that is not recoverable - loss	(2,297)	-
Total recognised in other comprehensive income - gains	4,366	926

	Year ending 31 March 2020 £'000	Year ending 31 March 2019 £'000
Reconciliation of present value of scheme liabilities		
Change in the present value of the defined benefit obligations		
Opening defined benefit obligation	79,533	79,594
Service cost	33	30
Interest cost	1,839	1,981
Contributions by employees	5	5
Re measurements - experience gains	4	-
Losses on curtailments	20	417
Actuarial losses	(3,043)	1,431
Benefits paid	(2,805)	(3,925)
Closing defined benefit obligation	75,586	79,533

	Year ending 31 March 2020 £'000	Year ending 31 March 2019 £'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	73,066	70,874
Interest income	1,710	1,784
Admin expenses	(165)	(146)
Actuarial gains	3,648	2,357
Contributions by employer	2,112	2,117
Contributions by employees	5	5
Benefits paid	(2,810)	(3,925)
Closing fair value of the scheme assets	77,566	73,066
Actual return on scheme assets	5,335	4,141

Other defined benefit pension schemes

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

- The Scottish Voluntary Sector Pension Scheme. The pension deficit on this scheme of £32,000 (2019 £57,000) will be funded by lump sum payments over the recovery period of 7 years as specified in the most recent triennial valuation;
- The TPT GP3 scheme. The pension deficit on this scheme of £1.2million (2019 £1million) will be funded by lump sum payments over the recovery period of 5 years as specified in the most recent triennial valuation;
- The Federated Flexiplan. The pension has a zero pension deficit (2017: £0million) It is now fully insured and no further payments are required to be made; and
- In addition, the Charity operates a number of other smaller, multi-employer defined benefit pension schemes. These schemes have a combined pension deficit of £0.08million (2019: £0.08million) and the deficits will be funded by annual payments based on the contribution rates and recovery periods of between 12 and 15 years.

Scheme name	Contribution rate		Recovery period Years	Scheme deficit	
	2019 %	2020 %		2020 £'000	2019 £'000
Dyfed	23.3	23.3	14	86	87
NHS - No liability under this scheme	-	-	-	-	-
Wiltshire - No further liability under this scheme	-	-	-	-	-
Oxfordshire - No further liability under this scheme	-	-	-	-	-
Total	n/a	n/a	n/a	86	87

25. Contingent assets

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

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

26. Company limited by guarantee

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

27. Related party transactions

Elizabeth Haywood is a non-executive director of Natural Resources Wales who provide sewerage services to one of our properties. The total value of goods and services purchased from Natural Resources Wales in the year to 31 March 2020 is £967 (2019: £1,026). On 31 March 2020, Leonard Cheshire owed Natural Resources Wales £0 (2019: £0).

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2019: £66,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany liability is reflected in creditors as shown in Note 13.

The Charity provides a full range of management and other support services to Leonard Cheshire Services CIC in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £22.8million of invoiced sales (2019: £14.5million).

The resultant intercompany liability is reflected in creditors as shown in Note 14.

Aggregate donations from Trustees was as follows:

2019/20: £2,000

2018/19: £6,200

28. Financial instruments

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Financial assets at fair value through statement of financial activities					
Investments	11	10	14	10	14
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	12	-	-	3,221	4,272
Trade debtors	12	18,286	12,274	12,787	8,416
Accrued income	12	3,986	3,199	4,036	3,124
Accrued legacies	12	2,828	3,588	2,828	3,588
Cash and cash equivalents	13	9,687	14,772	8,737	14,155
Total		34,787	33,833	31,609	33,555
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	14	-	-	1,164	1,883
Trade creditors	14	7,308	8,856	6,384	8,845
Accruals	14	3,717	3,678	3,717	3,661
Service users funds	14	1,161	825	1,161	825
Loans	14	630	600	630	600
Total		12,816	13,959	13,056	15,814

The financial instruments note in the prior year financial statements incorrectly included the following items that are not financial instruments: Taxes and social security (Group: £2,097k; Company: £1,452k); Deferred income (Group: £1,639k; Company: £1,576k); Capital grant (Group and Company: £100k); Provisions (SCCS, Dilapidations, Redundancy and Other) (Group and Company: £3,203k). These have been excluded from the comparative numbers in the current year financial statements.

29. Post Balance Sheet Note Relating to the COVID-19 Pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic and the Stay at Home Measures were passed into law. The world has continued to suffer from the rapid and extensive spread of the virus and, since the year-end of 31 March 2020, Leonard Cheshire has experienced greater operational care demands, increased costs of PPE, higher than normal staff absence and reduced voluntary income streams; realistically these factors are expected to continue.

In the light of the crisis, the Trustees have reviewed our Fixed Assets and their carrying values, and consider that those values remain appropriate, as our properties are on the balance sheet at original cost less any depreciation, and have a higher market value across the board.

Further, we remain confident that our ability to collect from our debtors when payment is due remains strong, given the nature of those debtors.

Since 31 March, we have availed ourselves of government support in the form of the Job Retention Scheme, and the cashflow benefits of PAYE, NIC and VAT deferral schemes.

06

Thank you

Thank you. Charitable trusts, corporate partners and other supporters:

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

Corporate Partners

Accenture

BNY Mellon

Edinburgh Airport Community Fund

GlaxoSmithKline plc

Howdens Joinery Limited

John Lewis Foundation

JTI UK

Microsoft

Odgers Berndston

Pets Corner UK Ltd

QBE Foundation

Charitable Trusts and other supporters

29th May Charitable Trust

Austen & Pilkington

Barbour Foundation

Bill Brown's 1989 Charitable Trust

Careers & Enterprise Company

Chapman Charitable Trust

Childwick Trust

Copley May Foundation

Cumbria Community Foundation

Cycling Scotland

D J Coleman Charitable Trust

Denise Coates Foundation

Dubai Cares

European Social Fund

James Paton Charitable Trust

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

National Heritage Lottery Fund
National Lottery Community Fund
Salford Council for Voluntary Service
Sport England
Stavros Niarchos Foundation
Stelios Philanthropic Foundation
The Foyle Foundation
The Francis C Scott Charitable Trust
The Holywood Trust
The Hospital Saturday Fund
The Hugh Fraser Foundation
The John Horseman Trust
The Mayor of Wandsworth Charity
The P F Charitable Trust
The Payback Time Trust
The Roper Trust
The Sir John Fisher Foundation
The Varsity Match
Tompkins Foundation
William Brake Foundation

Mrs J Alcock
Mrs D Alderton
Mr E Baker
Sir N Broomfield
Mrs R Durose
Mrs J Gillings
Mrs G Gratton-Storey
Mr M Greenberg
Miss V Griffiths
Mr B Hamment-Arnold
Mrs K Hampshire
Ms M Jackson
Ms L Lachoda
Ms J Lander
Miss M Macqueen
Mrs M Noble
Mr M Robinson
Mrs J Stagg
Mrs F Wale
Mrs L Whitfield
Mrs A Whitson
Mr N Woodward



07

Who's who

Trustees and senior officers

Patron

Her Majesty Queen Elizabeth II

Founder

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

Trustees

Sally Davis, (Chair)

*Governance and Nominations Committee,
(appointed October 2015).*

Colin Hunter, (Vice Chair)

*Governance and Nominations Committee,
Quality and Safeguarding Committee,
(appointed July 2016).*

Martin Davidson, (Vice Chair)

*Governance and Nominations Committee,
(retired September 2019).*

Dr Sylvia Anie)

*Governance and Nominations Committee,
People Committee, (appointed March 2018).*

Richard Brooman

*Governance and Nominations Committee,
Audit and Risk Committee, Fundraising Group,
(appointed June 2012).*

Shani Dhanda

*Quality and Safeguarding Committee, Customer
Council, (appointed November 2018).*

Stephen Duckworth

*Governance and Nominations Committee,
People Committee, Finance Committee,
(appointed March 2018).*

Elizabeth Haywood

*Governance and Nominations Committee,
Audit and Risk Committee, Fundraising Group,
(appointed December 2014).*

Vidar Hjordeng

*Customer Council, Fundraising Group,
(appointed May 2016).*

Ranald Mair

*Audit and Risk Committee, Quality and
Safeguarding Committee, (appointed May 2016).*

David Pugh

Finance Committee, (appointed March 2018).

Hilary Sears

*People Committee, Fundraising Group,
(appointed September 2018).*

Philip Cassidy

*Finance Committee, (appointed September
2019).*

Global Ambassadors

Judy Heumann

Advocacy

Jane Asher

Arts

Sir Stelios Haji-Ioannou

Business

Lord Puttnam CBE, Hon FRSA, Hon FRPS

Education

Mark Lane

Gardening and Wellbeing

Sophie Morgan

Inclusive Education and Women

Robin Millar CBE

Music

Olivia Breen

Sport

Alastair Hignell

Sport

Robin Sheppard

Catering and Hotel Industry

Amar Latif

Business and Travel

Josh Wintersgill

Young Entrepreneurs and Tech

Senior officers

Chief Executive

Neil Heslop

Chief Financial Officer

Andy James

Executive Director, UK Services

Hugh Fenn

Executive Director, Global Influencing and Impact

Tiziana Oliva

Executive Director, Partnerships

Laura Crandley

Executive Director, Marketing and Fundraising

Kate Burt (*until March 2020*)

Executive Director, People

David Jessop

Executive Director, Technology

Jon Petty

Ambassadors

Amar Latif

Global Ambassador for Business and Travel

Amar Latif is a blind traveller, entrepreneur and TV personality. He was the first winner of The Stelios Awards for Disabled Entrepreneurs UK in 2007 and has been a great supporter of Leonard Cheshire's work ever since. He is the founder and director of Traveleyes — the world's first commercial tour operator to specialise in holidays for blind as well as sighted travellers. He now has a career as a TV presenter, and this has included presenting 'Travelling Blind' on BBC and 'How to Get Fit Fast' on Channel 4. He was recently one of seven celebrities following an ancient route for BBC's 'Pilgrimage' and appeared as the first blind contestant on Celebrity MasterChef in July 2020.

Olivia Breen

Global Ambassador for Sport

Paralympian Olivia is both a talented sprinter and long jumper. Olivia is the current IPC World Champion for the T38 long jump which she won in 2017. Olivia has represented Leonard Cheshire at Channel 4's Superheroes 2019 and supports all runners for the London Marathon and half marathons. Olivia was to represent the GB team at the Tokyo Olympics in 2020, before this was postponed as a result of COVID-19.

Olivia became an ambassador for Leonard Cheshire in 2018 and is an Adidas Athlete. Olivia attended our Leonard Cheshire Wales Gala, read at our Leonard Cheshire carol service, and has produced mini videos to encourage our marathon runners.

Robin Millar CBEu

Global Ambassador for Music

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

Josh Wintersgill

Global Ambassador for Young Entrepreneurs and Tech

Josh is a young disabled entrepreneur from Bristol. Josh invented the portable easyTravelseat, which enables wheelchair users to use aeroplane seats safely, comfortably, and with dignity.

He founded his Ablemove company in February 2018. The same year, he won the Stelios Award for Disabled Entrepreneurs, presented in partnership with Leonard Cheshire.

EasyJet and other airlines have now adopted the innovative device for use by disabled travellers.

Jane Asher

Global Ambassador for Arts

An award-winning actress, author and chef, Jane Asher was a long term friend of our founder and has been a supporter of Leonard Cheshire for over 35 years. Jane has been an official ambassador since 2017. Jane has attended Gala dinners and read at our Leonard Cheshire carol concert in 2018.

Lord Puttnam CBE, Hon FRSA, Hon FRPS

Global Ambassador for Education

A major award-winning film producer and close friend of our founder (and Labour Peer), Lord Puttnam has been a long-term supporter of Leonard Cheshire. In 2017 he gave an inaugural lecture at Merton College, Oxford in memory of our founder. Lord Puttnam is keen to promote education and opportunity for disabled people internationally and encourage and support film making.

Mark Lane

Global Ambassador for Gardening and Wellbeing

Mark is the UK's first disabled (wheelchair user) garden designer. He is well-known as a presenter on BBC Gardener's World and other programmes. Mark has written a book on the Royal Gardens which is due to be published in September 2020. Mark has hosted Leonard Cheshire's Staff Awards, read at our Leonard Cheshire carol services, and ran Can Do workshops. Mark played a major part in our recent National Garden Scheme partnership, designing a service garden, and giving workshops to residents.

Sophie Morgan

Global Ambassador for Inclusive Education and Women

Sophie Morgan is a TV presenter, campaigner and author. She was paralysed in a car crash when she was 18. Sophie became a TV presenter for Channel 4, a successful artist and consultant across various industries on diversity and inclusion. Sophie regularly campaigns for disabled people, especially for transport, retail and fashion. Sophie travelled with Leonard Cheshire colleagues to Kenya to see our education projects in 2019. Sophie also presented our 2019 staff awards at City Hall in London and headed up our Radio 4 charity appeal in January 2019.

Alastair Hignell

Global Ambassador for Sport

Alastair Hignell is a former English rugby union international, cricketer and broadcaster. A former Trustee, Alastair continues to support Leonard Cheshire in his role as Global Ambassador for Sport, helping our charity to reach out to young disabled people about the opportunities and benefits sport can bring.

Judy Heumann

Global Ambassador for Advocacy

The renowned activist and campaigner for disability rights. Judy served as an advisor in both the Obama and Clinton administrations and is a senior fellow of The Ford Foundation. In 2020, Judy was nominated as one of the top 100 women of the year in TIME magazine. She also helped create and produce "Crip Camp" a documentary on Netflix (2020).

Judy is keen to support and promote our access to education and livelihoods programmes in Africa and Asia.

Sir Stelios Haji-Ioannou

Global Ambassador for Business

Founder of the EasyJet group, Sir Stelios has had a relationship with Leonard Cheshire for over 13 years. In partnership with the Stelios Philanthropic Foundation, Leonard Cheshire runs the Stelios Awards which recognise the exceptional spirit and business ability of disabled entrepreneurs.

Sir Stelios has been our global business ambassador since 2017.

Robin Sheppard

Global Ambassador for the Catering and Hotel industry

Robin is a classically trained hotelier, who broadened the customer base of all bespoke hotels and led to several awards and accolades - most notably 'The RAC Hotel of the Year Award' and the Caterer and Hotelkeeper 'Hotel of the Year Award', as well as being named amongst Hotel Designs' Brit List 2017 - shortlisting the 25 most inspirational and influential hoteliers for the year.



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Principal advisors

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