



Keeping people connected

Annual Report and
Accounts 2020/21

leonardcheshire.org

**Leonard
Cheshire** 

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1.

About us

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

▼ **Nurdin** (centre) with his school friends. We supported Nurdin to go to his local school in Tanzania



Disabled people around the world have been affected disproportionately by COVID-19. Official figures show six out of every 10 people who died in the UK from COVID-19 had a disability.

Message from the Chair

A year like no other



Sally Davis
Chair of Trustees

Sally Davis

Words are insufficient to describe the challenge and heartbreak of this past year, as one unprecedented event overtook another. It has called for an extraordinary response and every single person involved with this charity has risen to the occasion – all of our staff, our residents and their families, our volunteers, our programme managers, our international delivery teams, our donors and supporters, our Trustees, as well as many others – have all focussed on keeping people as safe as possible. The speed and ingenuity of our teams and partners in sourcing, storing and distributing scarce PPE in those early days needs special mention as well as some major donors, such as Sir Stelios Haji-Ioannou who helped provide support to our valiant and valued front line workers at key moments in the pandemic.

Disabled people around the world have been affected disproportionately by COVID-19. Official figures show six out of every 10 people who died in the UK from COVID-19 had a disability. The true economic fallout has yet to land but young disabled people have already been hit hard as companies and organisations adjust to the new environment. But it does not have to be this way. We need to maximise the opportunities around flexible home working that many organisations have discovered in this pandemic. We must continue to fight along with all disabled people for a real levelling up agenda as recovery begins.

The modernisation of the charity that we started five years ago has enabled us to handle last year's challenges in a professional way. Our technology and systems investment supported everyone

to manage their office work remotely, something that would have been impossible two years ago. Residential wi-fi upgrades helped keep people connected, and re-engineering the delivery of some of our key programmes like Can Do proved vital as we all switched to digital living. This benefited the wellbeing of people we support, but also extended our reach to more disabled people.

Of course, there has been a financial impact on the Charity, but it remains in a strong position. Occupancy in our residential services is at the highest level since the start of my tenure and we have good relationships with our local authorities. But the additional (and ongoing) costs of PPE were unprecedented, with a significant proportion of costs not met by Government support. Fundraising was also hit by the cancellation of major events. Corporate sponsors had to re-evaluate the scale of their support. Meanwhile, cuts by the UK Government to the overseas aid budget will impact

our ability to deliver and expand vital programmes that deliver educational support to disabled children and help disabled adults into jobs. This will have long-term negative impacts in developing countries.

Finally, as I come to the end of my six year tenure as Chair of this wonderful charity, I would like to thank all of the staff, our residents and customers of our programmes in the UK and internationally, our donors, supporters and fantastic volunteers and of course my wonderful fellow Trustees for all the moments of fascination and joy that I have encountered along the way. I wish I were handing over to the new team in less challenging times, but I know that they will take the organisation to new and more ambitious horizons. David Grayson CBE will become the new Chair of the Board of Trustees in September. He joined the Charity before Christmas last year and has been leading the work on the next phase of our strategy. With our new CEO, Ruth Owen, OBE, they will ensure Leonard Cheshire has a key role to play in delivering a more equitable world for disabled people everywhere.

Leonard Cheshire has a key role to play in delivering a more equitable world for disabled people everywhere.

▼ **Staff** from our alcohol-related brain injury unit in Northern Ireland

71,866

Number of disabled people directly supported in 2020/21



As the world rebuilds for a better future, it is essential that people with disabilities have their voices heard. We will fight to ensure this is the case.

Message from the CEO

Ready for change



Dr Ruth Owen
CEO

A handwritten signature of Ruth Owen in blue ink, underlined.

It was with immense pride that I joined Leonard Cheshire as CEO in February 2021.

Before joining the team here, I had huge respect for the difference this organisation made to the lives of disabled people. My mum was a nurse at a Leonard Cheshire service, so my family has a heartfelt connection to this diverse and wonderful organisation.

The past year has been remarkable and challenging for the charity. As with many organisations the pandemic tested us in ways that could never have been anticipated. Our dedicated social care staff were at the frontline in the battle against COVID-19, keeping people safe and working under immense challenges. The work that Leonard Cheshire undertakes to support disabled people in the UK and internationally has never been more important.

Our dedicated social care staff were at the frontline in the battle against COVID-19.

As the world rebuilds for a better future, it's essential people with disabilities have their voices heard and we will fight to ensure this is the case.

Whether it is getting school places for disabled children, supporting disabled adults into work, or empowering individuals to have greater choice, control and independence in their lives in other ways, the impact of the charity around the world is immense. And I will do everything I can to make sure it gets even bigger in coming years.



In 2021/22 and beyond one goal is to secure new sources of funding for our international and UK work. By working in partnership with other organisations, the disabled community and new supporters who share our vision and values we can achieve so much more. Growing unrestricted funding is an area of current and future focus.

As a disabled woman, I know from first-hand experience that prejudice, discrimination and stigma still present daily barriers to people with disabilities around the world. While there has been progress, young disabled people growing up today still face many of the challenges I did in being able to live the life they want. Disabled people are impatient for change and an equal playing field. I want Leonard Cheshire to have an even bigger role making societal change a reality.

Access to high quality social care by disabled people is essential and we will renew our campaigning for reform and sufficient long-term funding. At the same time, we will launch new support for disabled people to live independently, meeting gaps in communities of specialist supported living services.

I look forward to building on the success of the past year with the new Chair David Grayson CBE and continuing the close collaboration that has been established with the rest of the Board. I'd also like to take this opportunity to express my sincere thanks to Sally Davis for her dedication and selfless support to the charity over the years, as she steps down as Chair shortly.

How we supported people

- In total, we reached 435,645 people and organisations in the UK and internationally.
- We directly reached 98,871 people and organisations in the UK, Africa and Asia.
- We supported 11,023 children with disabilities to get an education in India and across Africa.
- We trained 2,916 teachers, government representatives, members of Organisation of Persons with Disabilities (OPDs)/ Disabled People's Organisation (DPOs) and other key players on inclusive education.
- We trained 3,426 parents and male mentors on inclusive education.
- We supported 22,152 people with disabilities to seek employment in the UK, Africa and Asia.
- We built awareness and support with 221,641 people and organisations in the UK, Africa and Asia.
- We indirectly reached 115,133 people in the UK, Africa and Asia.

▲ **Shadya** answers a question in class, at one of our project schools in Tanzania

98,871

We directly reached 98,871 people and organisations in the UK, Africa and Asia

2.

Trustees' report (including a Strategic report)



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

Live

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 March 2021 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 7 to 57 incorporate the requirements of the Strategic Report.

Leonard Cheshire played a vital role in supporting people with disabilities after their lives were turned upside down by the pandemic.

The pandemic meant that disabled people, including some who had to shield for around a year, could feel more isolated than ever before. We were there for disabled people during this time. To make sure this was the case, we radically changed the way we delivered support in the UK and internationally.

Lack of the right support means many disabled people cannot live the life they want. Discrimination and stigma means disabled people can be isolated in communities. This was the case even before COVID-19.

Our life-changing programmes make communities work for everyone. We campaign with disabled people, grass roots activists and organisations to remove barriers and deliver change.

Leonard Cheshire fights for a society in which everyone can thrive. As we look to economic recovery, disabled people's rights must be upheld. We will do all we can to make sure their voices are heard at the highest level.

Building confidence online

"Can Do was fun. We did a Wellbeing Enterprise project and did different things like fitness and mindfulness sessions. I liked the sessions on relaxation and different ways to cope with stress.

"I think doing Can Do has helped with my confidence and I am not as nervous about going somewhere else to do another course now. I also feel more confident with online stuff as this was new to me. I would definitely tell people to do it, I enjoyed it and the experience was good."

Jessica Duong, Can Do participant from Liverpool.

◀ **Essie** at our community support service in Wandsworth

Keeping everyone safe in our residential and supported living services was a charity wide effort.

Our carers, nurses and support workers have been at the frontline in the battle against COVID-19.

With the pandemic disproportionately affecting disabled people, the pressures on our staff and the stakes couldn't have been higher. The achievements were remarkable.

Many of the people living with us have underlying health conditions that increase the risks from contracting COVID-19. Getting our response wrong was unthinkable.

Keeping our staff safe

The whole charity was galvanized to ensure our staff had everything they needed. Vast quantities of PPE were required throughout the year to keep care staff and residents protected. Two national fundraising appeals were launched in 2020/21, as the charity sought the public's help in meeting its rising costs. At the same time, we lobbied MPs and Ministers in the UK to call for additional sector support, access to testing, and the prioritisation of vaccine rollout to disabled people and care staff.

We took the difficult but essential step to close our services to visitors before the national lockdown, but supported people to keep in touch with families and friends through technology. We invested in new equipment and infection control, later adapting internal facilities so that visits indoors could safely resume.

Because of the measures we put in place and the dedication of staff, our overall infection levels across our services were kept extremely low. Regulators have praised our response to the health crisis.

Our carers, nurses and support workers have been at the frontline in the battle against COVID-19.

Heroes made in testing times

"All the staff at Greenhill House have been heroes and the last months have tested us all. There is perhaps some end in sight but the risks from COVID-19 remain severe and will challenge us daily for a long time yet."

Lyndsey Swarbrick, Service Manager at Greenhill House in Somerset.



2,587

people are supported
every day through
our care services

As of 31 March 2021:

- We support 2,587 people every day through our care services
- We have 71 residential services (care and nursing homes)
- We have 53 supported living services.

The Care Quality Commission have advised us that we are amongst the highest rated providers in England. Across the UK, 92.6% of our services are now rated as 'good' or 'outstanding' by regulators.

Our approach is based on the promotion of greater independence and choice for the disabled people we support. This includes use of pioneering technology that gives greater control to people, as well as driving forward improvements in care.

The needs and preferences of disabled people and commissioners are changing. There are shortages in the supply of supported living services across the UK.

Through innovative partnerships with local authorities, social landlords and developers we want to give disabled people greater choice in where they live.

Bright times ahead at Sunny Bay

During 2020 and early 2021, we worked closely with Specialised Supported Housing (SSH), Isle of Wight Council and Vectis Housing Association to build a new supported living service; Sunny Bay in Shanklin.

Nine self-contained flats were extensively refurbished, modernised and upgraded for use by disabled people on the island, with two completely adapted for wheelchair users.

Leonard Cheshire staff now provide support to tenants when it's needed, helping people to live independently.

Similar new services are set to be delivered in other parts of the UK during 2021/22.

▲ **Lydia** (right), who goes to our day support service at Seven Springs, showing **Zoe** how to use a sewing machine

The Care Quality Commission have advised us that we are amongst the highest rated providers in England.

Bringing everyone together

Lesley Gamm,
Service Manager,
Gloucestershire House

Last summer we'd opened and had people in the gym and activities room. We had socially distanced events, and our drivers were getting individuals out to the community. Then it all changed again!

So, when the world outside is grim, planning something unusual helped. Many people here cycled the Great Wall of China! We did this using adapted bikes in Cheltenham and static bikes in our home. We're getting special t-shirts for all the people that got involved.

What else helped? Well, everyone was seeing their loved ones and with family support we made sure people had access to a Smart TV or iPad. This technology helped us maintain precious relationships between volunteers and people who live with us.

One thing that really mattered to me was keeping our community links, not just for us, but to help people in supported living or those living alone. We made sure we offered options where people can connect to their community, such as online dance sessions.

The main skill I learnt during this period was how to keep doing what we do in a different way. We continued COVID-safe cooking activities for example. And even when we had a COVID-19 case, we made sure that person still saw their usual therapy team members.

As you would expect, the staff were tired, but they did an amazing job. Something I have learnt is to never underestimate how much feeling appreciated matters during a crisis. As an organisation, Leonard Cheshire is writing to relatives, but I sent my own personal letters too. It was the extra touch that was needed. This period has taught me how much it matters to have everyone with connections to our home come together.

Technology helped us maintain precious relationships between volunteers and people who live with us.



▲ **Kay**, a resident at Gloucestershire House, with **Piers**, a physiotherapist



◀ **Bev** using VoiceITT

Game-changing technology at Hill House

Bev is one of 24 residents at Hill House in Sandbach. Following a stroke, she has limited mobility and cannot always make herself easily understood to unfamiliar people. For Bev, assistive technologies have been a game changer.

These technologies improve confidence, independence and inclusion. We are in the second year of a three-year Assistive Technology project at Hill House. Currently, all the communal technology has been installed and embedded and we're about two thirds of the way through the provision of personalised and individual kit.

Specialists have worked closely with Bev to identify the best Augmentative and Alternative Communication (AAC) devices for her needs. AAC is any communication that supports spoken speech, from signing to paper-based resources. It also includes apps and high-tech specialist devices.

Life-changing opportunities

"We're trying to provide more opportunities for independence and spontaneity. The levels of independence this technology can give to Bev and others at Hill House is life-changing."

David Hursthouse, Assistive Technology Project Manager at Hill House.

For Bev, we were fortunate to be amongst the first people in Europe to trial some ground-breaking software, VoiceITT. The VoiceITT app runs on an iPad and allows people with unfamiliar speech to not only have often used phrases repeated in clearer speech but also allows Bev to voice control an Alexa device to play music, operate her Smart TV, and control heating and lighting. With Bev's feedback, the developers have been able to make amendments and have since published the app on the app store for general availability.

Bev is also able to access her iPad via a specially adapted stylus to read electronic books and to independently video call her family, which was a big priority for her.

Bev's family are delighted with her progress. Her daughter Jo said the technology has "given her independence like never before."

Delivering hope

Our first alcohol-related brain injury (ARBI) unit has been transforming lives and achieving success for over a year.

The effects of long-term alcohol consumption can be devastating, taking away a person's independence and ability to perform normal day-to-day activities. But it doesn't have to be that way. With the right intervention, up to 75 per cent of people who have been diagnosed with ARBI have potential for some recovery.

In January 2020 Leonard Cheshire worked with partners to open a pioneering specialist rehabilitation service in Belfast for people with ARBI. It was the first dedicated service of its kind in Northern Ireland.

The team in Belfast assist people towards improving memory, organisational skills, improving their mental health, rebuilding lost skills and helping them towards independence – as well as maintaining abstinence.

In March 2021, to mark the anniversary of the new service, we staged a virtual conference on ARBI which brought together leading figures in neurorehabilitation, addiction, mental health and homelessness. Around 220 people from across Ireland, England, Scotland, Wales, and the Isle of Man attended.

Giving hope to families

"Raymond has made incredible progress and this has made a huge difference to our lives. Prior to going to the unit, he didn't really speak and would just shrug his shoulders and not communicate. That was one of the hardest things to see. But he's transformed because of the expert care he has received, and we now hope that he will again be able to live a normal life."

Lynne Todd, relative.

"I was losing hope. But hope is something they talk a lot about in ARBI. There is such a lot of hope and that lights a fuse in you thinking 'things can move forward here'."

Grainne Doherty, relative.

With the right intervention, up to 75 per cent of people who have been diagnosed with ARBI have potential for some recovery.

▼ **A staff member** at our alcohol-related brain injury unit



The show goes on for Strictly

The challenges of the pandemic were not enough to stop the glitz and glamour of Leonard Cheshire's all-inclusive dance competition.

Strictly Cymru was back with all the drama of before but in a brand-new digital format. The pan-disability dance competition is run by Leonard Cheshire in partnership with Paradance UK. It draws participants from all over Wales, with heats in Anglesey, Wrexham, Carmarthen, Bridgend, Cardiff and Newport.

Over 230 people took part in the heats, receiving training from an inclusive dance specialist before performing a final routine. With COVID-19 disrupting face-to-face support, the nine final acts received one-to-one coaching virtually, with classrooms, bedrooms, kitchens and living rooms becoming virtual dance floors.

The final streamed live on Facebook in February 2021. Six-year-old Inga Figurska, the youngest competitor, was among the winners with her Frozen-inspired routine. With a dance full of energy, smiles and spins she captivated the audience and judges, becoming overall winner in the wheelchair user category.

Since starting to dance both her strength and her confidence have come on in leaps and bounds, so much so she was able to try some moves out of her wheelchair.

A schools' version of Strictly Cymru has been set up with plans to create a UK-wide competition in 2021/22.

Improving healthcare access for women with disabilities

Getting access to vital healthcare can be a huge barrier for disabled people in developing countries.

There are specific challenges faced by women with disabilities. In countries like Sierra Leone, where maternal mortality rates are high, access to services like family planning and contraception can be lifesaving.

In West and Central Africa, Leonard Cheshire has been the disability partner for the Foreign, Commonwealth and Development Office's Women's Integrated Sexual Health Programme (WISH). This hugely important programme aims to reach people who may not have access to these essential services, including people living in poverty, young women and disabled women.

We've been working successfully to challenge stigmas around sex and disability and ensure that the planning and delivery of sexual and reproductive health services are disability inclusive.

Recognising this work on disability inclusion as outstanding, the Foreign, Commonwealth and Development Office has put WISH forward in their Africa Regional Department as a key example of disability inclusive programming.

We've been working successfully to challenge stigmas around sex and disability and ensure that the planning and delivery of sexual and reproductive health services are disability inclusive.

▼ Strictly Cymru winner **Inga**, whose strength and confidence have grown since starting to dance



Four in 10 of the UK's railway stations still lack basic step-free access. The Government is set to miss its 2030 target on creating step-free journeys for disabled people by 40 years (2070).

A rail network for all

In December 2020, Leonard Cheshire commissioned research to form an economic case for an accessible railway. Findings revealed more than 50,000 disabled people could get jobs if Britain had an accessible rail system.

Accessible transport could have such an impact

"It would be much easier for me to work, if transport was accessible.

"When I hear how much money it would cost to make stations accessible, it's frustrating. It could make such an impact on disabled people's lives."

Emma, 24, Birmingham.

Economic modelling suggested subsequent benefits to the Exchequer would be as much as £900 million, with a potential output (GVA) boost of £2.5 billion.

An estimated £4.3 billion is needed for creating step free access to platform level for disabled people across the rail network – a fraction of overall transport capital spending – and just a single year of spending on High Speed 2.

The cost represents just 2% of current transport capital investment. When rail prices rose in March 2021, we also offered supporters a snapshot of the local cost of an accessible railway in their area to underline the affordability.

The campaign showed how a simple issue of equality is more relevant than ever as we remain in an economic crisis for the foreseeable future. We have also revealed a clear link between accessible rail and job opportunities for disabled people that will boost the economy and improve lives.

50,000+

Findings revealed more than 50,000 disabled people could get jobs if Britain had an accessible rail system

Young people with disabilities are powerful advocates for change. Leonard Cheshire supports them to bring about change in their communities, tackle the issues that matter most to them and hold governments to account.

Supporting young activists to bring about change

Previous participants on our youth advocacy and leadership programmes have proved unstoppable.

In 2020/21 we launched our new 'Change Makers' advocacy and campaign programme for young disabled people in the UK (aged 16–25). This is now operating in Belfast, Manchester, Glasgow and Swansea.

Our voices need to be heard

"Youth reporting means our voices are heard. So many times in the media, I see reporters investigating an issue facing young people, but not listening to us or misinterpreting what we're saying to them.

So, by having young people report on the issues affecting us it becomes more relatable, and our views are properly represented and heard."

Arthur, Change Makers participant, Glasgow.

The programme built on the success of our '2030 and Counting' project. Almost 80 young people from countries including Kenya, Zambia and the Philippines were recruited as 'citizen reporters'. They were trained to use mobile phones and powerfully capture their experiences, filming and recording in real-time the challenges young people with disabilities face. World leaders have committed to address a range of global challenges, including those related to poverty and inequality. The UN has set specific goals to be met by 2030. Young people are holding governments to account on their commitments.

It opened my eyes

"Having the opportunity to speak to different people at different events really made me want to be a youth advocate. Most importantly, it opened my eyes even more to the importance of the rights and responsibilities of people with disabilities. It made me want to challenge injustices and fight for a more accessible society."

Isabella Kila took part in a previous youth leadership programme, Young Voices, and was the first disabled person to graduate with a law degree from her university in Papua New Guinea.

A passion for rights

"I have always had a passion for the rights of children and youth with disabilities. After my time on the programme finished, I knew I wanted to do more."

Ian Banda took part in '2030 and Counting'.

Young people are holding governments to account on their commitments.

▼ **Isabella** wants to challenge injustices and fight for a more accessible society





▲ Children at one of our inclusive education project schools in Zambia

Half of the world's 65 million school age children with disabilities do not have a school place.

Learn

Education is a key part of a positive future for children. But children with disabilities all too often are denied the right of a school place.

Throughout the pandemic we made sure our life-changing education projects were there for children, families and teachers.

Around the world, there are lots of different perceptions and stigmas surrounding disability. These views can massively affect people with disabilities. The stigma attached to disability is one of the most significant barriers that stop children from getting a school place. It can also prevent them from participating fully in school life if they are enrolled.

▼ **Michael** taking part in a Can Do gardening project in Newcastle



Girls with disabilities are particularly vulnerable to missing out on an education, with boys prioritised for places because of gender bias. In some cases, girls with disabilities may be hidden away by families because of a sense of shame.

Leonard Cheshire works with schools, children and their families as well as government officials in low and middle income countries, so that no child will be denied the life-changing opportunities that education brings.

The pandemic had an enormous impact on learning and access to education. With schools and catch-up centres in developing countries closed as cases increased, it was vital we adapted our support for vulnerable children.

One example was changing delivery of our education programmes in Kenya. Students were supported at home with phone calls and text messages from community-based mentors and facilitators. Small assignments were given using adapted learning materials and workbooks were provided. A COVID-19 resource pack was also provided for parents. This was used widely across our international programmes and adapted by UNICEF Mongolia.

Locally accessible technology was used where feasible, with training of teachers delivered online or over the phone.

The pandemic had an enormous impact on learning and access to education.

Loss of income and jobs was devastating for households already with a low income. Our Education for Life (EFL) project also provided dignity kits to girls, including items like sanitary towels, soap and underwear.

Throughout the year, we worked with governments and Organisations of Persons with Disabilities (OPDs) to ensure children and families had the best possible information and support.

Skills training and other opportunities are also out of reach for many disabled people in the UK. This can mean they are held back from fulfilling their ambitions or having positive experiences with others in communities.

Disabled people were particularly hit hard by the effects of the pandemic, with a wide range of services for this group disrupted or stopping. During 2020/21, the charity prioritised ensuring our flagship programmes like Can Do provided support to disabled people when it was needed most.

11,023

We supported 11,023 children with disabilities to get an education in India and across Africa

▼ Young people getting active as part of our **#ShowMeYouCan** initiative





Making a world of difference

“I have seen the changes, especially with her education, she is completely different. At first she couldn’t answer anything, she would not talk. But now she is capable of asking questions when you are sitting with her.”

Prisca, Avina’s mother.

Changing negative perceptions about disability

Negative attitudes and prejudice towards disability had made the future look bleak for Prisca and her family.

Prisca lives with her daughters Avina and Agnes in Dodoma, Tanzania. Avina was born with spina bifida. She became partially paralysed in her legs and hands from surgical complications.

Growing up, Avina was rejected and mocked by other children. She was also seen as valueless by her community. Meanwhile, her mother had been running a small restaurant to support the family but started losing business after Avina was born. People around her refused to buy food from Prisca just because she had a child with a disability.

A Leonard Cheshire project gave Avina the chance to go to a mainstream school. She underwent physiotherapy to strengthen her legs before being provided with a custom wheelchair that could also be used as a desk.

Teachers at the school received inclusive education training. They then started sessions with children to talk about disability and inclusion.

Support groups were also set up for other parents of children with disabilities in the community. Activities were organised to increase wider awareness of disabilities and children’s rights, to tackle prejudice.

Avina is now a highly active and talkative student, who has grown in independence. The attitudes of other children, teachers and people in the community have been transformed. Other parents of children with disabilities have now enrolled their children in school.

▲ **Avina, and her mother Prisca**

3,426

We trained 3,426 parents and male mentors on inclusive education

Using technology to unlock education

In Kenya, we partnered with eKitabu to train 75 teachers on how to use and support visually impaired and blind students with Orbit Readers. These are lightweight devices that pupils use to read and take notes in Braille.

The notes can then be converted back to electronic print for the teacher to read and grade.

Marydith (pictured below) is now able to play her full part in class and be better supported by her teacher.

The programme is part of our innovation initiative. This aims to expand the use of innovative low-cost assistive technology for learners with disabilities.

We partnered with eKitabu to train 75 teachers on how to use and support visually impaired and blind students with Orbit Readers.

▼ **Marydith** uses an Orbit Reader, supported by her teacher **Pauline**



Our skills development programme Can Do has been a lifeline for young people during the pandemic, transforming lives and widening horizons.

More opportunities for young people

Young disabled people needed more support during the pandemic. By changing the way we did things, we made sure no one felt alone.

We had to adapt quickly, but we developed and honed virtual delivery of Leonard Cheshire's Can Do programme. A combination of sessions has provided opportunities for social activity, self-improvement, and respite from loneliness.

Ranging from stand-up comedy to cheerleading, dance, well-being, and poetry, they have been particularly valuable to participants who may find social situations difficult.

In 2020/21 we received £3 million for Can Do from the COVID-19 Support Fund, supported by Association of British Insurers.

This amazing grant will enable us to run our award-winning programme for the next three years, expanding it in multiple locations across the UK.

Responding to the needs of young people during lockdown, we developed a simple toolkit designed with Paralympian and Leonard Cheshire ambassador Olivia Breen. This features a week of activity combining circuits, yoga, dance, balance, and co-ordination exercises to make you fitter while improving your mental health.

#ShowMeYouCan encourages friends to challenge each other and spread the word across our networks and services, while a Community Activity Calendar – accessible globally – is also available.

2,249

We supported 2,249 disabled people to build their confidence and life skills, and give back to their communities through our Can Do programme in the UK



Unlocking the digital world

'Virtual' ways of life are the new norm due to COVID-19 – exacerbating digital inequalities, and making our digital inclusion programmes even more vital.

We supported 1,727 disabled people with equipment and training to access the digital world through our digital inclusion programmes in the UK.

We also established five new Discover IT centres, bringing the total number of these Leonard Cheshire services to 35.

Face-to-face contact at the centres had to pause during the pandemic, but we adapted by supporting clients remotely on an individual basis where possible. A large number of clients attended online workshops.

Meanwhile, 62 Leonard Cheshire residential services were supported with new accessible IT equipment and training.

Technology changed my life

Technology like Alexa helped Natalie rebuild her confidence and stay connected with friends and family.

"I could not have done lockdown without Alexa" says Natalie, who lives on her own and is a wheelchair user. "It would have been really lonely without it to be honest. Alexa stopped me going into a dark place."

She now uses Alexa for everything from calling friends, listening to music, quizzes and meditation to learning new languages using a Duolingo app.

Being part of Leonard Cheshire's digital inclusion programme was life-changing, helping Natalie's confidence grow in leaps and bounds. "When we started I was so nervous – I kept saying I can't do it, I can't do it. Now I'm doing three languages and arts and crafts. It's life-changing. It does change you that much."

▲ Being part of Leonard Cheshire's digital inclusion programme has been life-changing for **Natalie**

96%

of the 185 customers involved in our evaluations reported increased social inclusion since being on our digital inclusion programmes

Globally, people with disabilities are around twice as likely to be unemployed as people without disabilities.

Work

Disabled people disproportionately felt the economic fallout of the global health crisis. For individuals in developing countries previously supported by Leonard Cheshire to set up their own businesses in developing countries, lockdown measures meant everything they had worked so hard for was now at risk.

Discrimination still plays a part denying disabled people the independence, confidence and empowerment that work can bring.

All too often people with disabilities are not able to get on the career ladder or fulfil their ambitions. This means they are denied the confidence and independence that financially supporting yourself or your family can bring.

Our latest research and extensive experience in this area around the world underlines why our programmes remain essential.

During the pandemic we made sure the ambitions of disabled people were still supported.

People with disabilities must be part of global economic recovery plans, as governments build back better.

Empowering change

"I am now an empowered woman with lifetime sustaining employable skills. I am an economically independent and self-reliant woman who can proudly take care of myself and my children's basic needs."

Kanta Ajio, who was supported by our inclusive livelihoods project in northern Uganda.

22,152

We supported 22,152 people with disabilities to seek employment in the UK, Africa and Asia

▼ **Venkatesan** received online training through our employment programme in India during the pandemic



Improving digital confidence

"After doing the course I'm really confident. I feel empowered. I am more independent now: I can do things independently."

Shilpe, who received digital skills training online through our Innovation to Inclusion programme in Bangladesh.

Throughout last year, Leonard Cheshire changed the way we delivered support so that our careers advice, training, work experience, paid internships and in-work assistance programmes remained available.

At the same time, we worked to influence government policies and practice. This included advocating for access to employment opportunities and support for people with disabilities in low- and middle-income countries.

In Kenya and Bangladesh, surveys were conducted to understand how the employment situation of people with disabilities had changed because of the pandemic.

The data gathered was shared with policy-makers, as well as presented at international conferences including the United Nations World Data Forum and Conference of States Parties to the UN Convention on the Rights of Persons with Disabilities.

Ray McCappin took part in our Change 100 graduate internship scheme during summer 2020:

"I cannot adequately express how Change 100 has changed my life. I was incredibly lost while doing university studies. I was fearful that my future employers would not understand the changes I would require due to my mental health conditions. But Change 100's monthly personal development sessions helped build my confidence around having a disability in the workplace.

"While it would have been nice to have physically gone to my place of work at least once over last summer, I actually found homeworking really beneficial. I learnt more about how I best work. For example, that I require a mixture of homeworking and office-working in my future jobs.

"Without Change 100, I would have gone into the labour market not knowing about the adjustments I need and how to access them. I would have burnt myself out quickly and believed that it was because I was not good enough at the job. But my internship showed me that I am capable, and, to my surprise, I thrive in the workplace. It gave me the confidence to go into my final year at university with a better understanding of how I work."

58,074

Since 2008 we have supported 58,074 people with disabilities into work in Africa and Asia

▼ **Ray**, who took part in Change 100





Brighter futures for women with disabilities in Uganda

Life for Kanta Ajio was very hard before she found out about Leonard Cheshire's inclusive livelihoods project in northern Uganda.

A single parent of four children, Kanta's chest and an arm were badly damaged when conflict raged through the country in the 1980s.

This meant she couldn't do many types of work. She couldn't see any way out of her situation and felt her community in Deri, Adjumani did not respect her or value her.

It was difficult to support the needs of herself and her family, let alone find the money for school fees.

But her confidence and ability to send her children to school changed after joining the project.

Receiving tailoring training, as well as a sewing machine and materials, has transformed her life.

She is now making table mats for sale to the community, earning up to 450,000 Ugandan Shillings a month.

The attitude of people in the community towards Kanta and disabilities has changed, with greater awareness of what disabled people can achieve. Community members affected by disability have approached Kanta to ask her about the project. She is hoping to train other people in the community, with many people asking her to teach them tailoring.

"I am now an empowered woman with lifetime sustaining employable skills," says Kanta. "I am an economically independent and self-reliant woman who can proudly take care of myself and my children's basic needs, courtesy of the project."

Since 2008, we have supported 58,074 people with disabilities into work and delivered skills training to 149,267 in Africa and Asia.

▲ **Kanta**, a single parent supported by Leonard Cheshire to set up her own business in Uganda



Locked out of the labour market

In Autumn 2020/21, our employment campaign warned the UK Government that action was urgently needed to avoid a jobs crisis for disabled people. Young people were particularly at risk. We called for a series of measures to ensure that national plans for economic recovery after the pandemic were inclusive.

Our UK research showed that of those disabled people employed in March 2020, seven in ten had lost income, been furloughed or faced unemployment.

Prejudice about employing disabled people also remained. A quarter of employers (24%) said they would be less likely to employ someone with a disability. Our 'Locked out of the Labour Market' report also revealed that 42% of employers were discouraged from hiring disabled job applicants due to concerns around supporting them properly during the pandemic.

During 2020/21 Leonard Cheshire gave evidence to the UK's Work and Pensions Select Committee on the disability employment gap, sharing the findings of our research.

▲ **Leanne and Nic** working at a pizza restaurant in Romford

71%

The proportion of UK disabled employees impacted by loss of income, furlough or unemployment

The business of disability inclusion

We know that organisations have a lot to gain from promoting the inclusion of disabled people. They can reach more customers, recruit from a wider talent pool, and gain a wealth of diverse perspectives, skills, and experiences. That is why we help businesses become more inclusive.

Leonard Cheshire's dedicated Training and Consultancy team continued to build on its successes in 2020/21, driving change in organisations to make quality jobs and services inclusive for disabled people.

We delivered inclusion training to 1,861 employees at 142 organisations, and engaged with an additional 2,817 organisations on our UK programmes to build awareness and support.

Recent clients have included the Expedia Group, CapGemini, and Ogilvy, as well as voluntary sector organisations such as Girlguiding.

We provide a bespoke approach to organisational change by gaining a detailed understanding of an organisation's priorities, culture, and potential gaps when we work with them. Tailored solutions have included training, e-learning development, focus group research, and policy development. We build skills, knowledge and awareness in managers, customer service and recruitment staff to remove barriers for disabled people at every level.

One notable piece of work for the Training and Consultancy team this year was its report for Expedia Group, 'Breaking down barriers to travel,' which set out ways to make the travel industry more inclusive after the COVID-19 pandemic. The report highlighted innovative practices from 13 different travel companies, four disabled people's organisations and the stories and views of eight disabled travellers.

Expedia collaboration

"We highly recommend working with Leonard Cheshire. As the authors and coordinators of the work, Leonard Cheshire worked with us for six months to truly elevate our inclusion agenda's reach to a larger network and to encourage inclusivity in the travel industry at large."

Veronica Velazquez, Snr Global Inclusion and Diversity Manager, Expedia Group. New York, USA.

1,861

We delivered inclusion training to 1,861 employees

Our fundraising

During 2020/21 there was a perfect storm of unprecedented costs to ensure staff and people who live in our residential services were kept safe, coupled with cancelled fundraising opportunities.

Income from major fundraising events vanished with the implementation of lockdown measures to control the spread of the virus across the UK. The whole charity rallied behind colleagues in frontline services during the most difficult of times.

Leonard Cheshire's additional costs of protecting frontline staff and residents has been immense, with spend on Personal Protective Equipment (PPE) in excess of £5 million last year, 20 times more than pre-pandemic levels.

The generosity of supporters and fundraisers old and new was never more essential or valued by the charity.

Quite simply, without the support of our donors, funders and partners, we could not have got through the past year.

£11.5m

Generous supporters helped us raise £11.5m in 2020/21

£775k

Individual giving increased by £131k in 2020/21 to £775k

£900k

Two emergency appeals raised £900k

85p

85p in the pound was spent supporting disabled people (2020: 89p)

£748k

£748k income from corporate partners

Volunteers, staff and supporters rallied behind colleagues in frontline services during the most difficult of times.



Emergency appeals

During the year we launched two emergency appeals in support of the charity's response to the pandemic.

An average of 52,000 face masks and 2,500 protective gowns were among the items required every week across Leonard Cheshire's UK services, in addition to costs from increased infection control measures, cleaning, sanitation and protective screens.

While the UK Government was providing some PPE funding to help services in England combat the virus, this did not meet Leonard Cheshire's total requirements. By the end of the year, a fifth of PPE costs and half of Leonard Cheshire's COVID-19 related costs in England were having to be met by charity funds, around £240,000 per month above Government funding received.

£900k

The public and business response to the appeals was remarkable, raising £900k

The response included hundreds of thousands of items of PPE being donated by companies across the UK.

The fundraising campaigns ran across regional and national media including Sky TV – as well as digital channels – in April 2020 and February 2021.

An average of 52,000 face masks and 2,500 protective gowns were among the items required every week across Leonard Cheshire's UK services.

Amazing fundraisers from across the UK took on incredible challenges to support our work with disabled people.



Fundraising spotlights

During the year we launched six national fundraising campaigns, funding digital inclusion and other essential support for disabled people.

We also received a £3 million funding boost from the COVID-19 Support Fund. This will be used to expand our award-winning skills development programme 'Can Do' for individuals aged between 16 and 35.

Sports challenges, cook-alongs and gardening masterclasses, or going purple, were among the colourful ways individuals and groups got behind our cause in a wide variety of ways.

We thank them all.

#ISeePurple

Leonard Cheshire encouraged the nation to stand in solidarity with disabled people as part of activities ahead of International Day of Persons with Disabilities on 3 December 2020.

With easy-to-use materials, schools, disability activists and teams in companies were among people pledging to wear or do something purple, tag their friends on social media and donate.

With measures to control the pandemic in full swing and some disabled people facing an isolated and lonely Christmas, the campaign supported Leonard Cheshire's vital work to keep people connected through assistive technology and training.

Individuals and groups got behind our cause in a wide variety of ways.

A lifetime of fundraising

Ged Beaumont, from Magor in Wales, took on a unique VE Day cycling challenge dressed as a Lancaster bomber in a nod to the charity founder's WWII heroics.

He embarked on a 12-hour bike ride in his garden without a break in the six-foot-long aircraft costume. The costume was constructed with the help of his wife Julie, who works for Leonard Cheshire's Wales team.

Money raised went towards Leonard Cheshire programmes combatting loneliness and isolation among disabled people during lockdown. A lifetime fundraiser, Ged and his wife Julie raised more than £27,000 for the charity's Tour de Cymru cycling project in 2017.



Route 66 kicks

Disabled cyclists living at four Leonard Cheshire services racked up a massive 2,500 miles in a virtual trip across the USA.

Riding on static bikes and accessible trikes to raise funds for more inclusive cycling equipment, people took on the Route 66 Challenge from Chicago to Santa Monica, California.

The full-time wheelchair users hailed from Gloucestershire House in Cheltenham, Symonds House in Hertfordshire, St Bridget's in West Sussex and Fryers House in Hampshire.

Students go the distance for carers

Sports societies from universities around the UK took part in a mass fitness challenge to raise around £25,000 towards essential PPE for our frontline staff.

Teams bid to be first to run or walk the equivalent of the 970 miles from Dover to Porec, Croatia, after a planned trip got cancelled because of COVID-19 lockdown in the UK.

The challenge was created by Leeds University Union Swimming and Water Polo Society (LUUSWP) before they laid down the gauntlet to the societies of other universities.

▲ **Ged** took on an unusual fundraising challenge inspired by our founder

Our People strategy is built around our purpose of ‘finding great people to do great work and keeping them’.

People

Finding great people to do great work for our charity around the world has never been more critically important. This past year has seen us continue to make good progress towards achieving this.

We advertise all of our positions on our careers site. We employ around 5,200 people and have the active support of some 4,000 volunteers, all of whom, together, play their part in making our organisation what it is today. Our volunteers add real value by working in and alongside our services and programmes across the globe, in a variety of roles and activities. Leonard Cheshire is a global organisation and our workforce makes a real impact across the UK, Africa, India, South-east Asia and the USA. We take great pride in living our values of ‘Proud, Positive and Pioneering’ every day. We will continue to take this same purpose-driven approach into the coming year.

We want Leonard Cheshire to be a beacon employer, and we champion diversity in our workforce. Further employee networks have been launched in the past year, with Executive Director and CEO sponsorship. There is now a network for disabled employees and a network for women. A Pride network was previously established, and a further network for cultural diversity and inclusion is in development following staff engagement.

Increasing the employment and representation of disabled people across our charity is an organisational priority for 2021/22 and future years. This drive will be supported by our policies to give full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; continuing the employment, arranging training and making appropriate adjustments for employees who become disabled; and supporting the career development for all our disabled employees.

Leonard Cheshire is a global organisation and our workforce makes a real impact across the UK, Africa, India, South-east Asia and the USA.



► **Juliet** working from her home in Nairobi, Kenya

COVID-19

Throughout the year we faced the extraordinary challenges of the COVID-19 pandemic together. Our whole workforce rose to these challenges under incredibly demanding circumstances. The pandemic affected every aspect of our work – from running our payroll remotely to welcoming our new starters either into virtual teams or into our service teams who were working under incredible pressure. We have focussed our efforts on supporting our wonderful front-line staff in a way that has allowed them to focus on providing care and support to our residents and their families. Our staff have been truly outstanding and we are incredibly proud of everything they have done.

Focus on wellbeing

As the pandemic developed, we continued to identify new ways to support the wellbeing of our people.

Our priorities were to:

- Ensure the safety of our people and our residents at all times
- Ensure the physical and mental health and wellbeing of all of our people
- Maintain good levels of morale
- Ensure support and retention of our key workers to deliver our services to vulnerable disabled adults
- Support our people who fell ill with COVID-19 or were shielding or isolating.

We implemented a wide range of initiatives during the pandemic. These included reducing the burden on our front-line service managers; flexible working arrangements; redeployment of our people wherever possible to support our front-line services; and regular and personal communication to our people who were absent due to COVID. We moved to home-working wherever possible to ensure the safety of our people and offered financial support as a contribution towards their home costs. We also redesigned a COVID-safe workplace for those people who continued to be office-based.

We moved to home-working wherever possible to ensure the safety of our people and offered financial support as a contribution towards their home costs.



◀ **Staff association**
representative
meeting

Adopting a person-centred approach, we checked in with our people to understand how they were feeling on a regular basis so that we could adapt and target our initiatives for maximum impact at every stage. We provided counselling support through our Employee Assistance Programme and extended our healthcare scheme to provide additional support for all of our people. At the heart of our approach was a wellbeing campaign, 'Here for each other,' which promoted a range of support services across the whole organisation.

We worked together across the organisation to ensure that our people received the key information at the right time and always had a point of contact for concerns. Most importantly we wanted our people to feel supported appropriately and sensitively every day.

Learning from the past, looking to the future

As we begin to emerge from the pandemic, we are opening up a series of conversations across the whole organisation to shape our future ways of working. We have plans in place to provide ongoing wellbeing support for those who continue to be affected by the pandemic. Learning the lessons from the last year of what has worked well and what has not, we will take the time to reflect on how Leonard Cheshire moves into the future as one global organisation.

As we begin to emerge from the pandemic, we are opening up a series of conversations across the whole organisation to shape our future ways of working.

Financial review

Despite the huge pressures created by COVID-19 across the organisation, financial and otherwise, we continued to deliver on our 2017–2022 Strategic plan by investing in our people, technology and the quality of our services in 2020/21.

We were able to improve on the performance of our social care services, albeit with significant levels of unfunded PPE cost, but the pandemic caused a reduction against forecast income across international programmes and corporate donations.

Our scenario planning in the early months of fiscal 2020/21 prepared us for a significant deficit for the year. However, we are very pleased to say that the final result (£7.4m before actuarial losses) is at the right end of our predicted outcome range of between (£7m) and (£12m), before the negative impact of changes in assumptions on our Defined Benefit pension scheme liabilities. Our social care activities delivered excellent results in the circumstances, supported by record occupancy levels throughout the year, but our fundraised and Programme related income was severely down on expectations, impacted by the indirect consequences of COVID-19 and International Aid budget cuts.

COVID-19 will no doubt continue to impact how we work and our financial performance in the year to 31 March 2022. We know there will be adverse impacts on some areas of our non-statutory income, for example funding from the FCDO for some of our Global programmes, but we have already taken steps to mitigate the impact. Continuing with the scenario planning that we put in place in March 2020, and helped by what we have learned since then and the way in which Leonard Cheshire has been able to respond to the challenges, we remain confident that we can continue to deliver high quality services and programmes within our existing cash and borrowing facilities.

Charitable activities

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

Our income from charitable activities increased from £140.5 million in 2019/20 (92.6 per cent of total income) to £141.3 million this year (91.8 per cent of total income).

Our Charitable Activities – Social Care financial performance in 2020/21, despite the many obstacles placed in the way by COVID-19, has been very strong. Income did reduce year on year, from £133.3 million in 2019/20 to £131.3 million in 2020/21, but that is after the disposal of 17 services to Valorum Care that was completed part way through 2019/20. This has exceeded our targets, with strong performances on occupancy, fee increases and cost control all contributing to the result.

Our International Programmes show an income of £6.0 million compared to £4.5 million in 2019/20. The largest contract win of the year was the FCDO funded Skills for Prosperity Kenya Programme for £5 million over 2.5 years.

However, we had budgeted for a larger income and resultant impact, but due to cuts in

government aid our overall budget was not met. All programmes during the year were adapted to COVID-19, both in terms of meeting changing needs of customers as well as alternative delivery methods, fitting with national government guidance across each geography.

Our UK Programmes income grew from £2.7 million to £4.0 million, with much of the growth arising from the CAF grant.

Expenditure on charitable activities reduced from £162.8 million in 2019/20 (97.9 per cent of total expenditure) to £157.7 million this year (97.6 per cent of total expenditure). The full year impact of the disposal of 17 services during 19/20 played a large part in this cost reduction, as did a programme of redundancies across our central support functions, but the benefits were mitigated by the large increase in PPE costs.

Government Support – COVID-19

We received government support of £4.9 million during 2020/21, primarily through the Infection Control Fund, Local Authority support and the Job Retention Scheme. See note 3C for details.

Donations and legacies

COVID-19 had a significant impact on the income we received through donations and legacies. We did see a slight increase in Legacy income from the seemingly artificially low 2019/20 result, but we also saw a reduction in our events income and Gift-in-Kind contributions and donations from some of our corporate partners, as a result of COVID-19 business impact. As a result, donations and legacies fell from £9.0 million to £7.3 million this year, primarily due to a reduction in corporate cash donations of £1.6 million.

Expenditure on raising funds increased slightly, from £3.3 million to £3.6 million, while the ratio of our donations and legacies to the cost of generating voluntary funds reduced from 2.7:1 to 2.1.

Total expenditure

Total expenditure before gains/losses on pensions reduced from £166.3 million to £161.5 million this year. Our expenditure on activities that directly relate to delivering social care activities reduced from £149.9 million to £143.0 million, reflecting in the main the packaged disposal of 17 services as a going concern in 2019/20, and the release of the Sleeping Nights provision during 2020/21 of £2.1 million. At the same time our expenditure on support costs increased from £15.3 million to £20.1 million. This was primarily due to additional costs in the centre to support the new ways of working, and the movement from development to business use of the investments made in our system infrastructure.

Net movement in funds

There was an overall net decrease in funds from £109.3 million to £98.4 million. The deficit on our defined benefit pension schemes increased from £0.4 million to £1.9 million.

Reserves and going concern

We continue to regularly review and monitor our reserves position to ensure that we have adequate funds to support the work of the charity. The monitoring and setting of reserves targets takes into consideration the assets required to provide long-term care and support to disabled people, reasonable working capital, planned development projects and scenario planning for the potential impact of risk, caused by COVID-19 and other possible sources.

In June 2019, the Trustees updated the reserves policy to be set in terms of minimum levels of cash and managed investments required to ensure that the Charity can meet its financial commitments as they fall due, and deliver on its strategic objectives, whilst making allowance for risk and the possible financial consequences.

The target level for total funds available should exceed four months of our annualised, risk-adjusted cashflow, but should not exceed seven months.

Based on the 2021/22 “Business As Usual” budget, this reserves policy requires us to have levels of cash and managed investments of between £9.4 million and £16.4 million. As at 31 March 2021, we have positive cash balances of £2.5 million, including Service User

funds of £1.6 million, and overdraft borrowings of £2.8 million. This is below our target cash holdings, driven primarily by the shortfall in voluntary income and additional costs related to COVID-19. We expect that the COVID-19 crisis will continue to adversely affect our cash balances throughout the 2021/22 fiscal year and through to the middle of 2022/23. However, in 2021/22 we have less investment planned in our back office systems than in previous years, as that programme comes to an end, and we now have some certainty about the expected impacts of COVID-19, and over a year's experience of operating in the new environment. Since the year-end we have realised £4.2 million from the sale of Arnold House (see note 27), and have begun a programme of review of our central costs, which is targeted to generate at least £2 million of savings by fiscal year 23/24, as we drive towards surplus and cash generation performances that will see us back in our target reserves range. This means the COVID-19 scenario plans that run through to March 2024 show that our cash balances are expected to leave headroom of over £4 million versus our facility in our baseline scenario, and won't exceed our existing overdraft facility of £7.5 million in our adverse scenario model, which allows for reduced occupancy levels, increased costs of absence and significant reductions in our voluntary income as the factors with the most material impact on our financial performance. Furthermore, property assets on the balance sheet of over £59 million at Net Book Value mean we can raise more liquid funds should it be necessary. Therefore, we are comfortable with the preparation of these accounts on a going concern basis.

At 31 March 2021, the Charity has £98.4 million total funds comprising: £0.9 million endowment funds (2019/20: £0.9 million); £28.5 million legally restricted funds (2019/20: £24.6 million); and £69.1 million unrestricted funds (2019/20: £83.8 million).

Balance Sheet

The balance sheet includes a value for stock for the first time, representing £1.5 million of PPE stock at 31 March to support our front-line staff and our customers.

Our main defined benefit pension moved from a surplus of £2.3 million to a deficit of £1.7 million, due to discount rate changes and increases in inflation assumptions.

The commissioning of various elements of MS Dynamics across the business is reflected in a significant intangible asset coming into use in the year, of £3.7 million.

Although there is an increase in debtors as at 31 March 2021, this is predominantly a timing issue and we are comfortable with the collectability of all debts that are not provided for.

Cash flow

Our net cash flow from operating activities moved from an outflow of £17.1 million to an outflow of £5.1 million this year. We received £0.6 million cash (2019/20: £19.8 million, of which £18.5 million was from the sale of the 17 services to Valorum) from the sale of property, plant and equipment, and £0.2 million (2019/20: £0.2 million) cash from investment returns. We invested £5.6 million (2019/20: £9.4 million) of cash in

fixed and intangible assets. The Charity has £0.6 million of external debt as at 31 March 2021 (2020: £0.6 million), this primarily relates to a social investment loan, approved by the Welsh Government. On 31 March 2021 we had positive cash balances of £2.6 million, and were using an overdraft facility of £2.8 million (2019/20: credit position £9.7 million). The positive cash is held in retail bank accounts, including £1.6 million (2019/20: £1.1 million) held on behalf of disabled people who use our services.

Financial impact of significant events

This year we have recognised an impairment on our Park House property of £1.9 million as we exit the lease and return the property to the Crown Estate.

During 2020/21, the Supreme Court gave its judgement on the Mencap Sleep-in appeal case, and as a result we were able to release the final £2.1 million of provision that we had been holding for any potential liability under the Social Care Compliance Scheme.

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. London Marathon (virtual), Great north run (Virtual), cook-along with Amar Latif and MOB Kitchen, PPE appeal challenges, and university group challenge
- 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 2020/21 Leonard Cheshire recruited new supporters through online activity, inserts, legacy promotion, events, media appeals and payroll activities. We also ran a digital and TV campaign, Possibility With Disability, to create engagement with our work and recruit new supporters. We also ran an emergency appeal requesting support for PPE and infection control costs. 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 2020/21 we received 10 complaints regarding our fundraising activities (2019/20: 8). None required escalation or referral to external organisations, and all were dealt with internally.

Leonard Cheshire is a member of and abides by the standards set by the Fundraising Regulator, the Chartered Institute of Fundraising (IoF), the Direct Marketing Association (DMA) and the Lotteries Council. All required schemes and standards were complied with.

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

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

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

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 fundraising team on email or phone; emails also include an option to unsubscribe. Our fundraising team is trained to help supporters with queries, concerns or to update their communication preferences.

Subsidiaries

The Leonard Cheshire Foundation (Isle of Man) Limited operates our care and support services on the Isle of Man and is a registered Company and charity with the Manx Government. This year, incoming resources were £669,000 (2019/20: £649,000) and total expenditure was £635,000 (2019/20: £595,000). This means that the Isle of Man services recorded net incoming resources of £34,000 (2019/20: £54,000).

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 2020/21 was £25.4 million (2019/20: £24.7 million), and total expenditure was £24.0 million (2019/20: £24.3 million). It gift-aided £0.7 million (2019/20: £0.5 million) to the Charity.

The Charity also has a subsidiary, Leonard Cheshire Trading Ltd. It manages the trading activity within the Leonard Cheshire group, such as our shops, the on-line sale of merchandise and consultancy services to other businesses. Its income in 2020/21 was £208,000 (2019/20: £250,000), and total expenditure was £305,000 (2019/20: £253,000).

Leonard Cheshire International is a subsidiary established in the Republic of Ireland in 2019. During the year a bank account was opened in Dublin, Irish trustees appointed, and a business plan agreed for 2021/22. LCI is seeking out partnerships and opportunities to pursue its charitable purpose domestically and internationally.

Leonard Cheshire USA inc. is a subsidiary, registered with the tax authorities as a non-profit corporation in the State of Delaware, USA. During the year a bank account was opened, and Trustees recruited. A 2021/22 Business Plan has been agreed by the Board and funding opportunities developed.

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 responsibility it has to reducing the impact of the charity on the environment. We are therefore committed to reducing our energy and fuel use as well as waste.

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

An Environmental Management Working Group is now embedded into our organisation with representation from all parts of the organisation, to ensure the intentions are delivered throughout the charity.

Environment approach

In order to reduce our environmental impact, we have created an Environmental Delivery Plan within our Environmental Policy which sets out our Environmental targets which we plan to deliver by the end of 2023. These targets will be monitored by the Environmental Working Group to ensure that they are delivered as planned.

The targets focus on the following key areas of delivery

- Use of energy in buildings
- Use of energy from vehicles
- Emissions from vehicles
- Use of water in buildings
- Production of waste.

Environmental impact reporting

The environmental reporting period is in line with the period covered for our accounts, which is 1st April 2020 through to 31st March 2021.

During this period, we have worked hard to undertake the following core activities

- Developed our Environmental Delivery Plan
- Continued to increase staff awareness of environmental impact
- Embedded our Environmental Working Group into the organisation
- Continued to rollout sustainable initiatives primarily focused on lighting and heating solutions.

In addition to these core activities the COVID-19 pandemic has enabled the organisation to review how key support activities are being delivered with technology being used to deliver activities remotely rather than travelling long distances to our services. This has contributed to a reduction of the carbon footprint for the organisation when compared to the baseline period.

Over the next year, we are looking at the lessons learnt from remote working and the use of technology and embedding this approach into our organisation reset following the pandemic so that these improved ways of working can positively influence our environmental impact, and reduce our carbon footprint.

In addition to reviewing work practices we will be working to achieve the following specific targets which are key milestones in our Environmental Delivery Plan.

Target 1 – To put Leonard Cheshire Disability's building stock on a path consistent to begin reducing our energy consumption by at least 20% from 2022 through to 2025. Investments planned for measures consistent with delivering this target will deliver a net cost saving in-period

Target 2 – A reduction in emissions from the company car fleet of 10% by 2023. Investments planned for measures consistent with delivering this target will deliver a net cost saving in the same period.

Target 3 – To cut residual waste to landfill by 20% by 2023, by reducing waste, increasing re-use, recycling, and resource recovery

Target 4 – A reduction in water consumption by 10% by 2023. Investments planned for measures consistent with delivering this target will deliver a net cost saving in-period

Target 5 – Identify and develop a roll-out plan for alternative sustainable energy solutions

Target 6 – Identify and develop a strategy for travel between our locations where we operate which ensures that travel is completed in a sustainable way

Carbon Footprint Reporting

Carbon footprint

(Greenhouse gas emissions)

		2020/21	2019/20	Variation
Type of emissions	Activity	tCO ₂ e	tCO ₂ e	%
Direct (Scope 1)	Gas	4,206	4,026	+4.5%
	Oil	653	1,295	-49.6%
	LPG	863	555	+55.5%
	Company Vehicle	71	290	-75.5%
Energy Indirect (Scope 2)	Services Electricity	1,909	2,361	-19.1%
Other Indirect (Scope 3)	Personal Vehicle	148	714	-79.3%
	Flight	–	112.8	-100.0%
	Train	1	59.5	-98.3%
	Ferry	–	0.2	-100.0%
	Taxi	3	–	+100.0%
	Overseas Internal Journeys	10	–	+100.0%

Intensity metric

	2020/21	2019/20
Number of employees (FTE's)	3,655	3,822
Tonnes of CO₂e per employee	2.46	2.42

Assessment parameters

Baseline year	2019/20
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 2020–31 March 2021
Organisational boundaries	All emissions which Leonard Cheshire Disability has operational control
Methodology used	UK Government GHG Conversion Factors for Company Reporting
External verification	Supported by Energy Managers Association
2019 baseline	Lead Assessor

Principal risks and uncertainties

The Trustees are ultimately responsible for risk management and they are satisfied that appropriate internal control systems and risk management processes are in place.

This year the risk agenda has been dominated by COVID-19. We have worked hard to manage COVID-related risks and make sure our people, including service users and staff, remain safe and well supported.

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. Our response to risks posed by COVID-19 were overseen by lead Trustees, working alongside Executive staff. Trustees received regular updates outside meetings on these activities.

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

Potential risk:	Action taken to mitigate:
Insufficient funding to support UK care services	<ul style="list-style-type: none"> – Five-year strategy with agreed business plan KPIs, e.g. occupancy and absence rates, fee recovery and inflation – Managing staff costs with an enhanced pay framework which pays the living wage across the UK and increases percentage of permanent staff, reducing recruitment and agency costs – Regular evaluation of attraction, recruitment and retention strand of the People Strategy, including Services Employment Framework to continuously optimise retention of staff
Income generation – inability to achieve funding required to meet strategic aims	<ul style="list-style-type: none"> – Funding targets spread across Global Influencing, Partnerships and Fundraising teams – Investment in recruitment of donors and proactive management of pipeline, including emergency appeals as appropriate – Exploring alternative methods of funding and review and reduction of operating costs
Loss of public trust	<ul style="list-style-type: none"> – All safeguarding and ethical policies updated, and staff trained as appropriate – Safeguarding Team and Panel established to improve case management and organisational learning – Implementation of current fundraising, governance and impact reporting best practice – Proactive management of media, government and civil society relationships
Failure to meet safe quality standards	<ul style="list-style-type: none"> – Clinical governance and Quality Assurance Frameworks, including electronic medication system in England and Wales residential services – Rigorous Safeguarding, Serious Incident, health and safety, recruitment and whistle blowing procedures – Serious Incidents Policy and Procedures reviewed and simplified

Potential risk:	Action taken to mitigate:
Major disruption to some or all of our activities for prolonged period (e.g. the COVID-19 pandemic)	<ul style="list-style-type: none"> – Executive Management ownership and three stage crisis management plans in place (response, 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 Audit and Risk Committee oversight. – Multi-factor authentication for accessing IT systems and VPN to encrypt information
Serious breach of information or cyber security	<ul style="list-style-type: none"> – Data protection policies built into terms and conditions for all staff – IT security policies in place – Firewalls, automatically updated anti-virus software and e-mail/internet filtering
Failure to uphold the rights of all individual data subjects	<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

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 2020/21. 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. During 2020/21, the Board conducted meetings virtually and held an additional meeting in May 2020 to review the organisational response to the COVID-19 pandemic which included the effects on financial performance.

During 2020/21 the Board, led by the Governance and Nominations Committee, recruited a new Chief Executive, following Neil Heslop's resignation in October 2020. Following an extensive recruitment exercise where Hugh Fenn, MD UK Community Services, filled the role on an interim basis, Ruth Owen was appointed Chief Executive in February 2021.

The Board of Trustees have delegated authority to the Chief Executive to manage the affairs of the Charity within the Leonard Cheshire strategy, reporting against the agreed objectives. The Chief Executive is supported by an executive team, all of whom are officers of the Charity.

Individual Trustees also take reasonable steps to ensure there is regular 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 Stephen Duckworth. 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.

During 2020/21, the Committee regularly reviewed the impact of the COVID-19 pandemic on the workforce including shortfalls in staffing numbers due to self-isolation or sickness. The Committee had oversight of a number of workforce insight surveys and wellness initiatives.

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 Rana Mair. This Committee meets at least three times per year.

It is responsible for:

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

During 2020/21, the Committee has been focused on reviewing the impact of the COVID-19 pandemic on services, including the vaccination programme for staff and service users, and forward planning for the phased restarting of service visitations.

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, although in response to the rapidly changing COVID-19 situation, the Committee held additional meetings in the early part of 2020/21 to ensure a more regular review of financial performance.

It 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 LLP have expressed their willingness to continue to act as auditors.

The Governance and Nominations Committee is chaired by Colin Hunter.

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 previous financial year (2019/20) and met twice. The Committee meets on a business need basis and has not been convened during this financial year.

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

It also includes 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 is 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 overseen by the People Committee. During the year a range of workforce insights, including pulse surveys, were commissioned to understand staff views and inform the Charity's response to COVID-19. Directors have a strong working relationship with the Staff Association and the Association's Chair attends the People Committee.

The views and ambitions of disabled people are vital to inform Board work and decisions. The Customer Council (page 52) is an advisory body to the Trustee Board and is chaired by a Trustee with a lived experience of disability.

Our strong business relationships, with suppliers understanding and supporting our vision, have been particularly successful. During the pandemic, Neuen, our care agency supplier supported us by block booking agency workers to mitigate the spread of infection in our Services, as well as tracking all agency workers shifts to identify any COVID-19 absences. We formed quick, urgent relationships with new suppliers to meet supply/demand pressures. These suppliers have gone above and beyond in terms of quality, delivery and donating free of charge PPE supplies.

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. During the year, we worked with Expedia, drawing on interviews with disabled travellers and examples of best practice at travel services to

recommend to hoteliers, airlines and travel agents ways to make the travel industry more inclusive. Our Training and Consultancy Team worked with Girlguiding UK to provide training, guidance and resources to provide a more inclusive service for their disabled members – both young people and volunteers.

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, including the Environmental Policy which was reviewed by the Audit and Risk Committee.

Appointment and induction of Trustees

During 2020/21 the Governance and Nominations Committee oversaw a Chair Recruitment programme, leading to the appointment of a Chair Designate in December 2020. Three further candidates were identified and appointed to the Trustee Board in 2021.

All vacancies for Trustees are externally advertised. The 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 with personal, lived 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 circumstances, an additional term of up to three years may be considered.

Emoluments

In 2020/21, 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, the Customer Council brings 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.

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 29 September 2021.



Sally Davis
Chair

3.

Statement of Trustees' responsibilities

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

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

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

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

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

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

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

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

4.

Auditors' report

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated balance sheet and company balance sheet as at 31 March 2021; 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, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Trustees' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the group and parent charitable company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and

determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the trustees with regard to actual and potential fraud and non-compliance with laws and regulations;
- reviewing minutes of the Board and Audit and Risk Committee meetings and significant contracts to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing internal audit reports;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating management's controls in place to prevent and detect irregularities;
- testing of journal entries where we identified particular risk criteria;
- obtaining independent confirmations of cash and investment balances at the year end and testing management's year end bank reconciliations;
- reviewing accounting estimates for bias and evaluating whether circumstances producing any bias, represent a risk of material misstatement due to fraud; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

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

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

Use of this report

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

Other required reporting

Matters on which we are required to report by exception

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

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

We have no exceptions to report arising from this responsibility.



David Wildey
Senior Statutory Auditor

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

London
6 October 2021

5.

Financial statements

Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 31 March 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2021 £'000	Totals 2020 £'000	Notes
Income and Endowments from:						
Donations and legacies	5,924	1,410	–	7,334	9,006	3A
Charitable Activities – Social Care	129,169	2,122	–	131,291	133,298	
Charitable Activities – International Programmes	116	5,879	–	5,995	4,500	3D
Charitable Activities – UK Programmes	367	3,617	–	3,984	2,681	3E
Other trading activities	109	30	–	139	608	
Government support – COVID-19	1,038	3,892	–	4,930	–	3C
Investments	150	–	1	151	237	4
Other including (losses)/gains on disposal of assets	(12)	–	–	(12)	1,301	
Total	136,861	16,950	1	153,812	151,631	
Expenditure on:						
Raising funds	3,635	8	–	3,643	3,330	5
Charitable Activities – Social Care	137,106	5,907	–	143,013	149,929	5
Charitable Activities – International Programmes	2,509	7,174	–	9,683	7,543	5
Charitable Activities – UK Programmes	5,006	31	–	5,037	5,286	5
Campaigning	159	–	–	159	245	5
Total	148,415	13,120	–	161,535	166,333	
Net gains/(losses) on investments	286	–	–	286	(19)	10 & 11
Net (expenditure)/income	(11,268)	3,830	1	(7,437)	(14,721)	7
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	(3,474)	–	–	(3,474)	4,366	22
Net movement in funds	(14,742)	3,830	1	(10,911)	(10,355)	

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Totals 2021 £'000	Totals 2020 £'000	Notes
Reconciliation of funds:						
Total funds brought forward	83,801	24,632	856	109,289	119,644	
Total funds carried forward	69,059	28,462	857	98,378	109,289	16

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.

In 2019/20, Income from 'Other including (losses)/gains on disposal of assets' includes profit of £1.3 million from the sale of 17 services and properties during the year to Valorum Care for £18.5 million.

The Notes on pages 72 to 111 form part of these financial statements.

Consolidated Balance Sheet

as at 31 March 2021

Company Number 552847

	2021 £'000	2020 £'000	Notes
Fixed assets			
Intangible assets*	4,675	3,765*	9
Tangible assets*	84,600	88,787*	8
Investments	6,364	6,100	10
Total fixed assets	95,639	98,653	
Current assets			
Stock	1,486	–	
Debtors	27,670	26,270	12
Investments	14	10	11
Cash at bank and in hand	2,548	9,687	13
Total current assets	31,718	35,967	
Liabilities			
Creditors: Amounts falling due within one year	(20,547)	(16,647)	14
Net current assets	11,171	19,320	
Total assets less current liabilities	106,810	117,973	
Creditors: Amounts falling due after more than one year	(4,272)	(4,371)	14
Provisions for liabilities	(2,212)	(3,910)	15
Net assets excluding defined benefit pension liability	100,326	109,692	
Defined benefit pension scheme liability	(1,948)	(403)	22
Total net assets	98,378	109,289	

	2021 £'000	2020 £'000	Notes
The Funds of the Charity			
Endowment funds	857	856	16
Restricted income funds	28,462	24,632	16
Unrestricted funds	–	–	16
Designated	5,319	5,909	16
General	59,902	71,636	16
Revaluation reserve	5,786	6,659	16
Pension reserve	(1,948)	(403)	16
Total unrestricted funds	69,059	83,801	16
Total Charity funds	98,378	109,289	

* Prior year figures for Intangible assets and Tangible assets amended.
See Notes 8 and 9 for more details.

The financial statements were approved by the Trustees on 29 September 2021
and signed on their behalf by:



Sally Davis
Chair



Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 72 to 111 form part of these financial statements.

Company Balance Sheet

as at 31 March 2021

Company Number 552847

	2021 £'000	2020 £'000	Notes
Fixed Assets			
Intangible assets	4,675	3,765*	9
Tangible assets	84,588	88,769*	8
Investments	6,364	6,101	10
Total fixed assets	95,627	98,636	
Current Assets			
Stock	1,486	–	
Debtors	24,890	24,042	12
Investments	14	10	11
Cash at bank and in hand	2,514	8,737	13
Total current assets	28,904	32,789	
Liabilities			
Creditors: Amount falling due within one year	(20,702)	(15,351)	14
Net current assets	8,202	17,438	
Total assets less current liabilities	103,829	116,074	
Creditors: Amount falling due after more than one year	(4,272)	(4,371)	14
Provisions for liabilities	(2,207)	(3,910)	15
Net assets excluding defined benefit pension liability	97,350	107,793	
Defined benefit pension scheme liability	(1,948)	(403)	22
Total net assets	95,402	107,390	

	2021 £'000	2020 £'000	Notes
The Funds of the Charity			
Endowment funds	857	856	16
Restricted income funds	28,397	24,586	16
Unrestricted funds			
Designated	5,288	5,832	16
General	57,022	69,861	16
Revaluation reserve	5,786	6,658	16
Pension reserve	(1,948)	(403)	16
Total unrestricted funds	66,148	81,948	
Total charity funds	95,402	107,390	

The net deficit for the year of the parent Charity was £12.0 million (2019: net deficit of £10.8 million).

* Prior year figures for Intangible assets and Tangible assets amended.
See notes 8 and 9 for more details.

The financial statements were approved by the Trustees on 29 September 2021
and signed on their behalf by:



Sally Davis
Chair



Philip Cassidy
Chairman of the Audit and Risk Committee

The Notes on pages 72 to 111 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	Reference	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(5,059)	(17,124)
Cash flows from investing activities:			
Dividends, interest and rents from investments		151	237
Proceeds from the sale of property, plant and equipment		561	19,843
Purchase of property, plant and equipment		(4,414)	(9,367)
Purchase of intangible assets		(1,164)	(7)
Proceeds from sale of investments		–	1,303
Net cash generated from/(used in) investing activities		(4,866)	12,009
Cash flows from financing activities:			
Cash flow from new borrowing		–	30
Net cash provided by financing activities		–	30
Change in cash and cash equivalents in the reporting period		(9,925)	(5,085)
Cash and cash equivalents at the beginning of the reporting period		9,687	14,772
Cash and cash equivalents at the end of the reporting year	Note 13	(238)	9,687

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	2021 £'000	2020 £'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)	(7,437)	(14,721)
Adjustments for:		
Amortisation, depreciation and impairment charges	8,283	7,718
Amortisation on programme related investment	20	20
(Gains)/Losses on investments	(286)	19
Dividends, interest and rents from investment	(151)	(237)
Losses/(Gains) on the sale of fixed assets	12	(1,301)
Difference between pension contributions and current service cost	(1,931)	(2,817)
(Increase) in stock	(1,486)	–
(Increase) in debtors	(1,400)	(6,043)
(Decrease)/Increase in creditors	(683)	238
Net cash used in operating activities	(5,059)	(17,124)
	31 March 2020	Cashflows
Reconciliation of net debt		
Cash	9,687	(7,139)
Bank overdraft	–	(2,786)
Loans falling due in over more than one year	(630)	–
Total	9,057	(9,925)
		31 March 2021

Notes to the financial statements

for the year ended 31 March 2021

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). 2021/22 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 £7.5 million 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 accounts have been prepared to give a ‘true and fair view’ and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following the Charities SORP (FRS 102) 2019.

The 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 2021. In addition, the results of the wholly-owned subsidiaries, The Leonard Cheshire Foundation (Isle of Man) Ltd, Leonard Cheshire Trading Ltd, Leonard Cheshire Services CIC, Leonard Cheshire International and Leonard Cheshire USA have been consolidated in the Group results. The results of the subsidiaries have been consolidated on a line by line basis, and the balances and transactions between Group companies are eliminated on consolidation.

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.

COVID-19 income consists of government support for specific COVID-19 related costs, such as the Infection Control fund and the Job Retention Scheme. It has been accounted for as government grant income and is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

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.

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

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

Governance costs include 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:

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

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

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

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.

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

Liability Policies

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

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

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

- 1. Dilapidations on leasehold properties** – this relates to the estimated future cost of building work required when vacating leasehold premises;
- 2. Proposed redundancy costs** – these costs will be payable where notification of intended redundancy was made before year end;

3. Sleeping nights – this was recognised in 2019/20 as a potential liability for historical costs relating to sleeping nights and our membership of the Social Care Compliance Scheme (“SCCS”). However, following the Supreme Court ruling on the 19th March 2021, we have released this back to the SOFA as a liability no longer remains; and

4. 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. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other

short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities. Overdraft and cash balances are offset when they are part of the same Composite Accounts arrangement.

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

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

Freehold functional and leasehold functional properties are not revalued and are included at their depreciated historical 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 bid price on the balance sheet date. Investments in subsidiaries are included at cost. Realised gains or losses arising on the disposal of investments and unrealised gains and losses arising on revaluation are taken to the SOFA and into the fund to which the investments relate.

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

As a result of COVID-19 Leonard Cheshire accumulated an amount of PPE stock which it has valued on its balance sheet at the lower of cost and net realisable value using the first-in, first-out method of cost allocation.

Funds Policies

The funds of the Group have been segregated as follows:

1. Restricted funds consisting of grants, donations and legacies received and for which the donor has specified the purposes to which the funds must be applied
2. Permanent endowment funds consisting of restricted funds with the additional restriction that the donor has specified that only the income generated by the funds may be used for specific or general purposes whilst the capital must be retained
3. Expendable endowment funds can be used for general purposes
4. Unrestricted funds that are expendable at the discretion of the Trustees in furtherance of the objectives of the Charity
5. Designated funds which have been set aside at the discretion of the Trustees for specific purposes but which otherwise form part of the unrestricted The Group designates funds for future capital developments which are for the long term use of its service users, and
6. The revaluation reserve reflects cumulative annual changes in the value of the properties that are held as investments and for which we charge a rental income.

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 changed 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 Trustees' report

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.

These accounts include estimates as noted below:

1. 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
2. Investment properties (note 10). The Charity has commissioned external valuations of the investment properties, via qualified external surveyors
3. Impairment provisions are taken against certain assets where the carrying value is no longer supportable, and prudent estimates may be made as to the appropriate value in order to calculate the required impairment provision.

These accounts include judgements as noted below.

1. Grant Income. Grant income is recognised in line with relevant performance conditions, and judgement is required in determining whether and to what extent performance conditions have been met.

2. Comparative information for the consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 31 March 2021.

Income and Endowments from:

Donations and legacies

Charitable Activities – Social Care

Charitable Activities – International Programmes

Charitable Activities – UK Programmes

Other trading activities

Government support – COVID-19

Investments

Other including gains/losses on disposal of assets

Total

Expenditure on:

Raising funds

Charitable Activities – Social Care

Charitable Activities – International Programmes

Charitable Activities – UK Programmes

Campaigning

Total

Net gains/(losses) on investments

Net (expenditure)/income

Other recognised (losses)/gains:

Actuarial (losses)/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 2021				Year Ended 31 March 2020			
Unrestricted £'000	Restricted £'000	Endowments £'000	Totals 2021 £'000	Unrestricted £'000	Restricted £'000	Endowments £'000	Totals 2020 £'000
5,924	1,410	–	7,334	7,955	1,051	–	9,006
129,169	2,122	–	131,291	133,298	–	–	133,298
116	5,879	–	5,995	1,249	3,251	–	4,500
367	3,617	–	3,984	733	1,948	–	2,681
109	30	–	139	578	30	–	608
1,038	3,892	–	4,930	–	–	–	–
150	–	1	151	236	–	1	237
(12)	–	–	(12)	2,403	(1,102)	–	1,301
136,861	16,950	1	153,812	146,452	5,178	1	151,631
3,635	8	–	3,643	3,328	2	–	3,330
137,106	5,907	–	143,013	148,890	1,038	1	149,929
2,509	7,174	–	9,683	5,197	2,346	–	7,543
5,006	31	–	5,037	4,457	829	–	5,286
159	–	–	159	245	–	–	245
148,415	13,120	–	161,535	162,117	4,215	1	166,333
286	–	–	286	(19)	–	–	(19)
(11,268)	3,830	1	(7,437)	(15,684)	963	–	(14,721)
(3,474)	–	–	(3,474)	4,366	–	–	4,366
(14,742)	3,830	1	(10,911)	(11,318)	963	–	(10,355)
83,801	24,632	856	109,289	95,119	23,669	856	119,644
69,059	28,462	857	98,378	83,801	24,632	856	109,289

3. Income

3A. Donations and legacies

	Year Ended 31 March 2021			Year Ended 31 March 2020		
	Restricted £'000	Unrestricted £'000	Total 2021 £'000	Restricted £'000	Unrestricted £'000	Total 2020 £'000
Legacies	724	3,162	3,886	58	3,694	3,752
Donations	686	2,762	3,448	993	4,261	5,254
Total	1,410	5,924	7,334	1,051	7,955	9,006

Legacies which have been notified but not accrued in line with our legacy policy are £1.4 million (2020: £1.2 million).

3B. Detail of Total Donations

	2021 £'000	2020 £'000
Individual Giving	775	645
Corporate – Gifts in Kind	583	1,381
Regional and Local fundraising	412	391
Major Donors	309	–
Trusts and Foundations	290	6
Corporate – Cash	158	1,485
Other Donations	871	1,143
Events	50	203
Total	3,448	5,254

3C. Government support – COVID-19

Funder type	Income received £'000	
	20–21	19–20
Job Retention Scheme	1,038	–
Infection Control Fund	1,811	–
Rapid Testing Support	301	–
Local Authority Support	1,780	–
Total	4,930	–

The following projects received support from these organisations:

3D. Charitable activities – International

Funder type	Funder	Project Name	Project/grant ID	Income received £'000	
				20–21	19–20
Governments and Institutions	UK Foreign, Commonwealth and Development Office	Aid Connect – Innovating Pathways	300055-107	3,025	1,864
	UK Foreign, Commonwealth and Development Office	Girls Education Challenge: Expanding Inclusive Education Strategies for Girls with Disabilities in Kenya	1020513	765	1,021
	UK Foreign, Commonwealth and Development Office (Funds received through The Palladium Group)	Skills for Prosperity Programme	300310	619	–
	UK Foreign, Commonwealth and Governments Development Office (Funds received through Action Aid)	Leave No Girl Behind Education for Life	AAIK/LNG/100523	405	365
	UK Foreign, Commonwealth and Development Office and Global Affairs Canada (Funds Received through Mott McDonald)	Girls Education South Sudan	PO 8437	230	–
	UK Foreign, Commonwealth and Development Office	Skills for Job Programme – Apprenticeship Model “Inclusion 100”	202865	146	–
	European Commission	Increasing equitable access to livelihoods and employment for people with disabilities in India	DCI-NSAPVD-	–	100
	UK Foreign, Commonwealth and Development Office (Funds Received through UCL and GDIH)	Life Changing Assistive Technology for All	2015-369-0009 CID-3372445/ A/C-549711	29	–

The following projects received support from these organisations:

3D. Charitable activities – International

Funder type	Funder	Project Name	Project/grant ID	Income received £'000	
				20–21	19–20
Governments and Institutions	UK Foreign, Commonwealth and Development Office (Funds Received through Sexual Health Marie Stopes International)	Women's Integrated	94001	57	219
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Bangladesh	94001	12	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Tanzania	94001	11	–
	UK Foreign, Commonwealth and Development Office (Funds received through SightSavers)	Disability Inclusive Development Programme (DID) Nepal	94001	11	–
	Comic Relief	Tanzania Inclusive Education	1952284	183	243
	National Lottery	Genesis Charitable Trust Philippines Livelihoods	363790	96	31
Individuals, Trusts and Foundations	Community Fund	Uganda Livelihoods	10329009	35	85
	Rangoonwala Foundation	Establishing a Livelihoods ResourceCentre (LRC) in northern Sri Lanka	ZVMRF/LC/20-22	17	–
	Dubai Cares	Uganda Livelihoods	288830	–	208
Other Grants and Contracts				354	365
Charitable Activities International Total				5,995	4,500

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

Funder type	Funder	Project Name	Project/grant ID	Income received £'000	
				20–21	19–20
Governments and Institutions	National Lottery Community Fund (Wales): People and Places 2	Can Do Cymru	20071186	202	81
	Department of Health and Social Care	Covid Recovery	2020_089b_YR1	188	–
	Sport England Core Market Fund	Road to Me	2017010094	165	20
	Big Lottery Fund (Office for Northern Ireland)	Access for Success Project	10275313	142	106
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures	P3-WWV-25+ R02	118	163
	Southwark Council	Adult Southwark Advice		90	90
	Coronavirus Community Support Fund: The National Lottery Community Fund and the UK Government	Plus	20129272	81	–
	Sport England Potentials Fund	Can Do Sport	2017006732	47	–
	European Social Fund Building Better Opportunities Grant	Suffolk	NEAn/2/2	75	30
	Wales Council for Voluntary Action	Can Do	VSRF_027188	62	–
	Comic Relief	Southampton Emergency	2785722	40	43
	Comic Relief	Support Can Do Virtual	4908568	36	–
	European Social Fund/Wales Council for Voluntary Action: Active Inclusion	Changing Futures Youth	P3-WWV-Y R02	58	130

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

Funder type	Funder	Project Name	Project/grant ID	Income received £'000	
				20–21	19–20
Governments and Institutions	Third Sector Resilience Fund for Wales Phase 2 Scheme, managed and administered by WCVA on behalf of Welsh Government'	E-Commerce: Social Bean Social Enterprise	TSRFfW_ 027217	56	–
	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) North London	LON/1/6	53	97
	Wales Council for Voluntary Action on behalf of Welsh Government: VSRF Small Grant Building Connections Fund: partnership between UK Government, The National Lottery Community Fund and the Co-op Foundation	Volunteering Cymru	RFX GSC1000 436REQ	36	72
	The Careers and Enterprise Fund	Opening Doors Gloucester		36	36
	Flintshire County Council	Change Now – Journey to Work	VSRF_027188	46	–
	National Lottery Community Fund	Partnership Coordinator	10345732	44	70
	European Social Fund Building Better Opportunities Grant	Wise Steps	NE/1/3	35	42
	National Lottery Heritage Fund	Digitising the Sound Archive	OH-18-06111 2017-2-UK01-KA135-037116/2018-2-UK01-	32	75
	European Commission	Erasmus+ Programme	KA125-048503/2018-1-UK01- ESC13-060133/2019-2-UK01- ESC13-062324	47	149
	National Lottery Community Fund (Scotland): Young Start	Can Do Dumfries	20123152	24	–

The following projects received support from these organisations:

3E. Charitable activities – UK Programmes

Funder type	Funder	Project Name	Project/grant ID	Income received £'000	
				20–21	19–20
Governments and Institutions	National Lottery Community Fund and European Social Fund Building Better Opportunities Grant	Able, Capable, Employed (ACE) South London	LON/1/5	18	44
	National Lottery Community Fund	Awards for All – Digital Inclusion Scotland		8	–
	National Lottery Community Fund	Awards for All – Wales Covid-19: Connecting More People, More Often	20130899	10	–
	COVID-19 Support Fund: supported by Can Do Association of British Insurers	Act for Change Fund: Paul Hamlyn	20451/	1,500	–
Corporates, Individuals, Trusts and Foundations	Esmée Fairbairn Foundation with National Lottery Community Fund	Change Makers	34175.01/Leonard Cheshire	119	50
	Scope and the Welsh Government: Sustainable Social Services Sector Grant	Working on Wellbeing	SSSTSG 20-23/26	90	–
	Bank Workers Charity	Bank Workers Charity		71	66
	City Bridge Trust	Change London		60	96
	Hyatt Community Grants Fund	Change 100 and Can Do		22	–
	Good Things Foundation	Future Digital Inclusion Fund 2020/21	2020-	18	22
	BBC Children in Need	Strictly Cymru	2014/WA	10	–
	The Wolfson Foundation	Go Digital Salford		5	20
	Other Grants and Contracts			340	1,181
Charitable Activities UK Programmes Total				3,984	2,681
Notes 3D and 3E Totals				9,979	7,181

4. Investment income

	2021 £'000	2020 £'000
Quoted investments	–	2
Bank interest	21	86
Rent from investment properties	130	148
Total	151	236

5. Total resources expended

	Year ending 31 March 2021				Year ending 31 March 2020			
	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total £'000	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total £'000
Fundraising	2,804	619	220	3,643	2,283	778	269	3,330
Charitable activities								
Social care	91,426	32,487	19,100	143,013	96,270	39,326	14,333	149,929
International services	3,496	5,950	237	9,683	3,142	4,256	145	7,543
UK Programmes	3,939	504	594	5,037	4,153	571	562	5,286
Campaigning	25	122	12	159	200	21	24	245
Total charitable activities	98,886	39,063	19,943	157,892	103,765	44,174	15,064	163,003
Total resources expended	101,690	39,682	20,163	161,535	106,048	44,952	15,333	166,333

The above table analyses by expense category the costs related to the fundraising and charitable activities of the Group. These costs include both direct costs, which include those elements of staff and other costs that are directly attributable to specific activities, and centrally incurred support costs.

In note 5, and in the Consolidated Statement of Financial Activities, we have separated our Programme-related charitable activity income and cost numbers for 20/21 between International Programmes and UK Programmes. This separation has been reflected in the prior year comparatives.

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.

	Year ending 31 March 2021				Year ending 31 March 2020			
	Management and administration £'000	Finance, IT and purchasing £'000	Human resources £'000	Total £'000	Management and administration £'000	Finance, IT and purchasing £'000	Human resources £'000	Total £'000
Support costs								
Fundraising	122	65	33	220	137	78	54	269
Social care	10,622	5,582	2,896	19,100	7,289	4,176	2,868	14,333
International services	132	69	36	237	73	42	30	145
Campaigning	7	3	2	12	12	7	5	24
UK Programmes	330	174	90	594	286	164	112	562
Total	11,213	5,893	3,057	20,163	7,797	4,467	3,069	15,333

6. Governance cost

	2021 £'000	2020 £'000
Internal Audit	205	214
External Audit		
Audit services current year	204	150
Amounts payable to auditors in respect of additional costs for the prior year audit	90	55
Non-audit services	9	8
Governance and professional support for Trustees	22	60
Total	530	487

The total Trustee expenses incurred by LCD or reimbursed during the year was £2,002 (2020: £14,881) which related to travel and subsistence. The number of Trustees who were reimbursed were 4 (2020: 9).

The audit fees shown above are inclusive of VAT which is partially recoverable.

7. Net expenditure

	2021 £'000	2020 £'000
This is stated after charging/(crediting):		
Depreciation – tangible fixed assets	5,804	7,654
Amortisation – intangible fixed assets	255	44
Programme related investments amortisation	20	20
Operating lease rentals:		
Property	1,629	1,557
Equipment	499	218
Auditors' remuneration – audit	294	205
Auditors' remuneration – other	9	8
Exchange rate losses	80	25
Loss on impairment	2,224	–

8. Tangible fixed assets – Group

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	Total £'000
Cost					
At 1 April 2020	93,807	7,778	6,362*	52,855	160,802
Transfers	–	–	(143)	143	–
Additions	–	–	3,769	645	4,414
Disposals	(528)	–	–	(781)	(1,309)
As 31 March 2021	93,279	7,778	9,988	52,862	163,907
Accumulated depreciation and impairments					
At 1 April 2020	32,233	4,799	–	34,983	72,015
Charge for the year	2,038	139	–	3,627	5,804
Impairment	25	1,371	402	426	2,224
Disposals	(148)	–	–	(588)	(736)
At 31 March 2021	34,148	6,309	402	38,448	79,307
Net book value at 31 March 2021	59,131	1,469	9,586	14,414	84,600
Net book value at 31 March 2020	61,577	2,979	6,362*	17,851	88,787*

* The March 2020 accounts for Tangible Fixed Assets under construction included £3,732k which related to the development of the MS Dynamics computer system. This has been re-classified as Intangible Assets in these accounts, and so the values for Cost brought forward as at 1 April 2020 have been amended in both this Note 8, and Note 9, Intangible Assets. The March 2020 accounts are the earliest period which require this reclassification.

During the year we exited the lease for Park House, and the NBV of the leasehold improvements as at 31 March 2021 of £1.9 million was written down to £0.

The properties St Bridget's (NBV: £1,487,666) and Fryers House (NBV: £2,351,780) are pledged as security against our £7.5 million overdraft facility.

8. Tangible fixed assets – Company

	Freehold land and buildings £'000	Leasehold properties £'000	Assets under construction £'000	Furniture, fittings equipment and vehicles £'000	Total £'000
Cost					
At 1 April 2020	93,807	7,778	6,362*	52,774	160,721
Transfers	–	–	(143)	143	–
Additions	–	–	3,769	645	4,414
Disposals	(528)	–	–	(781)	(1,309)
As 31 March 2021	93,279	7,778	9,988	52,781	163,826
Accumulated depreciation and impairments					
At 1 April 2020	32,228	4,798	–	34,924	71,950
Charge for the year	2,038	139	–	3,623	5,800
Impairment	25	1,371	402	426	2,224
Disposals	(148)	–	–	(588)	(736)
At 31 March 2021	34,143	6,308	402	38,385	79,238
Net book value at 31 March 2021	59,136	1,470	9,586	14,396	84,588
Net book value at 31 March 2020	61,577	2,979	6,362*	17,851	88,777

9. Intangible assets – Group and Company

	Intangible assets in progress £'000	Intangible assets £'000	Total £'000
Cost			
At 1 April 2020	3,732*	1,996	5,728
Transfers	(3,732)	3,732	–
Additions	–	1,165	1,165
At 31 March 2021	–	6,893	6,893
Accumulated amortisation and impairments			
At 1 April 2020	–	1,963	1,963
Charge for the year	–	255	255
At 31 March 2021	–	2,218	2,218
Net book value at 31 March 2021	–	4,675	4,675
Net book value at 31 March 2020	3,732	33	3,765

* See Note 8.

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
At 1 April 2020	6,033	68	6,101
Amortised in year	–	(20)	(20)
Revaluation	283	–	283
At 31 March 2021	6,316	48	6,364

Investment properties are included in the balance sheet at fair value. The properties were valued by independent professionally qualified valuers as at 31 March 2021 and our internal experts where external valuation was not practicable.

The external valuers were Allied Surveyors Scotland, Vospers, Louis Taylor, Stephen & Co, Bracketts, Graves Jenkins, Boydens and RTP Surveyors. The valuations are to Fair Market Value, with standard assumptions of existing use, good title, and no planning or contamination issues.

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

	2021 £'000	2020 £'000
Opening market value at 1 April 2020	10	14
Gain/(loss) on revaluation	4	(4)
Closing market value at 31 March 2021	14	10

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

12. Debtors

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Trade debtors	19,954	18,286	14,004	12,787
Amounts owed by subsidiary undertakings	–	–	4,040	3,221
Prepayments	1,539	1,170	1,528	1,170
Accrued income	6,177	6,814	5,318	6,863
Total	27,670	26,270	24,890	24,041

13. Cash at bank and in hand

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Group funds	918	8,609	884	7,661
Service users' funds held in trust	1,630	1,078	1,630	1,076
Total	2,548	9,687	2,514	8,737

Cash and cash equivalents include the following for the purpose of the cash flow statement:

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Group funds	918	8,609	884	7,661
Service users' funds held in trust	1,630	1,078	1,630	1,076
Bank overdraft	(2,786)	–	(2,957)	–
Total	(238)	9,687	(443)	8,737

14. Creditors

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Amounts falling due within one year				
Bank overdraft	2,786	–	2,957	–
Trade creditors	5,428	7,308	5,912	6,384
Amounts owed to subsidiary undertakings	–	–	1,216	1,164
Taxation and social security	2,425	1,940	828	1,311
Accruals	5,112	3,717	5,092	3,717
Deferred income	3,066	2,421	2,967	1,514
Service users' funds	1,630	1,161	1,630	1,161
Capital grants	100	100	100	100
Total	20,547	16,647	20,702	15,351
Amounts falling due after more than one year				
Capital grants	3,642	3,741	3,642	3,741
Loan	630	630	630	630
Total	4,272	4,371	4,272	4,371

The majority of the loan relates to 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. There is no interest on the loan and it is not secured.

Capital grants received are released to the SOFA over the useful life of the related properties. The portion of the grant that is to be released in the next financial year is £100,000 (2020: £100,000) and is shown within 'Amounts falling due within one year'.

Deferred income represents the payment of fees in advance. £2.4 million of income that was deferred as at 31 March 2020 was released during 20/21, and £3.1 million of income which related to future years was deferred as at 31 March 2021.

Intercompany balances are unsecured and no interest is charged.

The total overdraft facility available is £7.5 million.

15. Provisions for liabilities and charges

Group	SCCS £'000	Dilapidation £'000	Redundancy £'000	Other £'000	Pension £'000	Total £'000
At 1 April 2020	2,015	587	31	5	1,272	3,910
Charged to the SOFA	45	414	67	-	(103)	423
Amounts released	(2,060)	(30)	-	-	-	(2,090)
Amount utilised	-	-	(31)	-	-	(31)
At 31 March 2021	-	971	67	5	1,169	2,212

Company	SCCS £'000	Dilapidation £'000	Redundancy £'000	Other £'000	Pension £'000	Total £'000
At 1 April 2020	2,015	587	31	-	1,272	3,905
Charged to the SOFA	45	414	67	-	(103)	423
Amounts released	(2,060)	(30)	-	-	-	(2,090)
Amount utilised	-	-	(31)	-	-	(31)
At 31 March 2021	-	971	67	-	1,169	2,207

The SCCS provision represented the potential liability to the Charity for any arrears identified under the Social Care Compliance Scheme. Following the Supreme Court ruling on the 19th March 2021, we have released this back to the SOFA as a liability no longer remains.

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

The provision for redundancy relates to the cost of redundancies demonstrably committed to in 2020/21, but where the payments will be made in 2021/22.

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 22 for further details.

16. Total funds – Group

Group – movement in funds	Year ending 31 March 2020				Year ending 31 March 2021				
	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Transfers £'000	Balance at 1 April 2020 £'000	Incoming resources £'000	Released resources expended £'000	Transfers £'000	Balance at 31 March 2021 £'000
Restricted Funds									
Social care	21,137	516	(1,024)	(1,102)	19,527	7,773	(5,769)	(139)	21,392
UK programmes	787	1,834	(846)	–	1,775	3,172	(31)	–	4,916
International services	1,745	3,930	(2,345)	–	3,330	5,998	(7,174)	–	2,154
Total	23,669	6,280	(4,215)	(1,102)	24,632	16,943	(12,974)	(139)	28,462
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	11	–	–	–	11	–	–	–	11
Kirby Worthington Fund	110	1	(1)	–	110	1	–	–	111
St. Michael's Home	735	–	–	–	735	–	–	–	735
Total	856	1	(1)	–	856	1	–	–	857
Unrestricted income funds									
Designated funds	99,042	1,368	(1,334)	(93,167)*	5,909	677	(514)	(753)	5,319
General funds	(3,014)	145,084	(163,619)	93,186	71,637	136,192	(153,165)	5,238	59,902
Revaluation reserve	6,677	–	–	(19)	6,658	–	–	(872)	5,786
Pension reserve	(7,586)	–	2,817	4,366	(403)	–	1,929	(3,474)	(1,948)
Total	95,119	146,452	(162,136)	4,366	83,801	136,869	(151,750)	139	69,059
Total Funds	119,644	152,733	(166,352)	3,264	109,289	153,813	(164,724)	–	98,378

* During the year 2019/20 the Charity completed a comprehensive review of its reserves with a particular focus on reviewing designated and general funds.

16. Total funds – Company

Company – movement in funds	Year ending 31 March 2020				Year ending 31 March 2021				
	Balance at 1 April 2019 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 1 April 2020 £'000	Incoming resources £'000	Released resources expended £'000	Gains, (disposals) and transfers £'000	Balance at 31 March 2021 £'000
Restricted Funds									
Social care	21,090	516	(1,023)	(1,102)	19,481	7,744	(5,759)	(139)	21,327
UK programmes	787	1,834	(846)	–	1,775	3,172	(31)	–	4,916
International services	1,745	3,930	(2,345)	–	3,330	5,998	(7,174)	–	2,154
Total	23,622	6,280	(4,214)	(1,102)	24,586	16,914	(12,964)	(139)	28,397
Endowment Funds									
Permanent endowments:									
Albert Alexander Fund	11	–	–	–	11	–	–	–	11
Kirby Worthington Fund	110	1	(1)	–	110	1	–	–	111
St. Michael's Home	735	–	–	–	735	–	–	–	735
Total	856	1	(1)	–	856	1	–	–	857
Unrestricted income funds									
Designated funds	99,042	1,355	(1,326)	(93,239)*	5,832	629	(420)	(753)	5,288
General funds	(4,416)	119,758	(138,434)	92,953	69,861	134,098	(152,175)	5,238	57,022
Revaluation reserve	6,677	–	–	(19)	6,658	–	–	(872)	5,786
Pension reserve	(7,586)	–	2,817	4,366	(403)	–	1,929	(3,474)	(1,948)
Total	93,717	121,113	(136,493)	4,061	81,948	134,727	(150,666)	139	66,148
Total Funds	118,195	127,394	(140,708)	2,959	107,390	151,642	(163,630)	–	95,402

* During the year to March 2020 the Charity completed a comprehensive review of its reserves with a particular focus on reviewing designated and general funds. These transfers between funds reflect the outcome of this work.

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.

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.

Designated funds consist of funds donated to be spent at one of our Social Care services but not restricted to a particular project.

17. Analysis of Group net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Fixed assets	87,796	7,107	736	95,639
Net current (liabilities)/assets	(10,305)	21,355	121	11,171
Long term liabilities	(6,484)	–	–	(6,484)
Pension liability	(1,948)	–	–	(1,948)
Total	69,059	28,462	857	98,378

Analysis of Company net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Fixed assets	87,785	7,106	736	95,627
Net current (liabilities)/assets	(13,210)	21,291	121	8,202
Long term liabilities	(6,479)	–	–	(6,479)
Pension liability	(1,948)	–	–	(1,948)
Total	66,148	28,397	857	95,402

18. Lease commitments

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

	2021 £'000	2020 £'000
within 1 year	2,066	1,426
between 2 to 5 years	3,169	2,667
after 5 years	837	741
Total	6,072	4,834

19. Capital commitments

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

	2021 £'000	2020 £'000
Contracted	336	1,837

20. Subsidiaries

The Charity beneficially owned the entire share capital of the following subsidiary companies at 31 March 2021 and 31 March 2020.

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 (IOM)	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
Leonard Cheshire USA inc.	Delaware, USA	7313137	Limited by guarantee	Trading

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

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

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

The subsidiaries registered in the Isle of Man operate from the following registered office: 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.

The USA subsidiary operates from the following registered address: Corporations USA, LLC, 341 Raven Circle, in the City of Wyoming, DE19934, County of Kent

2021 2020
£'000 £'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	208	250
Resources expended	(305)	(253)
Total	(97)	(3)

Summary of assets and liabilities

Assets	36	255
Liabilities	(374)	(258)
Total	(338)	(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 2021 and 31 March 2020 is shown below.

Summary of statement of financial activities

Incoming resources	669	649
Resources expended	(635)	(595)
Net income	34	54

Summary of assets and liabilities

Assets	1,286	1,211
Liabilities	(59)	(18)
Total	1,227	1,193

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 2021 and 31 March 2020 is shown below.

Summary of statement of financial activities

Incoming resources	25,365	24,753
Resources expended	(23,992)	(24,347)
Net income	1,373	407

Summary of statement of financial activities

Assets	6,930	6,008
Liabilities	(5,557)	(5,602)
Total	1,373	406

21. Staff costs

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Wages and salaries	88,384	92,883	87,829	92,414
Social security costs	7,044	7,094	7,001	7,063
Other pension costs	4,235	5,139	4,217	5,130
Other staff benefits	403	362	402	362
Redundancy costs	1,652	570	1,617	570
Total	101,718	106,048	101,066	105,539

The provision for redundancies to be paid by cash, as at 31 March 2021 (included in the £1,652k above) is £67,046 (2019: £30,972). Redundancy costs are provided for where staff are identified as “at risk of redundancy” and consultation has commenced prior to the year end date.

Additional payments

During the year, the Charity made additional payments of £226,295 to 19 members of staff (2020: £97,493 paid to 9 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 payments did not meet the definition of an ex-gratia payment under the Charity Commission published guidance and therefore there was no need to obtain authorisation from the Commission prior to making the payments.

The average monthly headcount for the Group was 5,281 staff (2020: 5,626 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Group 2021 Staff FTE	2020 Staff FTE
Volunteering	22	67
Social care	3,215	3,376
International	40	36
Campaigning	2	6
UK Programmes	100	140
Governance	1	3
Support	275	194
Total	3,655	3,822

The average monthly headcount for the company was 5,246 staff (2020: 5,587 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

The monthly average number of FTE employees during the year was:	Company 2021 Staff FTE	2020 Staff FTE
Volunteering	22	67
Social care	3,200	3,360
International	40	36
Campaigning	2	6
UK Programmes	96	140
Governance	1	3
Support	275	194
Total	3,636	3,806

Remuneration of higher paid employees

Emoluments of higher paid employees (excluding pension contributions)

	Group 2021 Staff	2020 Staff	Company 2021 Staff	2020 Staff
£60,001–£70,000	19	25	19	25
£70,001–£80,000	16	9	16	9
£80,001–£90,000	3	5	3	5
£90,001–£100,000	3	1	3	1
£100,001–£110,000	2	7	2	7
£110,001–£120,000	2	2	2	2
£120,001–£130,000	2	2	2	2
£130,001–£140,000	1	1	1	1
£150,001–£160,000	–	1	–	1
Total	48	53	48	53

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

	2021 £'000	2021 Staff	2020 £'000	2020 Staff
Defined contribution schemes	415	56	385	52

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 2021 (2020: £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 Senior Officers. The total amount of remuneration and benefits paid to the key management personnel are as follows:

	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Remuneration and benefits	1,008	1,046	1,008	1,046

22. 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 2021 was £4.2 million (2020: £5.1 million).

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 (TPT)

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 2021 is £1.7 million (2020: £0 million). A surplus cap of £2.3 million was applied in 2019/20.

A full actuarial valuation was carried out at 30 September 2018 and the preliminary results have been updated to 31 March 2021 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 £65.8 million and gross liabilities of £77.1 million.

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 2021 is £1.9 million (2020: £1.9 million).

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 net pension liability recognised in the balance sheet at 31 March 2021 is £0.1 million (2020: £0.2 million). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2021 is £0 (2020: £0).

Isle of Man Pension Fund (IOM)

The IOM Pension Fund (the Fund) relates to a small number of staff who work in our IOM services. The Fund is closed to new entrants. The net pension liability recognised in the balance sheet at 31 March 2021 is £31,000 (2020: £1,000). A full actuarial valuation was carried out at 31 March 2019. The best estimate of employer contributions to be paid for the period commencing 1 April 2021 is £0 (2020: £0).

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 2021 for The Pension Trust Growth Plan, Clwyd Pension Fund and IOM Pension Fund.

	At 31 March 2021 (per annum)	At 31 March 2020 (per annum)
Financial assumptions		
Discount rate	1.75–2.4%	2.3–2.4%
Rate of increase in salaries	3.35–3.95%	3.35%
Rate of increase pensions :	1.9–2.85%	1.45%
Inflation assumption (RPI)	3.3–3.5%	2.70%
Inflation assumption (CPI)	2.1–2.9%	1.70%
Demographic assumptions		
Mortality		
Male pensioner at age 65	21.2–22.6	21.8–22.5
Female pensioner at age 65	23.3–25	23.6–24.9
Male non-pensioner at age 65 in 20 years	22.6–24.2	23.2–24.1
Female non-pensioner at age 65 in 20 years	24.8–27	24.8–26.9
Balance sheet pension liability summary		
	Value at 31 March 2021	Value at 31 March 2020
Pensions Trust Growth Plan, Clwyd Pension Fund and IOM	1,880	317
Dyfed	68	86
Total	1,948	403

Fair value of assets	TPT £'000	Clywd £'000	IOM £'000	Value at 31 March 2021 £'000	Proportion	Value at 31 March 2020 £'000	Proportion
Equities	5,112	396	44	5,552	7%	6,395	8%
Bonds	42,763	672	27	43,462	55%	46,136	60%
Property	6,768	112	12	6,892	9%	4,806	6%
Cash/liquidity and other	22,850	691	–	23,541	30%	20,229	26%
Total	77,493	1,871	83	79,447	100%	77,566	100%

Balance sheet impact				Value at 31 March 2021 £'000	Value at 31 March 2020 £'000
Present value of funded obligations	(79,209)	(2,004)	(114)	(81,327)	(75,586)
Fair value of scheme assets	77,493	1,871	83	79,447	77,566
Effect of asset ceiling	–	–	–	–	(2,297)
Total	(1,716)	(133)	(31)	(1,880)	(317)

SOFA impact	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Current service cost*	24	33
Expenses	142	165
Net interest cost	6	129
Losses on past service costs, settlements and curtailments	35	4
Total	207	331

* 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 2021 £'000	Year ending 31 March 2020 £'000
Analysis of amount recognised in the SOFA as unrealised gains/(losses)		
Net actuarial gains/(losses) recognised in year	322	88
Return on plan assets – gains	1,975	3,668
Experience gains arising on plan liabilities	135	243
Effect of changes in demographic and financial assumptions – (losses)/gains	(8,278)	2,664
Effects of changes in the amount of surplus that is not recoverable – gains/(losses)	2,372	(2,297)
Total recognised in other comprehensive income – (losses)/gains	(3,474)	4,366

	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Reconciliation of present value of scheme liabilities		
Change in the present value of the defined benefit obligations		
Opening defined benefit obligation	75,586	79,533
Settlement of the South Yorkshire scheme benefit payment	(1,335)	–
Introduction of the IOM DB Scheme	106	–
Service cost	24	33
Interest cost	1,679	1,839
Contributions by employees	4	5
Losses/(gains) due to benefit changes	35	–
Re measurements – experience gains	–	4
Losses on curtailments	–	20
Actuarial losses/(gains)	8,143	(3,043)
Benefits paid	(2,915)	(2,805)
Closing defined benefit obligation	81,327	75,586

	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'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	76,396	73,066
Interest income	1,748	1,710
Admin expenses	(142)	(165)
Actuarial gains	2,297	3,648
Contributions by employer	2,059	2,112

Reconciliation of present value of scheme assets and actual return on assets	Year ending 31 March 2021 £'000	Year ending 31 March 2020 £'000
Change in the fair value of the scheme assets		
Contributions by employees	4	5
Benefits paid	(2,915)	(2,810)
Closing fair value of the scheme assets	79,447	77,566
Actual return on scheme assets	4,044	5,335

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 £27,000 (2020: £32,000) will be funded by lump sum payments over the recovery period of six years as specified in the most recent triennial valuation.
- The TPT GP3 scheme. The pension deficit on this scheme of £1 million (2020: £1.2 million) will be funded by lump sum payments over the recovery period of four years as specified in the most recent triennial valuation.
- The South Yorkshire Scheme was previously an active scheme (and last year accounted for as a DB Scheme) but the last member left in 2019/20 and we have negotiated a lump sum settlement over a two year period. The pension deficit on this scheme is £145,000.
- In addition, the Charity operates within a smaller, multi-employer defined benefit pension scheme, in Dyfed. This scheme has a combined pension deficit of £68,000 (2020: £86,000) and the deficit will be funded by annual payments based on the contribution rates and recovery periods of between 12 and 15 years.

23. 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, development is unlikely and any increase in value cannot be practically estimated.

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, and any future sale proceeds cannot be accurately estimated.

24. 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.

25. Related party transactions

The Charity provides a full range of management and other support services to Leonard Cheshire Foundation (Isle of Man) Limited in order to enable the subsidiary to operate and meet its statutory requirements for which it charged an agreed fee of £81,000 (2020: £81,000). All banking transactions are carried out on a group basis using the Charity's banking facilities. The resultant intercompany asset is reflected in debtors as shown in Note 12.

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 £24.0 million of invoiced sales (2020: £22.8 million). The resultant intercompany liability is reflected in creditors as shown in Note 14.

Aggregate donations from Trustees were; £1,000 (2020: £2,000).

26. Financial instruments

	Notes	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets at fair value through statement of financial activities					
Investments	11	14	10	14	10
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	12	–	–	4,040	3,221
Trade debtors	12	19,954	18,286	14,004	12,787
Accrued income	12	4,907	3,986	4,048	4,036
Accrued legacies	12	1,270	2,828	1,270	2,828
Cash and cash equivalents	13	2,548	9,687	2,514	8,737
Total		28,679	34,787	25,876	31,609
Financial liabilities that are debt instruments measured at amortised cost					
Amount owed to subsidiary undertakings	14	–	–	1,216	1,164
Trade creditors	14	5,428	7,308	5,912	6,384
Accruals	14	5,112	3,717	5,093	3,717
Service users funds	14	1,630	1,161	1,630	1,161
Bank overdraft	14	2,786	–	2,957	–
Loans	14	630	630	630	630
Total		15,586	12,816	17,438	13,056

27. Post balance sheet events

Since 31 March, we have sold our Arnold House property, realising a net proceeds value of £4.2 million against a Net Book Value of £0.7 as at 31 March 2021.

The overdraft facility was extended from £5.0 million to £7.5 million during September 2021.

6.

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

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

Thank you

Corporate Partners

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

Legators

Ms M E Allen	Mr A J Jones
Ms M Beattie	Mr H Latham
Mr J K Buckenham	Mr S G Litchfield
Mrs M E Crank	Mr GA Markham
Mrs S D Davies	Ms A Myant
Mr J Dawson	Mr A I Rankin
Mrs K E Glover	Mr P W Rich
Ms M J Haslam	Miss J Sanderson
Mrs E M Henderson	Mr A Shawcroft
Ms A Hughes	Ms E Wilcox
Mrs J C Huter	Mr I Wildbore
Mr F S Jarrett	

Charitable Trusts and other supporters

130 Chapman Charitable Trust	Charitable Trust	Community Links Bromley	Guy Charitable Foundation
29th May 1961 Charitable Trust	Bryan Guinness Charitable Trust	Connecting Scotland	Hobson Charity
Act for Change Fund	Careers and Enterprise Company	Co-Operative Community Fund	Hollywood Trust
Awards for All	Charities Aid Foundation	Copley May Foundation	Hull & East Riding Charitable Trust
Bank Workers Charity	Cheshire Community Foundation	CRH Charitable Trust	London Community Response Fund
Barbour Foundation	City Bridge Trust	Cumbria Community Foundation	London Philharmonic Orchestra
Barnwood Trust	Comic Relief	D J Coleman Charitable Trust	Medicash Foundation
Batchworth Charitable Trust	Community Foundation for Surrey	Department For Communities	Merseyside Community Foundation
BBC Children in Need		Department for Health & Social Care	Motorola Solutions Foundation
Broome Family		Donald Forrester Trust	National Lottery Community Fund
		EBM Charitable Trust	National Lottery Heritage Fund
		Enkalon Foundation	NI Housing Executive
		Ernest Kleinwort Benson Charitable Trust	Norwich Freemans Charity
		European Commission	P F Charitable Foundation
		European Social Fund	Payback Time Trust
		Flintshire County Council	Pennington Bequest
		Genesis Charitable Trust	Postcode Community Trust
		Glamorgan Voluntary Services	Salford County Council
		Gloucestershire Community Foundation	Sandra Charitable Trust
		Gloucestershire County Council	Scope
		Good Things Foundation	Sir John Fisher Foundation
			Sport England
			St Hilda's Trust

7.

Who's who

Stavros Niarchos Foundation
Stelios Philanthropic Foundation
The Bill Brown 1989 Charitable Trust
The Community Foundation
The Hospital Saturday Fund Charitable Trust
The John Horseman Trust
The Joseph & Annie Cattle Trust
The Mathew Trust
The Openwork Foundation
The Peter Cundill Foundation
The Sir James Reckitt Charity
The Wimbledon Foundation
Thriving Communities Fund
Tompkins Foundation
UK Foreign, Commonwealth & Development Office
Victoria Homes Trust
Wales Council for Voluntary Action
Wandsworth Council
William Brake Foundation
Wolfson Foundation
ZVM Rangoonwala Foundation UK

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)

David Grayson (Chair Designate)

Governance and Nominations Committee (appointed December 2020)

Dr Sylvia Anie

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

Richard Brooman

Governance and Nominations Committee, Audit and Risk Committee, Fundraising Advisory Group (retired July 2021)

Philip Cassidy

Finance Committee, Audit and Risk Committee (appointed September 2019)

Gareth Davies

(appointed March 2021)

Shani Dhanda

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

Stephen Duckworth

Finance Committee, People Committee (appointed March 2018)

Anne Goodman

(appointed June 2021)

Elizabeth Haywood

Governance and Nominations Committee, Audit and Risk Committee, Fundraising Advisory Group (retired January 2021)

Vidar Hjordeng

Customer Council, Fundraising Advisory 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 Advisory Group (appointed September 2018)

Adam Wiltshire

(appointed June 2021)

Senior Officers

Chief Executive

Neil Heslop (until October 2020)
Hugh Fenn (interim) (from
November 2020 to January 2021)
Ruth Owen (from February 2021)

Chief Financial Officer

Andy James

Managing Director, UK Community Services

Hugh Fenn

Managing Director, Global Influencing and Programmes

Tiziana Oliva

Executive Director, Marketing and Fundraising

Leslie Davey (interim)

Executive Director, Partnerships

Laura Crandley (until September
2020)

Executive Director, People

David Jessop (until March 2021)

Executive Director, Technology

Jon Petty

Global Ambassadors

Judy Heumann

Advocacy

Amar Latif

Business and Travel

Olivia Breen

Sport

Josh Wintersgill

Young Entrepreneurs and Tech

Jane Asher

Arts

Lord Puttnam CBE, Hon FRSA, Hon FRPS

Education

Mark Lane

Gardening and Wellbeing

Sophie Morgan

Inclusive Education and Women

Sir Stelios Haji-Ioannou

Business

Robin Sheppard

Catering and Hotel Industry

Ambassadors

Judy Heumann

Global Ambassador for Advocacy

The renowned activist and campaigner for disability rights. Judy served as an advisor in both the Obama and Clinton administrations and is a senior fellow of The Ford Foundation. 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) which was short-listed for an Oscar for Best Documentary 2021.

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

Amar Latif

Global Ambassador for Business and Travel

Amar Latif is a 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. In the past year, he appeared as the first blind contestant on Celebrity MasterChef and presented TV programmes.

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.

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 this 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 BBC Gardening presenter. Mark has written a book on the Royal Gardens. 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.

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 – shortlisting the 25 most inspirational and influential hoteliers for the year.

8.

Principal advisors

Independent Auditors

PricewaterhouseCoopers LLP

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

Bankers

Barclays Bank Plc

1 Churchill Place
London E14 5HP

Legal

Leonard Cheshire uses a range
of legal advisors including:

Bates Wells

10 Queen Street Place
London EC4R 1BE

Bevan Brittan

Fleet Place House
2 Fleet Place
London EC4M 7RF

Brown Rudnick

8 Clifford Street
London W1S 2LQF

Farrer & Co

66 Lincoln's Inn Fields
London WC2A 3LH

Linklaters

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