

Company registration number: 02537501

Charity registration number: 1000392

The David Lewis Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2024

Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

The David Lewis Centre

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The David Lewis Centre

Reference and Administrative Details

Trustees

P Brearley
E Cartwright
L Ellis
C Green
Dr V Halliwell
A V Hollows
G Loughlin
C Spencer
T Kalloo, (Chair)
P McKevitt
P Walker

Principal Officers - Key Management Personnel

Chief Executive John Heritage
Company Secretary Neil Edwards

Key Management Personnel

Director of Adult Residential and Day Services
Director of Clinical Services, Quality & Compliance
Director of Education
Director of Finance and Estates
Director of People, Culture and Systems

Patrons

HRH The Duchess of Edinburgh GCVO
Viscount Ashbrook

Registered Office

Mill Lane
Warford
Alderley Edge
Cheshire
SK9 7UD

Auditor

Beever and Struthers
One Express
1 George Leigh Street
Manchester
M4 5DL

The David Lewis Centre

Reference and Administrative Details

Solicitors:

Hill Dickinson LLP
No 1 St. Paul's Square
Liverpool
L3 9SJ

Axis Professional
Suite 21 - Edwin Foden Business Centre
Moss Lane
Sandbach
Cheshire
CW11 3AE

Bankers

National Westminster Bank Plc
Spring Gardens
Manchester
M60 2DB

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Trustees' Report (including the Strategic report)

The Trustees, who are directors for the purposes of company law, present the annual report, including the Strategic Report, together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2024.

Name and Registered Office of the Charity

The full name of the charity is The David Lewis Centre and its registered office and principal operating address is Mill Lane, Warford, Alderley Edge, Cheshire, SK9 7UD. In presenting the work of the charity and in respect of specific business areas, the charity also makes itself known as David Lewis, The David Lewis School, and The David Lewis College.

Trustees and Officers

The Trustees and Officers serving during the year and since the year end were as follows:

Trustees:	P Brearley (appointed 1 December 2023)
	E Cartwright (appointed 19 February 2024)
	D K Cornwall (resigned 7 November 2023)
	G Devlin (resigned 18 September 2023)
	S Devlin, (Chair) (resigned 16 December 2023)
	L Ellis
	L Feerick (resigned 5 February 2024)
	C Green (appointed 21 May 2024)
	Dr V Halliwell
	A V Hollows
	G Loughlin
	Dr S Tebby-Lees (resigned 31 January 2025)
	C Spencer
	T Kalloo, (Chair)
	P McKevitt (appointed 29 November 2023)
	P Walker (appointed 31 January 2025)

No Trustee has any financial interest in the charity.

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Trustees' Report (including the Strategic report)

Structure, governance and management

Constitution

The charity was formed in 1904 and was originally constituted as a trust. On 6 September 1990 the charity converted to a private company limited by guarantee without share capital under Section 30 of the Companies Act. At an Extraordinary General Meeting held on 17 April 2009 the company adopted a new Memorandum of Association under which it is now governed. The Articles of Association were amended by special resolution on 11 December 2018.

The charity's Companies House registration number is 02537501 and the Charity Commission registration number is 1000392.

Governance and Management

The charity is managed by a Board of Trustees which is required to meet a minimum of four times per year, although under present practice it meets a minimum of five times per annum. The Board of Trustees has formally adopted the Charity Governance Code for larger charities 2020.

The Board of Trustees delegates some responsibilities to committees which also meet regularly throughout the year. Current committees are Quality, Risk & Governance, Resources, School Governing Body and College Governing Body, each of which is chaired by a Trustee. "Assure and escalate" documents are prepared from all of the Trustee Board committee meetings. These are circulated to all Trustees and the Chairs of each committee report on the content to the Trustee Board meetings.

As recommended by the Charity Commission's Governance Code, the Board regularly reviews its own performance and that of individual Trustees. Coordinated by the Company Secretary, the assessment process gathers Trustees' feedback on the Board's balance of skills, experience and knowledge, its diversity in the widest sense, how the Board works together and other factors relevant to its effectiveness. The consolidated assessment of performance is reviewed by the Governance Committee, which if required, recommends improvement actions to the Board. From 2019 onwards, the Board adopted the process whereby the Board Chair discusses individual performance with each Trustee and the Board Chair's own performance is discussed and reviewed by the Chair of the Quality, Risk & Governance Committee, having collated the views of Board members.

The Board of Trustees appoints a full-time Chief Executive who chairs an Executive Board with responsibility for the day to day management of the charity within the policies, strategy and financial controls approved by the Trustees. There are currently five full-time operational Directors covering Pathways & Community, Education & Life Skills, Assessment & Treatment, Finance & Estates and Human Resources, Culture & Systems.

There is also a part-time Medical Director who takes clinical responsibility for our adult residents.

The School and College Governing Boards are responsible for the conduct of The David Lewis School and The David Lewis College and carry out all the statutory requirements of the respective School and College Governing Boards. The Trustees appoint up to three of their number to sit on the School and College Governors Committee, one of the Trustees within each Governing Board chairs that Board.

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Trustees' Report (including the Strategic report)

Remuneration policy for key management personnel

The Trustees have identified the Executive team as the key management personnel of the charity. Executive pay is determined by the Resources Committee. Decisions are informed by market testing of salaries, subject to affordability.

The Resources Committee has applied the same criteria of an annual pay review for executives, as is used for all other staff in the organisation, with the same percentage uplifts applying as for other staff

Organisational structure and method of election of Trustees

The Quality, Risk & Governance Committee oversee the recruitment of new Trustees. The Committee at the request of the Board carry out an annual Trustee skills audit to identify any skills gaps the recruitment should seek to fill. Trustee vacancies are promoted widely, normally in the media and via other organisations and professional bodies so as to encourage a broad and diverse range of applicants. Shortlisting and interviews are completed by the Quality, Risk & Governance Committee which subsequently makes an appointment recommendation to the Board. All new Trustees are provided with an induction which includes relevant reading materials related to the governance of David Lewis. The Trustees are also required to visit the various services to meet key staff and familiarise themselves with the activities of the charity.

Trustees can be appointed by the Members at any Trustee Board Meeting in accordance with the Articles of Association of the charity. The number of Trustees shall not normally be less than seven and no more than twelve. Trustees are appointed for a three year term of office and may offer themselves for re-election at the end of their term of office subject to a total term of office not exceeding nine years.

Objectives and activities

Public benefit

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The objects of the charity, as set out in the Memorandum of Association of the company, are:

The relief of those who are in need by reason of mental or physical disabilities, including epilepsy and associated neurological conditions ("the Beneficiaries") in particular but without limitation by providing:

- temporary or permanent accommodation;
- education, training and employment opportunities;
- medical or clinical treatment;
- social and welfare activities for the purpose of improving conditions of life of the Beneficiaries; and
- the preservation and promotion of good health by conducting or supporting study and research into the causes and treatment of the Beneficiaries' disabilities and conditions and publishing and disseminating the useful results thereof.

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Trustees' Report (including the Strategic report)

The organisation aims to continue providing a high level, holistic service to benefit those individuals with combinations of complex physical, mental health, behavioural, epilepsy and neurological conditions. A business plan for the year is in place which includes the operation of a Special Needs School, a specialist College of Further Education, adult residential facilities including community housing and adult continuing education facilities. Primary and secondary medical services, together with a wide range of therapies and professions allied to medicine, are available to support the organisation in achieving its stated objectives.

Geographical Organisation

The charity operates from its head office in Warford, Cheshire. Residential and assessment services are provided at the main site at Warford and community houses are provided in other locations in Cheshire. All services are available for service users and contracting authorities from anywhere in the United Kingdom and occasionally overseas.

Investments and Cash Management

The Memorandum and Articles of Association of the charity permit wide powers for investment subject to such conditions and such consents as may be required by law. The Trustees' current policy for investment is related to the working capital requirements and banking arrangements of the business.

The Trustees believe that at present the most efficient, flexible and risk averse investment is to retain surpluses as cash. The nature of the business cash flow profile dictates that these surpluses are required to fund activities at certain times of the year. Any surpluses are invested in secure Treasury deposits.

There have been no acquisitions of investments during the year.

Insurance for Trustees

The Trustees are included in the Directors and Officers insurance cover which is maintained by the charity for all Officers, Directors and Trustees. The Memorandum of Association was revised by Special Resolution at the Annual General Meeting in 2004 to enable Trustees to benefit from insurance by providing exemption to the clause which prevents Directors from benefiting from the company.

Equality Act 2010

The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. There are 9 protected characteristics covered by the Equality Act: age, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race, religion or belief, sex and sexual orientation. The charity ensures that it meets its legal obligation to all employees and service users with protected characteristics and is responsive to the needs of those who have multiple protected characteristics - often termed intersectionality. Whilst our responsibilities are to protect people from discrimination, in doing this we tend to focus on three main areas:

- Access - to employment for candidates, to training and support for staff and to services for those we support
- Experience - of the workplace culture and experience of services for those we support
- Outcomes - career progression and recognition for staff and health and educational outcomes for those we support

Reviewing data sources against such criteria can identify areas where access, experience or outcomes is detrimentally affected for some protected characteristics over others and enables organisations to take positive action to support a rebalance of indicators.

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Employee Consultation

The charity places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the charitable company. This is achieved through formal and informal meetings, monthly team briefings, various internal publications and the annual review. Employee representatives are consulted regularly through the Staff Consultative Forum on a wide range of matters affecting their current and future interests.

Going concern

The charity has contracts with local authorities and suppliers varying from 1 to 24 months depending on the service provided. This provides sufficient financial resources for the charity to continue its operations over that period. Having reviewed the charity's forecasts and other relevant evidence, the Trustees have a reasonable expectation that David Lewis has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fundraising

In addition to employing a Fundraising and Relationships Lead, the charity has continued to engage a Fundraising Consultant to support with its grants and trusts fundraising activities as well as engaging a temporary part-time Fundraising Consultant to support with general fundraising. It does not contract with any other individual, group or company of professional fundraisers in pursuance of its fundraising activities. David Lewis is registered with the Fundraising Regulator and actively seeks to comply with these standards. The charity has not received any complaints in the reporting period with regards to its fundraising activities.

The charity operates a fundraising policy whereby detailed standards are laid out to protect vulnerable people and other members of the public. The policy has measures in place to protect those people from behaviours which are an unreasonable intrusion on their privacy, are unreasonably persistent or place undue pressure on a person to give money or other property.

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Trustees' Report (including the Strategic report)

Strategic Report

Achievements and performance

In the 12 months since the last Report and Accounts, the charity has continued to provide high quality services and make investments in infrastructure and facilities at the Warford site and in neighbouring Cheshire towns.

The external environment has continued to follow the trend for devolved decision making to local government organisations. Pressure on public finances more generally continues, with all agencies having to make difficult decisions on how to prioritise and ration the money available while facing an upward trend in the number of people with complex needs requiring specialist services that are resource intensive and relatively expensive when compared to the needs of the general population.

Our continued insistence that commissioners fund assessed need in full means we are able to maintain and improve service standards and invest in new facilities and staff development to meet the changing needs of residential and day service users.

Against this backdrop in the year to 31 August 2024, David Lewis:

- Provided high quality, specialist care, education and medical services to 257 people from across the UK with a wide range of complex needs. Prior year this was 231 people. The number of residents decreased, but we continued to grow day services and the school and college students with increased admissions throughout.
- Operated an “Outstanding” special education needs College.
- Operated 26 residential homes that were all assessed as “Fully Compliant” with the Care Quality Commission’s “Essential Standards of Safety and Care”.
- Provided employment, training and career development opportunities to up to 1,005 full and part time members of staff.
- Invested £3.0 million in improving and developing facilities. Prior year was £2.7m and this year’s expenditure included two new bespoke single occupancy flats, a four bed residential home for students and a new college building.
- Contributed £38 million across the year to the local economy through salaries and supply contracts with local companies. Prior year was £32 million and this year increased due to the growth in Day and Education services as well as significant inflationary effects.
- Continued to significantly raise the profile of the charity and what it does using a range of social media approaches and increased networking.
- Developed a range of new partnerships to support the work of the charity.
- Worked with families, people the charity supports and our staff to implement a new values and behaviour framework.
- Continued year two of our ambitious three year strategy with four strategic ambitions:
 - to be the best place to receive care, support and education,
 - to recruit and retain the best people,
 - to have a sustainable future,

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Strategic Report

- to be a great partner.

Our staff teams are our most important asset. By investing in training, ensuring our employment terms are well matched against the local and national employment market and providing support to ensure employee absences are well managed, we continue to ensure as low a staff turnover and absence rate as possible. Combined with a highly skilled workforce, we consistently deliver a high standard of care to people placed in our care.

Through the year the number of service users accessing services in each part of the organisation was as follows:

	2024	2023
	No	No
Pathways & Community - residential	141	151
Pathways & Community - day placement	44	29
Education & Life Skills - residential *	6	6
Education & Life Skills - day placement *	66	45
Total	257	231

* at the end of the summer term

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Financial review

The charity receives the majority of its income from local authorities, integrated care boards and the Education & Skills Funding Authority (ESFA) for education and social care services. Fee and service related income increased to £35,127,000 in the year ended 31 August 2024 (2023: £30,420,000) due to the growth in our day and education services.

Before accounting for the impact of movements in the pension liability, the overall result produced a net deficit for the year of £1,328,000 (2023: deficit of £816,000). Cash at bank was £5,347,000 (2023: £5,837,000). Significant demands will be placed on this cash for continuation of our extensive refurbishment plan such that in the fiscal year ended 31 August 2025 it is expected to reduce by a further £3,000,000 without any significant fundraising donations or loan financing. This is despite prioritisation and rationalisation of the projects needed. The charity wishes to embark on more than it can, but without additional sources of financing or significant fundraising is limited in what it can achieve.

Net current assets at £5,323,000 (2023: £5,546,000) have decreased this year due to the decreased cash reserves after the significant project spend.

The amount of total funds held by the charity at 31 August 2024 is £19,980,000 (2023: £21,310,000), of which £116,000 (2023: £118,000) are restricted funds. The main reason for the significant decrease is due to the high level of project spend. Although the cash balance decreased by only £490,000, this was after non-operational cash receipts from the Cheshire Pension Fund reimbursement of £2,113,000, so without this the cash reduction would have been £2,603,000.

The charity values the support of its individual and corporate donors.

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Plans for future periods

Aims and key objectives for future periods

The charity continues to be flexible and responsive to an uncertain and difficult operating environment. The lack of clarity in a demand led market makes detailed planning over an extended timeline difficult. The charity will continue to respond and evolve and by establishing closer working relationships with commissioners we expect to reduce this uncertainty.

In July 2022 the Trustees approved the Long Term Plan 2022-2025. This plan anticipates that Pathways & Communities residential is expected to remain fairly static, but Day Opportunities and College & School student numbers are expected to increase, building on the growth we have already achieved in the prior fiscal year.

The plan also includes major investment into residential property refurbishments on the Warford site and in new facilities in Education & Day Opportunities. The charity had previously built a high level of reserves in order to meet these investment requirements and these statements demonstrate the implementation of that plan.

The charity will continue to adapt and improve residential properties at Warford and in the community to respond to changing needs and demands. There will continue to be investments in IT systems to promote effective and efficient operations in key areas, particularly care management. Facilities will be developed supported by fundraising and grants to promote development of learning and skills for service users and provide facilities that differentiate David Lewis from local authority run provision.

The programme of significant renewals investment at the Warford site in bathrooms, kitchens and infrastructure have continued to ensure that our facilities continue to be recognised as high quality and are well matched to the needs of our service users.

We have been running services at our main Warford site since 1904. Whilst we have a beautiful site, the reality is that some of our building stock is over a century old and becoming unfit for purpose whilst our maintenance and capital expenditure budget is growing. Several of our buildings were created for large group communal living and are currently empty or not used to capacity. Our medium-long term plan involves demolishing or reconfiguring these buildings and constructing smaller purpose built properties that are more attuned to modern living.

Risk Management

The Trustees regularly review the charity's activities to identify the major strategic, business and operational risks which the charity faces and to confirm that systems have been established to enable regular reports to be produced so that the necessary steps are taken to mitigate these risks. The systems established to mitigate risks are periodically reviewed to ensure that they still meet the needs of the charity and to determine whether any remedial action needs to be taken. Risks are reviewed regularly by the Governance Committee and reviewed annually by the Board. The last such review by the Board took place on 17 October 2023.

The principal risks and uncertainties identified through this review are:

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- Protection of the charity's beneficiaries from adverse incidents of clinical or care practice. This is mitigated by safer recruitment practices, thorough staff training programmes, safeguarding policies, employment of a trained social work team and close working relationships with other safeguarding agencies.
- The David Lewis model of support, care and education in relation to national guidance for learning disability and autism services, with specific reference to the charity's model in line with the CQC publication 'Right Care, Right Support, Right Culture'. The charity is looking to mitigate this risk by actively engaging with CQC and investing in smaller, bespoke residential units.
- Continued recruitment of sufficient, skilled care and education staff. This is mitigated by an ongoing proactive approach to recruitment with campaigns running across a range of press, radio and social media networks together with continued investment in the pay of care staff.

Reserves Policy

The Trustees review the reserves policy annually to reassess the risks and reflect changes in the environment in which David Lewis is operating, recognising that it is vulnerable to economic downturns given the pressures which affect its core local government marketplace.

The Trustees consider that David Lewis needs to hold reserves and net liquid funds to protect core activities (which means being able to fund obligations, including employer pension contributions, but not at the cost of charitable activities) in the event of an income shortfall and to promote balanced long-term strategic planning. Based on an evaluation of the services David Lewis provides, the Trustees' review of the reserves policy on 21 May 2024 confirmed the charity should hold a level of unrestricted funds and unrestricted net liquid funds of at least £500,000 and £1,750,000 respectively.

At 31 August 2024 the unrestricted funds (excluding fixed assets) amounted to £5,125,000 (2023: £3,362,000) and unrestricted net liquid funds (cash at bank and in hand, less designated and restricted funds) amounted to £5,231,000 (2023: £5,719,000). The Trustees have excluded the bank loans from the calculation of unrestricted funds because the payment of the loans is clearly defined and the annual cost is fully provided for in the business plans.

The actual funds above are purposefully much higher than the minimal hold level in order to address the works needed to address the significant investment needed in reconfiguration of buildings to better serve the needs of our service users.

Section 172(1) statement

Trustees have a duty to promote the success of the charity and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors. This statement confirms that the Trustees meet those obligations by:

- ensuring they consider the likely consequences of any decision in the long term (this is referenced in 'Objectives and activities for the public benefit' above and 'Plans for future periods' within the strategic report)
- ensuring they consider the interests of the company's employees (referenced in statements on disabled employees and employee consultation above)

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With regards to the factors below, the charity has in place a range of policies and processes that promote corporate responsibility and ethical behaviour to ensure all are satisfied. The Governance Committee review and approve such policies on behalf of the Board. The Board also seeks feedback and offers guidance on actual practices.

- the Trustees encourage the need to foster the company's business relationships with suppliers, customers and others
 - the Trustees guide the Executive team to ensure this goal is met and are appraised regularly on those relationships
 - we continue to develop and secure strong mutually beneficial relationships with suppliers, commissioning officers, and regulatory bodies. The charity seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards are reviewed periodically. The charity continuously assesses the priorities related to service users and those with whom we do business, and the charity engages with the businesses on these topics, for example on changing service users' needs. The Trustees also consider the likely consequences of any decision in the long-term
- we review and consider the impact of the company's operations on the community and the environment
 - the Trustees consistently consider impacts on the community and environment encouraging positive developments
- The Trustees highlight the desirability of the company maintaining a reputation for high standards of business conduct
 - the Trustees view this with utmost importance and encourage this continued practice throughout meetings and operations
- The Trustees practice the need to act fairly as between members of the company
 - all members are treated equally with equal voting rights

Energy and Carbon Reporting

The annual energy use figures are shown below:

	2024	2023
Energy Consumption	5,638,875 kWh	6,630,808 kWh
Emissions from gas and fuel use	1,218 tonnes CO ₂	1,243 tonnes CO ₂
Emissions from electricity use	289 tonnes CO ₂	321 tonnes CO ₂
Aggregate emissions	1,508 tonnes CO ₂	1,564 tonnes CO ₂
Emissions per FTE	1.88 tonnes CO ₂	2.28 tonnes CO ₂

The above figures are re-produced from the energy and fuel companies' billing statements for the year.

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Disclosure of information to auditor

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Acknowledgements

The achievements of the last year are the result of hard work and commitment by all staff and supporters of David Lewis. Whether working directly with the service users or behind the scenes, the Trustees would like to thank all involved for their continuing dedication both to the service users and to the organisation as a whole.

The Trustee annual report and Strategic report was approved by the Trustees of the charity on 18 February 2025 and signed on its behalf by:



Neil Edwards
Company Secretary

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Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The David Lewis Centre 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year. 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 affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Independent Auditor's Report to the Members of The David Lewis Centre

Opinion

We have audited the financial statements of The David Lewis Centre (the 'charity') for the year ended 31 August 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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Independent Auditor's Report to the Members of The David Lewis Centre

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and 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 Trustees' Report (including the Strategic report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report (including the Strategic report).

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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Independent Auditor's Report to the Members of The David Lewis Centre

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.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act, UK Companies Act and pensions legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included Ofsted regulations and Care Quality Commission regulations.

We discussed among the audit engagement team including relevant internal specialists such as pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- we presume a risk of material misstatement due to potential fraud in revenue recognition which is related to the cut-off of education income and the possible recognition of such income in the incorrect accounting period. To address this risk we tested a sample of deferred income calculations for service users, and tested completeness of the deferred income report to assess whether all students on the school register have been considered for revenue cut-off.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

reading minutes of meetings of those charged with governance and reviewing correspondence with Ofsted and Care Quality Commission.

The David Lewis Centre

Independent Auditor's Report to the Members of The David Lewis Centre

Use of our report

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers
.....

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of Beever and Struthers, Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 4 March 2025.....

The David Lewis Centre

Statement of Financial Activities for the Year Ended 31 August 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Endowment funds £ 000	Total 2024 £ 000	Total 2023 £ 000
Income and Endowments from:						
Donations and legacies	4	5	362	-	367	256
Charitable activities	5	35,580	-	-	35,580	30,420
Other trading activities	6	147	-	-	147	76
Investment income	7	97	-	-	97	66
Total income		<u>35,829</u>	<u>362</u>	<u>-</u>	<u>36,191</u>	<u>30,818</u>
Expenditure on:						
Raising funds	8	(110)	-	-	(110)	(48)
Charitable activities	9	<u>(36,968)</u>	<u>(363)</u>	<u>(78)</u>	<u>(37,409)</u>	<u>(31,586)</u>
Total expenditure		<u>(37,078)</u>	<u>(363)</u>	<u>(78)</u>	<u>(37,519)</u>	<u>(31,634)</u>
Net expenditure		(1,249)	(1)	(78)	(1,328)	(816)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	22	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,590)</u>
Net movement in funds		(1,249)	(1)	(78)	(1,328)	(5,406)
Reconciliation of funds						
Total funds brought forward		<u>19,289</u>	<u>118</u>	<u>1,903</u>	<u>21,310</u>	<u>26,716</u>
Total funds carried forward	24	<u>18,040</u>	<u>117</u>	<u>1,825</u>	<u>19,982</u>	<u>21,310</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 24.

The notes on pages 23 to 39 form an integral part of these financial statements.

The David Lewis Centre
(Registration number: 02537501)
Balance Sheet as at 31 August 2024

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Tangible assets	15	14,739	13,814
Current assets			
Stocks	16	53	64
Debtors	17	2,151	2,208
Cash at bank and in hand	18	5,347	5,837
		7,551	8,109
Creditors: Amounts falling due within one year	19	(2,226)	(2,563)
Net current assets		5,325	5,546
Total assets less current liabilities		20,064	19,360
Creditors: Amounts falling due after more than one year	20	(82)	(163)
Net assets excluding pension liability		19,982	19,197
Pension scheme asset	22	-	2,113
Net assets including pension asset		19,982	21,310
Funds of the charity:			
Endowment funds	24	1,825	1,903
Restricted income funds			
Restricted funds	24	117	118
Unrestricted income funds			
Unrestricted funds	24	18,040	19,289
Total funds	24	19,982	21,310

The financial statements on pages 20 to 39 were approved by the Trustees, and authorised for issue on 18 February 2025 and signed on their behalf by:



T Kalloo
Chair of Trustees

The notes on pages 23 to 39 form an integral part of these financial statements.

The David Lewis Centre

Statement of Cash Flows for the Year Ended 31 August 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Net cash expenditure		(1,328)	(816)
Adjustments to cash flows from non-cash items			
Depreciation	15	623	651
Investment income	7	(97)	(66)
Loss on disposal of tangible fixed assets		737	-
		(65)	(231)
Working capital adjustments			
Decrease in stocks	16	11	23
Decrease/(increase) in debtors	17	57	(434)
(Decrease)/increase in creditors	19	(337)	515
(Increase) in retirement benefit obligations net of actuarial changes	22	2,113	(198)
Net cash flows from operating activities		1,779	(325)
Cash flows from investing activities			
Interest receivable and similar income	7	97	66
Purchase of tangible fixed assets	15	(2,285)	(2,610)
Net cash flows from investing activities		(2,188)	(2,544)
Cash flows from financing activities			
Repayment of loans and borrowings	20	(81)	(79)
Net decrease in cash and cash equivalents		(490)	(2,948)
Cash and cash equivalents at 1 September		5,837	8,785
Cash and cash equivalents at 31 August		5,347	5,837

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 23 to 39 form an integral part of these financial statements.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. There are currently 11 Trustees who are also members of the company. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Mill Lane
Warford
Alderley Edge
Cheshire
SK9 7UD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The David Lewis Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The Trustees have, at the time of approving the Financial Statements, a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparation of the Financial Statements.

Fund structure

The charity maintains various types of funds as follows:

Restricted funds

These represent grants and donations received which are allocated by the donor for specific purposes.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

Endowment funds

Endowment funds represent grants, donations and legacies where the donor has stipulated that the capital must be retained.

Unrestricted funds

These represent funds which are expendable at the Trustees discretion in furtherance of the objectives of the Charity.

Income

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt. The following accounting policies are applied to income:

Fees and services related income

Fee income is accounted for in the period in which the service is provided.

Donations

Donations, gifts and all other receipts from fundraising are included in incoming resources when these are receivable unless the donor specifies that the receipt is for use in a future period, in which case the income is deferred until that period.

Where donors specify that donations are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacies

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed where material.

Investment income

Investment income is accounted for when receivable.

Grants receivable

Grants are recognised in the Statement of Financial Activities when the conditions for receipt have been complied with. Where a grant is received relating to a future accounting period, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP (FRS 102), there were no services donated by volunteers, therefore, no amounts are included in the Financial Statements.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis. The following accounting policies are applied to expenditure.

Expenditure on raising funds

Fundraising and publicity costs represent expenditure in relation to staff members engaged in fundraising, and the related costs of the fundraising department. It also includes expenditure incurred during fundraising events.

Costs of charitable activities in furtherance of the charity's objects

This includes all expenditure directly related to the objects of the charity and comprises of the provision of services, medical research and property refurbishments. These are recognised as incurred.

Allocation of costs

The charity's operating costs include staff and other related costs. These are allocated between costs of generating funds and charitable expenditure, which include costs of activities in furtherance of the charity's objects, support costs and management and administration costs. Staff costs are allocated according to the costs of staff working directly in the relevant departments.

Support costs

These costs represent expenditure directly incurred in support of expenditure on the objects of the charity and include such operational and management costs which cannot be directly attributable to the provision of the above objects. They also include Governance costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net depreciation and any provision for impairment.

The charity operates a capitalisation policy of including in fixed asset additions only items of expenditure over £5,000. Items under this amount are written off directly through the Statement of Financial Activities.

Impairment reviews are carried out if there are indicators of impairment.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

Depreciation and amortisation

Depreciation is provided on all tangible fixed assets, other than freehold land, and assets under construction at rates calculated to write off the cost or valuation, less estimated residual value, of each asset by equal annual instalments over its estimated useful life as follows:

Asset class	Depreciation method and rate
Freehold properties	50 years
Equipment and furniture	2-5 years
Motor vehicles	3-5 years

Stock

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Employee benefits

The charity provides a defined contribution pension scheme for all other employees.

The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The charity is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Financial instruments

Classification

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash in hand includes cash and short term highly liquid investments with short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Income from donations and legacies

	Unrestricted funds General £ 000	Restricted funds £ 000	Total 2024 £ 000	Total 2023 £ 000
Donations and legacies;				
Legacies	-	68	68	-
Donations from trusts/grants	-	160	160	115
Donations from individuals	5	134	139	141
	<u>5</u>	<u>362</u>	<u>367</u>	<u>256</u>

5 Income from charitable activities

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Pathways and Community	28,742	28,742	26,530
Education and Life Skills	6,838	6,838	3,890
	<u>35,580</u>	<u>35,580</u>	<u>30,420</u>

6 Income from other trading activities

	Unrestricted funds General £ 000	Total funds £ 000	Total 2023 £ 000
Trading income;			
Sales of goods and services	147	147	76
	<u>147</u>	<u>147</u>	<u>76</u>

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

7 Investment income

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Interest receivable and similar income; Interest receivable on bank deposits	97	97	66

8 Expenditure on raising funds

	Direct costs £ 000	Allocated support costs £ 000	Total 2024 £ 000	Total 2023 £ 000
Costs of generating donations and legacies	75	35	110	48

9 Expenditure on charitable activities

	Activity undertaken directly £ 000	Activity support costs £ 000	2024 £ 000
Pathways and Community	25,845	5,284	31,129
Education and Life Skills	4,842	1,438	6,280
	30,687	6,722	37,409

	Activity undertaken directly £ 000	Activity support costs £ 000	2023 £ 000
Pathways and Community	23,878	4,376	28,254
Education and Life Skills	2,202	1,130	3,332
	26,080	5,506	31,586

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Pathways and Community £ 000	Education and Life Skills £ 000	Total 2024 £ 000
Admin and personnel	Headcount	2,071	275	2,346
Governance	Headcount	28	4	32
Depreciation	Beds	358	135	493
Domestic services	Beds	319	120	439
Estates	Maintenance	928	657	1,585
Finance and IT	Headcount	1,428	190	1,618
Transport	Beds	152	57	209
		<u>5,284</u>	<u>1,438</u>	<u>6,722</u>

	Basis of allocation	Pathways and Community £ 000	Education and Life Skills £ 000	Total 2023 £ 000
Admin and personnel	Headcount	1,630	166	1,796
Governance	Headcount	36	4	40
Depreciation	Beds	390	106	496
Domestic services	Beds	341	93	434
Estates	Maintenance	882	624	1,506
Finance and IT	Headcount	946	96	1,042
Transport	Beds	151	41	192
		<u>4,376</u>	<u>1,130</u>	<u>5,506</u>

11 Net outgoing resources

Net outgoing resources for the year include:

	2024 £ 000	2023 £ 000
Operating leases - other assets	88	88
Audit fees	31	30
Other non-audit services	4	3
Depreciation of fixed assets	<u>623</u>	<u>651</u>

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

12 Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £ 000	2023 £ 000
Staff costs during the year were:		
Wages and salaries	25,916	21,731
Social security costs	2,421	1,965
Pension costs	1,107	915
	<u>29,444</u>	<u>24,611</u>

The monthly average number of persons (including key management personnel) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Pathways and Community	594	522
Education and Life Skills	79	53
Support	129	124
	<u>802</u>	<u>699</u>

The average monthly number of employees was:

	2024 No.	2023 No.
Pathways and Community	758	707
Education and Life Skills	98	36
Support	124	123
	<u>980</u>	<u>866</u>

The number of employees whose emoluments fell within the following bands was:

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

	2024 No	2023 No
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£130,001 - £140,000	-	1
£150,001 - £160,000	1	-

The total employee benefits of the key management personnel of the charity were £631,434 (2023: £649,711).

14 Auditors' remuneration

	2024 £ 000	2023 £ 000
Audit of the financial statements	31	30
Other fees to auditors		
All other non-audit services	4	3

15 Tangible fixed assets

	Freehold land and buildings £ 000	Assets under construction £ 000	Equipment and furniture £ 000	Motor vehicles £ 000	Total £ 000
Cost					
At 1 September 2023	19,255	2,714	3,728	737	26,434
Additions	737	1,525	8	15	2,285
Disposals	(1,346)	-	-	-	(1,346)
At 31 August 2024	18,646	4,239	3,736	752	27,373
Depreciation					
At 1 September 2023	8,296	-	3,640	684	12,620
Charge for the year	535	-	56	32	623
Eliminated on disposals	(609)	-	-	-	(609)
At 31 August 2024	8,222	-	3,696	716	12,634
Net book value					
At 31 August 2024	10,424	4,239	40	36	14,739
At 31 August 2023	10,959	2,714	88	53	13,814

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

The charity's freehold properties were valued on existing use basis as at 1 September 1997 by professionally qualified valuers Chesterton PLC.

The Trustees previously took advantage of the transitional rules of FRS 15 'tangible fixed assets' to retain the previous valuation of the freehold property as the equivalent cost of those assets, consequently the valuation has not been updated.

16 Stock

	2024 £ 000	2023 £ 000
Stocks	53	64

17 Debtors

	2024 £ 000	2023 £ 000
Trade debtors	1,671	1,759
Prepayments and accrued income	383	340
Other debtors	97	109
	<u>2,151</u>	<u>2,208</u>

18 Cash and cash equivalents

	2024 £ 000	2023 £ 000
Cash at bank	5,347	5,837

19 Creditors: amounts falling due within one year

	2024 £ 000	2023 £ 000
Bank loans	75	75
Trade creditors	191	248
Other taxation and social security	577	510
Other creditors	88	139
Accruals	1,193	1,474
Deferred income	102	117
	<u>2,226</u>	<u>2,563</u>

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

	2024 £ 000	2023 £ 000
Deferred income movement		
Deferred income at 1 September	117	479
Resources deferred in the period	102	117
Amounts released from previous periods	<u>(117)</u>	<u>(479)</u>
Deferred income at year end	<u>102</u>	<u>117</u>

All deferred income relates to amounts received in respect of care and education taking place after the year end.

20 Creditors: amounts falling due after one year

	2024 £ 000	2023 £ 000
Bank loans	<u>82</u>	<u>163</u>

The charity holds two loans with National Westminster Bank Plc. The loans are secured by a fixed charge over certain of the charity's property assets.

Loan one is repayable over 10 years from 25 June 2016. Interest on this loan is charged at 3.95%. The principal sum was £500,000.

Loan two is repayable over 10 years from 26 September 2016. Interest on this loan is charged at 2.97%. The principal sum was £250,000.

21 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £ 000	2023 £ 000
Land and buildings		
Within one year	88	88
Between one and five years	350	350
After five years	<u>363</u>	<u>449</u>
	<u>801</u>	<u>887</u>

22 Employment Retirement Benefits

The charity contributes to a defined benefit scheme, the Teachers' Pension Scheme, as well as a defined contribution group personal pension plan. As at 31 January 2023, the company formally exited The Cheshire Pension Fund (a defined benefit scheme) due to the movement from deficit to surplus and ceased contributions from that point.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% (2023: 28.68%) of pensionable pay (including 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the period amounted to £121,293 (2023: £90,145).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. This scheme is open to all employees. For employees with more than twelve months service the contribution rates are 6% for the employer and 6% for employees. For employees auto-enrolled under the statutory arrangements the contribution rates are 3% for the employer and 5% for employees.

The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,106,670 (2023: 1,113,493).

23 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,740,000 (2023: £564,000).

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

24 Funds

	Balance at 1 September 2023 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 August 2024 £ 000
Unrestricted funds					
<i>General</i>					
General fund	16,923	35,829	(36,942)	2,113	17,923
Revaluation reserve	253	-	(136)	-	117
Pension scheme asset	2,113	-	-	(2,113)	-
	<u>19,289</u>	<u>35,829</u>	<u>(37,078)</u>	<u>-</u>	<u>18,040</u>
Restricted funds					
Appeal Funds - other	118	362	(363)	-	117
Endowment funds					
<i>Expendable</i>					
Revaluation reserve	1,549	-	(66)	-	1,483
Other reserve	354	-	(12)	-	342
	<u>1,903</u>	<u>-</u>	<u>(78)</u>	<u>-</u>	<u>1,825</u>
Total funds	<u>21,310</u>	<u>36,191</u>	<u>(37,519)</u>	<u>-</u>	<u>19,982</u>

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

	Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Other recognised gains/(losses) £ 000	Balance at 31 August 2023 £ 000
Unrestricted funds					
<i>General</i>					
General fund	17,711	30,597	(31,385)	-	16,923
Revaluation reserve	389	-	(136)	-	253
Pension scheme asset	6,505	-	198	(4,590)	2,113
	<u>24,605</u>	<u>30,597</u>	<u>(31,323)</u>	<u>(4,590)</u>	<u>19,289</u>
Restricted					
Appeal Funds - other	130	221	(233)	-	118
Endowment funds					
<i>Expendable</i>					
Revaluation reserve	1,615	-	(66)	-	1,549
Other reserve	366	-	(12)	-	354
	<u>1,981</u>	<u>-</u>	<u>(78)</u>	<u>-</u>	<u>1,903</u>
Total funds	<u>26,716</u>	<u>30,818</u>	<u>(31,634)</u>	<u>(4,590)</u>	<u>21,310</u>

The revaluation reserve represents the increase in value of unrestricted assets when the land and buildings were revalued on 1 September 1997, reduced by the depreciation charged in the year and cumulative depreciation charged to date.

The appeal fund balances include various funds originating from the receipt of restricted donations and grants in the current year.

Transfers between funds reflect the completion of projects or satisfaction of any restrictions originally placed on the restricted donations.

The endowment funds represent the valuation of land and buildings endowed by The David Lewis Trust in 1904. These were revalued on 1 September 1997, having previously been revalued at 27 September 1990. These properties are held by The David Lewis Centre for Epilepsy Endowment, a charity registered under the same number as The David Lewis Centre.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

25 Analysis of net assets between funds

	Unrestricted funds General £ 000	Restricted funds £ 000	Endowment funds Expendable £ 000	Total funds at 31 August 2024 £ 000
Tangible fixed assets	12,914	-	1,825	14,739
Current assets	7,411	116	-	7,527
Current liabilities	(2,204)	-	-	(2,204)
Creditors over 1 year	(82)	-	-	(82)
Total net assets	<u>18,039</u>	<u>116</u>	<u>1,825</u>	<u>19,980</u>
	Unrestricted funds General £ 000	Restricted funds £ 000	Endowment funds Expendable £ 000	Total funds at 31 August 2023 £ 000
Tangible fixed assets	11,911	-	1,903	13,814
Current assets	7,991	118	-	8,109
Current liabilities	(2,563)	-	-	(2,563)
Creditors over 1 year	(163)	-	-	(163)
Pension scheme liability	2,113	-	-	2,113
Total net assets	<u>19,289</u>	<u>118</u>	<u>1,903</u>	<u>21,310</u>

26 Analysis of net funds

	At 1 September 2023 £ 000	Financing cash flows £ 000	At 31 August 2024 £ 000
Cash at bank and in hand	5,837	(490)	5,347
Net debt	<u>5,837</u>	<u>(490)</u>	<u>5,347</u>
	At 1 September 2022 £ 000	Financing cash flows £ 000	At 31 August 2023 £ 000
Cash at bank and in hand	8,785	(2,948)	5,837
Net debt	<u>8,785</u>	<u>(2,948)</u>	<u>5,837</u>

27 Related party transactions

There were no related party transactions in the year.

The David Lewis Centre

Notes to the Financial Statements for the Year Ended 31 August 2024

28 Comparative Statement of Financial Activities

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Endowment funds £ 000	Total 2023 £ 000
Income and Endowments from:					
Donations and legacies	4	35	221	-	256
Charitable activities	5	30,420	-	-	30,420
Other trading activities	6	76	-	-	76
Investment income	7	66	-	-	66
Total income		<u>30,597</u>	<u>221</u>	<u>-</u>	<u>30,818</u>
Expenditure on:					
Raising funds	8	(48)	-	-	(48)
Charitable activities	9	<u>(31,275)</u>	<u>(233)</u>	<u>(78)</u>	<u>(31,586)</u>
Total expenditure		<u>(31,323)</u>	<u>(233)</u>	<u>(78)</u>	<u>(31,634)</u>
Net expenditure		(726)	(12)	(78)	(816)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>(4,590)</u>	<u>-</u>	<u>-</u>	<u>(4,590)</u>
Net movement in funds		(5,316)	(12)	(78)	(5,406)
Reconciliation of funds					
Total funds brought forward		<u>24,605</u>	<u>130</u>	<u>1,981</u>	<u>26,716</u>
Total funds carried forward	24	<u><u>19,289</u></u>	<u><u>118</u></u>	<u><u>1,903</u></u>	<u><u>21,310</u></u>