

Registered number: 01792921
Charity number: 515060

LOCAL SOLUTIONS

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025



LOCAL SOLUTIONS

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For the year ended 31 March 2025

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LOCAL SOLUTIONS

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2025

Local Solutions is a Company Limited by Guarantee and a Registered Charity governed by its Memorandum and Articles of Association. The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Company is limited by guarantee and permission has been obtained from the Registrar of Companies to dispense with the use of the word "Limited".

Company registration number: 01792921

Charity registration number: 515060

Registered office: Suite A, 1st Floor
Building 2000
Vortex Court
Enterprise Way
Wavertree
Liverpool
L13 1FB

Trustees:	Hazel J Snell	Chair
	Helen R Heap	Chair, Finance, Audit & Risk Committee
	Rev Dr Crispin Pailing	Chair, People & Culture Committee (to 16 May 2024)
	Melanie Harvey	Chair, People & Culture Committee (16 May 2024 to 10 February 2025) Resigned 27 February 2025
	Dr Bruce W Taylor	Chair, People & Culture Committee (from 10 February 2025)
	Jillian M Jones	
	Serena M Kennedy	
	Jonathan H Mounsey FCA	Resigned 24 September 2024
	Suzanne Mazzone	Resigned 4 November 2024
	Karl Clawley	
	Elliott Morrison	
	Ellie J Acton	Resigned 16 May 2024
	Ian Hall	Appointed 27 February 2025
	Stephen Okoro	Appointed 2 April 2025

Chief Executive: Robert Thomas Harrison

Secretary: Karen Paton

Bankers: National Westminster Bank Plc
Commercial Banking,
Union Street
Chester
CH1 1UA

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For the year ended 31 March 2025

Solicitors:

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

Aaron & Partners
5-7 Grosvenor Court
Foregate Street
Chester
CH1 1HG

Auditor:

DSG Audit
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

A message from our Chair and Chief Executive

This year, Local Solutions has continued to respond with purpose, compassion, and determination. Against a backdrop of sustained pressures on public services, rising costs of living, and increasing social need, we have deepened our commitment to supporting individuals and empowering communities across the Liverpool City Region and North Wales.

In 2024, we marked the beginning of our 50th anniversary year. This milestone offered not only a moment to reflect on our past but also a springboard for bold new actions. Throughout the year, we celebrated our legacy, grew our visibility, and expanded our efforts to innovate, influence, and empower.

Our financial position remains resilient, with a surplus of £200,372 on income of £14.6m, enabling strategic reinvestment. We designated £1.25m for workforce resilience, innovation, and, most significantly, the development of new community premises — a future investment ambition in sustainable infrastructure that reflects our mission.

We directly supported 37,723 people, delivering over 400,000 hours of care, engaging 14,000+ in our social impact activities at Liverpool Watersports Centre, and helping over 500 young people with housing, mentoring and life skills. Our Independent Domestic Violence Advocacy service reached over 1,400 individuals, while our Carers Centre delivered health and wellbeing sessions to more than 1,300 unpaid carers.

One of the standout developments has been the launch and growth of our Community Empowerment Fund. This new model enables us to grant grassroots changemakers the tools, funding and platform to lead locally-rooted solutions. From a radio station connecting people with dementia to trauma support groups and food-growing projects, over 50 grants have been awarded, enabling community ownership and pride.

The sale of our Scotland Road site in late 2023 allowed us to continue service delivery as tenants while progressing redevelopment plans with our partners. Planning permission has since been secured, and our focus is now on identifying a community facing HQ and improved accommodation that meet the needs of tomorrow. Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery.

Throughout the year, we've worked relentlessly across our three big missions: to Transform Social Care, End Homelessness and Empower Communities. Whether through our Happy Place wellbeing hubs for isolated older people, mentoring programmes for young people at risk of exploitation, or the expansion of our domestic abuse support, our work has been rooted in dignity, belonging and opportunity.

Our impact would not be possible without the dedication of our staff and volunteers, the trust of our partners and commissioners, and the strength of our local communities.

To everyone who has supported, challenged, collaborated or contributed this year: thank you.

Hazel and Tom

Hazel Snell
Chair

Date: 4th September 2025



Tom Harrison
CEO

Date: 4th September 2025



Email: info@localsolutions.org.uk
Website: www.localsolutions.org.uk

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

OBJECTIVES

Local Solutions is a charity founded in 1974 that delivers services to people in England and Wales, primarily within the Liverpool City Region and North Wales with a focus on people who face disadvantage, exclusion, and vulnerability.

Our work is guided by our Vision of a society where people can live in safety and dignity and lead fulfilled lives. Our Mission is to empower people and support communities.

We will deliver our mission by truly understanding the needs and challenges facing individuals and communities and working together to design and deliver approaches that create sustained, positive impact.

The Board promotes the Charity's values: compassionate, reliable, pioneering, and knowledgeable, and ensures that these are reflected in all its work. The objects of the organisation are set out in the Memorandum and Articles of Association. The main areas of activity are to benefit the community through the promotion of charitable purposes in the fields of social welfare, education, and recreation.

The Charity Governance Code was published to help charities and their trustees develop high standards of governance. The code sets out seven principles and recommended practice, which Local Solutions addresses and complies with, as explained below.

ORGANISATIONAL PURPOSE

Our purpose is to empower people and support communities through transformative services and approaches. Our work is in three principal areas:

Social Care

Care and personal support services for people who are older, are affected by physical and mental health issues, have mobility problems, or disabilities. This includes commissioned services for domiciliary care, specialised care, extra care, and care commissioned privately by individuals and families.

Support and Accommodation

Support and accommodation for young people and families who are homeless, vulnerable, marginalised, or at risk of exploitation. Specific services include provision of housing, support, mentoring, skills, advice, and independence.

Communities

Services for people who are affected by exclusion focusing on access to community support, advice, recreation, and skills. Specific support services for those not in education, employment, or training, those affected by domestic abuse or bullying, people who have mobility issues and those who provide unpaid care for others.

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REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

LEADERSHIP, BOARD EFFECTIVENESS, OPENESS AND ACCOUNTABILITY

Local Solutions is governed by its Board of Trustees, which is a body of volunteers with careers in a wide variety of fields. The Trustees who served on the Board throughout the year are listed on page 1.

The Charity's Leadership Team comprises the Chief Executive, Strategic Leads for Social Care and for Support & Accommodation, and Departmental Heads for key areas of the Charity.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity.

The remuneration of the Chief Executive and Leadership Team is set by the Trustees recognising:

- individual and team performance in the context of a challenging climate
- the importance of recruitment and retaining the 'right' people (both in terms of experience and attitude)
- the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position.

The Chief Executive selects an appropriate Leadership Team to manage the operations and activities of the Charity. This includes Strategic Leads for Social Care and Support & Accommodation, and Heads of Communities, Finance, People & Culture, Safety & Support, and Business Development & Impact.

A system of performance management, including objectives, key performance indicators, development plans, management reporting and appraisal is in place to monitor the effectiveness and management of individuals and teams.

A Trustee committee structure is established comprising: Finance, Audit & Risk and People & Culture; each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team. Other Task and Finish Groups are set up as considered appropriate.

The Trustees meet as a Board four times a year as a minimum. In addition, each Trustee may serve on one or more of the Committees and Task and Finish Groups. Each of the Committees has outlined a clearly defined work programme for the coming year.

The election of Trustees is determined by the membership of the Charity which includes all Trustees. Trustees may serve for a period of three, three-year terms and thereafter may serve a maximum of three additional one-year terms. An active Trustee Recruitment Programme is in place to fill gaps and to ensure that the Board has an appropriate range of relevant expertise and diversity. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, the minutes of the most recent Trustees' meetings, the current strategy document, and a copy of the most recent statutory accounts. Ongoing training is provided for all Trustees.

The Board welcomed two new Trustees during the year:

Ian Hall – 27 February 2025 – Ian is a retired Auditor; he has extensive organisational knowledge, having previously worked for Local Solutions for 20 years as Internal auditor and then as a special advisor.

Stephen Okoro – 2 April 2025 – Stephen is a Chartered Construction Professional, Skills Coach, Internal Quality Assurer and Programme Leader.

The Committee Chairs and the Chief Executive report into the Board of Trustees on key issues and actions. Trustees receive other bespoke reports as appropriate. The Charity has a comprehensive set of policies and procedures in place in relation to operations, finance, human resources, risk management and health and safety.

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Trustees declare any potential conflicts of interest at every Board meeting, and these are recorded. The Board acts in the best interests of the Charity and its beneficiaries and is not influenced by those who have special interests.

INTEGRITY

The Board of Trustees is committed to integrity, protecting the Charity's reputation, and promoting the core values through transparent and objective decision making. The Committee structure provides appropriate scrutiny, challenge, and independence. Trustees follow Best Practice as outlined in the Charity Governance Code, and the Board maintains registers of interests and disclosures of actual or potential conflicts.

DECISION MAKING, RISK AND CONTROL

Decision Making

Local Solutions operate a clear Scheme of Delegation identifying the operational matters for which the Leadership Team has delegated authority. The Board of Trustees ensure decision making is scrutinised, timely, and in line with the Charity's strategic aims. Committees for Finance, Audit and Risk, and People and Culture, provide assurance and frameworks around decision making, performance and risk.

Risk Management

Local Solutions takes a robust approach to managing risk and maintains a Corporate Risk Register to assess its activities and operational risks and to agree any necessary action for mitigation and control. Risk assessment and management is regularly considered at Board, Finance, Audit and Risk Committee and Leadership Team meetings.

The Corporate Risk Register considers governance and management, operational, quality, financial, people, and cyber security aspects of the activities of Local Solutions. It covers risks that the organisation may face and steps and control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures.

The Corporate Risk Register is supported by service-specific quality audit processes and tools which focus on the regulatory and delivery aspects of the Charity's main operations.

Principal Risks and Challenges

The principal risks and challenges which the organisation currently faces are:

- Failure to satisfy regulatory quality benchmarks.
- Failure to recruit and retain enough quality staff across all functions.
- Failure to recruit and retain Trustees with relevant skills.
- Serious Incidents and Safeguarding.
- Insufficient funding from Local Authorities and other public sector commissioners to cover cost of delivery of services.
- Threats to cyber security.
- Unexpected and rapid changes in Government policy resulting in unbudgeted additional costs.
- Failure to grow or secure new business.
- Serious breach of data protection regulations.

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The Board of Trustees has overall responsibility for the management of risk. The Finance, Audit and Risk Committee has delegated authority to review all aspects of risk management for Local Solutions and to provide oversight of the design, implementation, and effectiveness of risk management processes. A firm of chartered accountants has been appointed by the Charity to perform internal audit services, working to an agreed 3-year internal audit strategic plan linked to the Corporate Risk Register. To ensure independence, the internal audit contractor has free and full access to the organisation's officers, records, premises, and meetings, reports to the Chair of the Board of Trustees and functionally to the Finance, Audit and Risk Committee.

The Corporate Risk Register is a live document which is subject to ongoing change as circumstances require, and which involves the Leadership Team and Trustees in identifying, assessing, and monitoring risk. The Finance, Audit and Risk Committee reviews the Corporate Risk Register on a quarterly basis, and it is reviewed by the Board of Trustees twice a year.

Failure to meet regulatory quality benchmarks may mean that Local Solutions is ineligible to retender for contracts resulting in the potential for significant monetary loss and negative organisational impact. Investment continues to be made in improving quality monitoring and oversight, including implementation of the Homecare Quality Plan to ensure achievement of CQC standards, conduct of mock inspections for Ofsted regulated services, weekly reporting of data on quality, implementation of the MyConcern reporting app, and inclusion of the Registered Manager in the Extended Leadership Group

Recruitment and retention of staff, especially within the Homecare service, remains a significant risk. The Employment Rights Bill 2024/5 will further increase pressure on social care funding costs by ending zero-hours contracts which are still favoured by a large majority of Local Solutions care workers. A workforce development strategy is in development to help mitigate these risks with increased emphasis on an employee assistance programme and wellbeing support.

The risk of significant harm to service users or staff whilst accessing Local Solutions' services is mitigated by deployment of a dedicated organisational Safeguarding Lead and a named Trustee Lead. Both participate in Safeguarding Strategy Group meetings in which the Safeguarding Risk Register is reviewed, and any items of note are reported directly to the Board of Trustees.

Effective and consistent operation of I.T. systems is essential to the success of Local Solutions. Domiciliary care services depend on systems access for accurate logging of client calls, care management and invoicing. If access to the system were removed or unavailable this would present a significant risk to Local Solutions. Steps taken to mitigate this risk include daily backups of data on an internal server, availability of offline data for calls during short-term access issues, regular meetings with the system provider to review functionality, and assessment of other potential system providers for features, cost, and benefits. Steps (including staff training on phishing and malicious links, restrictions on who is authorised to install software on company devices, and use of antivirus software) all form part of the organisation's strategy to combat cyber security risks.

As cyber threats continue to evolve, the Charity has prioritised resilience, proactive defence, and best practices in security governance and management. Over the past few years, cyber threats to local charities have escalated due to their reliance on digital systems, limited cybersecurity budgets, and the sensitive data they handle. Ransomware and phishing attacks have surged, exploiting weak email security and outdated systems. To counteract these changes, we have invested and made significant improvements to the cyber security and IT infrastructure to better protect sensitive data, ensure regulatory compliance, and safeguard the digital infrastructure supporting our services. The move to cloud-based servers, use of Microsoft E5 Business Premium licencing, and the introduction of Mimecast spam protection and filtering along with Fortinet hardware firewalls installation has led to an improvement in secure score, a measure of the effectiveness of the Charity's security measures, from 25.8% in 2020 to 85.2% now.

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Changes to Employer National Insurance Contribution rates and thresholds announced by HM Government in the Autumn 2024 Budget, to be implemented in April 2025, were not expected. A combination of lower thresholds for employer National Insurance Contributions (NICs), particularly affecting Homecare operations where many staff work part-time, higher NIC rates, and the Charity's commitment to be a Real Living Wage employer, increased the cost to Local Solutions of delivering services in 2025/2026 by around £760,000. Single year Local Authority funding settlements for the next two years, and the absence of a mechanism to reflect the impact of high deprivation rates on council revenues, contribute further to uncertain funding environments and market instability as smaller domiciliary care providers fail or withdraw provision. The significant cost increases and continued uncertainty over future Homecare revenues required action to reduce the overall cost of running the organisation to mitigate unsustainable financial deficits in 2025/26 and beyond. All staff structures were reviewed and, after careful review, savings of £300,000 were realised to maximise sustainability whilst minimising the impact on confidence, quality, safety and service user experience.

Serious Incidents and Safeguarding

The Trustees recognise the requirement to report serious incidents to the Charity Commission. Local Solutions has developed and implemented robust Health and Safety, Financial, Disaster and Contingency Planning policies to assist the organisation in minimising the risk of serious incidents and has appropriate strategies in place in the event of an incident.

Local Solutions provides a wide range of services within the Liverpool City Region and North Wales, including domiciliary and residential social care, accommodation, domestic abuse, and other services for a cross-section of young people and older people. By the nature of the provision we deliver, we have frequent interaction with the police, local authorities, and other statutory and regulatory bodies, such as the Care Quality Commission, in the reporting of serious incidents, for which there are established protocols which must be followed.

Monthly Key Performance Indicators relating to Complaints and Safeguarding Allegations are reported to the Board of Trustees to keep them fully informed about serious incidents. There is a specific operational lead for safeguarding and a Safeguarding Strategy Group which includes a nominated Trustee. This Group provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

DIVERSITY

Our Vision is a society where all people can live with dignity, lead fulfilled lives, and realise their full potential. Local Solutions is committed to continuing to enhance Equality, Diversity, and Inclusion in everything we do.

Statement of Commitment

Local Solutions' Mission is to Empower People and Support Communities. Our teams, whether in offices or communities, are vital. They are compassionate, reliable, pioneering, and knowledgeable which helps them to understand the challenges and empower change.

We ensure that we always recruit, retain, and promote a diverse mix of people who are representative of the diversity in our local communities which gives us a great opportunity to have access to a broad range of ideas and allows us to deliver the wide mix of services.

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For the year ended 31 March 2025

Our Commitment as an Employer

Local Solutions is committed to:

- Creating an environment in which individual differences and the contributions of our staff are recognised and valued.
- Ensuring that everyone operates in a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Providing training, development, and progression opportunities to all staff.
- Understanding equality and inclusion in the workplace. That is good management practice and makes sound business sense.
- Regularly reviewing all our employment practices and procedures to ensure fairness and inclusion.
- Taking steps to ensure equity amongst our workforce, such as ensuring that our vacancies are advertised to a diverse range of potential candidates and, where relevant, to particular groups that have been identified as disadvantaged or under-represented in our organisation.
- Taking positive action to recruit disabled people and ensuring there are no unlawful barriers to accessing our employment opportunities, training, progression opportunities, benefits, and facilities.
- Ensuring that diversity in our workforce is regularly monitored to ensure equal opportunities throughout the organisation. Where appropriate, measures will be taken to identify and remove obstacles and to meet the special needs of disadvantaged or under-represented groups.

Our Commitment as a Service Provider

Local Solutions is committed to:

- Providing services to which all clients are entitled regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- Making sure our services are delivered equally and meet the diverse needs of our service users and clients.
- Taking steps to ensure equity amongst our clients and service users such as removing any unlawful obstacles to accessing our services or facilities. Where appropriate, measures will be taken to identify and remove unnecessary barriers and to meet the special needs of disadvantaged or under-represented groups.
- Having clear procedures that enable our clients, candidates for jobs and employees to raise a grievance or make a complaint if they feel they have been unfairly treated.

Employment of Disabled Persons

Local Solutions is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. In 2023 Local Solutions was re-awarded the Disability Confident Employer kitemark for a further 3 years. Local Solutions uses the Disability Confident Symbol, which is our pledge to:

- Interview all disabled applicants who meet the essential criteria for a job vacancy and consider them on their abilities.
- Ensure there is a mechanism in place to discuss with disabled employees at any time, but at least annually, what can be done to make sure they can develop and use their abilities.
- When employees become disabled, make every effort to make sure they remain in employment.
- Take action to ensure that all employees develop the appropriate level of knowledge necessary to make these commitments work; and
- Regularly review the above commitments to shape plans.

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Employee Involvement

Employees receive regular communications through a range of different media informing them of organisational news, service updates and forthcoming events. Additionally, staff receive regular updates from the Chief Executive. Local Solutions has an Employee Forum - a recognised employee group with clear terms of reference which allows all to participate through member representation. We have regular pulse surveys on a range of themes and an annual staff survey and planning process.

STRATEGIC REPORT

The description under the headings "Overview of the year" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

OVERVIEW OF THE YEAR

KEY HIGHLIGHTS

In 2024/2025, Local Solutions delivered meaningful change at scale. We directly supported over 37,700 people, marking a year of growth, innovation, and practical responses to complex needs. Our work focused on connecting people with opportunity, care, housing and resilience across our three Big Missions.

Our reach was extensive: we delivered more than 400,000 hours of care, supported 1,494 victims of domestic abuse, provided temporary housing to over 500 young people, and enabled 1,702 unpaid carers to enjoy respite through MyTime. Over 14,000 individuals accessed activities at Liverpool Watersports Centre, and our Carers Centre facilitated over 1,300 people to participate in health and wellbeing sessions. These figures represent lives improved, safety restored and independence regained.

We launched and embedded our Community Empowerment Fund (CEF), distributing over £70,000 in small grants to more than 50 grassroots groups. From youth boxing to community food growing, and trauma-informed workshops to inclusive art projects, CEF empowered people with lived experience to lead the change they want to see.

Our work was also shaped by partnership. Through our roles as social sector partners with Liverpool University, LJMU and Liverpool Community College, we co-created pathways into employment, research and frontline services. We expanded our IDVA teams, supported multi-agency safeguarding work, and delivered rapid response care in Sefton's redesigned care contract.

The Scotland Road redevelopment advanced with planning permission secured, unlocking the next phase in our ambition to provide high quality accommodation options for young people experiencing homelessness. Meanwhile, funding partnerships for wellbeing hubs in Allerton and Garston will build on the success of our original 'Happy Place' in Netherley – tackling isolation through activity, connection, and wellbeing.

Our year was not without challenge. Recruitment in social care, challenges in accommodation availability, and the ongoing impact of policy shifts (including National Insurance and Real Living Wage costs) created operational pressure. However, we met these head on through agility, creativity, and shared leadership. Designated reserves created the conditions for maintaining positive ambitions, while continued investment in digital infrastructure and internal development built stronger systems.

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Above all, we amplified human stories. People like Joe, whose care journey started with us. Naheed, whose carer support experience reflects those of many across the region. And Lisa, who found stability in Supported Lodgings and now mentors others. Their stories featured in our 50th Anniversary films, celebrating five decades of community strength.

We are proud of our staff and volunteers, whose compassion and commitment are the heartbeat of our work. As we step into the next chapter, our focus remains on delivering services with dignity, designing around people not processes, and building places where everyone can thrive.

REVIEW OF SERVICES

Transform Social Care

This year, Local Solutions delivered over **400,000 hours of care** across the Liverpool City Region and North Wales, supporting **1,120 people** in their own homes. Our Homecare teams provided both help to live at home and specialist care services, designed to enhance wellbeing and independence. From personal care to companionship, our approach centred on dignity, consistency, and individual outcomes.

In response to the growing complexity of need, we continued to invest in upskilling our care teams and embedding digital tools. We expanded our use of real-time monitoring systems and explored the early development of the **Milo Care App** – a digital care companion platform with potential to integrate wearable health data, video support, and wellbeing insights.

Our **'Happy Place' wellbeing hubs** gained recognition and funds to expand into **Garston and Allerton**, offering community-led activities including chair yoga, creative arts, reminiscence sessions and advice drop-ins. These hubs, co-designed with service users, proved instrumental in reducing isolation and reconnecting people with local resources.

Our Extra Care service at **Cherry Tree House** continued to support older residents living with dementia and complex needs. This year, we introduced digital dementia engagement tables and further wellbeing activities – a reflection of our values-led, holistic approach.

We proudly maintained our commitment to the **Real Living Wage**, despite sector-wide funding challenges. Through campaigning, partnerships, and active involvement in national forums, we advocated for ethical commissioning and sustainable pay structures.

Our IDVA (Independent Domestic Violence Advisor) services reached **1,494 individuals**, with provision embedded into Multi-Agency Safeguarding Hubs and Early Help Teams in Liverpool. These services focused on rapid response, survivor-led safety planning, and specialist support for young people and those with protected characteristics.

End Homelessness

Over the year, we supported more than **500 young people and families** through our housing and homelessness services. Our projects, such as **Homeground Hostel, Supported Lodgings, Webster Road move-on flats**, and **Flintshire Hub** each played a vital role in preventing and responding to homelessness among vulnerable people.

Across our services, staff delivered wraparound trauma-informed support, co-created with residents. Regular feedback loops and lived experience mentoring formed part of a refreshed model focused on emotional safety and progression.

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Our **Supported Lodgings** programme provided safe, family-style accommodation for **104 young people**. We launched a major refresh of the service this year, including a communications plan, an independent evaluation and a practitioner summit. Many of our hosts, such as Sam – herself a former resident – now offer not just space, but mentorship.

In **North Wales**, we expanded our temporary accommodation and family support work. Our Flintshire Hub provided early intervention to over 130 families, supporting tenancy readiness and preventing escalation into crisis.

Our accommodation strategy also progressed through partnership-led planning for a redeveloped Scotland Road site and scoping of new housing offers in Parliament Street and Boaler Street. These sites reflect our belief in housing as a foundation for wellbeing, not just a roof over one's head.

Empower Communities

Our **Carers Centre** supported more than **2,400 unpaid carers**, delivering **over 4,000 health and wellbeing sessions**. Services included benefits advice, health checks, advocacy and respite support. The Centre offered a warm, welcoming space for carers to connect, recharge and access support.

The **MyTime** programme delivered respite breaks to **1,702 carers** across Liverpool, Wigan, Milton Keynes and Coventry. Thanks to new partnerships, carers accessed hotels, cafes, football stadium tours and river cruises – creating memories, reducing isolation and improving wellbeing.

Our **Community Empowerment Fund (CEF)** made **over £70,000 in grants** to 50+ grassroots groups. Projects ranged from eco therapy, music production, women's trauma support and mental health advocacy. In addition to funding, we hosted storytelling and learning events, encouraging shared leadership and community pride.

Young people remained at the heart of our community work. Through **Bullybusters** and **AIMS**, we delivered **629 school-based workshops**, tackling bullying, exploitation and online harm. Our **Staying Safe programme**, delivered in partnership with Merseyside Police, supported **418 young people** at risk of criminal exploitation.

At **Liverpool Watersports Centre**, more than **14,000 people** participated in activities including kayaking, paddleboarding and team building challenges. The Centre provided inclusive outdoor experiences to schools, youth groups and people with disabilities, strengthening confidence, community and fun.

Our **Shopmobility** service at Liverpool ONE supported **1,334 individuals** with mobility impairments to access the city independently. Run with volunteer support, the service embodies our commitment to access, dignity and everyday inclusion.

We also deepened partnerships with academia and the voluntary sector, collaborating on projects with universities, care providers and advocacy campaigns. Throughout, our commitment to place-based, person-led design shaped delivery, learning and innovation.

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PUBLIC BENEFIT

The Trustees of Local Solutions confirm that they have given due consideration to the Charity Commission's published guidance on the operation of public benefit when reviewing the Charity's aims and objectives and in planning strategy and future activities. Our activities in 2024/2025 demonstrated, in all accepted definitions, that Local Solutions continues to provide charitable services across England and Wales that are of public benefit through the delivery of our transformative services and approaches.

PLANS FOR FUTURE PERIODS

As we move into 2025/2026, our focus will remain on deepening our impact through the continued delivery of our **Three Big Missions**:

- **Transform Social Care:** We will continue investing in workforce development, digital care models (including the Milo Care App), and expanding co-produced wellbeing hubs. We will also strengthen our voice in national care sector reform and ethical commissioning.
- **End Homelessness:** Our supported accommodation strategy will progress through redevelopment at Scotland Road and feasibility planning for Sunraye 2 and other new sites. We will implement findings from our Supported Lodgings evaluation to shape future models.
- **Empower Communities:** We aim to identify a suitable community location for our central services and several of our outward facing projects where we can maximise the social impact of our operations. We aim to scale the Community Empowerment Fund, expand MyTime into new areas of the Liverpool City Region, and strengthen our role in social prescribing and community-led commissioning.

Cross-cutting all this will be a strategic refresh, planned for Autumn 2025. This will ensure our work remains responsive to the social, economic and policy environment. We will focus on improving systems, developing leadership, and exploring asset ownership opportunities for long-term sustainability.

Our commitment to lived experience, values-led leadership and collaborative design will remain central. Through purposeful partnerships and grounded innovation, we will continue to shape places, systems and services where people can thrive.

Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. As the conditions did not exist at the balance sheet date, this is treated as a non-adjusting post balance sheet event.

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FINANCIAL REVIEW

Income and Expenditure

The overall surplus for the year was £200,372 (2024: surplus £183,751). Income for the year has increased to £14,598,037 (2024: £13,328,907). Expenditure has increased to £14,397,665 (2024: £13,145,156).

During 2024/25 we have not utilised any Designated Reserve allocation, recognising all costs within our general expenditure.

Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer national insurance and pension contributions equates to 85% (2024: 85%) of total costs for the year ended 31st March 2025.

Local Solutions continue to be a Real Living Wage employer, which has resulted in a specific Real Living Wage linked increase in some Local Authority Rates.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 9.1% higher than the previous year, from a growth in hours and income rates.

Support and accommodation services and communities' activities such as the Liverpool Watersports Centre, domestic abuse support, and Liverpool Carers Centre provision all continue to make a positive financial contribution to Local Solutions in addition to the social impact they delivered to service users and the wider community. Additional funding secured within our domestic abuse services in year and continuing MyTime delivery has also had a positive impact.

The Charity earned £94,886 in interest income during 2024-25, taking advantage of the higher interest rates available. These are reviewed and agreed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance between accessibility of funds and the opportunity to earn interest.

To comply with the Charity Governance Code, the financial implications associated with adherence to the Code are considered when setting the organisation's annual Budget and are expended as incurred.

Balance Sheet

The Balance Sheet remains strong despite the impact of challenges during the year. Cash flow has been satisfactory with a closing cash position (including cash held on deposit) of £2,362,083 (2024: £2,331,595) at the end of the year. This represents 1.97 times average monthly expenditure. The working capital position has remained positive throughout the year with no cause to access the overdraft facility of £100,000. Net assets of the Charity have increased to £2,720,300 at the year-end (2024: £2,519,928).

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

Reserves Policy

Charity reserves are that part of a charity's unrestricted funds that are available to spend at the discretion of the charity trustees. They are unrestricted and are intended to cover unanticipated reductions in income or to fund charitable activities.

The Reserves Policy seeks to ensure that Local Solutions can meet all its current cash flow needs and future obligations, while also enabling uninterrupted operation and provide time to adjust in the event of any change in financial circumstances.

A significant proportion of Local Solutions' costs are contract-linked expenditure and therefore directly recoverable under contracts for services. This means that, in the event of the loss of one or more of these contracts, most of the costs associated with them would be transferred to the succeeding contractor. Following the loss of such a contract, Local Solutions would be left to cover central support costs along with other direct administrative costs which are not contract-linked.

Unrestricted free reserves are defined as general unrestricted funds less tangible fixed assets. Tangible fixed assets cannot be realised quickly and are therefore deducted when calculating unrestricted free reserves.

The Trustees consider that it is appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs to which there is no directly linked contract. Based on the 2025/26 Budget, three months' central support and admin costs currently amount to £572,917. The current level of unrestricted free reserves is £1,199,532 providing 2 times of cover for the target level of central support costs.

The Trustees wish to continue to invest in the future and the development of the Charity. To achieve this, three designated funds have been maintained this year: Impact and Innovation, Accommodation Development Fund, and Workforce Resilience. Further information on designated funds is provided in note 12. Designated funds are intended to be spent in furtherance of specific aspects of the Charity's objectives and in line with our long-term ambitions for sustainability and impact. Designated funds are excluded from the calculation of unrestricted free reserves as they are not available for general expenditure.

The Trustees recognise the need to ensure the level of reserves is appropriate for the size of the organisation. As part of their regular assessment of the Charity's reserves requirements, the Board of Trustees has reviewed analyses of several scenarios in relation to reserves. It was agreed that no change to the Reserves Policy is required now, but that due to increased uncertainty and volatility, especially in domiciliary care markets, we will aspire to work towards maintaining unrestricted free reserves equivalent to six months' central support costs plus other costs to which there is no directly linked contract. This will be kept under annual review by the Finance, Audit and Risk Committee to ensure that reserves are adequate to meet the Charity's cash flow needs and that the Policy remains fit for purpose.

Investment Policy

The Memorandum and Articles of Association sets out the Charity's powers of investment. Currently, the Charity does not hold any long-term investments. Short-term surplus funds are placed in cash deposit investment schemes with the Charity's bankers. The Trustees are satisfied with the return achieved given prevailing interest rates.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

Funding

The Trustees remain satisfied that the Charity's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

Going Concern

The Board of Trustees is required to consider the appropriateness of the going concern basis when preparing financial statements.

Financial and operational resilience has been challenged during the Charity's 50th year but nonetheless remains robust. We began the financial year with news that delivery rate rises in key Homecare contracts would only be matched to the basic rise in national living wage, ignoring real living wage commitments and failing to acknowledge the increased costs of management, compliance, building rents, utilities, insurance and general delivery.

Initial recommendations for the government's social care transformation agenda are now not expected until mid-2026, while the 2024 Autumn Budget placed additional burdens on providers through increases to employers NI and, most critically, changes to the thresholds for triggering NI for part time workers. These changes, alongside our commitment to RLW, left the Charity facing increased costs of around £760k in 2025/2026, while the outlook for Homecare fees is uncertain, making budgeting challenging. This created a position where we were forced to reduce the overall cost of running the organisation to mitigate unsustainable deficits in 2025/26 and beyond. A restructuring process was completed to bring costs down by around £300k to bridge the expected funding gap.

The Charity has a strong Balance Sheet with a cash position of £2,362,083 and Total Reserves of £2,688,970 at the end of the year. The working capital position has remained positive throughout the year with no need to access the overdraft facility of £100,000. Given the Charity has no anticipated borrowings, the risk of any breach of terms or conditions associated with the overdraft facility is assessed as low.

To consider the appropriateness of the going concern basis, we have prepared forecasts to March 2026 with the underlying assumptions reviewed in detail by the Finance, Audit and Risk Committee. Several scenarios were considered which stress tested the Charity's income. These included a reduction in Homecare hours delivered, lower capacity utilisation in accommodation services, and depressed activity levels at Liverpool Watersports Centre because of poor weather. We forecast that the worst-case scenarios would result in a budgeted surplus of £5K, compared with the base case assumption of £37K. Based on our forecasts for the coming year and beyond, and the level of reserves, the Trustees have a reasonable expectation that Local Solutions has adequate resources to continue operations for at least 12 months from the date of approval of these accounts. Trustees have reviewed the assumption that Local Solutions remains a going concern and have concluded this to be accurate and appropriate. Further information in this respect is given in the principal accounting policies.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Local Solutions for the purposes of Company Law) are responsible for preparing the Strategic Report, the Annual Report, and the financial statements in accordance with applicable law and regulations. Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the income and expenditure, of the Charitable Company for that period.

LOCAL SOLUTIONS

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT INCORPORATING STRATEGIC REPORT)

For the year ended 31 March 2025

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards 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 to operate.

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 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 Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustee Indemnity Insurance

The Board of Trustees has the benefit of Trustee Indemnity Insurance which is authorised in the Articles of Association and is in relation to certain losses and liabilities which the Trustee(s) may incur to third parties in the course of acting as a Trustee (Director) of the Charity.

Auditor

DSG resigned as auditor on 11 September 2024 due to an internal reorganisation. On the same day, DSG Audit Limited was appointed to continue the audit engagement without interruption. This change reflects a legal restructuring of the audit firm and does not affect the scope or continuity of the audit engagement.

The Trustees' report including the strategic report was approved by the Board of Trustees.



Hazel Snell
Chair

Date: 4th September 2025

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

OPINION

We have audited the financial statements of Local Solutions (“the Charitable Company”) for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2025 and of its incoming resources and application of resources 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’s responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company 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 related 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 charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters 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 trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report, which are included within the trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustee's report.

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

- adequate and proper 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.

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act 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 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.

The extent to which the audit was capable of detecting irregularities, including fraud is detailed below

Capability of the audit in detecting irregularities, including fraud

As a part of our audit in accordance with United Kingdom Generally Accepted Accounting Practice; and requirements of the Companies Act 2006 we exercise professional judgement and maintain professional scepticism throughout the audit. Based on our understanding and accumulated knowledge of the charity and the sector in which it operates we considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Charities SORP 2019, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

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 posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of debtors and valuation and completeness of deferred revenue;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific unusual narrative, manual journals to revenue and cash, and review of journals posted to least used accounts;

LOCAL SOLUTIONS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL SOLUTIONS

For the year ended 31 March 2025

- Discussions with management; including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks such as Companies Act 2006 & Employment Taxes Act by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other evidence gathered during the course of the audit;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control; and
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
For and on behalf of DSG Audit

4 September 2025
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Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Chambers
Liverpool
L2 9TL

LOCAL SOLUTIONS

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2025

	Note	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
		£	£	£	£
Income and endowments from:					
Donations and legacies	1	41,837	78,614	120,451	45,493
Income from charitable activities	1	14,152,208	230,492	14,382,700	13,113,837
Sale fixed assets	1	-	-	-	121,394
Income from investments	3	94,886	-	94,886	48,183
Total income		<u>14,288,931</u>	<u>309,106</u>	<u>14,598,037</u>	<u>13,328,907</u>
Expenditure on:					
Charitable activities	2	<u>14,087,741</u>	<u>309,924</u>	<u>14,397,665</u>	<u>13,145,156</u>
Total expenditure		<u>14,087,741</u>	<u>309,924</u>	<u>14,397,665</u>	<u>13,145,156</u>
Net income/(expenditure)		<u>201,190</u>	<u>(818)</u>	<u>200,372</u>	<u>183,751</u>
Transfers between funds		<u>56,525</u>	<u>(56,525)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>257,715</u>	<u>(57,343)</u>	<u>200,372</u>	<u>183,751</u>
Reconciliation of funds					
Total funds brought forward at 1 April	13	<u>2,431,255</u>	<u>88,673</u>	<u>2,519,928</u>	<u>2,336,177</u>
Total funds carried forward at 31 March	13,14	<u>2,688,970</u>	<u>31,330</u>	<u>2,720,300</u>	<u>2,519,928</u>

All of the principal activities of the charity were continuing for the year ended 31 March 2025.

There were no recognised gains or losses other than the result for the year.

LOCAL SOLUTIONS

BALANCE SHEET

As at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	8	239,616	252,348
Current assets			
Debtors	9	1,483,764	1,296,203
Investments	10	420,427	-
Cash at bank and in hand		<u>1,941,656</u>	<u>2,331,595</u>
		3,845,847	3,627,798
Creditors: amounts falling due within one year	11	<u>(1,314,063)</u>	<u>(1,314,118)</u>
Net current assets		<u>2,531,784</u>	<u>2,313,680</u>
Provision for liabilities	12	(51,100)	(46,100)
Net assets		<u>2,720,300</u>	<u>2,519,928</u>
Funds			
Restricted	13	31,330	88,673
General Unrestricted	13	1,438,970	1,181,255
Designated Reserves	13	1,250,000	1,250,000
Revaluation Reserve	13	-	-
		<u>2,720,300</u>	<u>2,519,928</u>

The financial statements were approved by the Board of Trustees on 4 September 2025, and signed on their behalf by:



Hazel Snell

Trustee

Company Number: 01792921

LOCAL SOLUTIONS

CASH FLOW STATEMENT

For the year ended 31 March 2025

	Note	2025	2024
		£	£
Cash flows from operating activities			
Surplus for the financial year		200,372	183,751
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	12,732	26,974
Profit on sale of fixed assets		-	(121,394)
Net interest (receivable)	3	(94,886)	(48,183)
Increase in trade and other debtors	9	(187,561)	(122,218)
Increase in trade and other creditors	11,12	4,945	91,332
		<u>(64,398)</u>	<u>10,262</u>
Cash flows from investing activities			
Net proceeds from sale of tangible fixed assets		-	919,162
Current asset investments		(420,427)	-
Interest Received		94,886	48,183
		<u>(325,541)</u>	<u>967,345</u>
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		2,331,595	1,353,988
		<u>1,941,656</u>	<u>2,331,595</u>
Cash and cash equivalents comprise:			
Cash at bank and in hand		1,941,656	2,331,595
Bank overdrafts		-	-
		<u>1,941,656</u>	<u>2,331,595</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

ACCOUNTING POLICIES

Charity Information

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is
Vortex Court, Enterprise Way, Wavertree, Liverpool, L13 1FB.

Accounting Convention

The Company is limited by guarantee and has no share capital.

The financial statements have been prepared in accordance with applicable accounting standards including the Statement of Recommended Practice: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with 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), the Companies Act 2006 and the Charities Act 2011.

They have been prepared under the historical cost convention. On transition to FRS 102 the Charity has elected to treat the depreciated valuation of land and buildings recognised under the previous UK GAAP as deemed cost. Any difference between historical cost depreciation and depreciation calculated on deemed cost is transferred between the revaluation reserve and unrestricted funds.

The trustees confirm that the Charity meets the definition of a public benefit entity as defined under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies of the Charity have remained unchanged from the previous year and are set out below.

GOING CONCERN POLICY

The financial statements have been prepared on a going concern basis, which principally assumes that the Charity will continue to receive contracted financial income from various Local Authorities at a sustainable level. The Charity has several contracts in place which secure income and cash flows for at least 12 months from the date of approval of these accounts. Forecasts have been prepared and reviewed for the forthcoming year and beyond, with various scenarios and key assumptions being made to consider a range of possible outcomes.

The Trustees and the Management Team recognise the impact that the general economic climate and the Government's spending review has on the level of public sector funding and are fully aware of the continued impact on funding directly and indirectly available to the Charity. They continue to monitor the various scenarios that reduced income levels could give rise to. In a worst-case scenario, whilst it would see the Charity's reserves and cash position impacted significantly, it would not affect the going concern assumption over the medium and long-term.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Following a review by Trustees, taking into consideration the cash raised from the sale of the Scotland Road site, the overdraft facility has been maintained at £100,000. Projections produced indicate that there will be no need to draw on the overdraft and that there will be considerable headroom if our best-case assumptions materialise. Considering the strength of the balance sheet, and levels of cash and unrestricted reserves, the Trustees believe that, whilst considerable uncertainty exists about the economic and operating environment, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

INCOME

Fee income

Fee income is credited as incoming resources when the work relating to the fees has been completed. Income relating to a specified future period is deferred.

Grants receivable and Deferred Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Any unexpended income on projects which relates to grants or donations which must be expended in the following year is taken to creditors and shown as deferred income.

Donations and legacies

All monetary donations and gifts are included in full in the statement of financial activities when received if there are no donor-imposed restrictions as to the timing of the related expenditure. If there are any donor-imposed restrictions on the timing of expenditure, then recognition is deferred until any pre-conditions have been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified. They are included in the statement of financial activities.

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- Assets received for distribution by the Charity are recognised only when distributed.
- Assets received for resale are recognised, where practicable, when receivable or otherwise when sold.
- Gifts of fixed assets for Charity use or funds for acquiring fixed assets for Charity use are accounted for (as restricted funds) immediately on receipt.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoverable are credited as income when the donations are received.

EXPENDITURE

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resources.

Allocation of Overheads

Local Solutions operates centralised services for senior management, human resources, finance, IT services, and quality functions.

The costs of these centralised services are allocated to individual projects based on actual project expenditure. This ensures a fair and transparent allocation of costs and is in line with accepted practices within the voluntary sector.

FUND ACCOUNTING

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

The Charity has projects for which funding consists of restricted and unrestricted income. The Charity's policy in preparing the financial statements is to apply expenditure, together with a fair allocation of overheads and support costs, against both restricted and unrestricted income to a point where all restricted income has been covered.

Expenditure beyond that point is allocated against unrestricted income only. This policy is considered by the Trustees to represent a practical means of representing how costs are allocated on a consistent basis across each project. Any deficits incurred by the Charity on restricted funds are funded by the Charity's unrestricted income.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity.

TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Depreciation is calculated to write down the deemed cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives.

The Charity capitalises all individual items of fixed assets more than £3,000 for small items and £5,000 for fixed items.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Assets during construction are included within Fixed Assets as a separate category. Depreciation will only commence once the property is brought into use and will then be applied in line with the depreciation policy.

The rates generally applicable are:

- | | |
|---|---------------------|
| - Freehold properties | - 2% of deemed cost |
| - Motor vehicles | - 5 Years |
| - Fixtures, fittings, equipment and computer software | - 2 to 5 Years |

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

VALUE ADDED TAX

The Charity is partially exempt from VAT and all irrecoverable VAT is shown in direct charitable expenditure.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

Defined Contribution Pension Schemes

The pension costs charged against the operating surplus are the contributions payable to the schemes in respect of the accounting year.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

FINANCIAL INSTRUMENTS

Local Solutions only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Financial assets and financial liabilities are recognised when Local Solutions becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Local Solutions only 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.

Creditors and provisions are recognised where Local Solutions 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.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

RECOGNITION OF LIABILITIES

Liabilities are recognised as soon as there is a legal or constructive obligation committing Local Solutions to pay out resources.

LIQUID RESOURCES

Liquid resources are those associated with the cash management of Local Solutions. Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits with notice periods three months and over are classified as current asset investments unless they are accessible without significant penalty.

TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the 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.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

- Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 ANALYSIS OF INCOME

	2025 £	2024 £
Donations deferred at 1 April 2024	-	203
Donations receivable in the year	183,716	45,290
Donations deferred at 31 March 2025	(63,265)	-
	<u>120,451</u>	<u>45,493</u>

Donations above include Restricted Donations of £63,266 (2024: £793).

	£	£
Project income deferred at 1 April 2024	249,646	142,749
Project income receivable in the year	14,396,102	13,220,734
Project income deferred at 31 March 2025	(263,048)	(249,646)
	<u>14,382,700</u>	<u>13,113,837</u>

Analysis of income	£	£
Project income for charitable services provided	14,382,700	13,113,837
Donations	120,451	45,493
Investment income	94,886	48,183
Profit from Sale of fixed asset	-	121,394
	<u>14,598,037</u>	<u>13,328,907</u>

Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	11,861,341	9,735,027
Young People & Families/ Engagement	2,517,254	3,339,342
Central Services	4,105	39,468
	<u>14,382,700</u>	<u>13,113,837</u>

Project income is derived from various funding sources including Liverpool, Sefton, Knowsley, Wirral, St Helens, Denbighshire and Flintshire Local Authorities.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1 ANALYSIS OF INCOME (continued)

Restricted Grants within Project Income

	2025	2024
	£	£
Liverpool City Council	89,413	44,707
Others	86,079	62,515
Comic Relief	-	67,600
Lindbury Trust	55,000	13,750
	<u>230,492</u>	<u>188,572</u>

2 ANALYSIS OF EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2025 £	2024 £
Direct charitable expenditure	12,249,600	2,088,576	12,732	14,350,908	13,069,761
Governance costs	-	46,757	-	46,757	75,395
	<u>12,249,600</u>	<u>2,135,333</u>	<u>12,732</u>	<u>14,397,665</u>	<u>13,145,156</u>

	Staff costs £	Other costs £	Depreciation £	2024 £	2023 £
Direct charitable expenditure	11,156,046	1,886,741	26,974	13,069,761	12,730,485
Governance costs	-	75,395	-	75,395	88,455
	<u>11,156,046</u>	<u>1,962,136</u>	<u>26,974</u>	<u>13,145,156</u>	<u>12,818,940</u>

Within Direct charitable expenditure other costs represents all direct and indirect charitable activity costs covering the various projects operated by the Charity and certain support costs.

Support costs covering Management, Finance, IT support and HR including ancillary costs amount to £825,417 (2024: £1,846,891), which includes fundraising and business development costs of £179,952 (2024: £102,554).

Governance costs relate to the general running of the Charity. They include external audit costs and costs associated with constitutional and statutory requirements. The audit fee for the year amounted to £17,750 (2024: £16,875).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Governance Costs	2025	2024
	£	£
Professional & Legal	29,007	58,520
Auditors' remuneration – statutory audit	17,750	16,875
Governance costs at 31 March 2025	<u>46,757</u>	<u>75,395</u>

Contained within Restricted Expenditure are the following costs:

	Restricted	Restricted
	2025	2024
	£	£
Salaries and on costs	258,519	146,231
Maintenance/repairs	-	6,356
Office expenses	412	221
Telephone/internet	789	2,627
Equipment	1,460	12
Insurance	1,003	313
Travel	926	15,365
Sundry expenses	21,284	19,059
Utilities	5,481	-
Community Empowerment Fund	20,050	-
	<u>309,924</u>	<u>190,184</u>

The following amounts are included in expenditure:

	2025	2024
	£	£
Depreciation	12,732	26,974
Operating Lease rentals:		
- Land & Buildings	269,283	215,847
- Other	1,174	2,034
Auditors Remuneration – statutory audit	17,750	16,875
Auditors Remuneration – other services	<u>-</u>	<u>-</u>

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

3 INTEREST RECEIVABLE

	2025 £	2024 £
Other interest receivable and similar income - unrestricted	<u>94,886</u>	<u>48,183</u>

4 EMPLOYEES

Staff costs during the year were as follows:

	2025 £	2024 £
Wages and salaries	11,145,455	10,156,950
Social security costs	874,256	779,106
Other pension costs	229,889	219,990
	<u>12,249,600</u>	<u>11,156,046</u>

Wages and salary costs above include redundancy payments of £54,781 (2024: £Nil)

The average number of employees during the year was 553 (2024: 531).

	2025 Number	2024 Number
Project staff	549	527
Fundraising and publicity	1	1
Management and administration of the charity	3	3
	<u>553</u>	<u>531</u>

The emoluments of higher-paid employees fell within the following ranges:

	2025 Number	2024 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1

During the year there were three higher paid employees (2024: three higher paid employees).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. EMPLOYEES (continued)

During the year, the following amounts were paid to money purchase pension schemes in respect of higher paid employees:

	2025 £	2024 £
Pension contributions to money purchase schemes	<u>20,924</u>	<u>21,228</u>

5 TRANSACTIONS WITH TRUSTEES AND OTHER RELATED PARTIES

None of the trustees or any person connected with them received any remuneration or benefits from the Charity during the current or previous year.

No Travel expenses were reimbursed to any trustees, (2024: £NIL) during the year.

Trustees donated £- in the year (2024: £1,586).

There were no other related party transactions in the year.

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The trustees have delegated much of the day to day running of the Charity to a number of key management personnel. The execution of a clear and transformative vision for leadership from 2021 resulted in the restructuring of the senior management team and associated costs.

The total remuneration, including employers' pension contributions, employers' national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £262,449 (2024: £255,351).

7 INDEMNITY INSURANCE

The Charity purchases Directors and Officers Liability Insurance. The cost of the premium in the year was £2,352 (2024: £2,352).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Fixtures, equipment, fittings & computer software £	Total £
Cost				
At 1 April 2024	264,137	10,699	50,370	325,206
Disposals	-	-	-	-
At 31 March 2025	264,137	10,699	50,370	325,206
Depreciation				
At 1 April 2024	33,507	10,699	28,652	72,858
Provided in the year	5,280	-	7,452	12,732
Eliminated on disposals	-	-	-	-
At 31 March 2025	38,787	10,699	36,104	85,590
Net book amount				
At 31 March 2025	225,350	-	14,266	239,616
Net book amount				
At 31 March 2024	230,630	-	21,718	252,348

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%. The sale of the Scotland Road site was completed in December 2023 and the financial impact of this transaction was fully reflected in the 2023/24 financial statements. No income or asset balances relating to this sale are included in the 2024/25 accounts.

Freehold land is not depreciated. Assets under construction are included within Fixed Assets with depreciation commencing once the asset is brought into use.

All tangible fixed assets were used for charitable purposes.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

9 DEBTORS

	2025 £	2024 £
Accrued income	401,693	432,399
Trade debtors	910,412	720,532
Other debtors	16,677	19,167
Prepayments	154,982	124,105
	<u>1,483,764</u>	<u>1,296,203</u>

10 CURRENT ASSET INVESTMENTS

	2025 £	2024 £
Cash held on deposit	<u>420,427</u>	<u>-</u>

During the year, the charity reassessed the classification of its 95-day notice account. While previously included within cash and cash equivalents, the account has been reclassified as a current asset investment to better reflect its restricted liquidity. The prior year figures have not been restated as the previous treatment was consistent with the accounting policy and judgement applied at that time.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	92,100	94,955
Other creditors	69,441	164,409
Social security and other taxes	158,764	165,153
Accruals	667,444	639,955
Deferred income	326,314	249,646
	<u>1,314,063</u>	<u>1,314,118</u>

Included within other creditors is an amount of £Nil (2024: £100,000) owing in respect of a historical payment on account for Homecare provision from Liverpool City council.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

12 PROVISION FOR LIABILITIES

	2025 £	2024 £
Balance at 1 April	46,100	41,100
Increased	5,000	5,500
Utilised	-	(500)
Balance 31 March	<u>51,100</u>	<u>46,100</u>

The above provision relates to dilapidations that have been provided for in relation to making good upon vacation of leased property. These are reviewed annually.

13 FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
At 1 April 2024	-	88,673	2,431,255	2,519,928
Incoming resources	-	309,106	14,288,931	14,598,037
Resources expended	-	(309,924)	(14,087,741)	(14,397,665)
Reserve transfer	-	(56,525)	56,525	-
At 31 March 2025	<u>-</u>	<u>31,330</u>	<u>2,288,970</u>	<u>2,720,300</u>
At 1 April 2023	653,215	89,492	1,593,470	2,336,177
Incoming resources	-	189,365	13,139,542	13,328,907
Resources expended	-	(190,184)	(12,954,972)	(13,145,156)
Reserve transfer	(653,215)	-	653,215	-
At 31 March 2024	<u>-</u>	<u>88,673</u>	<u>2,431,255</u>	<u>2,519,928</u>

Unrestricted Funds include Designated Funds of £1,250,000 (2024: £1,250,000).

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

Designated Funds

	Balance April 2024 £	Transfers in the year £	Expenditure £	Transfers at year end £	Balance March 2025 £
Impact & Innovation	50,000	-	-	25,000	75,000
Workforce Resilience	200,000	-	-	(200,000)	-
Accommodation & Development Fund	1,000,000	-	-	(1,000,000)	-
Premises Fund	-	-	-	1,175,000	1,175,000
	1,250,000	-	-	-	1,250,000

During the year, the Trustees reviewed the charity's strategic priorities and determined that the previously designated funds for Workforce Resilience (£200,000) and Accommodation & Development (£1,000,000) should be consolidated into a new Premises Fund. This reflects the charity's evolving focus on securing and developing a long-term community-facing headquarters and improved accommodation infrastructure. Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. The Impact & Innovation Fund (£50,000) was increased to £75,000 to support pilot initiatives aligned with the charity's mission. These reclassifications do not represent a change in the overall level of designated reserves but ensure alignment with current strategic objectives.

There was no requirement to draw from Designated Reserves in 2024/25.

Restricted Funds

	Balance April 2024 £	Income £	Expenditure £	Transfer £	Balance March 2025 £
Donations	-	78,614	(78,614)	-	-
Aims 2	31,330	93,511	(93,511)	-	31,330
Other	57,343	136,981	(137,799)	(56,525)	-
	88,673	309,106	(309,924)	(56,525)	31,330

	Balance April 2023 £	Income £	Expenditure £	Transfer £	Balance March 2024 £
Donations	-	793	(793)	-	-
Aims 2	-	100,164	(68,834)	-	31,330
Comic Relief	76,778	-	(76,778)	-	-
Other	12,714	88,408	(43,779)	-	57,343
	89,492	189,365	(190,184)	-	88,673

The Charity works with funders to enable specific projects to be delivered. These Restricted funds are then used to support the running costs and delivery of the projects.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

The AIMS 2 fund includes income from the Lindbury Trust to support our AIMS Mentoring service. This enables us to flexibly meet challenges in this area and deploy these resources when and where they are needed.

Other funds include income from LCC funding support for victims of domestic violence.

During the year, a net transfer of £56,525 was made from restricted to unrestricted funds. Of this amount £57,343 related to carers project funding where the original restrictions had either been fulfilled or were no longer applicable. Following a review of the expenditure and the nature of the remaining balances, the Trustees determined that the residual funds could be appropriately reclassified as unrestricted. This treatment is consistent with the charity's accounting policy on fund accounting and reflects the completion of the relevant project activities and obligations.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	-	-	239,616	239,616
Current assets	-	231,189	3,614,659	3,845,848
Current liabilities	-	(199,859)	(1,165,305)	(1,365,164)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2025	-	31,330	2,688,970	2,720,300
Tangible Fixed assets	-	-	252,348	252,348
Current assets	-	236,919	3,390,879	3,627,798
Current liabilities	-	(148,246)	(1,211,972)	(1,360,218)
Liabilities over one year	-	-	-	-
Net assets at 31 March 2024	-	88,673	2,431,255	2,519,928

15 RETIREMENT BENEFITS

The Charity operates two defined contribution pension schemes for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the charity.

Included in accruals is an amount of £8,504 (2024: £25,845) owing in respect of the charity's pension schemes. This liability was paid subsequent to the year end.

LOCAL SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

16 OPERATING LEASE COMMITMENTS

The company had the following total minimum lease payments under non-cancellable operating leases as set out below:

	Leasehold properties 2025 £	Leasehold properties 2024 £
Not later than one year	99,425	108,787
Later than one year and not later than five years	129,475	130,674
Greater than five years	-	-
	<u>228,900</u>	<u>239,461</u>

17 ANALYSIS OF CHANGES IN NET DEBT

The charitable company had no material debt in the year.

18 NON-ADJUSTING POST BALANCE SHEET EVENT

Subsequent to the year-end, the charity entered into an agreement to purchase a property to support future service delivery. As the conditions for the acquisition did not exist at the balance sheet date, this is treated as a non-adjusting post balance sheet event.