Registered number: 01792921
Charity number: 515060

LOCAL SOLUTIONS

(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026



LOCAL SOLUTIONS

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LOCAL SOLUTIONS

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2026

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:	212H Boaler Street Liverpool L6 6AE	
Trustees:	Hazel J Snell	Chair (Resigned 23 April 2026)
	Helen R Heap	Chair, Appointed 23 April 2026 (Resigned as Chair of Finance, Audit & Risk Committee 16 April 2026)
	Jillian M Jones	Appointed Chair of Finance & Audit Committee 16 April 2026
	Dr Bruce W Taylor	Chair, People & Culture Committee
	Serena M Kennedy	
	Karl Clawley	Resigned 27 November 2025
	Rev Dr Crispin Pailing	
	Elliott Morrison	
	Ian Hall	
	Stephen Okoro	Appointed 2 April 2025
	Justine Blomeley	Appointed 27 August 2025
	Salome Mare-Walsh	Appointed 5 August 2025
Chief Executive:	Robert Thomas Harrison	
Secretary:	Karen Hill	
Bankers:	National Westminster Bank Plc Commercial Banking, Union Street Chester CH1 1UA	

LOCAL SOLUTIONS

LEGAL AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2026

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	

A message from our Chair

I am delighted to introduce Local Solutions' 2025-26 Annual Report as its new Chair.

Following her appointment as High Sheriff of Merseyside, Hazel Snell stepped down as a Trustee of Local Solutions in April 2026. She gave nine years' service as a Trustee, including five years as Chair. During her time as Chair Hazel guided the Charity through a period of immense change – a new CEO, the Covid-19 pandemic, two changes of head office, celebration of 50 years as a registered charity, and the transformation of the board following the retirement of five longstanding Trustees and the appointment of their replacements. We were sad to say goodbye to Hazel, but we congratulate her on her new role and look forward to working with her as she makes tackling violence against women and girls a priority for her year in office.

I am honoured to have been invited by my fellow Trustees to take on the role of Chair of Local Solutions. Having been a member of the Board since June 2019 and Chair of the Finance, Audit and Risk Committee since its inception in 2021, I have shared the ups and downs the Charity has experienced in recent years. I don't underestimate the challenges faced by the individuals and communities that we serve in these difficult times, but I am excited to be part of a dedicated staff and Trustee team that has lots of ideas about how we can contribute to improving the lives of people who live in the places in which we operate.

As a Board of Trustees, we said goodbye and thank you to Karl Clawley for his contributions to our work since 2023. His property expertise was especially useful this year as the Trustees agreed to the purchase of the Boaler Street property. Karl was also an enthusiastic contributor to the Local Solutions annual awards event and a valued panel member for our Community Empowerment Fund.

We welcome Stephen Okoro, Salome Mare-Walsh and Justine Blomeley to the Board. Each of them brings valuable knowledge, skills and experience to the Charity and I look forward to working with them to ensure that Local Solutions achieves its vision, mission and objects.

Taking on the Boaler Street property in October 2025 was a big step for us, and not just because it involved taking out a substantial loan to complete the purchase. The process began with a first viewing of the building in May 2025, followed by many hours of writing and reviewing options papers, risk registers and legal documents, discussions with potential funders, negotiations with property agents, and the inevitable to-ing and fro-ing with lawyers. Lots of to-ing and fro-ing with lawyers!

I would like to thank Tom Harrison and all the Trustees for their incredible hard work throughout the process. It involved many additional Board and Finance Committee meetings, some of them at very short notice, but all conducted with a "can do" attitude and with a high degree of diligence, commitment and good humour. Our thanks also go to our professional advisors Keppie Massie, Charity Bank, and Brabners for their role in helping us secure the property. We got there in the end!

We are very excited to have moved all our head office staff into the building in January 2026. This is more than a relocation. It is a commitment to embed ourselves in the heart of our local communities, to strengthen existing connections, and to support people and neighbourhoods to flourish. We welcomed members of the local community, stakeholders and friends of the Charity to the official opening of the building in April 2026, with an event which enabled us to showcase Local Solutions' impact, range of services, and our plans for a new Community Hub.

The Board of Trustees is holding an Away Day in June 2026 at which we'll agree a revised strategy and new governance arrangements to take us through the next 4-5 years. It's a challenging time for everyone and the environment is not likely to get any easier. Local Solutions is now in its 53rd year and we've seen a lot in that time – the good, the bad, and the ugly! – but we're still here. We have committed and talented staff, a dedicated Board of Trustees, and exciting plans for the future. I am proud to be Chair and look forward to reporting on what we have achieved next year.

Helen Heap

Helen Heap
Chair of Local Solutions
Date: 3rd September 2026

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

The Trustees present their annual report and financial statements for the year ended 31 March 2026.

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. We were incorporated as a company limited by guarantee and registered Charity in 1984, when we were known as Merseyside Council for Voluntary Service. Our name was changed to Local Solutions in 2000.

Our Articles of Association set out our charitable objects (what we are legally required to do) for the public benefit and on behalf of the people we serve. Our objects are:

1) Improving lives by empowering individuals and supporting communities. This includes:
    a. Advancement of education
    b. Furtherance of health
    c. Relief of poverty, distress and sickness
    d. Charitable regeneration by maintenance or improvement of the physical, social and economic infrastructure
    e. Provision of facilities in the interests of education, social welfare, recreation or other leisure time occupation

2) Promote and organise co-operation in the achievement of the above purposes bringing together representatives of the statutory authorities, local councils and voluntary organisations.

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 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 Charity Governance Code was published to help Charities and their Trustees develop high standards of governance. It was revised in 2025. The Code sets out universal principles of governance and helps to shape a common view of what good looks like. Descriptions of how Local Solutions puts the Code's principles into practice this year are provided 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.

LEADERSHIP, BOARD EFFECTIVENESS, OPENNESS 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 Lead for Support & Accommodation, and Departmental Heads for Social Care, People and Culture, Finance, Communities, and Business Development and Impact.

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.

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.

The Charity's Articles of Association lay out the powers of the Charity and how the Trustees should carry out our duties.

Our membership is made up of our Trustees, who are also directors of the company. Trustees are appointed by the Board for a term of up to three years and may be reappointed for three consecutive terms of office. After serving three terms of three years, a Trustee may be reappointed for a maximum of three further terms of one year each.

All necessary administrative procedures required to properly register new Trustees with Companies House and the Charity Commission are handled by the Company Secretary. Once appointed, each new Trustee is provided with a pack which provides them with important information on the Charity (Articles of Association, latest Annual Report, Impact Report, minutes of recent Board meetings, current strategy document, Charity Commission guidance), contact details and meeting dates. Key information on the Charity is also available to all Trustees via the Local Solutions Intranet, along with access to learning and development opportunities relevant to the Trustee role. To help them settle in, each new Trustee is allocated a fellow experienced Board member who acts as an informal mentor or buddy for their first few months.

The Board meets formally four times each year and we have gathered for a Trustee Away Day in four out of the last five years. During the year ending March 2026, the Board was supported by two sub-Committees which provided detailed scrutiny of the work done by Local Solutions in their respective areas: the Finance, Audit and Risk Committee (FARCom), and the People and Culture Committee (P&C). FARCom was responsible for monitoring the performance of the Charity across a range of financial and non-financial key performance indicators, in line with agreed strategy, and to ensure that the risks of the Charity (both financial and other) are identified, regularly reviewed, and escalated to the Board of Trustees where necessary. P&C assists the Board to carry out its responsibilities in relation to strategic staffing matters, sustaining a positive and high-performance organisational structure, and Trustee recruitment, performance review and development. Each Committee includes suitably skilled Trustees plus an appropriate member(s) of the Leadership Team and works to a clearly defined work programme for the year. Other task and finish groups are set up as considered appropriate. Both Committee chairs provided written reports to each Board meeting on the key issues discussed, actions taken, and any items which required Board decision. Minutes from each Committee meeting are made available to all Trustees in the Board meeting packs.

A Trustee skills audit produced in August 2025 showed us that our Board is strong in many of the fundamentals of good governance (finance, legal, risk) and aligned with our mission. We are now considering next steps to address identified gaps, especially in digital, public-sector procurement, and community-based leadership, so that we can ensure the Board continues to provide strategic leadership through a time of growth and transformation. The recruitment process, role descriptions and decision criteria used to engage new Trustees will be reviewed and approved by the Board before any appointments are made.

Hazel announced at our May 2025 Board meeting that she would be stepping down as Chair in early 2026. It was agreed that Hazel would meet with all Trustees individually as the first step in an internal search for a new Chair. The possibility of an external appointment for Chair was also considered if no suitable internal candidate emerged. After expressing interest in succeeding Hazel as Chair, Helen Heap was unanimously elected as Chair of Local Solutions at the February 2026 Board meeting (with effect from 23rd April, the official opening of the Boaler Street building).

Due to the transition in Charity Chair, a formal review of the performance of the Board of Trustees has not been undertaken this year. Alongside other changes to the Charity's governance arrangements, the process for reviewing the performance of individual Trustees, the Chair, the Committees, and the Board of Trustees will be assessed in the coming year. Any process changes will be reviewed by the People and Culture Committee and approved by the Board of Trustees before they are implemented.

The move of the Charity's operations and staff to the Boaler Street property marks a defining moment in Local Solutions' history and has provided the catalyst for a reassessment of the Charity's strategic direction and the risks and opportunities that we face. As we commence a strategic review, our Three Big Missions - Transform Social Care, End Homelessness, Empower Communities – remain as relevant as ever, but there is still work to do. For example, to develop values-led leadership, sustain purposeful partnerships, and innovate services to meet the needs of communities and maximise our impact. As new opportunities arise for Local Solutions it is important that Trustees can properly assess the risks – both positive and negative of new initiatives, as well as understanding potential threats to the viability of the Charity and its ability to deliver its purpose.

At our February 2026 Board meeting Trustees approved a change in our committee structure to be implemented from April 2026. We agreed to place scrutiny of risk in a new committee – Strategy, Governance and Risk (S, G&R) – with the Finance and Audit Committee (F&A) retaining responsibility for reviewing the annual budget, financial data for Trustees, financial processes and policies, external audit and preparation of statutory financial statements, reserves' policy, contracts register, and premises. S, G&R is comprised of Local Solutions' Chair, the Chairs of F&A, P&C, and the CEO. It has responsibility for reviewing the Scheme of Delegation, any governance matters, the Corporate Risk Register and strategic issues. As before the Chairs of each Committee will report directly to the Board of Trustees. Our Trustee away day will also consider the creation of some new Lead Trustee roles. These roles are intended to provide additional focus on key areas that may not otherwise receive sufficient attention and to offer a flexible way for Trustees who are unable to commit to Committee membership to contribute meaningfully.

DECISION MAKING

Local Solutions operates a clear Scheme of Delegation (SoD) which sets out clearly who has the authority to make decisions: Board of Trustees, Committees, Chair, Company Secretary and officers of the Charity. The SoD is reviewed annually or whenever any changes are required, in the first instance by the Finance, Audit and Risk Committee (Strategy, Governance and Risk Committee from April 2026) and then by the Board of Trustees.

Board and Committee meetings are arranged for the full year ahead. Agendas, minutes of the previous meeting, and all papers are circulated electronically one week before each meeting. Minutes for each meeting are taken by the Company Secretary and circulated as soon as possible after the meeting has taken place. All meeting documents are available to Trustees via the Local Solutions intranet for those who choose to access them in that way.

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.

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.

ETHICS AND CULTURE

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.

The people we work with and the services we provide mean that safeguarding is front and centre of all that we do. Local Solutions has two policies: Safeguarding Adults Policy and Safeguarding Children and Child Protection Policy. Our Designated Safeguarding Lead (DSL) sits on the Committee of the Local Authority where any changes to safeguarding are reported. Each area of the organisation has a Safeguarding Manager who is experienced in their specific area of the Charity and who feeds back to the DSL. This provides safeguarding experts across all areas of the Charity. All Trustees undertake mandatory safeguarding training. This year, we asked our internal auditors to take a close look at our safeguarding policies and processes to ensure that we are adhering to best practice. This was a thorough review which found that overall, the policies and registers in place are clear, concise and readily available to all staff via our internal systems. Training completion percentages (for staff and Trustees) are generally good, with some improvements recommended for regular training follow up.

In September 2025 we were delighted to receive a 'Good' rating from the Care Quality Commission for our Liverpool domiciliary care service. This inspection provided independent evidence that Local Solutions' staff live and deliver our cornerstone values of compassionate, reliable, pioneering, and knowledgeable throughout their work. The inspection report showed that our carers were regarded by the people they cared for as respectful and thorough, supporting people's independence and dignity. Staff were described as going above and beyond, including supporting with additional tasks and providing emotional reassurance. People valued the social interaction and continuity of care.

Our annual Employee Survey for 2025 was completed by one third of our staff. It revealed that 89% of respondents enjoy the job they are doing and more than 74% would recommend Local Solutions as a good place to work. Trustees were pleased to see that nearly three-quarters of respondents felt supported at work with great team camaraderie, and that almost everyone knows what is required of them in their roles. 76% of respondents feel supported in their Learning and Development, a result which we hope to improve on as our learning and development offer available to all staff is becoming increasingly sophisticated and individualised. The survey also identified areas which we need to improve on, starting with how we can encourage a higher response rate. We expect that the move to our Boaler Street premises will address some dissatisfaction with the standard of facilities and environment. We will continue with our efforts to support staff in improving their work/life balance through the adoption of the Agile Working and Flexitime Policy.

MANAGING RESOURCES

The Finance, Audit and Risk Committee met monthly throughout the year. Standard agenda items include review of monthly management accounts (focusing on key variances vs budget), cash deposits, contracts register and premises. The Committee also undertook a "deep dive" session to review and test the assumptions used in compiling the annual budget before that was approved by the Board of Trustees.

Once the financial year ended (at the end of March), FARCom was involved in preparing the statutory financial statements and Annual Report, with meetings held with our Auditors to plan, execute and review findings from the external audit prior to draft accounts being submitted to the Board of Trustees for approval.

As mentioned in the message from the Chair, this year was especially busy for FARCom given the extra work that needed to be done to purchase the Boaler Street property. This involved reviewing the business case for buying the building, securing the loan, scrutinising the legal documents, and preparing documents for review by the Board of Trustees.

This year, to streamline the preparation of data for FARCom, make the information provided easier to use for all Trustees (not just members of the Committee), and to ensure that scrutiny is kept at a strategic level, a new format was agreed for financial information for Trustees. This new format is still in its early stages and will be revised as needed.

RISK MANAGEMENT

The Board of Trustees has overall responsibility for the management of risk. The Strategy, Governance 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.

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. The Corporate Risk Register is a live document which considers strategic, regulatory, financial and operational aspects of the activities of Local Solutions. It covers risks that the organisation may face and the control procedures in place to mitigate those risks, as well as providing an ongoing review of existing systems and procedures. During the year ending March 2026 the Risk Register was an agenda item at each monthly Extended Leadership Group meeting, and was reviewed quarterly by FARCom, with the FARCom Chair reporting to Trustees on risk at each Board meeting. From April 2026, responsibility for overseeing risk management sits with the Strategy, Governance and Risk Committee. This committee meets approximately one month prior to each Board meeting and considers the most pertinent risks facing the Charity which require Board attention. This allows enough time for papers to be prepared on key risk items for review at each Board meeting.

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.

An important part of Local Solutions' risk management processes is internal audit. A firm of chartered accountants was appointed in 2023 by the Charity to perform internal audit services, working to an agreed 3-year internal audit strategic plan linked to the Corporate Risk Register. This arrangement provided valuable assurance to Trustees on key elements of the Charity's core risks and enabled the internal audit team to develop useful corporate knowledge about the activities of Local Solutions. However, there were limitations inherent to an approach dependent on annual planning in advance. Specifically, a lack of flexibility to respond to emerging risks, innovation projects, or service-specific issues. A new approach has now been agreed to allow internal audit capacity to be flexibly directed to where it can generate most insight. As before, 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 Strategy, Governance and Risk Committee.

Principal Risks and Challenges

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

- Capacity constraints due to skills gaps in the staff team and loss of key personnel, particularly due to competition from the public sector.
- Failure to satisfy regulatory quality benchmarks.
- Insufficient funding from Local Authorities and other public sector commissioners to cover cost of delivery of services.
- Threats to cyber security.

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.

Thematic analysis, management information and actions relating to Safeguarding, Serious Incidents and Complaints, is reported, as part of a regular process and standard agenda item to the People & Culture Committee, and to the Board of Trustees. There is a specific operational lead for safeguarding and a nominated Trustee. The People & Culture Committee provides scrutiny, review, and analysis on safeguarding matters. Our Safeguarding Policies and Procedures outline a clearly defined reporting process.

EQUITY, DIVERSITY AND INCLUSION

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.

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.

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 2025/2026, Local Solutions delivered meaningful support, positive outcomes and lasting impact across our communities. We directly supported **35,486 people**, marking a year of growth, innovation, and practical responses to complex needs across the Liverpool City Region and North Wales. Our work remained focused on connecting people with opportunity, care, housing and resilience through our three Big Missions.

Our reach remained extensive: we delivered more than **396,620 hours of care**, supported **1,717 survivors of domestic abuse**, provided temporary accommodation to **743 people** experiencing homelessness, and enabled **1,086 unpaid carers** to enjoy a MyTime respite break. Over **11,308 individuals** accessed activities at Liverpool Watersports Centre, and our Carers Centre completed **1,105 assessments** for unpaid carers, with **1,823** taking part in health and wellbeing activities. These figures represent lives improved, safety restored and independence regained.

The defining moment of the year was our move to **212H Boaler Street** in January 2026, a landmark step in our ambition to be a genuine community anchor organisation. Bringing services together under one roof has created a welcoming, accessible space where people can seek support, build connections and feel part of their local community. Our community consultation, which involved over 120 conversations, 300 surveys and 12 focus groups with local residents and organisations, is shaping the development of a **Community Kitchen and Partner Hub** within the building; a space rooted in what people told us matters most: affordable food, social connection and easier access to everyday help.

Our **Community Empowerment Fund (CEF)** continued to invest in grassroots action, funding **29 projects** from 131 applications and supporting **1,450 people** through community-led initiatives. From eco therapy to women's trauma support and neighbourhood food projects, CEF empowered people with lived experience to lead change in their own communities.

Our first-ever **Supported Lodgings Summit** brought together local authority commissioners, practitioners, householders and young people with lived experience from across the Liverpool City Region and North Wales. The event advanced our ambition to reposition Supported Lodgings as a first-option housing route for young people and resulted in immediate commitments from Liverpool City Council to prioritise Supported Lodgings referrals. We also strengthened our **advocacy voice** nationally, co-hosting a Social Enterprise Roundtable at the Labour Party Conference and championing a shift toward 'Third Sector First' commissioning across public services.

Our Liverpool Homecare service received a **'Good' rating in all categories from the Care Quality Commission** following an inspection in September and October 2025; independent confirmation that our staff deliver care rooted in dignity, compassion and respect. We also secured a successful NHS tender to deliver **health checks across the Wirral**, launched a **private homecare offer** to extend our values-led care to self-funding clients, and continued developing the **Milo Care App** in partnership with Liverpool University's Community Health Innovation Lab.

This year presented significant challenges. LA fee uplifts of 3.4% against a Real Living Wage increase of 6.8% created ongoing financial pressure, and recruitment and retention in social care remained a sector-wide difficulty. Supported and Accommodation services experienced occupancy pressures for much of the year, and the hostel development programme required careful navigation. We met these challenges through agility, disciplined financial management and shared leadership. Our strong balance sheet maintained reserves and year-end surplus reflect the organisation's underlying resilience.

Above all, this was a year of human stories. Lucy, living with Motor Neurone Disease, told us through her assistive communication device: *"I couldn't live at home without Local Solutions."* Sian, at Sunraye,

reflected: *"For the first time in a long time, I feel like I'm moving forward."* These are the lives at the heart of everything we do. We are proud of our staff and volunteers, whose compassion and commitment remain the heartbeat of our work.

REVIEW OF SERVICES

Transform Social Care

This year, Local Solutions delivered over **396,620 hours of care** across the Liverpool City Region and North Wales, supporting **1,259 people** to live independently in their own homes. Our Homecare teams delivered both standard and specialist care services designed to enhance wellbeing, promote independence and provide consistency and dignity in daily life. Our Specialised Care Team alone delivered **32,549 hours**, supporting people with complex health needs, including those living with dementia.

A significant milestone in 2025/26 was our **CQC 'Good' rating in all categories** for our Liverpool domiciliary care service, awarded following an unannounced inspection in September and October 2025. The report found that people were treated with respect and compassion, that care workers went above and beyond, and that the service supported people's independence and dignity. Staff were described as providing both practical care and emotional reassurance, a true reflection of our values.

We continued to invest in innovation and workforce development. Our **Milo Care App** — a digital care companion platform developed with input from Liverpool University's Community Health Innovation Lab and insight from the Hartree Centre at Daresbury Science Park — progressed through early development stages, exploring the integration of wearable health data, video support and AI-driven insights to improve wellbeing and independence for those we support. We also launched a **private homecare offer** to reach people in areas with lower eligibility for state-funded care, securing initial packages and expanding access to our values-led support.

Our **wellbeing hubs** continued to develop and grow. Following successful funding through SWAGGA's Primary Care Network partnership, a new hub in **Speke** was established, complementing our original hub in Netherley which evolved into a volunteer-led model. These community spaces offer chair yoga, creative arts, social connection and advice drop-ins, co-designed with service users to reduce isolation and improve wellbeing.

Our **Extra Care service at Cherry Tree House** continued to support older residents, including those living with dementia and complex needs, with a contract extension securing delivery for a further 12–18 months. We also submitted a bid to provide the care element across a group of extra care schemes on the Wirral, reflecting our ambition to extend our reach in specialist care. A successful tender to deliver **NHS health checks across the Wirral**, including blood pressure and other key indicators, opened a new health-funded pathway that strengthens our role in prevention and early intervention.

We supported **1,105 unpaid carers** through assessments at our Liverpool Carers Centre, and **1,086 carers** benefited from a MyTime respite break across Liverpool, Coventry and Wigan. Our IDVA (Independent Domestic Violence Advisor) services supported **1,717 survivors**, with provision embedded in Multi-Agency Safeguarding Hubs and Early Help Teams across Liverpool. The year also saw Liverpool MARAC — the Multi-Agency Risk Assessment Conference for high-risk domestic abuse cases — relocating to our Boaler Street site, deepening our role as a hub for safeguarding collaboration.

Across our social care services, **96% of people supported reported greater independence** and **98% reported improved health and wellbeing**, outcomes that demonstrate the real difference that consistent, person-centred care can make.

End Homelessness

Over the year, we supported **743 people** into safe temporary accommodation through our housing and homelessness services. Our projects — including **Homeground Hostel**, **Supported Lodgings**, **Sunraye**, **Webster Road**, **Baltic Yard** and **Flintshire Hub** — each played a vital role in preventing and responding to homelessness among young people, families and those experiencing trauma or instability. Across our services, **79% of people supported felt safer and more secure**, and **89% were supported to stabilise their accommodation**.

Homeground Hostel provided a stable base for **53 young people**, with wraparound, trauma-informed support co-designed with residents. Regular feedback and lived experience mentoring shaped a model focused on emotional safety, practical skills and steady progression. At **Sunraye Hostel** in North Wales, **19 women** received accommodation alongside specialist support, with the success of the service prompting early positive discussions with Flintshire Local Authority about the potential development of a **Sunraye 2**.

Our **Supported Lodgings** programme offered safe, family-style accommodation for **106 young people**. The year's centrepiece was the launch of our first-ever **Supported Lodgings Summit** in November 2025, which brought together senior local authority leaders, commissioners, householders and people with lived experience from across the Liverpool City Region and North Wales. The Summit explored barriers and opportunities in the service, heard directly from young people and householders about the difference safe, family-based accommodation makes, and resulted in an immediate commitment from Liverpool City Council to prioritise Supported Lodgings as a first-option referral route.

Our **AIMS Family Services** supported **600 people** through life skills support, tenancy readiness and family stabilisation work. In **North Wales**, our Flintshire Hub continued to deliver strong outcomes, providing early intervention and prevention support to families and individuals at risk and helping people build stability, resilience and independence within their communities.

Progress on our longer-term accommodation strategy continued during the year. Planning permission for the **Windsor House** development was secured, a significant step forward in our ambition to provide high-quality, purpose-built accommodation for young people experiencing homelessness as an alternative to the current Scotland Road hostel. Scoping work on further housing options, including at Boaler Street also advanced, reflecting our belief in housing as a foundation for wellbeing and not simply a roof over someone's head.

Empower Communities

Our **Liverpool Carers Centre** completed 1105 assessments for unpaid carers and supported 1823 to take part in over **4,000 health and wellbeing sessions**. Services included benefits advice, health checks, advocacy and access to respite. The Centre offered a warm, welcoming space for carers to connect, recharge and access the support they need. During **Carers Week**, we launched a city-wide awareness campaign and consultation across hospitals, GP practices, transport networks, workplaces and community spaces using honest, relatable messaging to reach carers who may never have identified themselves as such, and to build clearer pathways into support.

The **MyTime** programme delivered respite breaks to **1,086 carers** across Liverpool, Coventry and Wigan. Carers accessed a range of experience, from hotels and cafes to community outings, creating meaningful time for themselves, reducing isolation and improving their own wellbeing alongside that of those they care for.

Our **Community Empowerment Fund (CEF)** funded **29 grassroots projects** from 131 applications, supporting **1,450 people** through community-led initiatives across the Liverpool City Region. Projects spanned eco therapy, music production, neighbourhood food growing, women's trauma support and mental health advocacy. We estimate that the Fund generated **£2.15 for every £1 invested**, with 95% of people supported reporting that they gained skills and confidence, and 96% reporting improved health and wellbeing. Continued and growing demand — 131 applications received — underlines the appetite for flexible, community-based funding in our region.

Young people remained central to our community work. Through **Bullybusters** and **AIMS Schools**, we delivered **183 Bullybusters sessions** and **166 AIMS sessions** across schools, tackling bullying, exploitation and online harm. Our **Staying Safe programme**, delivered in partnership with Merseyside Police, continued to support young people at risk of criminal exploitation, alongside wider youth mentoring and inclusion work.

At **Liverpool Watersports Centre**, over **11,308 people** participated in activities including kayaking, paddleboarding and team building. A successful application to the **Better Youth Spaces Fund** secured approximately £50,000 for new facilities and equipment, including a floating pontoon and additional watersports kit, strengthening our ability to offer safe, inclusive outdoor experiences to schools, youth groups and people with disabilities. Our **Shopmobility** service at Liverpool ONE continued to support people with mobility impairments to access the city independently, with volunteer support at the heart of its delivery.

We also deepened our partnerships with academia and the voluntary sector, including a collaboration with **LJMU** to offer student nurse placements within our organisation and provide lecturing input, building the next generation of care professionals whilst embedding our work within the civic life of the city region. Our growing presence in regional and national commissioning forums, including co-hosting a **Social Enterprise Roundtable at the Labour Party Conference**, saw Local Solutions increasingly recognised as a credible voice for Third Sector First commissioning and values-led public service design.

Strategic Property Investment – Boaler Street

During the year the charity completed the acquisition of the Boaler Street property. This represents a significant strategic investment and provides a permanent operational base for a number of the charity's central support and service functions.

Ownership of the premises reduces reliance on leased accommodation, provides greater certainty over long-term occupancy costs and creates additional flexibility to support future service development.

The property also includes a number of residential flats which are held as investment property and generate rental income for the charity. The Trustees consider this to be an important source of income diversification, supporting the charity's long-term financial sustainability whilst strengthening the balance sheet through ownership of property assets.

The Trustees believe the acquisition supports both the operational delivery of charitable activities and the long-term financial resilience of the organisation.

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 2025/2026 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 2026/2027, our focus will remain on deepening our impact whilst developing a refreshed strategic framework to guide the next phase of Local Solutions' development. Our **Three Big Missions**, Transform Social Care, End Homelessness, and Empower Communities, continue to anchor our work, and we are developing a new strategic structure built around three organisational roles: **We Deliver**, **We Shape**, and **We Build**.

- **Transform Social Care**: We will continue investing in workforce development and retention, advance the **Milo Care App** from development into delivery, and expand our co-produced wellbeing hubs and community-based health pathways. We will pursue the upcoming retendering of Liverpool Domiciliary Care and Liverpool Carers services, and strengthen our voice in national care sector reform, ethical commissioning and the Real Living Wage campaign. The development of our private care offer and health-funded pathways will continue to diversify our income whilst extending our reach.
- **End Homelessness**: Our supported accommodation strategy will progress through the **Windsor House** development and ongoing feasibility planning for Sunraye 2 and further new provision. We will implement learning from our Supported Lodgings evaluation and the 2025 Summit to reshape our model and strengthen commissioning relationships, with a focus on earlier referral, increased placement capacity and improved long-term sustainability.
- **Empower Communities**: We will scale the **Community Empowerment Fund**, continue to grow **MyTime** within the Liverpool City Region, and develop the **Community Kitchen and Partner Hub** at Boaler Street as a flagship model for place-based, community-led delivery. We will deepen our role in social prescribing and community-led commissioning, and continue to build our advocacy voice across housing, care, domestic abuse and young people's services.

Cross-cutting all of this will be our **strategic refresh**, to be agreed at our Trustees' Away Day in June 2026. This will establish a new strategy and governance framework to take us through the next four to five years. Built around the principle of Local Solutions as a **relational, place-based Charity and social business**, our future strategy will focus on delivering excellent services, shaping commissioning and policy, and building community capacity, assets and digital innovation for long-term sustainability. Boaler Street will serve as the physical expression of this ambition, a community anchor from which we can grow a future that is financially resilient and socially just.

FINANCIAL REVIEW

Income and Expenditure

The overall surplus for the year was £281,408 (2025: surplus £200,372). Income for the year has increased to £14,855,348 (2025: £14,598,037). Expenditure has increased to £14,700,572 (2025: £14,397,665).

During 2025/26 we utilised Designated Reserves of £1,175,000 to help fund the purchase of the Boaler Street freehold property. This left unused Designated Reserves of £75,000 from prior years which we have added to at 31 March 2026 by £150,000 transferred from the year's surplus. This gives us £225,000 of Designated Reserves to take forward to the future which has been allocated into 3 separate £75,000 funds, for a Support and Accommodation Development Fund, a Community Development Fund and a Strategic Development Fund.

Staff costs remain the highest cost for the organisation. Wages and salaries for carers and core staff plus employer's national insurance and pension contributions equates to 85% (2025: 85%) of total costs for the year ended 31st March 2026.

Local Solutions continues to be a Real Living Wage employer. Some Local Authorities increased their rates to recognise the increase in RLW costs; some did not.

Income from delivery of domiciliary care services, Local Solutions' largest source of revenue, was 2% higher than the previous year. Some areas grew in hours, some grew in rates, and some activities reduced.

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 deliver to service users and the wider community. Additional funding secured within our domestic abuse services in the year and the continuing MyTime delivery have also had a positive impact on our financial results.

The Charity earned £62,231 in interest income during 2025-26, taking advantage of interest rates available on working capital funds, particularly prior to the purchase of Boaler Street in October 2025. Available interest rates are reviewed and agreed by the Finance, Audit and Risk Committee monthly to ensure an appropriate balance is struck between accessibility of funds and the opportunity to earn interest.

Balance Sheet

The Balance Sheet remains strong despite the impact of various challenges. Cash flows are carefully managed on a daily basis and monitored and reviewed by the Committee regularly. The closing cash position (including cash held on deposit) at the year-end was £1,601,706 (2025: £2,362,083). This represents 1.31 (2025:1.97) times average monthly expenditure. The fall is due to the use of cash reserves to partially fund the purchase of Boaler Street. The working capital position has remained positive throughout the year with no need to access the overdraft facility of £100,000. Net assets of the Charity have increased to £3,001,708 at the year-end (2025: £2,720,300).

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 operations 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 unrestricted funds that are freely available to spend at the discretion of the Trustees. In assessing free reserves, the Trustees exclude amounts designated for specific purposes, including the Charity's net investment in fixed assets. As these assets are required for the ongoing delivery of the Charity's activities and cannot be readily realised, they are not considered available to support general expenditure.

The Trustees have historically considered it appropriate for the Charity to hold unrestricted free reserves equivalent to a minimum of three months' central support costs plus other costs for which there is no directly linked contract funding. During the year, the Premises Fund was utilised towards the acquisition of the Boaler Street property and the Impact & Innovation Fund designation was released. Following a review of reserves, the Trustees designated £1,639,870 representing the Charity's net investment in fixed assets after taking account of borrowing secured against those assets. In addition, new strategic designations totalling £225,000 were established to support future organisational and service development. After excluding these designated funds from unrestricted reserves, unrestricted free reserves amounted to £1,080,473 at 31 March 2026. Based on the 2026/27 budget, three months' central support and administration costs are estimated at £519,954. The unrestricted free reserves of £1,080,473 are therefore considered by the Trustees to provide appropriate cover for the estimated central support and non-contract related costs.

The Trustees recognise the need to ensure that the level of reserves remains appropriate for the size and nature of the organisation. As part of their regular assessment of the Charity's reserve requirements, the Board reviews reserve levels and future financial commitments to ensure that reserves remain adequate to meet the Charity's cash flow needs and support the continued delivery of services. The Trustees consider the current level of free reserves to be appropriate and sufficient to provide financial resilience against unforeseen circumstances whilst supporting the Charity's future development and strategic objectives.

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.

Borrowing Policy

The Local Solutions' Scheme of Delegation reserves all borrowing decisions, whether secured or unsecured, to the Board of Trustees, reflecting the financial risk and ongoing obligations that any borrowing commitment introduces. Consistent with Charity Commission guidance on prudent financial management, the Board will consider any borrowing proposal against the charity's current reserves position, cash flow projections, and strategic plan, and will satisfy itself that repayment terms and associated costs are sustainable within projected income. Given Local Solutions' scale and the proportion of income derived from public sector contracts, particular regard will be given to the risk of income interruption and the charity's ability to service debt obligations under adverse trading conditions.

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 again been challenged this year but nonetheless remains robust. Delivery rate rises at the start of the year in some Homecare contracts have only been matched to the basic rise in national living wage, without recognising Real Living Wage commitments and the increased costs of management, compliance, building rents, utilities, insurance and general delivery. Some other Homecare contract rates have been linked to the rise in Real Living Wage; other contracts have been inflated by a rate between NLW and RLW.

The 2024 Autumn Budget which placed additional significant burdens on providers through increases to employers NI and, most critically, changes to the thresholds for triggering NI for part time workers continues to financially challenge the Charity. We remain committed to being a RLW employer which requires us to meet the gap between the RLW rate that we pay and the contracted funding rate that we receive. The outlook for Homecare fees remains extremely uncertain, making budgeting challenging. We have again this year reduced the overall costs of running the organisation through a restructuring process to bridge the expected funding gap in 2026/27.

The Charity has a strong Balance Sheet with a cash position of £1,601,706 and Total Reserves of £3,001,708 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. The mortgage obtained from Charity Bank to part fund the purchase of the Boaler Street Freehold property in the year is being repaid on terms considered suitable and appropriate by the Trustees and compliance with associated covenants is closely monitored. The Trustees consider the risk of any breach of terms or conditions associated with both the mortgage and the overdraft facility is to be low.

To consider the appropriateness of the going concern basis, we have prepared forecasts to March 2027, and beyond, with the underlying assumptions reviewed in detail by the Finance and Audit Committee. Several scenarios have been considered which stress test the Charity's income and wage costs. These include a range of possible Homecare funding rates for 2026/27, increased wage rates to meet increases in NLW and RLW, and various other possible scenarios. Based on our forecasts for 2026/27 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.

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

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

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

Helen Heap

Helen Heap
Chair

Date: 3rd September 2026

OPINION

We have audited the financial statements of Local Solutions ("the Charitable Company") for the year ended 31 March 2026 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 2026 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.

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.

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;

- 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

3rd September 2026.

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

LOCAL SOLUTIONS

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2026

	Note	Unrestricted Funds	Restricted Funds	Total 2026	Total 2025
		£	£	£	£
Income and endowments from:					
Donations and legacies	1	38,385	61,803	**100,188**	120,451
Income from charitable activities	1	14,317,205	346,867	**14,664,072**	14,382,700
Income from investments	3	91,088	-	**91,088**	94,886
Total income		14,446,678	408,670	**14,855,348**	14,598,037
Expenditure on:					
Charitable activities	2	14,310,305	390,267	**14,700,572**	14,397,665
Total expenditure		14,310,305	390,267	**14,700,572**	14,397,665
Surplus for the year		136,373	18,403	**154,776**	200,372
Net gains/(losses) on investments		126,632	-	126,632	-
Net Income/(expenditure)		263,005	18,403	**281,408**	200,372
Transfers between funds		(6,632)	6,632	**-**	-
Net movement in funds		256,373	25,035	**281,408**	200,372
Reconciliation of funds					
Total funds brought forward at 1 April	15	2,688,970	31,330	**2,720,300**	2,519,928
Total funds carried forward at 31 March	15	2,945,343	56,365	**3,001,708**	2,720,300

All of the principal activities of the Charity were continuing for the year ended 31 March 2026.

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

LOCAL SOLUTIONS

BALANCE SHEET

As at 31 March 2026

	Note		2026		2025
		£	£	£	£
Fixed assets					
Tangible assets	8		**1,730,381**		239,616
Investment property	9		**700,000**		-
			2,430,381		239,616
Current assets					
Debtors	10	**1,294,605**		1,483,764	
Investments	11	**-**		420,427	
Cash at bank and in hand		**1,601,706**		1,941,656	
		2,896,311		3,845,847	
Creditors: amounts falling due within one year	12	**(1,495,524)**		(1,314,063)	
Net current assets			**1,400,787**		2,531,784
Total assets less current liabilities			**3,831,168**		**2,771,400**
Creditors: amounts falling due after One year	12		**(775,860)**		-
Provision for liabilities	14		**(53,600)**		(51,100)
Net assets			**3,001,708**		2,720,300
Funds					
Restricted	15		**56,365**		31,330
General Unrestricted	15		**1,080,473**		1,438,970
Designated Reserves	15		**1,864,870**		1,250,000
			3,001,708		2,720,300

The financial statements were approved by the Board of Trustees on 3rd September 2026 and signed on their behalf by:

Helen Heap

Helen Heap

Trustee

Company Number: 01792921

LOCAL SOLUTIONS

CASH FLOW STATEMENT

For the year ended 31 March 2026

	Note	2026	2025
		£	£
Cash flows from operating activities			
Surplus for the financial year		**281,408**	200,372
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	8	**28,193**	12,732
Total investment income		**(91,088)**	(94,886)
Interest payable		**21,725**	-
Unrealised gain on investment assets		**(126,632)**	
Movements in working capital			
Decrease in trade and other debtors		**189,159**	(187,561)
Increase in trade and other creditors and provisions		**169,308**	4,945
Net cash generated from operating activities		**472,073**	(64,398)
Cash flows from investing activities			
Purchase of fixed assets		**(1,518,957)**	-
Purchase of investments		**(573,368)**	-
Current asset investments		**420,427**	(420,427)
Total investment income		**91,088**	94,886
Net cash from investing activities		**(1,580,810)**	(325,541)
Financing activities			
Bank Loan		**800,000**	-
Repayment of bank loan		**(9,488)**	-
Interest Payable		**(21,725)**	-
Net cash used in financing activities		**768,787**	-
Net increase / (decrease) in cash and cash equivalents		**(339,950)**	(389,939)
Cash and cash equivalents at beginning of year		**1,941,656**	2,331,595
Cash and cash equivalents at end of year		**1,601,706**	1,941,656
Cash and cash equivalents comprise:			
Cash at bank and in hand		**1,601,706**	1,941,656

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

ACCOUNTING POLICIES

Charity Information

Local Solutions is a private company limited by guarantee incorporated in England and Wales. The registered office is
212H Boaler Street, Liverpool, L6 6AE.

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 Leadership 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 and/or increased expenditure 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.

Following a review by Trustees, 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.

Investment Income

Rental income from investment property is recognised on a straight line basis over the period of the tenancy and is included within investment income.

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.

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).

INVESTMENT PROPERTY

Investment property is property held to earn rental income and/or for capital appreciation rather than for use in the delivery of charitable services. Investment property is initially recognised at cost, including directly attributable transaction costs. Where a property comprises both investment property and owner-occupied elements, the total cost is apportioned between the two components based on their relative fair values at the date of acquisition. The investment property element is accounted for under this policy, with the owner-occupied element included within tangible fixed assets.

Subsequently, investment property is measured at fair value at each reporting date, with changes in fair value recognised in the Statement of Financial Activities in the year in which they arise. In accordance with FRS 102, no depreciation is charged on investment property as it is carried at fair value. Fair value is determined with reference to observable market data, including comparable property transactions and, where appropriate, income-based valuation techniques such as rental yields, having regard to the condition of the property and market conditions at the reporting date. Where fair value cannot be measured reliably without undue cost or effort, the property is accounted for in accordance with the cost model for tangible fixed assets. However, the Trustees consider that fair value can be reliably determined in the current year.

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 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.

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:

Investment property valuation
The valuation of investment property is inherently subjective and involves the use of significant estimates and assumptions. The fair value has been determined with reference to market evidence of comparable properties, taking into account factors such as location, condition, rental yields and market conditions at the reporting date. Changes in these assumptions could have a material impact on the reported fair value of the property and the resulting gain or loss recognised in the statement of financial activities.

1 ANALYSIS OF INCOME

	2026	2025
	£	£
Donations deferred at 1 April 2025	**63,265**	-
Donations receivable in the year	**70,015**	183,716
Donations deferred at 31 March 2026	**(33,092)**	(63,265)
	100,188	120,451

Donations above include Restricted Donations of £61,803 (2025: £63,266)

	£	£
Project income deferred at 1 April 2025	**263,048**	249,646
Project income receivable in the year	**14,550,346**	14,396,102
Project income deferred at 31 March 2026	**(149,322)**	(263,048)
	14,664,072	14,382,700

Analysis of income	**£**	£
Project income for charitable services provided	**14,664,072**	14,382,700
Donations	**100,188**	120,451
Investment income	**91,088**	94,886
	14,855,348	14,598,037

Project income is analysed as follows:

	£	£
Social Care & Inclusion/Enablement	**12,052,197**	11,861,341
Young People & Families/ Engagement	**2,591,842**	2,517,254
Central Services	**20,032**	4,105
	14,664,072	14,382,700

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

1 ANALYSIS OF INCOME (continued)

Restricted Grants within Project Income

	2026	2025
	£	£
Liverpool City Council	**-**	89,413
Others	**227,617**	69,704
Coventry City Council	**64,250**	16,375
Lindbury Trust	**55,000**	55,000
	346,867	230,492

2 ANALYSIS OF EXPENDITURE

	Staff costs	**Other costs**	**Depreciation**	**2026**	2025
	£	**£**	**£**	**£**	£
Direct charitable expenditure	12,496,487	2,117,450	28,193	**14,642,130**	14,350,908
Governance costs	-	58,442	-	**58,442**	46,757
	12,496,487	2,175,892	28,193	**14,700,572**	14,397,665

	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
	12,249,600	2,135,333	26,974	**14,397,665**	13,145,156

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 £1,865,563 (2025: £1,825,417), which includes fundraising and business development costs of £122,922 (2025: £179,952).

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 £18,700 (2025: £17,750).

Governance Costs	**2026**	2025
	£	£
Professional & Legal	**39,742**	29,007
Auditors' remuneration – statutory audit	**18,700**	17,750
Governance costs at 31 March 2026	**58,442**	46,757

Contained within Restricted Expenditure are the following costs:

	Restricted 2026	Restricted 2025
	£	£
Salaries and on costs	**255,129**	258,519
Maintenance/repairs	**9,000**	-
Office expenses	**-**	412
Telephone/internet	**1,340**	789
Equipment	**28,272**	1,460
Insurance	**1,228**	1,003
Travel	**666**	926
Sundry expenses	**49,955**	21,284
Utilities	**5,500**	5,481
Community Empowerment Fund	**39,177**	20,050
	390,267	309,924

The following amounts are included in expenditure:

	2026	2025
	£	£
Depreciation	**28,193**	12,732
Operating Lease rentals:		
- Land & Buildings	**279,747**	269,283
- Other	**2,026**	1,174
Auditors Remuneration – statutory audit	**18,700**	17,750
Auditors Remuneration – other services	**-**	-

3 INVESTMENT INCOME

	2026	2025
	£	£
Other interest receivable and similar income - unrestricted	**62,231**	94,886
Rental income - unrestricted	**28,857**	-
	91,088	94,886

4 EMPLOYEES

Staff costs during the year were as follows:

	2026	2025
	£	£
Wages and salaries	**11,113,481**	11,145,455
Social security costs	**1,158,932**	874,256
Other pension costs	**224,074**	229,889
	12,496,487	12,249,600

Wages and salary costs above include redundancy payments of £33,408 (2025: £54,781) and temporary wage costs of £415,294 (2025: £122,875)

The average number of employees during the year was 518 (2025: 553).

	2026	2025
	Number	Number
Project staff	**514**	549
Fundraising and publicity	**1**	1
Management and administration of the Charity	**3**	3
	518	553

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

	2026	2025
	Number	Number
£60,001 to £70,000	**-**	1
£70,001 to £80,000	**1**	1
£80,001 to £90,000	**1**	1

During the year there were two higher paid employees (2025: three higher paid employees).

4. EMPLOYEES (continued)

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

	2026	2025
	£	£
Pension contributions to money purchase schemes	**19,747**	20,924

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, (2025: £NIL) during the year.

There were no other related party transactions in the year.

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration, including employers' pension contributions, employers' national insurance contributions and salary sacrifice pension contributions for key management personnel in the year totalled £186,137 (2025: £262,449).

7 GAINS AND LOSSES ON INVESTMENTS

	2026	2025
	£	£
Gains/(losses) arising on:		
Revaluation of investment properties	**126,632**	-

The gain arises from the revaluation of investment property to fair value at the reporting date and is recognised within gains on investments in the Statement of Financial Activities.

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Motor Vehicles	Fixtures, equipment, fittings & computer software	Total
	£	£	£	£
Cost				
At 1 April 2025	264,137	10,699	50,370	325,206
Disposals	-	-	-	-
Additions	1,497,990		20,968	1,518,957
At 31 March 2026	**1,762,127**	**10,699**	**71,338**	**1,884,164**
Depreciation				
At 1 April 2025	38,787	10,699	36,104	85,590
Provided in the year	18,996	-	9,197	28,193
Eliminated on disposals	-	-	-	-
At 31 March 2026	**57,783**	**10,699**	**45,301**	**113,783**
Net book amount				
At 31 March 2026	**1,704,344**	**-**	**26,037**	**1,730,381**
Net book amount				
At 31 March 2025	225,350	-	14,266	239,616

Freehold buildings are included in the financial statements at deemed cost and are depreciated at the rate of 2%.

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

Additions in the year include the acquisition of a mixed-use property, with the owner-occupied element recognised within tangible fixed assets. The investment property element is disclosed separately in note 9.

All tangible fixed assets were used for charitable purposes.

9 INVESTMENT PROPERTY

	2026	2025
	£	£
At 1 April 2025	**-**	-
Additions	**573,368**	-
Net gains or losses through fair value adjustments	**126,632**	-
	700,000	-

The investment property comprises residential flats forming part of a mixed-use property acquired by the Charity during the year at a total cost of £2,071,358. On acquisition, the property was apportioned between investment property (£573,368) and owner-occupied property (£1,497,990) based on relative fair values determined by independent valuation, with the owner-occupied element included within tangible fixed assets. The investment property has subsequently been remeasured to a fair value of £700,000 at the reporting date, resulting in a gain of £126,632 recognised in the Statement of Financial Activities.

The charity leases these properties under Assured Shorthold Tenancy Agreements. Following the initial fixed term, the leases are periodic and cancellable with notice. Accordingly, there are no material future minimum lease payments receivable under non-cancellable operating leases.

10 DEBTORS

	2026	2025
	£	£
Accrued income	**626,809**	401,693
Trade debtors	**531,813**	910,412
Other debtors	**17,068**	16,677
Prepayments	**118,915**	154,982
	1,294,605	1,483,764

11 CURRENT ASSET INVESTMENTS

	2026	2025
	£	£
Cash held on deposit	**-**	420,427

During the year, the Charity withdrew the funds previously held in a 95-day notice account back into general cash reserves.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Trade creditors	**74,629**	92,100
Other creditors	**255,404**	69,441
Social security and other taxes	**205,483**	158,764
Accruals	**762,943**	667,444
Deferred income	**182,414**	326,314
Bank loan	**14,651**	-
	1,495,524	1,314,063

CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2026	2025
	£	£
Bank loan	**775,860**	-

13 BANK LOANS

	2026	2025
	£	£
Bank loan	**790,511**	-
Payable within one year	**14,651**	-
Payable after one year	**775,860**	-
Amounts included above which fall due after 5 years:		
Payable by instalments	**707,793**	-

The charity entered into a new loan agreement with Charity Bank Limited in September 2025. The outstanding balance at the year-end was £790,511 (2024: £nil).

The loan carries interest at 2.25% above the Bank of England base rate and is repayable in monthly instalments of capital and interest over a 10-year term, with a significant final balloon repayment due at the end of the term. The loan is subject to financial covenants, with which the charity complied during the year.

The loan is secured by a first legal charge over the property at 212H Boaler Street, Liverpool.

In addition, the charity is subject to a debenture in favour of NatWest Bank creating fixed and floating charges over its assets.

14 PROVISION FOR LIABILITIES

	2026	2025
	£	£
Balance at 1 April	**51,100**	46,100
Increased	**2,500**	5,500
Utilised	**-**	-
Balance 31 March	**53,600**	51,100

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.

15 FUNDS

	Restricted funds	**Unrestricted funds**	**Total**
	£	**£**	**£**
At 1 April 2025	31,330	2,688,970	2,720,300
Incoming resources	408,670	14,446,678	14,855,348
Resources expended	(390,267)	(14,310,305)	(14,700,572)
Gains/(losses) on revaluation	-	126,632	126,632
Reserve transfer	6,632	(6,632)	-
At 31 March 2026	**56,365**	**2,945,343**	**3,001,708**
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	**31,330**	**2,688,970**	**2,720,300**

Unrestricted Funds include Designated Funds of £1,864,870 (2025: £1,250,000)

Designated Funds

	Balance April 2025 £	Income £	Expenditure £	Transfers £	Balance March 2026 £
Premises Fund	1,175,000		-	(1,175,000)	-
Designated Fixed Asset Fund	-	-	-	1,639,870	1,639,870
Impact & Innovation	75,000	-	-	(75,000)	-
Support & Accommodation Development Fund	-	-	-	75,000	75,000
Community Development Fund	-	-	-	75,000	75,000
Strategic Development Fund	-	-	-	75,000	75,000
	1,250,000	**-**	**-**	**614,870**	**1,864,870**

Premises Fund

During the year the Premises Fund was utilised towards the acquisition of the Boaler Street property and accordingly the designation has been released.

Designated Fixed Asset Fund

The Trustees have designated £1,639,870 representing the charity's net investment in fixed assets after deducting borrowing secured on those assets. This designation reflects resources invested in long-term property and infrastructure assets which are required for the ongoing delivery of the charity's activities and are therefore not readily available for general expenditure.

Support & Accommodation Development Fund

The Trustees have designated £75,000 to support future development of accommodation and support services.

Community Development Fund

The Trustees have designated £75,000 to support future community-based initiatives and service developments.

Strategic Development Fund

The Trustees have designated £75,000 to support future strategic opportunities and investment in organisational development.

Restricted Funds

	Balance April 2025 £	Income £	Expenditure £	Transfer £	Balance March 2026 £
Donations	-	61,803	(61,803)	-	-
Aims 2	31,330	107,037	(107,037)	(31,330)	-
Liverpool Watersports	-	48,961	(29,739)	-	19,222
Other	-	190,869	(191,688)	37,962	37,143
	31,330	**408,670**	**(390,267)**	**6,632**	**56,365**

	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**

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.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Revaluation Reserve £	Restricted funds £	Unrestricted funds £	Total £
Tangible Fixed assets	-	-	2,430,381	2,430,381
Current assets	-	157,019	2,739,292	2,896,311
Current liabilities	-	(100,654)	(1,448,470)	(1,549,124)
Liabilities over one year	-	-	(775,860)	(775,860)
Net assets at 31 March 2026	**-**	**56,365**	**2,945,343**	**3,001,708**
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**

17 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 £8,227 (2025: £8,504) owing in respect of the Charity's pension schemes. This liability was paid subsequent to the year end.

18 OPERATING LEASE COMMITMENTS

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

	Leasehold properties 2026 £	Leasehold properties 2025 £
Not later than one year	**104,297**	99,425
Later than one year and not later than five years	**135,293**	129,475
Greater than five years	**-**	-
	239,590	228,900

19 ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1 April 2025 £	**Cashflows £**	**At 31 March 2026 £**
Cash at bank and in hand	1,941,656	(339,950)	1,601,706
Loans falling due within one year	-	(14,651)	(14,651)
Loans falling due after more than one year	-	(775,860)	(775,860)
	1,941,656	**(1,130,461)**	**811,195**