



The Royal Institution of Chartered Surveyors Benevolent Fund Limited
(A Charitable Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023

Company Number: 980025

Charity Number: 261245

The Royal Institution of Chartered Surveyors Benevolent Fund Limited

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Contents

Chair's Foreword.....	3
Strategic Report.....	4
Trustees' Report	8
Auditors' Report.....	19
Statement of Financial Activities.....	22
Balance Sheet.....	23
Statement of Cashflows.....	24
Notes to Financial Statements.....	25

CHAIR'S FOREWORD

During 2022-2023, LionHeart continued to provide support to the RICS family as the world emerged from the Covid-19 pandemic. Other significant international challenges remained, and we were delighted to continue to extend our global reach, including helping surveyors in Ukraine and in the earthquake-affected Turkey. Through our increasing number of global ambassadors, we will continue to expand our service overseas.

Closer to home, we said goodbye to our base for the last few years at the ground floor of 55 Colmore Row, and we look forward to opening our new Birmingham office later this year, allowing the LionHeart team to once again have a permanent base from which to operate.

The Board saw one departure, and some significant appointments. Katie Leppard, like me from the 'class of 2017', stood down after two terms as a Trustee, during which she did much of the heavy lifting, often behind the scenes and unthanked until now, and was a wise and cool head around the table.

In anticipation of several board members 'rolling off' the board later in 2023, we also made three appointments: Neil A'Bear (who had already contributed to the Investment Committee), Simon Dunkling, and Neil Worrall. Between them, they bring a variety of experience and knowledge.

I was delighted that the Board agreed to create the role of Associate Board Members – a personal ambition of mine – to both gain insight from the nearly or newly qualified end of the profession, and to provide Board-level experience to those at the start of their careers. From a competitive field, we were pleased to appoint Grace Conisbee and So Sum Lee, who have already hit the ground running and made valuable contributions.

On the Senior Leadership Team, the Board were very happy to see the appointment of Doris Yuen as Head of Finance and Corporate Services, bringing extensive international experience to the Charity. I would also like to thank David Homer, our Finance Manager, for keeping a steady hand on our finance function until Doris's appointment.

As Davina outlines below, we continued to build upon and expand our range of services, most notably our APC candidate support, which has met with astounding success.

None of this is of course possible without a large number of staff, volunteers and supporters, all of whom have played their part in ensuring that LionHeart is there for the surveying family, at any stage of their career, and whatever life throws at them. To all of you, I simply offer my very grateful thanks.

Peter McCrea FRICS FCI Arb FRSA
Chair, Board of Trustees, LionHeart

STRATEGIC REPORT 2022-2023

This was the fourth year of a five-year strategy which aims to dramatically increase awareness of and engagement in LionHeart with Royal Institution of Chartered Surveyors (RICS) members around the globe.

There have been no changes to our vision, mission and values which remain as follows:

Our vision is to ensure that everyone in the RICS community has access to confidential, practical support.

Our mission is to deliver advice that matters and support that counts; personal, flexible support for all RICS professionals and the people they love to help them overcome life's unexpected challenges.

Our values are:

- Integrity
- Compassion
- Professionalism
- Flexibility

Our five strategic priorities are:

- Building Awareness – so that all RICS professionals know of LionHeart, understand its role, and have pride in association with it,
- Developing Engagement – so that the RICS world is interested and engaged in LionHeart's story, services and activities and takes opportunities to get involved,
- Global Development – to provide a truly global offer with services and products meeting the needs of each RICS world region,
- Service Development and Delivery – to deliver a validated range of services meeting an increased demand with demonstrable impact on the wellbeing of RICS professionals,
- Organisational Development – to be an organisation that punches above its weight and achieves incredible results through delivery of its strategy.

Operational Management

We have continued with our development of a full set of work plans that operationalise the Strategic Plan and link delivery to KPIs. Every member of the LionHeart staff team contributes to at least one of the work plans. All managers have been empowered to manage their own budget aligned to the work plans. Everyone has regular supervision that focuses on the delivery of work plans. In this way we ensure that our focus is upon the delivery of the Strategic Plan.

The values of the organisation: Flexibility, Compassion, Professionalism, and Integrity are central to our operations and are discussed at meetings and within individual supervision sessions.

Digital Transformation

We have made significant progress in a review of the use of data and digital technology across the organisation and as a result will be developing pilot initiatives within the final year of our current strategy as a launchpad for more strategic change during the next strategy.

A Great Place to Work

We ensure that we consider the wellbeing of the staff team. We ask for feedback on staff wellbeing, experience, and motivation regularly using an anonymous all staff survey. The full staff team is now working from home with visits to the office now limited to specific meetings or events. We continue to invest in staff development with the organisational learning plan and the launch of our Management Development Programme which will continue for another full year.

We have had two external reviews of our workplace within the year. An Investors in People review resulted in the organisation retaining our IIP Gold Status for another three years. We engaged EDI Specialists EMBED to carry out a review of our policies and practice with regards to Equality, Diversity, and Inclusion. A large amount of good practice was identified indicating that we have good foundations on which to build. We will be rolling out the recommendations across the organisation over the next 1 – 2 years via several EDI task groups looking at policies, people and our communications and appearance.

Engagement

Our warm inclusive and reassuring tone has enabled us to further build our online audience with a 19% growth in website visits including visitors from almost every country in the world. Many visitors arrive at our website by following links from social media or from content we have supplied to our corporate and education partners and from our own supporter newsletters.

Our social media following has seen another impressive increase, up 25% in the last year - and 65% in the last two years – prompted by a varied output of inspiring stories and blogs and thought-provoking articles. Of particular importance has been the significant growth of our LinkedIn following – which provides our most globally diverse audience. Our following has been boosted by both spontaneous posts from grateful recipients thanking the LionHeart team for their support with APC presentation preparations and also social media activity surrounding innovative virtual fundraising events this year.

As a predominantly professional platform, LinkedIn has become not only a vital place for us to communicate the LionHeart story but also a space where we have genuine engagement and conversations with individuals and firms. It is helping us consolidate our presence within the profession as an organisation people both want to be involved with and turn to for support.

We have continued to invest in our online training offer, delivering new live webinars and increasing the range and number of webinars available to download and view on demand. In addition, the post-Covid-19 return to face-to-face events led to an increase in the opportunities to contribute to live conferences and events and we shared both wellbeing content and promotional messages at a broad range of events during the year.

Our support for APC (Assessment of Professional Competence) candidates continued to prove popular and became the most requested service on our helpline. We also began taking our APC support global, working alongside the RICS to maximise reach. We saw significant growth in the number of education partners we work with, delivering webinars designed specifically for students and apprentices as well as highlighting the other services we are able to provide. We hope that this really positive experience of LionHeart so early in their careers will mean they continue to use our services and advocate for LionHeart for the rest of their careers.

During the year we continued to grow our ambassador network both in the UK and globally and we also increased the number of organisations we work with to raise awareness of our services and share our learning opportunities. Some of our ambassadors spoke on our behalf at events around the UK and many of them actively advocate for us on social media, sharing and engaging with our content and often contributing to blogs, news, and video posts.

We also recruited two associate board members, giving younger professionals the opportunity to gain board experience and further increasing the diversity of our board.

As the war in Ukraine continued to develop over the year, we were able to provide financial and other support to a significant proportion of the RICS members in Ukraine. We were also able to help members in Turkey after the devastating earthquake there. Both events made use of our good connections with the RICS and enabled us to highlight the global nature of our support and were warmly received by the global surveying community.

Developing Services

As the cost-of-living crisis developed, we delivered a new webinar on managing finances and began discussions with a new partner to deliver a service focused on financial education to be launched early in the 2023-24 financial year. We also developed and delivered new webinars and other content on menopause, neurodiversity, and imposter syndrome, all subjects the surveyors and firms we work with had indicated they were interested in.

We also launched a pilot webchat project, designed not to detract from our telephone service but to offer an alternative way of contacting us for people who, for whatever reason, aren't able to speak on the phone – perhaps due to the risk of being overheard or because they find using the phone difficult.

Our counselling services continue to be in high demand. This year we have also developed informative content with our youth counselling partners to promote this service to families. We have also set in place plans to develop the service to include couples counselling.

Highlights from this year include:

- 13,702 individual acts of support, a 48% increase on the previous year,
- Our combined webinar and on demand audience was up 27% to 7,632,
- Our social media audience increased by 25%,
- Our APC support service grew by 37%,
- Our legal advice service saw an increase of 42%,
- We welcomed a further 12 organisations to corporate partnership and 9 institutions to education partnership this year,
- We recruited a further 23 ambassadors, taking our total to 82 volunteers who are available to share their lived experience and to promote LionHeart within the profession. 22 of these are global ambassadors and are drawn from 11 different countries.

Emily's story

Emily first contacted LionHeart after the very sudden death of her father. She'd taken two weeks off work but, on her return, found herself really struggling to cope with her grief. Emily's regular calls with her LionHeart support officer became a real lifeline especially when, a couple of months later, she was made redundant from her surveying job.

She said: "I was in a very upsetting and dark place when I reached out to LionHeart and cannot fault the service. Over time, the support changed from dealing with the immediate grief to help with other things, such as support with work-related issues and stress. It was such a reassuring constant throughout a period that was so upsetting and uncertain."

We gave Emily help with her CV and interview skills. She stayed in touch as she settled into a new job and gradually moved forward from such a traumatic year. She added: "LionHeart's support helped to make things so much more manageable than they would have been. I honestly don't know how I would have coped without you."

Brian's story

Brian lost his job in the aftermath of Covid and was struggling to find a new position in the property industry. In his 40s, it had been a long time since he had been a job hunter; he was worried about money and struggling with his sense of self-worth. LionHeart gave Brian a monthly grant to help. He also received counselling and help with his search for a new job.

He said: "LionHeart helped me avoid losing my home and helped me become financially self-sufficient again. They helped with my self-confidence and my CV as I looked for work. The support was just invaluable at a time it was needed most."

Vijay's story

Vijay approached LionHeart for support with a legal issue to do with his job. He said:

"I had received news about some potentially unsettling changes to my employment situation and called for advice and support. I had legal advice via Law Express and the LionHeart support officer also explained what support was available should the worst-case scenario happen. Having experienced various challenging periods over the past 25 years, I've learnt the importance of support, particularly working, and living alone.

The support from LionHeart makes a huge difference whether it is just talking through things and putting problems into perspective, finding solutions, or practical support like legal advice. Knowing that there are other support mechanisms available too, like career advice and financial help, should circumstances require is a great help and comfort."

Kath's story

Kath, aged in her 70s, needed somewhere to turn when her disabled adult daughter was diagnosed with an aggressive form of cancer. Already a carer for her daughter, Kath was feeling increasingly isolated after supporting her through major surgery and chemotherapy.

LionHeart provided counselling for Kath and ongoing telephone support calls. She said: "Just being able to talk to someone who understands, and getting some help with sleeping issues, really helped give me some time out. This LionHeart service is vital in times of need."

Ramesh's Story

Ramesh, who is based in India suffered an injury to his shoulder which was so severe he was unable to continue working and as a result had to leave his employment. Ramesh is married with two small children and caring responsibilities for his widowed mother. He was the family's sole wage earner. As a result of his situation, the lack of work and the financial pressures, his relationship with his wife was suffering.

Ramesh called LionHeart to see if we could help. Through LionHeart Ramesh and his wife have both received counselling in Telegu which is their spoken language. LionHeart provided a grant to bridge the gap until Ramesh could return to work and when his shoulder has healed and he is physically ready to go back to work he will be helped with his CV and job search.

OUR PLANS FOR 2023-24

Our ambitious strategy is all about increasing the numbers of RICS members and their families that utilise our services, whether those be our workshops and webinars or our helpline and support services, including grants and counselling.

During this, our final year of the existing strategy we will continue to identify opportunities for innovation in awareness raising and delivery, utilising IT solutions to improve effectiveness and efficiency.



During this year we will be delivering on the recommendations made in the review of the organisation's approach to Equality, Diversity, and Inclusion carried out during 2022. We will also create an action plan to reduce our environmental impact. Finally, we will launch an 18-month full strategic review of the organisation and its place in the 21st Century the result of which will be a new strategy taking us into the future.

Davina Goodchild CMgr FCMI
Chief Executive

TRUSTEES' REPORT

The Board of Trustees present their combined annual report for the year from 1 April 2022 - 31 March 2023 prepared in accordance with the Companies Act 2006 and the Charities Act 2011, together with audited financial statements for the year.

Public Benefit

The Trustees have read and understood the Charity Commission guidance on public benefit. They consider that LionHeart, a registered charitable company whose charitable purposes as defined within the Charities Act 2011 are for the relief and prevention of poverty, demonstrates its public benefit by providing financial help and other assistance to past and present RICS members and their dependants (and past members of organisations that have merged with the RICS and their dependants) and RICS staff who have experienced difficulties in their lives. RICS is the leading professional body for the property sector and membership is open to those who meet defined educational and professional practice standards. The number of people that could potentially ask for help is more than 500,000. All assistance is provided at the discretion of Trustees of the charity, after careful consideration of the circumstances and the needs of the applicant.

OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY FOR THE PUBLIC BENEFIT

Reference and Administrative Details

The Royal Institution of Chartered Surveyors Benevolent Fund Limited, known as LionHeart, is registered as a charity in England with the registration number of 261245. It is also a company limited by guarantee and not having a share capital. The company is registered in England with the registration number 980025.

The principal office of the charity and its registered office was 55 Colmore Row, Birmingham B3 2AA. Since the financial period being reported on the registered office and principal place of business has changed to 1 Cornwall Street, Birmingham B3 2DX. Its website is www.lionheart.org.uk

The present Trustees and any past Trustees who served during the period are shown on page 15 together with the names of the senior executive staff on page 16. The professional advisors to the charity are set out on page 17.

Charitable Objective

The declared object of LionHeart is to provide assistance to past and present members of the Royal Institution of Chartered Surveyors and their dependants who experience difficulties in their lives. Assistance is typically given in cases of physical or mental ill health, unemployment, accident or disability, family separation, difficulties in retirement or returning to work and adverse economic conditions although LionHeart will assist with any problem, where possible.

Delivery of Charitable Objective

LionHeart delivers its charitable objective through the work of two teams – the Partnership and Engagement Team and the Support Services Team.

The Partnership and Engagement Team offer a suite of workshops, webinars, and awareness-raising sessions on subjects of interest to RICS professionals, all designed to help increase wellbeing, health, and happiness. Workshops are developed in response to RICS professionals' needs which are assessed via our regular surveys and feedback from the people we help.

The Support Services Team provide advice that matters and support that counts. Their expert advice helps prevent life's challenges from becoming life's crises, and our confidential, practical support helps people overcome those

challenges. We provide the following services but everyone who calls is treated as an individual and, as such, our response is 'made to measure':

- Regular grants to help with general living costs, in certain circumstances
- One-off grants to deal with an emergency or unexpected difficulties
- Professional counselling
- Support and advice on a range of issues including stress and wellbeing
- Coaching
- Practical help and advice to help unemployed chartered surveyors get back into work
- Legal advice
- Debt advice and practical support
- All the help offered is person centred with each person being supported by a bespoke set of services and solutions according to their individual circumstances. Grants are made to individuals and families, usually with a maximum time limit of 24 months.

Grant Making Policy

The Board of Trustees annually review and update the guidelines used by the Support Services Team to establish whether we can help an individual financially. The guidelines are reviewed to consider changes to the general cost of living, social security benefit rates and other support for those not working. Support Services Team decisions regarding individual grants are audited by Trustees twice a year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income for the year was £2,110k. Our overall expenditure was £2,228k and there was increased activity and development of our services in accordance with the five-year strategy. Overall income was on budget for the year despite a shortfall in income from donations with subscriptions, which was partially offset by an increase in Client Account Income. We are always grateful to RICS members and their families who choose to remember us in this way. Due to the cost-of-living crisis and a change in household costs calculations, the grant expenditures increased by 43% compared to the previous year. This increase was offset by lesser spending on workshops and events comparing with the budget.

The net funds of Lionheart decreased over the year. There was a marked dip of £1,406k in investment valuations due to market conditions. Our investments are made with a long-term view, and short-term fluctuations are expected.

Overall, the financial position of Lionheart remains strong, with free reserves at a level required by our reserves policy, and investments maintaining levels required to ensure our long-term growth and sustainability.

FINANCIAL MANAGEMENT POLICIES

Reserves

1. Free Reserves

These are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. They are intended to facilitate running costs of the charity and provide necessary cashflow from funds that are not invested.

The free reserves at the end of the year are £2,671k, a decrease on the previous year, (2021-2022 £2,884k). They are at the target level of free reserves and are intended to cover a year's expenditure.

Trustees aim to secure an income fund which provides cover for expenditure to give less short-term reliance on fluctuating sources of income such as legacies and donations.

2. Designated Funds

These comprise unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are explained in the notes to the accounts.

The designated funds at the end of the year total £23,074k (2021-2022 £24,352k). These funds are made up as follows:

	FY22/23
	£000
Income Fund	22,373
Development Fund	700
Fixed Asset Fund	1
Total	<u>23,074</u>

The Development Fund was set up in 2019 to utilise some reserves to facilitate funding the objectives of the five-year strategy. Monies are transferred to ensure that the balance remains appropriate for delivery of the strategy in line with agreed plans. The fund stood at £1,000K on 31 March 2022.

3. Restricted Fund

These arise where donors express a restriction on the purposes to which a gift may be applied. The restricted fund at the end of the year is £nil (2021-2022 £nil).

4. Pension Reserve

The pension reserve at the year-end is a surplus of £73k (2021-2022 surplus of £145k).

In general, participating in a defined benefit pension scheme means that the employer is exposed to a number of risks:

- Investment risk. The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the fund holds assets such as equities the value of the assets and liabilities may not move in the same way
- Inflation risk. All the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. If the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

Going Concern

LionHeart has net assets of 2022-2023 £25,818k (2021-2022 £27,381k), and this includes managed investments of £24,055k (2021-2022 £25,041k). Investment income in 2022-2023 was £947k (2021-2022 £866k). Donations from RICS members totalled £591k (2021-2022 £683k).

We use two specialist investment management companies to manage and safeguard the investments, and their track record in growing the portfolio and at the same time minimising risk has been in line with market trends.

We consistently receive significant income from RICS members. We regularly review all sources of income, to improve the service and expand the client base. These measures together with our asset base provides appropriate confidence of LionHeart's going concern capability.

INVESTMENT POLICY AND PERFORMANCE

Principal Investment Objective

The investment objective is to grow the income and capital returns in the long term for invested funds. The assets should be managed to at least maintain the real capital value of the portfolio, whilst generating a sustainable level of investment income to support current charitable activities, having regard to the charitable nature of the funds and to the Trustees' responsibility to avoid unacceptable risks.

Investment Policy Statement

The charity's investment policy was reviewed in May 2022 having previously been reviewed in 2019.

Review of Fund Managers

The charity formally reviews its fund managers on a regular basis, at least five-yearly. There was a formal review carried out last year. Performance was found to be satisfactory, however it was decided to tender services. A second fund manager, CCLA, were appointed shortly after the start of the year with investments split across the two Fund Managers on a 50/50 basis at the date of transfer.

POOLED INVESTMENTS

LionHeart has a number of pooled investments, which are managed by Sarasin & Partners and CCLA. Sarasin & Partners LLP and CCLA are professional fund managers and operate subject to constraints specified by the Investment Committee regarding objective, benchmark, risk profile, maximum size of individual underlying security and reporting.

Sarasin investment portfolios are divided between a long-term fund, invested solely in the Sarasin Endowments Fund, and a medium-term fund, which is predominantly invested in the Sarasin Income & Reserves Fund.

Long-term Portfolio – Sarasin Endowments Fund

The benchmark used for the fund from 1 July 2021 is: MSCI UK IMI (Net Return) GBP (20%), ICE BofAML Sterling Corporate (7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI AC World ex UK (Local Currency) (GBP) (10%), MSCI AC World ex UK (Net Total Return) (40%), SONIA + 2% (alternative assets) (10%).

The investment portfolio achieved a return in the 12 months to 31 March 2023 of -2.8% against the composite benchmark return of -2.4% (31/03/2022 +5.3% against a benchmark of +9.1%, 31/12/2022 -9.4%).

The aim of the Portfolio is to enhance the Portfolio's Capital Value over the longer-term whilst generating sufficient income to meet the requirements of the trust. A 'real return' of 4% per annum has been targeted as an appropriate goal.

Medium-term Portfolio – Sarasin Income & Reserves Fund

The benchmark used for the fund from 1 July 2021 is: MSCI UK IMI (Net Return) GBP (10%), ICE BofAML Sterling Corporate (30%), ICE BofAML UK Gilts All Stocks (35%), MSCI AC World ex UK (Net Total Return) (10%), SONIA (5%), SONIA + 2% (alternative assets) (10%).

The investment portfolio achieved a return in the 12 months to 31 March 2023 of -8.4% against a composite benchmark return of -8.4% (31/03/2022 -1.2% against a benchmark of -0.6%).

The aim of the Portfolio is to seek a consistently attractive level of income couple with the potential for long-term capital appreciation, whilst aiming to preserve the value of the capital over the shorter term.

CCLA COIF Charity Ethical Investment Fund

A transfer of 50% of funds was made from the long-term Portfolio Sarasin Endowments Fund in the first quarter of the year.

The multi-asset long-term fund achieved a return in the 12 months to 31 March 2023 of -2.0% against a fund comparator benchmark return of -3.97%. Fund performance is shown after the deduction of all fees and expenses with income reinvested. Comparator returns are based on market indices which are not adjusted for management fees or expenses.

The Ethical Fund's Investment Objective is to provide a long-term total return comprising growth in both capital and income. It is benchmarked against a long-term total return of inflation (CPI) plus 5% per annum before costs.

The Lionheart Portfolio had a total return performance of 1.8% after fees and expenses for the period to 31 March 2023 (CPI 10.5%). It also aims to deliver a volatility of total return (risk) of significantly less than 100% equity market risk, and, from within total return, an income distribution (dividend) which is reliable from year to year and rises progressively over time.

Reporting

Income reports and valuations are produced monthly and full reports with economic outlook, quarterly. The quarterly reports are circulated to members of the Investment Committee. The two fund managers attend two Investment Committee meetings each year in addition to the September Board of Trustees meeting.

Socially Responsible Investment Policy and Corporate Governance Policy

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing.
- The fund will also avoid investment in companies that earn a material portion of their revenue from alcohol manufacture, armaments, gambling, pornography, and predatory lending.
- All externally managed funds are screened on initial purchase and reviewed regularly to ensure that they also adhere to these rules.

- The funds publish a regular sustainability audit of investments and are active in voting on company resolutions. Where necessary, the firms will engage in direct dialogue with investee companies, policy makers and governing bodies to drive positive change.

Unquoted Investments

At the start of the year Lionheart had a holding of 42,460 ordinary shares in the Gravesend and District Property Company gifted to the charity as part of a legacy. The Trustees took the decision to sell the shares. All 42,460 shares were sold during the year. As such Lionheart had no unquoted investments at the end of the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statement of Trustees' Responsibilities, Corporate Governance and Risk Management

Board of Trustees

The Board of Trustees is responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Trustees to prepare financial statements for each financial period which give a true and fair view of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business,

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

LionHeart, in preparing these accounts, has complied with current statutory requirements and its Memorandum and Articles of Association, and has adopted, in full, the provisions of SORP 2015 for Charities. The Trustees consider that the charity is adequately funded to meet its current obligations.

The charity is governed by its Articles of Association, these require that the number of elected members of the Board of Trustees be not less than 8 or more than 18. The President of RICS is Patron of LionHeart during their year of office. All Trustees serve for a term of three years upon which they are eligible for re-appointment unless they have already served three consecutive terms in which case, they are not eligible for re-election until they have stood down for at least one year.

Trustee Recruitment, Training and Development

Trustees are recruited via adverts placed on the web targeting both the property industry and the charity sector. We also advertise online through our own website and social media as well as other free channels. We have a full application process including an application form and interview and we follow good practice and equal opportunities guidelines throughout the process.

We actively encourage Trustees to undertake training and development so that our governance is fit for purpose. Details of external Trustee training opportunities are circulated to Trustees as they arise, and attendance is reported to the Board. Training is sourced from the Association of Charity Officer's Trustee Seminar Programme, the Charity Finance Group, National Council of Voluntary Organisations, and other opportunities provided by commercial and third sector providers from time to time.

Safeguarding

LionHeart operates a robust safeguarding procedure to provide staff and volunteers with overarching principles that guide our approach. These are reviewed regularly and have been substantially enhanced recently. All our staff that work with people requesting help are aware of their safeguarding responsibilities, and our counsellors are regulated by the British Association for Counselling and Psychotherapy ensuring appropriate professional and ethical standards at all times.

Governance Code

The Charity Governance Code was introduced in July 2017 and refreshed in 2020. The code is not statutory regulation but "represents a standard of good governance practice to which all charities should aspire." The code requests that charities either apply the standards of the code or explain how they are going to apply them in the future.

We recently completed a number of development activities because of our assessment against the updated Code. The final piece of work was the EDI review and the resultant recommendations. We will carry out a further assessment against the code in another 2 – 3 years or when the code is updated.

Fundraising

LionHeart income is largely from the following sources:

- Regular donations from RICS professionals,
- Gift aid,
- Return on investments,
- Legacy donations,
- Clients account donations (with the necessary assurances regarding repayment if required).

LionHeart has two part-time fundraising team members. We do not outsource fundraising to external organisations and are registered with the Fundraising Regulator. The charity has no other fundraising requiring disclosure under S162A of the Charities Act 2011.

General Data Protection Regulation (GDPR)

New data protection processes and policies were introduced in 2018 for the organisation to be compliant with GDPR. We have a data sharing agreement with the RICS that has been updated in line with the new code and our privacy statements have been updated and are available online. All staff are trained on the responsibilities in respect of data.

OUR STAFF

LionHeart is a vibrant and progressive charity that values its workforce and recognises the need for skilled and committed staff who work well as a team and with Trustees to deliver quality services to RICS members, past and present, and their dependants. This is achieved through creating an environment where staff feel supported by managers and employers, and where they receive regular information about the organisation through meetings and briefings. They are actively encouraged to give their suggestions and views on performance and strategy to develop the organisation and its performance.

Trustees are committed to the continuing professional development of staff at all levels within the organisation. The training needs and the performance of each staff member is a continuous process, supported by supervision from line managers. Training programmes are provided to meet any on-going needs, with the aim of developing employees for both their current and their future roles. LionHeart is an accredited Investors in People employer and has the IIP Gold Award.

KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel is set on advice from a third party, by reference to benchmarks for charities of a similar size and nature. All salaries were reviewed in the last quarter of the financial year.

Patron

The President of the Royal Institution of Chartered Surveyors is LionHeart's Patron. On 31 March 2023, the office holder was Ann Gray.

Honorary Officers for 2022/23

Chair	Peter McCrea
Vice Chair	James Grierson
Honorary Treasurer	James Williamson

Other Members

The following have served as members of the Board (and Directors) during the year and at the date the accounts were signed:

Neil A'Bear, joined December 2022
Dayle Bayliss
Andrew Carrick
Diane Dumashie
Simon Dunkling, joined December 2022
James Grierson
Amy Dalton-Leader
Caroline Legg
Katie Leppard, resigned December 2022
Peter McCrea
Philip Nell
Philippa Sampson-Bancroft
Shashi Sharma
James Williamson
Neil Worrall, joined December 2022

Audit and Risk Committee

The Audit and Risk Committee has the purpose of overseeing the preparation and agreement of the annual accounts and audit of LionHeart's finances. Specifically, the committee will:

- Oversee the audit of the accounts and make recommendations for approval by the Board of Trustees
- Oversee the risk management process.

Committee Membership:

James Grierson	Trustee, Chair
Katie Leppard	Trustee, resigned December 2022
Shashi Sharma	Trustee
Mark Southwell	Co-opted
Lorna Wright	Co-opted
Neil Worrall	Trustee, joined December 2022
Doris Yuen	LionHeart, joined September 2022 (non-voting member)

Investment Committee

The Investment Committee has the following role and purpose:

- To appoint appropriate professional investment manager(s),
- To agree with the investment manager(s) the broad long-term investment strategy for LionHeart's capital endowment,
- To monitor the investment performance of the investment manager(s) against suitable benchmarks and peer groups,
- To assess the ethical, social and governance (ESG) policies of the investment manager(s) and investments to ensure they do not bring LionHeart into disrepute,
- To oversee the charity's policies for cash and short-term deposit management,
- To recommend to the Board of Trustees a change of investment managers, when required,
- To oversee and manage the selection process for new investment managers.

Committee Membership:

James Williamson	Trustee, Chair
Philip Nell	Trustee, Vice Chair
James Grierson	Trustee
Philippa Sampson-Bancroft	Trustee
Chris Perkins	Co-opted
Neil A'Bear	Co-opted, Trustee from December 2022
Doris Yuen	LionHeart, joined September 2022 (non-voting member)

SENIOR LEADERSHIP TEAM

The Trustees delegate day to day management of the charity to the Senior Leadership Team, who attend Trustee and Committee meetings as appropriate and report on the activities of the charity to Trustees regularly.

Chief Executive	Davina Goodchild
Head of Finance & Corporate Services	Doris Yuen, joined September 2022
Head of Operations	Juliet Smithson

PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG
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Solicitors	Wilson, Alexandra House, St Johns Street, Salisbury SP1 2SB
Investment Managers	Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET.
Bankers	Unity Trust Bank PLC, Nine Brindleyplace, Birmingham, B1 2HB

Corporate Governance

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency and effectiveness. Processes are in place to ensure that performance is monitored, and that appropriate management information is prepared and reviewed regularly by both Executive Management and the Board of Trustees.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- A business plan and annual budget approved by the Trustees,
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews,
- Delegation of day-to-day management authority and segregation of duties,
- Identification and management of risks.

Risk Management

The Trustees have continued to focus on Risk Management. This has involved:

- Identifying the major risks facing the charity,
- Assessing the likelihood and severity of the risks identified,
- Reviewing the existing controls that the charity has in place to mitigate the risks,
- Seeking to identify and implement any further actions required to manage risk.

The Trustees confirm that they have systems in place to mitigate the major risks facing the charity which they have identified. Recent reviews have included consideration of how all aspects of Covid-19 may affect the charity. Major risks identified include:

Volatility of income, from both investments and donations. To mitigate this the Investment Committee monitors performance, and we encourage donations by multiple methods. Sufficient reserves are held in case income falls significantly.

Our reliance on the RICS for a significant proportion of our income in the form of subscription donations.

Third Party Indemnity for Directors

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charitable company. This cover is up to £2m and cost £1k (2021-2022 £1k).

Statement as to Disclosure of Information to Auditors

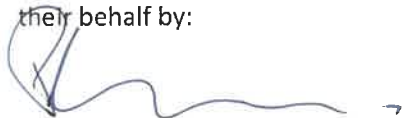
The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

LionHeart's auditors for financial year ending 31 March 2023 are Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The report and accounts were approved and authorised by the Board of Trustees on 7 September 2023 and signed on their behalf by:



Peter McCrea FRICS FCI Arb FRSA
Chair, Board of Trustees, LionHeart

Independent Auditors' Report to the members of LionHeart (The Royal Institution of Chartered Surveyors Benevolent Fund Limited)

Opinion

We have audited the financial statements of LionHeart (The Royal Institution of Chartered Surveyors Benevolent Fund Limited) for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 charitable company's affairs as at 31 March 2023 and of its income resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 light of the knowledge and understanding of the charitable company and their 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 Trustees' 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
- 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 Trustees' responsibilities statement set out on page 13, 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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Employment legislation and Taxation legislation.

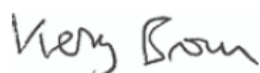
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Kerry Brown, Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP, Statutory Auditor**
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 22 September 2023

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR FROM 1 APRIL 2022 TO 31 MARCH 2023

		Unrestricted Funds	Year Ended 31 March 2023 Total £000	Unrestricted Funds	Year Ended 31 March 2022 Total £000
	Notes	£000	£000	£000	£000
Income From:					
Donations and Legacies	2	1,163	1,163	1,120	1,120
Other Trading Activities	3	0	0	6	6
Investments	4	947	947	866	866
Total Income		2,110	2,110	1,992	1,992
Expenditure on:					
Raising Funds	5	58	58	53	53
Investment Management Fees	5	84	84	110	110
Charitable Activities	6	2,086	2,086	1,905	1,905
Total Expenditure		2,228	2,228	2,068	2,068
Realised Net Gains on Investments		18	18	19	19
Unrealised Net Gains / (Loss) on Investments		(1,406)	(1,406)	273	273
Net Income/(Expenditure)		(1,506)	(1,506)	216	216
Transfers Between Funds		0	0	0	0
Other Recognised Gains / (Losses):					
Actuarial Gains / (Losses) on Defined Benefit Pension Scheme	21	(57)	(57)	405	405
Net Movement in Funds		(1,563)	(1,563)	621	621
Reconciliation of Funds					
Total Funds Brought Forward		27,381	27,381	26,760	26,760
Total Funds Carried Forward		25,818	25,818	27,381	27,381

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities. The notes on pages 25 to 41 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2023

COMPANY REGISTRATION No. 980025

REGISTERED CHARITY No. 261245

		31 March 2023		31 March 2022	
	NOTES	£000	£000	£000	£000
Fixed Assets					
Intangible Assets	11		0		0
Tangible Assets	12		1		3
Investments: Pooled	13		24,055		25,041
Investments: Social	14		74		79
Total Fixed Assets			24,130		25,123
Current Assets					
Debtors	15	275		399	
Cash at Bank and in Hand		1,596		1,872	
Total Current Assets		1,871		2,271	
Creditors					
Amounts falling due within one year	16	(256)		(158)	
Net Current Assets			1,615		2,113
Total assets less current liabilities			25,745		27,236
Creditors					
Amounts falling due after one year	16		0		0
Defined Pension Scheme Liability	21		73		145
Total Net Assets			25,818		27,381
Funds					
Restricted Funds			0		0
Unrestricted Designated Funds			23,074		24,352
Unrestricted Free Funds			2,671		2,884
Pension Reserve			73		145
Total Charity Funds	18		25,818		27,381

The accounts are prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102 and with the special provisions of Part 15 of the Companies Act relating to small companies.

Signed on behalf of the Board of Trustees and authorised for issue on 7 September 2023.



Peter McCrea FRICS FCI Arb FRSA

Chair, Board of Trustees, LionHeart

The notes on pages 25 to 41 form part of these financial statements.

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Year Ended 31 March 2023	Year Ended 31 March 2022
		£000	£000
Cash Flows from Operating Activities:			
<i>Net Cash Provided by / (used in) Operating Activities</i>	23	(820)	(1)
Cash Flows from Investing Activities:			
Returns from Investments		947	866
Purchase of Property, Plant, Equipment & Intangibles		0	(3)
Proceeds from Sale of Investments		97	136
Purchase of Investments		(500)	(1,500)
<i>Net Cash Provided by / (used in) Investing Activities</i>		544	(501)
Change in Cash and Cash Equivalents in the year		(276)	(502)
Cash and Cash Equivalents at 1 April 2022		1,872	2,374
Cash and Cash Equivalents at 31 March 2023		1,596	1,872

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Charity Information

LionHeart is a registered charity (number 261245) and company limited by guarantee with no share capital, registered in England and Wales (number 980025). Its registered office and principal place of business is 55 Colmore Row, Birmingham, B3 2AA. Since the financial period being reported on the registered office and principal place of business has changed to 1 Cornwall Street, Birmingham B3 2DX.

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Companies Act 2006.

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

Going Concern

The accounts have been prepared on a going concern basis. Having carried out a detailed review of LionHeart's resources and the challenges presented by the current economic climate, the Trustees are satisfied that the charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of the approval of the accounts.

There are no significant financial uncertainties which the Trustees consider are a significant risk to the ability of the charity to trade as a going concern in the foreseeable future.

Funds Structure

LionHeart has one unrestricted and undesignated fund, three designated funds and no restricted funds.

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are reviewed annually.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. Expenditure is charged to the Statement of Financial Activities when incurred.

Income

Donations received directly by LionHeart are accounted for on the day of receipt or when they become entitled to them. Donations collected by third parties are accounted for as cash in third parties' hands on the date of receipt by the third party. Legacies are accounted for as soon as entitlement, probability and monetary value can be established. For investments, accounting entries are based upon the quarterly returns submitted by our investment management company.

Expenditure and Irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable to beneficiaries are accounted for where either we have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or where any condition attaching to the

grant is fulfilled. We have taken the exemption available for charity trusts registered in England and Wales from providing the names of grant recipients and the amounts of the grants.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Where possible costs are directly attributed to specific activities. Overhead and support costs which relate to more than one activity are apportioned between those activities.

Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised and are valued at depreciated historic cost. Depreciation is charged on fixed assets on a straight-line basis over their estimated useful life. The useful life of LionHeart's fixed assets is 3 years for office and computer equipment.

Intangible Assets and Amortisation

Intangibles are amortised over 3 years, with a full year's depreciation charged in the first year.

Investments

Investments are stated at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period. The fair value of the investments is the quoted bid price.

Social Investments are loans to beneficiaries. Loans are partially provided for in case of default.

The shares in Gravesend and District Property Company Ltd were disposed of within the year.

Pensions

LionHeart operates defined benefit and defined contribution (money purchase) schemes. Note 21 gives details of the defined benefit scheme. The calculations on the recognition of gains and losses and the notes are produced in accordance with FRS 102 requirements. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities. The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations. Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Debtors

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

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and monies on short term deposit, at the bank and other short-term liquid investments with original maturities of three months or less.

Creditors and Provisions

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

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Such financial instruments, except for investments classified at fair value through profit and loss, are initially recognised at transaction value and subsequently measured at their settlement value.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Trustees have determined a level of provision against the loans made to beneficiaries, this is reviewed each year.

2. Donations and Legacies

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Donations from RICS members	591	683
Other cash donations	443	248
Donated office space	0	0
Donations	1,034	931
Legacies	119	179
Unrestricted grants	10	10
Total	1,163	1,120

3. Other Trading Activities

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Trading subsidiary	0	0
Lottery income	0	6
Total	0	6

The Lottery was discontinued June 2021.

4. Investment Income

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Dividends from pooled investment funds	796	683
Investment income	151	183
Total	947	866

The above figures have been amended to show investment return as income instead of as a change in market value.

5. Cost of Raising Funds

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Costs of activities	6	1
Lottery costs	0	5
Staff costs	52	47
Total	58	53
Investment manager fees	84	110
Total	142	163

The Lottery was discontinued June 2021.

6. Charitable Expenditure by Activity

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Grant Making to Individuals		
Grants approved	449	314
Staff costs	135	117
Depreciation	0	6
Other costs	0	0
Support & Governance	118	116
Total	<u>702</u>	<u>553</u>
Advice and Beneficiary Support		
Staff costs	230	207
Depreciation	1	11
Other costs	54	47
Support & Governance	214	205
Total	<u>499</u>	<u>470</u>
Engagement and Communications		
Staff costs	218	193
Depreciation	0	10
Other costs	26	96
Support & Governance	212	182
Total	<u>456</u>	<u>481</u>
Workshops and Webinars		
Staff costs	164	155
Depreciation	1	9
Other costs	35	65
Support & Governance	229	173
Total	<u>429</u>	<u>402</u>
Total		
Grants approved	449	314
Staff costs	747	671
Depreciation	2	36
Other costs	115	208
Support & Governance	773	676
Total	<u>2,086</u>	<u>1,905</u>

All expenditure is from unrestricted funds. Support & Governance costs are also shown in note 7.

7. Analysis of Support and Governance Costs

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Grant Making to Individuals		
Staff costs	50	55
Consultancy	11	5
Information and technology costs	15	21
Other costs	22	18
Governance	20	17
Total	118	116
Advice and Beneficiary Support		
Staff costs	91	97
Consultancy	19	9
Information and technology costs	28	37
Other costs	39	33
Governance	37	29
Total	214	205
Engagement and Communications		
Staff costs	89	86
Consultancy	19	8
Information and technology costs	28	33
Other costs	39	29
Governance	37	26
Total	212	182
Workshops and Webinars		
Staff costs	97	82
Consultancy	21	7
Information and technology costs	30	31
Other costs	41	28
Governance	40	25
Total	229	173
Total		
Staff costs	327	320
Consultancy	70	29
Information and Technology Costs	101	122
Other costs	141	108
Governance	134	97
Total	773	676

All allocations are based on staff numbers.

8. Net income is stated after charging the following:

	Year Ended 31/03/2023 £000's	Year Ended 31/03/2022 £000's
Depreciation	2	36
Auditor's remuneration	16	14
Operating lease expenses incurred in the year	17	43
Total	34	94

9. Employees

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Staff costs comprise:		
Salaries	999	889
Social security costs	100	85
Other pension contributions	125	130
Total	1,224	1,104

All expenditure is from unrestricted funds.

The average number of employees during the year was 29 (2021-2022 28). Full time equivalents were 25.2 (2021-2022 24.4).

One employee earned emoluments in excess of £60,000 in the year (2021-2022 1) this was in the band £80,001 to £90,000 (2021-2022 £80,001 to £90,000). Pension contributions of £9k were made for this employee (2021-2022 £8k).

Key management personnel of the charity are those having authority and responsibility delegated to them by the Trustees for planning, directing, and controlling the activities of the charity. The total employee benefits of the key management personnel of the charity were £206k (2021-2022 £211k). The Head of Finance and Corporate Services post was vacant for 6 months of the year.

10. Trustees' and Co-Opted Members' Remuneration and Expenses

The Trustees and co-opted committee members received no remuneration during the year (2021-2022 nil). Some of the Trustees and co-opted members claim travelling and subsistence expenses and during the year a total of £4,618 was paid to 12 Trustees and co-opted committee members (2021-2022 £2,174 to 8).

11. Intangible Fixed Assets

	Year ended 31 March 2023 £000 Software Development
Cost	
At 1 April 2022	88
Additions	0
Disposals	0
At 31 March 2023	<u>88</u>
Depreciation	
At 1 April 2022	88
Disposals	0
Charge for year	0
At 31 March 2022	<u>88</u>
Net book value	
At 31 March 2023	<u>0</u>
At 31 March 2022	<u>0</u>

12. Tangible Fixed Assets

	Year ended 31 March 2023 £000 Office Equipment
Cost	
At 1 April 2022	63
Additions	0
Disposals	0
At 31 March 2023	<u>63</u>
Depreciation	
At 1 April 2022	60
Disposals	0
Charge for year	2
At 31 March 2023	<u>62</u>
Net book value	
At 31 March 2023	<u>1</u>
At 31 March 2022	<u>3</u>

13. Fixed Asset Investments

	Year ended 31/03/2023	Year ended 31/03/2022
	£'000	£'000
Market value brought forward	25,041	23,385
Add additions to investments at cost	500	1,500
Less disposals at carrying value	-80	-117
Add net gain (loss) on revaluation	-1,406	273
Market value as at 31 March	24,055	25,041

Fixed Asset Investments by Type

	Year Ended 31/03/2023 £000's	Year Ended 31/03/2022 £000's
Pooled Investment Funds	24,055	24,961
Unquoted Securities at Fair Value		
Gravesend and District Property Company	-	80
Total	24,055	25,041

During the first quarter of the year a second Investment Manager was appointed in CCLA, and 50% of the Sarasin Endowment Fund was transferred to a CCLA COIF Ethical Investment Fund.

14. Social Investments

	Year Ended 31/03/2023 £000's	Year Ended 31/03/2022 £000's
Interest Free Loans with no Fixed Repayment Date		
Paid to Beneficiaries		
Loans Outstanding at 1st April	210	221
Loans Repaid During the Year	-5	-11
Loans Outstanding at 31st March	205	210
Provision for Bad Debts on Loans		
Provision at 1st April	-131	-136
Provision Released in the Year	0	5
Provision at 31st March	-131	-131
Net Loans Outstanding at 31st March	74	79

15. Debtors

	Year Ended 31/03/2023 £000's	Year Ended 31/03/2022 £000's
Taxation Recoverable	56	44
Prepayments and Accrued Income	176	251
Other Debtors	43	104
Total	275	399

16. Creditors

	31 March 2023 £000	31 March 2022 £000
Trade creditors	73	36
Grant commitments	83	54
Accruals	65	44
Taxation and social security	26	22
Other creditors	9	2
Total	256	158

Grant Commitments

	31 March 2023 £000	31 March 2022 £000
Balance 1 April 2022	54	73
Additions	439	309
Paid	(410)	(328)
Balance 31 March 2023	83	54

17. Net Assets

	31 March 2023 Unrestricted £000's	31 March 2023 Total £000's	31 March 2022 Unrestricted £000's	31 March 2022 Total £000's
Fixed Assets	1	1	3	3
Investments	24,129	24,129	25,120	25,120
Net Current Assets	1,615	1,615	2,113	2,113
Provisions	73	73	145	145
Total	25,818	25,818	27,381	27,381

18. Movement in Funds in the Year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2023 £000
Free reserves	2,884	2,110	(2,211)	(112)	0	2,671
Income fund	23,349	0	0	412	(1,388)	22,373
Development fund	1,000	0	0	(300)	0	700
Pension reserve	145	0	(15)	0	(57)	73
Fixed asset fund	3	0	(2)	0	0	1
Restricted fund	0	0	0	0	0	0
Total	27,381	2,110	(2,228)	0	(1,445)	25,818

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2022 £000
Free reserves	2,449	1,992	(2,005)	448	0	2,884
Income fund	23,307	0	0	(250)	292	23,349
Development fund	1,200	0	0	(200)	0	1,000
Pension reserve	(232)	0	(28)		405	145
Fixed asset fund	36	0	(35)	2	0	3
Restricted fund	0	0	0		0	0
Total	26,760	1,992	(2,068)	0	697	27,381

Designated Funds

The Income Fund has been designated by the Trustees to provide future income for the charity to continue its activities indefinitely. This is predominantly made up of investment holdings.

The Development Fund was set up in 2019 to utilise some reserves to facilitate funding the objectives of the five-year strategy. Monies were transferred from the Income Fund for this.

The Pension Reserve has been designated by the Trustees to set aside funds against the deficit on the defined benefit pension scheme.

The Tangible Fixed Asset Fund has been designated by the Trustees to set aside funds for the future depreciation on fixed assets.

Restricted Fund

There are currently no restricted funds.

Transfers Between Funds

Funds have been transferred to (from) free reserves to match the necessary levels of designated funds.

19. Commitments Under Operating Leases

At 31 March 2023, the charity had one operating lease with a commitment of £37k within one year (2022 £32k) and £74k greater than one year, but less than five years (2022 £nil).

20. Capital Commitments

At 31 March 2023, the charity had no capital commitments (2022 £nil).

21. Staff Pension Schemes

Three current employees are members of the Local Government Pension Scheme which is administered by the London Pensions Fund Authority. There is also one pension member and a further three deferred members. The Local Government Pension scheme is a defined benefit (final salary) scheme. LionHeart as the employer, although not a local authority, is classified as an admitted body into the scheme. LionHeart has no influence over how the scheme operates or its investment performance. Contribution levels are set by reference to actuarial assessments that are formally reviewed by the LPFA every three years. Pension costs are accounted for on the basis of spreading the cost of pensions over employees' working lives with LionHeart. The scheme was closed to new members on 9 December 2010. Following this date new employees are offered a contribution to stakeholder pension plans. The current pension offered is operated by Royal London.

The Financial Reporting Standard 102 (FRS 102) disclosures are provided by the London Pensions Fund Authority (LPFA) on an agreed statutory basis over which LionHeart has no control. The methodology and assumptions prescribed for the purposes of FRS 102 mean that the disclosures will be inherently volatile, varying greatly according to investment market conditions at each accounting date.

FRS 102 requires disclosure of the charity's share of the assets and liabilities of the LPFA defined benefits scheme. A qualified independent actuary, appointed by LPFA, has made a valuation on 31 March 2023 based on the following assumptions:

Assumed life expectations from age 65 are:

		31 March 2023	31 March 2022
Life expectancy from age 65 (years)			
Retiring today			
	Males	21.9	23.6
	Females	23.9	23.6
Retiring in 20 years			
	Males	23.1	23.4
	Females	25.8	25.9

The estimated duration of the employer as of the 31st of March 2023 is 15 years.

The financial assumptions used to calculate the results are as follows:

	31 March 2023	31 March 2022
Financial assumptions		
	% pa	% pa
Discount rate	4.80%	2.60%
Pension increases	2.90%	3.25%
Salary increases	3.90%	4.25%

Based on these assumptions the LPFA actuary values the charity's share of the funds is as follows:

	31 March 2023 £000	31 March 2022 £000
Present value of the defined benefit obligation	1,361	2,259
Fair value of fund assets (bid value)	2,452	2,404
Deficit / (Surplus)	(1,091)	(145)
Impact of asset ceiling	1,018	
Net defined benefit liability / (asset)	(73)	(145)

The analysis of the assets of the scheme is as follows:

	31 March 2023 £000	31 March 2022 £000
Equities	1,442	1,368
Target return funds	456	518
Infrastructure	310	245
Property	241	216
Cash	3	57
Total	2,452	2,404

Reconciliation of defined benefit obligation:

Opening defined benefit obligation	2,259	2,289
Current service cost	45	47
Interest cost	59	44
Contributions by members	7	7
Estimated benefits paid, net of transfers in	(23)	(22)
Change in financial assumptions	(704)	(110)
Experience gain / (loss) on defined benefit obligation	(330)	4
Past service costs including curtailments	0	0
Change in demographic assumptions	48	0
Closing defined benefit obligation	1,361	2,259

Reconciliation of fair value of employer assets:

Opening fair value of employer assets	2,404	2,057
Interest on assets	63	40
Contributions by members	7	7
Contributions by employer, including unfunded	27	26
Return on assets less interest	(31)	299
Administration expenses	(1)	(3)
Estimated benefits paid plus unfunded transfers in	(23)	(22)
Other actuarial gains	6	0
Closing fair value of employer's assets	2,452	2,404

The total return on fund assets for the year to 31 March 2023 was £32k (2021-2022 £339k).

Amounts recognised in the Statement of Financial Activities in respect of defined benefit schemes are as follows:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Service cost	45	44
Net interest on the defined liability	(4)	(4)
Administration expenses	1	3
Total loss / (profit)	<u>42</u>	<u>43</u>

Remeasurements in other comprehensive income:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	(31)	299
Other actuarial gains / (losses) on assets	6	0
Change in financial assumptions	704	110
Change in demographic assumptions	(48)	0
Experience gain / (loss) on defined benefit obligation	330	(4)
Changes in effect of asset ceiling	(1,018)	0
Remeasurement of the net assets / (defined liability)	<u>(57)</u>	<u>405</u>

Reconciliation of asset ceiling:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Opening impact of asset ceiling	-	-
Interest on asset ceiling	-	-
Actuarial losses / (gains)	1,018	-
Closing impact of asset ceiling	<u>1,018</u>	<u>-</u>

The asset ceiling is the present value of any economic benefit available to Lionheart in the form of refunds or reduced future employer contributions. The approach taken was to restrict the surplus with an asset ceiling. The asset ceiling is calculated as the difference between the accounting surplus attributable to Lionheart and the surplus limit. The surplus limit is calculated as the future cost of accrual, calculated in line with the discount rate, minus the present value of the certified contributions payable by Lionheart.

Projected pension expense for the period to 31 March 2024

Analysis of projected amount to be charged to the statement of financial activities for the year to 31 March 2024:

	1 April 2023 to 31 March 2024 £000
Service cost	28
Net interest cost	(4)
Administration expenses	1
Total charge	25
Estimated employer's contributions	16

Estimated employer's contributions at 15% from 1 April 2023 (previous rate 25.7%).

22. Related Party Transactions

No related party transactions have been identified in the year.

23. Reconciliation of Income / (Expenditure) to Net Cashflow from Operating Activities

	Year Ended 31 March 2023 £000	Year Ended 31 March 2022 £000
Net income / (expenditure) for the year	(1,506)	216
Depreciation and amortisation	2	36
Disposal of social investment	6	11
(Gains) / losses on investments	1,388	(292)
Change of provision - bad debts	0	(6)
Defined benefit pension scheme adjustment	15	28
Returns on Investments	(947)	(866)
(Increase) / decrease in debtors	124	857
Increase / (decrease) in creditors	98	15
Net cash provided by / (used by) operating activities	(820)	(1)

24. Financial Instruments

	31 March 2023 £000	31 March 2022 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	24,055	25,041
Financial assets that are debt instruments measured at amortised cost	1,909	2,306
	<u>25,964</u>	<u>27,347</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(256)</u>	<u>(158)</u>

Financial assets measured at fair value through income and expenditure comprises investments in UK listed and unlisted securities.

Financial assets measured at amortised cost comprise cash at bank, other debtors, and accrued income.

Financial liabilities measured at amortised cost comprise grant commitments, accruals, and other creditors.

The charity's income, expense, gains, and losses in respect of financial instruments are summarised below:

	31 March 2023 £000	31 March 2022 £000
Total investment income for financial assets measured at fair value through income and expenditure	947	866
Net gains / (losses) on financial assets measured at fair value through income and expenditure	<u>(1,388)</u>	<u>292</u>

25. Reconciliation of Net Debt

	1 April 2022 £000	Cashflows	31 March 2023 £000
Cash	1,872	(276)	1,596
Finance lease obligations	0	0	0
Total	<u>1,872</u>	<u>(276)</u>	<u>1,596</u>