

**Leeds Building Society Charitable Foundation**

**(A company limited by guarantee)**

**Trustees' Annual Report and Financial Statements**

**Year ended 31 December 2022**

Registered Charity Number: 1074429

Registered Company Number: 03724612

## Reference and administrative information

Registered Company Number: 03724612

Registered Charity Number: 1074429

## Trustees

Alison Scowen (appointed 28 June 2023)  
Carla Marshall  
Christopher Bell (appointed 7 September 2022)  
David Marsh (resigned 6 January 2022)  
Dominic Charkin (appointed 28 June 2023)  
Emma Woods-Bolger (appointed 29 March 2022)  
Gary Hetherington (Chair) (resigned 29 March 2023)  
Harry Carr (resigned 21 July 2022)  
Nicola Glover (appointed 7 September 2022)  
Nigel Turner (resigned 29 June 2022)  
Susan Moreland (appointed 29 March 2022)  
Timothy Steere

All Trustees are Directors of the Charitable Foundation.

## Secretary

Imogen Graham

## Bankers

Leeds Building Society  
26 Sovereign Street  
Leeds  
LS1 4BJ

## Independent Examiners

Third Sector Accountancy Ltd  
Holyoake House  
Hanover Street  
Manchester  
M60 0AS

## Registered office

26 Sovereign Street  
Leeds  
LS1 4BJ

## Trustees' Annual Report and Directors' Report

The Trustees, who are also the Directors of Leeds Building Society Charitable Foundation for the purpose of company law, present their Annual Report together with the Financial Statements for the year ended 31 December 2022. The Financial Statements comply with the Charities Act 2011, the Companies Act 2006 and Statement of Recommended Practice "Accounting and Reporting by Charities SORP 2019" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Leeds Building Society Charitable Foundation ("the Foundation") qualifies as a small company in accordance with s382(3) of the Companies Act 2006 and this report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption, which includes an exemption from preparing a Strategic Report.

For the year ended 31 December 2022 the Foundation was entitled to exemption from audit under Chapter 3, Section 144 of the Charities Act 2011. In accordance with Section 145 of the Charities Act 2011 the Trustees have elected for the Financial Statements to be examined by an independent examiner.

## Structure, Governance and Management

### *Governing Document*

The Foundation is a company limited by guarantee, incorporated on 26 February 1999. The Foundation was established under a Memorandum and Articles of Association which established the objects and powers of the Foundation. It was established, pursuant to a Framework Agreement between the Foundation and Leeds Building Society ("the Society"). The Society is considered to be the Foundation's only related party as it is complementary to and supportive of the Foundation's objectives.

### *Appointment of Trustees*

The Articles of Association provide that the number of Trustees shall be not more than eight, and no more than three may be Directors, officers or employees of the Society. Any such appointment is made by notice in writing signed on behalf of the Society and takes effect when the notice is lodged at the office of the Foundation or produced at any meeting of the Board of Trustees. Each of the remaining Trustees, who must not be connected to the Society, may be proposed by the other Trustees and appointed by resolution passed at a meeting of the Board subject to approval by the Society. The Trustees are the Directors of the Foundation.

There is no formal Trustee training programme in place; however, all of the Trustees have experience of working with or within charitable organisations. One or more of the Trustees and Secretary attend the meetings of the Yorkshire Grant Makers' Forum and feedback any current matters to the other Trustees via the Trustee meetings.

The Trustees did not receive any remuneration or any other benefits from the Foundation during the current or prior year.

### *Organisational Structure*

The Board of Trustees administers the Foundation. To facilitate effective operations the Trustees have delegated authority, within terms of delegation approved by the Trustees, for operational matters to the Company Secretary.

### *Risk Management*

The Trustees have examined the major strategic business and operational risks which the Foundation faces and confirm that processes have been established to enable the necessary steps to be taken to reduce the impact of these risks. The key risks are the financial risk of misappropriation of funds, the operational risk of inappropriate donations being made and the reputational risk of donations being made to a charity that does not meet the criteria. The Trustees monitor these risks closely and consider the controls in place to mitigate the risks to be appropriate.

Following detailed due diligence procedures, the Trustees review all applications and confirm that they are compliant with the Foundation's criteria. The Trustees then approve the payment of charitable donations depending on the strength of the application and how closely it aligns to the Foundation's purpose; to support people in need of a safe and secure home.

### *Going concern*

The activities of the Foundation are dependent upon the future level of funding received. The annual donation from the Society increased in 2022 from £90,000 to £300,000. This was received as a pro-rata donation of £186,868 in 2022 and this will rise to £300,000 per year from 2023 onwards.

Despite the volatile economic environment and cost of living crisis, the Foundation has increased its level of income when compared to the previous financial year. AGM funding (£3,317) and the annual Society donation (£90,000) were both received by the Foundation during May and June 2022 respectively. The Foundation received a further donation of £96,868 from the Society in September 2022, reflecting the increased Society donation which was pro-rated in 2022. Furthermore, income from the 'Your Interest in Theirs' member scheme of £39,816 was received during February 2022. The Foundation does not have any overhead costs.

## Trustees' Annual Report and Directors' Report (continued)

### Structure, Governance and Management (continued)

#### *Going concern (continued)*

The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the 12 months from the date of signing the financial statements. Thus they have adopted the going concern basis of accounting in preparing the Trustees' Report and Financial Statements.

#### **Objectives and activities**

The Foundation's income is utilised for the purposes of achieving the objectives for which the Foundation was established as set out in the Foundation's Memorandum of Association: "to promote such purposes being exclusively charitable according to the law of England and Wales as the Directors ("Trustees") of the Foundation shall from time to time determine and therefore the objects meet public benefit requirements."

In 2022, the Board of Trustees carried out a strategic review of the Foundation's purpose and grant giving. Following this review, the Foundation adopted a new purpose 'to support people in need of a safe and secure home' in July 2022. The Trustees identified six criteria themes that applications need to align with under the purpose; sustainability, health, financial stress, accessibility, education and advice, and security and refuge.

The Trustees confirm that they referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and future activities.

Following the development of the new purpose and funding themes, the Foundation re-launched their small grant giving programme for UK-registered charities with a turnover of under £1,000,000. The small grants range between £250 to £1,000 for capital expenditure relating to practical items and equipment for charities that meet the new purpose.

In September 2022, the Foundation launched a new large grant programme as a result of the strategic review and increased annual donation from the Society. Large grants are for a minimum of £25,000 to a maximum of £100,000 and can be split across one, two or three years. The large grants fund core, project and/or capital costs for new or existing work by a UK-registered charity. The Trustees decided to take a location-based approach to large grants, accepting applications from organisations based in or delivering work in Yorkshire and/or the North East of England to align with the Society's head office and contact centre locations.

The Trustees meet four times a year to consider requests for funding in March, June, September and November.

#### **Achievement and performance**

For the year under review, small grants totalling £69,611 (2021: £151,153) have been made to registered charities. Charities which have benefited include those working in the following areas: support for the homeless; centres offering facilities for the local community with emphasis on the young and elderly; skills training for young people with special needs; provision of transport for the physically disabled; practical equipment for the terminally ill; and recreational and educational opportunities for children and young people from disadvantaged backgrounds.

Following on from the launch of the large grant programme, the Trustees awarded the first large grants in November 2022. The Trustees approved large multi-year grants to five charities and the first payments were made in early 2023, totalling £131,924, plus £23,779 in small grants.

#### **Financial review**

There was total income of £242,679 (2021: £142,759) and total expenditure of £203,035 (2021: £151,153) resulting in net surplus for the financial year of £39,644 (2021: deficit £8,394).

#### *Reserves Policy*

It is the policy of the Foundation to maintain unrestricted funds, which are the free reserves of the Foundation at a level which provides sufficient funds to respond to emergency applications for grants which arise from time to time along with cover for management, administration or support costs should they not be funded by the Society. There is no further policy with regards to reserves. At 31 December 2022 the unrestricted funds were £82,687 (2021: £43,043), of which the Trustees have approved £23,779 in small grants to be paid in early 2023.

#### **Plans for future periods**

The Trustees will continue the strategic approach to the Foundation's grant making, in line with its purpose 'to support people in need of a safe and secure home'. The Board have agreed meeting dates for 2023 in March, June, September and November. A review of the impact of its grant giving will take place towards the end of 2023, when its new purpose and large grant programme will have been running for a year.

After nine years on the Board, the Foundation's Chair Gary Hetherington announced his resignation in November 2022, with his final Board meeting taking place in March 2023. The Company Secretary has started the recruitment process for a new Chair and existing Trustees will act as interim Chair on a rotating basis for the June and September 2023 meetings.

Signed on behalf of the Trustees



Imogen Graham

Secretary

11 / 10 / 2023

### Trustees' Responsibilities Statement

The Trustees (who are also Directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these Financial Statements, the Trustees are required to:

- select appropriate accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice ('SORP');
- make judgments and estimates that are reasonable and prudent;
- in respect of the Financial Statements, 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 Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report to the trustees of Leeds Building Society Charitable Foundation

I report on the accounts of the charity for the year ended 31 December 2022 set out on pages 7 to 11.

### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Scott Lockwood ACA  
Third Sector Accountancy Limited  
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12 / 10 / 2023

## Statement of Financial Activities (including Income and Expenditure Account)

	Note	31 December 2022 £	Restated 31 December 2021 £
<b>Income from:</b>			
Donations and legacies	8	241,949	142,090
Investments		730	669
<b>Total income</b>		<b>242,679</b>	<b>142,759</b>
<b>Expenditure on:</b>			
Charitable activities	3	(203,035)	(151,153)
<b>Total expenditure</b>		<b>(203,035)</b>	<b>(151,153)</b>
<b>Net surplus for the year</b>		<b>39,644</b>	<b>(8,394)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward at 1 January		43,043	51,437
Net movement in funds for the year		39,644	(8,394)
<b>Total funds carried forward at 31 December</b>		<b>82,687</b>	<b>43,043</b>

All income and expenditure is derived from continuing operations of the Foundation. All funds are unrestricted.

The charitable company has no other recognised gains or losses other than those listed above and the net surplus for the year.

The accounting policies and notes on pages 9 and 11 form part of these Financial Statements.



## Balance Sheet

	Note	31 December 2022 £	Restated 31 December 2021 £
<b>As at 31 December 2022</b>			
<b>Current assets</b>			
Cash at bank and in hand		172,173	3,227
Debtors	4	42,438	39,816
<b>Total current assets</b>		<b>214,611</b>	<b>43,043</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	131,924	-
<b>Total current liabilities</b>		<b>131,924</b>	<b>-</b>
<b>Net assets</b>		<b>82,687</b>	<b>43,043</b>
 Total unrestricted funds		 <b>82,687</b>	 <b>43,043</b>

The accounting policies and notes on pages 9 and 11 form part of these Financial Statements.


For the year ended 31 December 2022 the Foundation was entitled to exemption from audit under Chapter 3, Section 144 of the Charities Act 2011. In accordance with Section 145 of the Charities Act 2011 the Trustees have elected for the Financial Statements to be examined by an independent examiner.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime, in accordance with the Companies Act 2006.


For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The Financial Statements of the Foundation were approved and authorised for issue by the Trustees on 20 September 2023 and were signed on their behalf by:

  
Emma Woods-Bolger  
Trustee

11 / 10 / 2023

  
Timothy Steere  
Trustee

11 / 10 / 2023

Registered Charity Number: 1074429

Company Registered Number: 03724612

## Notes to the Financial Statements

### 1. Accounting policies

The Foundation, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. At the end of the year there were seven Trustees, three of whom are also employees of the Society. Each Trustee member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The Foundation is a registered charity. The registered office is given on page 1.

The principal accounting policies are set out below. In the application of the Foundation accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider that there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below:

#### Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation qualifies as a small company in accordance with s382(3) of the Companies Act 2006 and the Financial Statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption, which includes an exemption from preparing a Cash Flow Statement.

The presentation and functional currency of these financial statements is sterling.

#### Going concern basis

As stated previously in the Trustees' Annual Report and Directors' Report, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the annual Financial Statements.

#### Income

Income is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income represents income receivable from short term deposits. All donations and legacies are from the Society and its members. Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

#### Donated goods and services

Gifts in kind and donated services are included at the lower of their value to charity and their estimated market value. A corresponding amount is then recognised in expenditure in the period of receipt.

#### Expenditure - charitable activities

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grant expenditure represents donations to registered charities approved by the Trustees and is recognised when communicated to the recipient in line with the SORP. Where there are annual reviews upon which future grants are conditional, these future payments are not recognised as a liability until all conditions are met.

#### Cash at bank and in hand

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

#### Financial instruments

The Foundation 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.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### Taxation

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

### 2. Prior period adjustment

#### FRS102 Charity SORP Income Recognition

A prior period adjustment has been made to present the 'Your Interest in Theirs' donation received from the Society in accordance with the FRS102 Charity SORP grants and donations income recognition policy.

	£
Funds brought forward as at 1 January 2021 as previously stated	2,282
'Your Interest in Theirs' donation FRS102 Charity SORP income recognition adjustment	49,155
<b>Funds brought forward as at 1 January 2021 as restated</b>	<b>51,437</b>

	£
Funds brought forward as at 1 January 2022 as previously stated	3,227
'Your Interest in Theirs' donation FRS102 Charity SORP income recognition adjustment	39,816
<b>Funds brought forward as at 1 January 2022 as restated</b>	<b>43,043</b>

### 3. Charitable activities

All grants were made to institutions, not individuals.

*Small grants:* The total of these grants was £69,611 with most grants being less than £1,000, and the highest grant being £1,400. In the year, a total of 81 small grants were made (2021: 158).

*Large grant programme:* During the year, the Foundation launched a new large grant programme and 5 grants were made.

Direct Costs	2022 £	2021 £
Small grants - type of activity:		
Disadvantage	21,377	27,477
Illness	2,000	6,945
Poverty	4,078	20,860
Social inclusion	3,185	22,462
Mental or physical disability	17,301	41,927
Homelessness	4,950	14,280
Caring responsibilities	2,627	8,202
Education/advice	3,567	-
Security/refuge	4,674	-
Health	4,732	-
Accessibility	1,120	-
Large grant programme	131,924	-
<b>Total direct costs</b>	<b>201,535</b>	<b>142,153</b>
<b>Support costs</b>		
Governance costs – independent examiner / audit fee (donated services)	1,500	9,000
<b>Total costs</b>	<b>203,035</b>	<b>151,153</b>

## Notes to the Financial Statements (continued)

### 4. Debtors

	31 December 2022 £	Restated 31 December 2021 £
Accrued income	<u>42,438</u>	<u>39,816</u>
<b>Debtors</b>	<u><b>42,438</b></u>	<u><b>39,816</b></u>

Accrued income represents donations owed from the Society's 'Your Interest in Theirs' scheme. This total donation amount was received in February 2023.

### 5. Creditors

	31 December 2022 £	31 December 2021 £
Large grants payable	<u>131,924</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	<u><b>131,924</b></u>	<u><b>-</b></u>

### 6. Management and administration of the Foundation

Administration services are provided by the Society free of charge and it is not possible to determine a reliable value of these donated services. There were no employees of the Foundation during the year (2021: none) and no recharges have been made by the Society for the service of its employees.

### 7. Trustees' expenses

Total Trustees' expenses reimbursed or paid on their behalf during the financial year amounted to £nil (2021: £nil).

None of the Trustees received any remuneration in the current or prior year.

### 8. Related party transactions

During the year, the Foundation received donations of £186,868 (2021: £90,000) from the Society. It also received £42,438 (2021: £39,816) from the Society's 'Your Interest in Theirs' scheme, and AGM incentive schemes and survey donations of £3,317 (2021: £3,180).

Fees for the independent examination of these Financial Statements are paid on the Foundation's behalf by the Society. The fee for the financial year amounted to £1,500.

Since all administration services are provided by the Society, there are no key management personnel beyond the Trustees and therefore no disclosure of key management personnel remuneration is given.

Apart from the above, no trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2021: nil).