

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales · Charity number 1146710

Details

Status Registered

Legal form Charitable company

Company number [07890553](#)

Registered 2012-03-30

Register [View on the Charity Commission register](#)

Contact

Address Temple House
Fen End Road West
Temple Balsall
Knowle
Solihull
B93 0AN

Phone 01564772415

Email mastersoffice@leveson.org.uk

Website www.leveson.org.uk

Activities

Objects: 1. TO RELIEVE ELDERLY PEOPLE AND THOSE IN POOR HEALTH WHO ARE IN NEED BY PROVIDING ACCOMMODATION, SERVICES OR FACILITIES CALCULATED TO RELIEVE THE NEEDS OF SUCH PERSONS.2. TO ADVANCE THE EDUCATION OF THE PUPILS THROUGH THE EDUCATIONAL FOUNDATION.3. TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE SUBJECT OF AGEING, SPIRITUALITY AND SOCIAL POLICY.4. TO ADVANCE THE CHRISTIAN RELIGION FOR THE BENEFIT OF THE PUBLIC.

Activities: To relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities to relieve the needs of such persons.To advance the education of the pupils through the Educational Foundation.To advance the education of the public in the subject of ageing, spirituality and social policy.To advance the Christian religion for the benefit of the public.

Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Accommodation/housing, Religious Activities
- **Who:** Children/young People, Elderly/old People

Geography

- Solihull
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£2,632,393	£1,963,455	£23,230,145	35
2024-06-30	£1,948,116	£1,905,424	£22,486,128	35
2023-06-30	£1,895,373	£1,745,991	£21,956,503	33
2022-06-30	£1,783,686	£1,669,007	£21,855,415	31
2021-06-30	£1,975,653	£1,571,136	£22,086,563	34

Trustees

Name	Role	Appointed
Carol Anne Matthews		2025-05-21
Clare Diana Hopkinson		2025-05-21
Councillor Andrew Stephen Burrow		2025-05-21
DAVID BELL		2025-05-21
Jonathan Evans		2025-05-21
MICHAEL FETHERSTON-DILKE		2025-05-21
Nicola Hammett		2025-05-21
Robert John Macpherson		2025-05-21
THE RT HON VISCOUNT JAMES DAVENTRY		2025-05-21
WILLIAM MATTHEW STRATFORD DUGDALE		2025-05-21

Linked charities

- THE HOSPITAL OF THE LADY KATHERINE LEVESON (1146710-1)
- THE TEMPLE BALSALL AMALGAMATED CHARITIES (1146710-2)
- THE SARACEN'S HEAD CHARITY (1146710-3)
- THE COVENTRY DOLE (1146710-4)
- HUDDSFORD'S CHARITY (1146710-5)
- KNIGHT'S CHARITY (1146710-6)
- LUDFORD'S CHARITY (1146710-7)
- MARSH'S CHARITY (SHARE) (1146710-8)
- FRECKLETON'S CHARITY (1146710-9)

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales - Charity number 1146710

Accounts

**The Foundation of Lady Katherine Leveson
Financial Statements
Year Ended 30 June 2025**

Charity registration number: 1146710
Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Year ended 30 June 2025

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The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

The governors and officers who have served during the year and since the year end were as follows:

Governors of the Charity

Elected governors	Jonathan Evans OBE <i>Chairman</i> Rt Hon Viscount Daventry Sir William Dugdale Bt Michael Fetherston-Dilke Nicola Hammett Clare Hopkinson Robert Macpherson Carol Matthews
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Governors nominated by Solihull MBC	Alderman David Bell Councillor Andrew Burrow
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Officers of the Charity

Master	Revd Debbie Collins
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Bailiff	Sue Woodman ACA
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Care manager	Jonathan Blancaflor
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Property and Estate Manager	Paula Edwards (appointed 18 November 2024)
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Patron governors	Rt Hon the Earl of Aylesford Rt Revd Michael Volland, Bishop of Birmingham (appointed 10 November 2024)
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The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

Charity registration number	1146710
Company registration number	07890553
Registered office	Temple House Temple Balsall Knowle Solihull B93 0AN
Auditor	Dafferns Audit Limited Chartered Accountants and Statutory Auditor One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment managers	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU Property Income Trust for Charities Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3PT Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET EFG Private Bank – Harris Allday Division 5 th Floor 103 Colmore Row Birmingham B3 3AG

The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

The Foundation's values – compassion, inclusivity, respect, integrity and stewardship

OVERVIEW OF THE YEAR

2024 was the 350th anniversary of the death of Lady Katherine Leveson whose generous bequests created the Foundation at Temple Balsall, with its main aims of helping people in need of care and support, and of promoting children's education. 350 years on, those aims still shape the ethos of the Foundation – in our care home with its staff team dedicated to giving loving care and support around the clock; in our highly-regarded school where children are encouraged 'to learn, love and live with joy', and in our faithful church community which seeks 'to be a welcoming and caring church where all people are included'.

During the year, the Foundation continued to produce a financial surplus on its day-to-day operations (details below). However this was insufficient to cover substantial capital costs incurred mainly on the renewal of the care home's heating system – a project which in total will cost over £750k. The project has been a major undertaking causing considerable disruption to residents and staff alike. The Governors are grateful to them for their understanding and forbearance while the work is being carried out.

While there are always improvements that can be made, the care home continues to run at a high standard. The CQC rating is 'Good' and the satisfaction score on the carehome.co.uk site is 9.7 out of 10. The Governors congratulate the care manager and all of his team on another year of dedicated commitment to ensuring that our residents have the highest standard of care we can give them.

As foreshadowed in last year's report, the Temple Balsall Amalgamated Charities – a local charity which has provided financial support to our residents in need of help – has been transferred with all of its assets totalling £462k to the Foundation, which will continue to be used for the benefit of the care home and its residents.

Under the inspiring and creative leadership of our Master in her role as Vicar of St Mary's, the church continues to be the beating heart of the Foundation. A specially commissioned and imaginative art project for the 350th anniversary – 'Our Beating Heart' - was completed during the year. New methods of achieving church growth are being explored and – so appropriate for our setting – there is a strong emphasis on the beauty of creation and the preservation of the natural world. While the running of the church is the responsibility of the Parochial Church Council, the Foundation provides financial support for administration and specific projects.

Since September 2020, the Lady Katherine Leveson primary school has been part of the Birmingham Diocesan Multi-Academy Trust which has day-to-day responsibility for the management and development of the school. The school reported excellent SATS results in the year – the best in Solihull Borough - and has a 'Good' Ofsted rating. Despite these successes and mainly due to its remote location with few families living nearby, the school faces a challenge in filling all its places. The Governors take a keen interest in the wellbeing of the school and, during the year, approved some financial support for the maintenance of teacher to pupil ratios in the face of financial pressure from falling rolls.

Mr Neil Kitching resigned as Head teacher in July 2025 and Mrs Laura Anderson was appointed in his stead. The trustees wish to thank Mr Kitching for his strong and effective leadership of the school during his tenure as Head teacher, and wish him well for his future career.

As we move further into the 21st century, the Foundation faces challenges. The economics of running the care home are increasingly volatile, relying on high occupation levels and a ready supply of qualified professional staff living within easy reach – not easily achieved given the relative remoteness of the Temple Balsall hamlet with its tiny population. The school has financial pressures as it operates with spare capacity, needing to attract children from further afield to fill its roll; and while the church has an active and lively congregation, there are few actual Temple Balsall parishioners to fill the pews.

The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

Lady Katherine's endowment provides some financial buffer to support operations, but it is inadequate fully to develop the Temple Balsall estate – the care home's historic buildings are in constant need of expensive maintenance, while other properties on the site await restoration and development. The governors have wrestled with this for some time and continue to seek the best solution for the future use of the various unused buildings. A current potential opportunity comes from the Government's housing strategy: an expansion of the Temple Balsall hamlet with homes built on Foundation land could be transformational, leading to more children for the school, more on-site staff for the care home, more parishioners for the church, and more economic activity to underpin the Foundation's aims.

The year ahead could be one of the most momentous in the Foundation's 350-year history.

In conclusion, the Governors wish to express their great thanks to the Master and her team, the care home team, the Head Teacher and her staff, the churchwardens and all involved in the church, for the tremendous contribution they all make to ensuring that the Foundation continues to live out the intentions of Lady Katherine Leveson 350 years ago.

GOVERNANCE

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee (charity number 1146710 and company number 07890553).

The affairs of the historic charity and the company were brought together under a linking order dated 22 June 2012 under which order these accounts are prepared. In addition, during the year the charity also received a donation transfer of the Temple Balsall Amalgamated Charities (charity number 215506). A further linking order dated 21 May 2025 brings together the affairs of this gifted charity with the Foundation and under which order these accounts are also prepared.

The company is governed by its Articles and Memorandum of Association dated 15 December 2011.

OBJECTS OF THE FOUNDATION

Lady Katherine Leveson, who died in 1674, provided endowments in her will for almshouses, the church and the school at Temple Balsall.

The present-day objects of the Foundation are to:

- relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities calculated to relieve the needs of such persons.
- advance the education of the pupils through the Educational Foundation.
- advance the education of the public in the subject of ageing, spirituality and social policy.
- advance the Christian religion for the benefit of the public.

CONNECTED CHARITIES

The board of governors consider the Foundation of Lady Katherine Leveson to be connected to the charities listed below, since they have right to appoint governors to the boards:

- The Hospital of Lady Katherine Leveson – Charity registration number: 1146710-1
- The Temple Balsall Amalgamated Charities - Charity registration number: 1146710-2

MANAGEMENT

The strategic direction of the Foundation and oversight of its activities are the responsibility of the Board of governors which meets as necessary, generally bi-monthly. The Board aims to recruit governors who live

The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

locally with a range of appropriate technical skills and experience and provides a full induction into the day-to-day activities of the Foundation as part of the appointment process. Solihull Metropolitan Borough Council is entitled to appoint two governors: the current appointees both live nearby and bring valuable local knowledge and support.

Day-to-day management of the Foundation is vested in the senior management team comprising the Master (who is also Vicar of St Mary's church), the Bailiff (a qualified accountant who is also Company Secretary), the Care Manager, and the Property and Estate Manager.

PRINCIPAL ACTIVITIES

The Foundation today provides supported housing accommodation and residential care for the elderly in a Christian environment, together with support for St Mary's church and the Lady Katherine Leveson Church of England Primary school.

The Foundation offers accommodation for up to 51 residents; the Court has 29 apartments providing residential care, with 16 independent living flats housing up to a further 22 people living more independently.

The management have previously registered 4 of the independent living flats to accommodate residential care if required and continue to review the remaining independent living flats to ensure their best and most flexible use to meet the needs of both residential and independent living residents.

FINANCIAL RESULTS

The governors present their report and the audited financial statements of the charity for the year ended 30 June 2025. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity published in October 2019.

The financial results of the Foundation for the year ended 30 June 2025 are set out in detail on page 12. These show the performance of the Foundation's housing operations - residential care and independent living housing - and of its investments. The governors regard these as separate but related activities and the notes to these accounts provide analysis of the financial performance of each in notes 4 to 14.

The Foundation generated an operating surplus of £207k (2024 - £43k); in addition, there were unrealised net investment gains on the quoted investment portfolios of £75k (2024 - £487k) generating an overall gain of £282k (2024 - £530k). With the transfer of the TBAC funds during the year of £462k, the net movement in funds in the year was £744k.

The Foundation's core operations (as represented by the movement in unrestricted funds) generated a surplus before investment gains for the year of £193k (2024 - £31k). However, as the analysis in note 14 shows, the cost of operating the care home, when including the £267k notional rent of the buildings in which it operates, generates a loss as in previous years.

The property improvements designated reserve had a balance as at 30 June 2025 of £600k (2024 - £950k), part of this fund being utilised to support the heating works during the year. There is also a major repair fund with a balance at 30 June 2025 of £235k (2024 - £233k) held with Sarasin & Partners LLP. All property repairs during the year were funded directly from unrestricted funds. The completion of the project to replace the main boilers in the care home during the previous financial year at a cost of £448k was followed by further property improvement work - still in progress - to replace the radiators and pipework within the care home, incurring additional expenditure last year of £29k and this year of £298k, taking the total spent to date on heating replacement works to £775k.

The Foundation's total funds are £23.2 million (2024: £22.5 million) of which £18.9 million (2024: £18.8 million) are restricted.

The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

FUNDS

Transfers to/from reserves are considered on an annual basis depending on future expectations of needs and events. Amounts are transferred to designated funds to enable future amounts to be expended on maintaining and improving the property portfolio.

INVESTMENT POLICY

The Foundation's investment objective is to maximise the total investment return over the longer term without taking undue risk, principally achieved by investing in a well-diversified portfolio of equities and fixed interest investments through the use of pooled funds, with the principal fund manager being Sarasin & Partners.

The governors invest separately in property pooled funds managed by Mayfair Capital Investment Management Limited and the Charities Property Fund which provide attractive income yields from portfolios of diversified commercial property.

The total return on the endowment investments was £170k; £127k relates to investment income which has been used to fund the aims of the charity on a day-to-day basis during the financial year. With only a small increase in market value on the endowment investment portfolio during the year, the decision has been made to add the total £43k increase to the unapplied total return fund for future use by the Foundation.

FUNDRAISING

The Foundation does not contract with a third party to undertake any fundraising activities on its behalf.

PUBLIC BENEFIT

The governors confirm that they have paid due regard to the guidance given by the Charity Commission and confirm their belief that the Foundation's purpose is for public benefit.

RISK

The governors have established a comprehensive range of procedures in order to minimise risk to the Foundation's activities, including clear terms of reference for all committees, a governance structure with clear organisational lines of reporting and regular operational review of disaster planning and crisis management strategy. Major risks have been reviewed and systems and procedures have been established to manage these risks.

RESERVES POLICY

The governors continue to ensure that sufficient reserves are maintained to finance the day-to-day running of the Foundation's activities.

FIXED ASSETS

Movements in tangible fixed assets and fixed asset investments are disclosed within the notes to the accounts.

PAY POLICY FOR SENIOR STAFF

The remuneration for the management team is reviewed by the governors who use benchmarking against comparable organisations along with an assessment of market rates and consideration of performance.

The Foundation of Lady Katherine Leveson

Governors' report

Year ended 30 June 2025

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors for purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing these financial statements, the governors 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 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 Foundation will continue in operation.

The governors are responsible for keeping accounting records that disclose with reasonable accuracy at any time 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.

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

In accordance with company law, as the company's directors, the governors certify that:

- there is no relevant audit information of which the company's auditors are unaware and that, as directors of the company,
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of this information.

AUDITORS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.



Jonathan Evans OBE

ON BEHALF OF THE GOVERNORS

Dated 26 November 2025

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2025

Opinion

We have audited the financial statements of The Foundation of Lady Katherine Leveson (the 'charitable company') for the year ended 30 June 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2025

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2025

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, set out on page 6, the governors (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 governors 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 governors 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 governors 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.

- Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2025

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.



Lucy Hatton FCCA
for and on behalf of Dafferns Audit Limited
Chartered Accountants and Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 16 December 2025

The Foundation of Lady Katherine Leveson

Statement of financial activities (incorporating the income and expenditure account)

Year ended 30 June 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income from:						
Donation from TBAC	4	373	-	89	462	-
Donations and legacies	4	3	20	-	23	24
Charitable activities	5	1,782	-	-	1,782	1,534
Other trading activities	6	2	-	-	2	2
Investments	7	236	-	127	363	387
Other income	8	-	-	-	-	1
Allocated to income from unapplied total return	9	127	-	(127)	-	-
Total income		2,523	20	89	2,632	1,948
Expenditure on:						
Property management	10	(312)	(2)	-	(314)	(255)
Charitable activities	11	(1,645)	(4)	-	(1,649)	(1,650)
Total expenditure		(1,957)	(6)	-	(1,963)	(1,905)
Net income before investment gains and losses		566	14	89	669	43
Net unrealised gains/ (losses) on investments	19, 20	32	-	43	75	487
Net income after gains/ (losses) on investments		598	14	43	744	530
Transfers between funds	25	24	(24)	-	-	-
Net movement in funds	25	622	(10)	132	744	530
Reconciliation of funds:						
Total funds brought forward	25	3,652	46	18,788	22,486	21,956
Total funds carried forward	25	4,274	36	18,920	23,230	22,486

All income and expenditure derive from continuing activities.

For the purpose of reporting under the Companies Act 2006, net income after gains and losses on investments, excluding the £43k gain on endowment investments (2024: £346k gain) is £701k (2024: £184k).

The notes on pages 15 to 29 form part of the financial statements.

The Foundation of Lady Katherine Leveson

Balance sheet

Year ended 30 June 2025

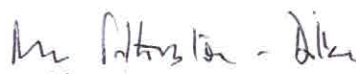
	Note	2025		2024	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		5,103		4,731
Investments	19		16,673		16,191
			21,776		20,922
Current assets					
Investments	20	835		1,083	
Stocks	21	2		2	
Debtors	22	144		187	
Cash at bank and in hand		924		716	
		1,905		1,988	
Creditors: amounts falling due within one year	23	(451)		(424)	
Net current assets			1,454		1,564
Net assets			23,230		22,486
Charity funds					
Permanent endowment	25		18,920		18,788
Restricted funds	25		36		46
Unrestricted funds:					
- Income and expenditure fund	25	2,892		1,927	
- Designated funds	25	1,382		1,725	
		4,274		3,652	
	26		23,230		22,486

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the governors and authorised for issue on 26 November 2025.

Signed on behalf of the Board of governors



Jonathan Evans OBE, Chairman



Michael Fetherston-Dilke, Governor

The notes on pages 15 to 29 form part of these financial statements.

Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Statement of Cash Flows

Year ended 30 June 2025

	Note	2025 £'000	2024 £'000
Cash flow from operating activities	27	9	(300)
Net cash flow from operating activities		9	(300)
Cash flow from investing activities			
Tangible fixed assets acquired		(468)	(578)
Transfer of funds from a higher rate savings account		250	-
Interest received		48	61
Dividends received		175	179
Rents received from investment properties		140	147
Net cash flow from investing activities		145	(191)
Net increase in cash and cash equivalents		154	(491)
Cash and cash equivalents at 1 July 2024		716	1,207
TBAC cash received during the year		54	-
Cash and cash equivalents at 30 June 2025		924	716
Cash and cash equivalents consist of:			
Cash at bank and in hand		924	716
Cash and cash equivalents at 30 June 2025		924	716

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

1 General information

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee, incorporated and domiciled in England (Company number 07890553, Charity number 1146710). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described on page 3.

2 Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice.

The Foundation 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.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1k.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The governors consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aims and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aims and use of each restricted fund are set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the Foundation, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the permanent endowment fund.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

2 Principal accounting policies (continued)

(c) Income resources

All incoming resources are included in the statement of financial activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Foundation where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(d) Resources expended

All expenditure is accounted for on an accruals basis when a liability is incurred and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generated funds are those costs attributable to generating incoming resources for the Foundation. Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. Governance costs include those incurred in the governance of the Foundation and are primarily associated with constitutional and statutory requirements.

(e) Tangible fixed assets

Tangible fixed assets, except the care home and related buildings, are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	25% straight line
Motor vehicles	10% straight line
Refurbishment fixtures and fittings	10% straight line
Major boiler and heating replacement	4% straight line

(f) Care home and related buildings

The care home and related buildings are included at valuation based on the depreciated replacement cost basis. They are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. The annual charge for depreciation is £Nil.

(g) Fixed asset investments

Properties held as fixed asset investments are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. No records exist for the original cost in respect of the majority of the property. Fixed asset investment properties are held at current valuation. Fixed asset investments in listed securities are held at market value.

Realised gains and losses on disposal and unrealised gains and losses arising on revaluation of investments are both recognised in the statement of financial activities.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

2 Principal accounting policies (continued)

(h) Current asset investments

Current asset investments include funds which may be required at short notice.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Donations received

Donations are disclosed as income in the statement of financial activities when received. Those donations which are received for specific purposes are carried forward in restricted funds to the extent that they have not been expended in the year.

(l) Pension costs

The Foundation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Foundation.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services.

(m) Routine maintenance

The governors have established a regular programme of cyclical repairs and maintenance. Costs are charged in the year in which they are incurred.

(n) Major repairs

Costs of major repairs, unless representing improvements to the properties, are charged in the year in which they are incurred.

(o) Value added tax

In these financial statements, where applicable, expenditure is shown inclusive of VAT as the Foundation is not registered for VAT.

(p) Website costs

Costs relating to website design and maintenance are expensed in the year in which they are incurred.

(q) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

3 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed asset valuation

The care home and related buildings were valued by Barlow Associates as at 30 June 2016 using a depreciated replacement cost basis to establish a deemed cost at the FRS102 transition date. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The following are the charity's key sources of estimation uncertainty:

Fixed assets investments

The valuation of the permanent endowment properties was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profile of the balance and the historical experience.

4 Income from donations and legacies

	2025 £'000	2024 £'000
Donations	13	9
Legacies	10	15
	<hr/>	<hr/>
	23	24

Income from donations and legacies was £23k (2024: £24k) of which £20k (2024: £19k) was attributable to restricted and £3k (2024: £5k) to unrestricted funds.

In November 2024, the trustees of Temple Balsall Amalgamated Charities (TBAC) generously donated all its assets to the Foundation totalling £462k in value, £89k attributable to restricted and £373k to unrestricted funds. Since year end, the Charity Commission have approved the Foundation governors' resolution under s.282 of the Charities Act 2011 to spend the endowment asset of £89k as if it were income.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

5 Income from charitable activities

	2025	2024
	£'000	£'000
Residential care	1,418	1,227
Independent living accommodation	149	139
Respite care	153	129
Domiciliary care	58	36
Other income	4	3
	<hr/>	<hr/>
	1,782	1,534
	<hr/>	<hr/>

As part of its charitable aims, the Foundation supported a number of residents with contributions towards their fees during the financial year to the value of £45k (2024: £42k).

All income was attributable to unrestricted funds.

6 Income from trading activities

Income from trading activities was £2k (2024: £2k) of which all was attributable to unrestricted funds.

7 Income from investments

	2025	2024
	£'000	£'000
Dividend and interest income	223	240
Rental income	140	147
	<hr/>	<hr/>
	363	387
	<hr/>	<hr/>

Income from investments – stated net of management fees - was £363k (2024: £387k) of which £127k (2024: £135k) was attributable to endowment and £236k (2024: £252k) was attributable to unrestricted funds.

8 Other income

The charity received no other income this year (2024: £1k).

9 Permanent endowment invested on a total return basis

The charity has exercised its rights under section 104(A) of the Charities Act 2011 with effect from 30 June 2019. This power permits the governors permanently to invest endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised, it allows the governors to apply an appropriate portion of the unapplied total return to income each year.

During the current year the total return on the endowment investments was £170k (2024: net gain of £481k); the governors transferred £127k (2024: £135k) of investment income received to fund the aims of the charity on a day to day basis. With only a small increase in market value on the endowment investment portfolio during the year, the decision has been taken to add the total £43k increase to the unapplied total return fund for future use by the Foundation (2024: gain of £196k). In 2024, £150k was added to the capital value of the underlying endowment investment portfolio to maintain its value and to ensure the value of these investments does not get diminished by inflation in the longer term.

	Endowment for investment £'000	Unapplied total return £'000	Permanent endowment investments £'000
At 1 July 2024	2,502	1,900	4,402
<u>Movements</u>			
Investment income	-	127	127
Gains / (losses)	-	43	43
	-	170	170
Unapplied total return allocated to income	-	(127)	(127)
Net movement in the reporting period		43	43
Total value of permanent endowment investments at 30 June 2025	2,502	1,943	4,445

10 Property management

Property management comprises the costs of managing and carrying out repairs as needed to the charity's investment properties and the buildings at Temple Balsall, other than those used in the care home, which are accounted for as shown in note 11.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

11 Analysis of expenditure on charitable activities

	Activities undertaken directly £'000	Support costs £'000	Total 2025 £'000	Total 2024 £'000
Care home				
Provision of care services	1,392	113	1,505	1,472
Routine maintenance	62	-	62	92
Major repairs	30	-	30	7
	<u>1,484</u>	<u>113</u>	<u>1,597</u>	<u>1,571</u>
Support for:				
St Mary's Church	43	-	43	47
Lady Katherine Leveson School	9	-	9	32
	<u>1,536</u>	<u>113</u>	<u>1,649</u>	<u>1,650</u>

Expenditure on charitable activities was £1,649k (2024: £1,650k) of which £4k (2024: £5k) was attributable to restricted funds. £1,645k (2024: £1,645k) of the above costs was attributable to unrestricted funds.

12 Support costs

	2025 £'000	2024 £'000
Master's salary (part)	12	11
Management	50	56
Administration	10	9
Insurance	22	24
Governance (see note 13)	19	21
	<u>113</u>	<u>121</u>

13 Governance costs

	2025 £'000	2024 £'000
Audit and accountancy	12	14
Bailiff's salary (part)	7	7
	<u>19</u>	<u>21</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

14 Analysis of net incoming resources

	Properties and investments £'000	Care home activities £'000	Other charitable activities £'000	Total £'000
Income:				
Donations and legacies	2	14	7	23
Rental and other investment income	363	-	-	363
Charitable activities	-	1,782	-	1,782
Other income	2	-	-	2
Total income	<u>367</u>	<u>1,796</u>	<u>7</u>	<u>2,170</u>
Expenditure:				
Raising funds – property management	(314)	-	-	(314)
Charitable activities	-	(1,597)	(52)	(1,649)
Total expenditure	<u>(314)</u>	<u>(1,597)</u>	<u>(52)</u>	<u>(1,963)</u>
Net income	53	199	(45)	207
Notional rent payable by care home	267	(267)	-	-
Total	<u>303</u>	<u>(51)</u>	<u>(45)</u>	<u>207</u>

The notional rent payable is derived from management estimates based on current rent levels established by the rent officer.

15 Governors' and key management personnel remuneration and expenses

The governors neither received nor waived any remuneration during the year (2024: £Nil).

The total amount of employee benefits received by key management personnel was £188k (2024: £160k) the increase principally reflecting the appointment of a Property & Maintenance Manager during the financial year. The governors consider that the Foundation's key management comprises the Master, Bailiff, Care Manager and Property & Estate Manager.

No governors had expenses reimbursed during the year (2024: £389).

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

16 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2025	2024
Master, Bailiff, and Care Manager	3	3
Care assistants, kitchen, manual and other administration staff	43	41
	<hr/>	<hr/>
	46	44
	<hr/>	<hr/>

The average number of employees expressed as full-time equivalents was 35 (2024: 35).

Total staff costs and employee benefits were as follows:

	2025 £'000	2024 £'000
Wages and salaries	1,173	1,081
Social security costs	90	77
Pension costs	30	29
Redundancy costs	-	14
	<hr/>	<hr/>
	1,293	1,201
	<hr/>	<hr/>

The above figures include payments for sick pay and agency staff.

The company has a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £30k (2024: £29k).

Two employees received total remuneration including employee benefits (excluding employer pension costs) of more than £60,000, (2024: 1).

17 Taxation

The company is exempt from corporation tax on its charitable activities; input VAT is irrecoverable.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

18 Tangible fixed assets

	Care home and related buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation:				
At 1 July 2024	4,493	744	25	5,262
Additions	309	113	46	468
Disposals	-	(72)	(25)	(97)
At 30 June 2025	4,802	785	46	5,633
Depreciation:				
At 1 July 2024	7	499	25	531
Charge for the year	26	67	-	93
Eliminated on disposals	-	(69)	(25)	(94)
At 30 June 2025	33	497	-	530
Net book value:				
At 30 June 2025	4,769	288	46	5,103
At 30 June 2024	4,486	245	-	4,731

The care home and related buildings were re-valued on transition to FRS 102 as at 30 June 2016 by Barlow Associates following guidance from ICAEW. The valuation was prepared using a depreciated replacement cost basis. The depreciated replacement value took account of the value of the land for its existing use and the gross replacement cost of the buildings. Appropriate deductions were made to allow for age, condition, economic or functional obsolescence and environmental and other factors. This may result in the existing property being worth less than replacement and, in the event of forced sale, a lower figure being achieved.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

Additions on the care home and related buildings during the year relate to the completed costs of the installation of the new care home boilers and the pipework and radiator replacement project, which will be depreciated over 25 years.

A new minibus was purchased during the year, £34k of the costs of which was funded by generous donations.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

19 Fixed asset investments

	Permanent endowment properties £'000	Permanent endowment investments £'000	Unrestricted fund investments £'000	Total £'000
Valuation				
At 1 July 2024	10,461	4,402	1,328	16,191
Additions in the year	-	89	320	409
Change in market value	-	43	30	73
At 30 June 2025	<u>10,461</u>	<u>4,534</u>	<u>1,677</u>	<u>16,673</u>

The addition in the year relates to the generous donation from the trustees of the Temple Balsall Amalgamated Charities and all its assets to the Foundation.

Investments at fair value comprise:

	2025 £'000	2024 £'000
Investment properties	10,461	10,461
Property trusts	339	331
Income and growth funds	5,873	5,399
	<u>16,673</u>	<u>16,191</u>

The permanent endowment properties were revalued as at 30 June 2021 by Barlow Associates. The valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

20 Current asset investments

	£'000
At 1 July 2024	1,083
Additions	100
Cash withdrawals	(350)
Change in market value	2
At 30 June 2025	<u>835</u>
Cost	<u>526</u>

Current assets investments include the Sarasin Endowment Fund Class A with a current market value of £235k (2024: £233k), the balance being held in cash, to cover the cost of future major repairs.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

21 Stocks

	2025	2024
	£'000	£'000
Food, cleaning and laundry	2	2
	<u>2</u>	<u>2</u>

22 Debtors

	2025	2024
	£'000	£'000
Residents' contribution arrears	32	77
Rent arrears	17	21
Prepayments and accrued income	50	41
Other debtors	45	48
	<u>144</u>	<u>187</u>

23 Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Trade creditors	114	101
Other tax and social security	19	18
Accruals	189	155
Other creditors	62	67
Residents' contributions in advance	61	77
Related party creditor (see note 31)	6	6
	<u>451</u>	<u>424</u>

24 Operating leases

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

	2025	2024
	£'000	£'000
Not later than one year	7	7
Later than one and not later than five years	21	23
Later than five years	<u>-</u>	<u>-</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

25 Fund reconciliation

Restricted funds

	Balance at 1 July 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	Balance at 30 June 2025 £'000
Donation reserve	46	20	(6)	(24)	-	36
	<u>46</u>	<u>20</u>	<u>(6)</u>	<u>(24)</u>	<u>-</u>	<u>36</u>

Donations reserve represents donations received less expenditure incurred in line with donors' wishes. £24k of restricted donations have been utilised to fund the minibus, with a further £15k from unrestricted.

Unrestricted funds

	<u>Balance</u> <u>at 1 July</u> <u>2024</u> <u>£'000</u>	<u>Income</u> <u>£'000</u>	<u>Expenditure</u> <u>£'000</u>	<u>Additions</u> <u>£'000</u>	<u>Transfers</u> <u>£'000</u>	<u>Unrealised</u> <u>gains /</u> <u>(losses)</u> <u>£'000</u>	<u>Balance</u> <u>at 30</u> <u>June</u> <u>2025</u> <u>£'000</u>
Income and expenditure fund	1,927	2,150	(1,957)	373	374	25	2,892
<u>Designated:</u>							
Property improvements	950	-	-	-	(350)	-	600
Lady Cadbury bequest	344	-	-	-	-	3	347
Barbara Leonard bequest	198	-	-	-	-	2	200
Major repair reserve	233	-	-	-	-	2	235
	<u>3,652</u>	<u>2,150</u>	<u>(1,957)</u>	<u>373</u>	<u>24</u>	<u>32</u>	<u>4,274</u>

Property improvements – reserves have been established to augment funds required to maintain and improve the historic Temple Balsall buildings. £350k was withdrawn this year to fund improvements to the heating systems.

Lady Cadbury bequest – these funds have been designated from the original bequest from the late Lady Cadbury in 2010-11 for the benefit and care of the elderly at Temple Balsall.

Barbara Leonard bequest – these funds have been designated from the original bequest from the late Barbara Leonard for the benefit of the Temple Balsall community.

Major repair reserve – these funds have been designated to provide for estimated future expenditure principally arising out of quinquennial inspections on the functional property of the Foundation.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

25 Fund reconciliation (continued)

Permanent endowment

	Balance at 1 July 2024 £'000	Additions £'000	Income £'000	Allocated to income from unapplied total return £'000	Gains / (losses) £'000	Balance at 30 June 2025 £'000
Endowment funds	18,788	89	127	(127)	43	18,920
	18,788	89	127	(127)	43	18,920

26 Analysis of net assets between funds

	Permanent endowment £'000	Restricted funds £'000	Unrestricted funds £'000	Total £'000
Fixed assets	3,925	-	1,178	5,103
Investments	14,995	-	1,678	16,673
Current assets	-	36	1,869	1,905
Current liabilities	-	-	(451)	(451)
Total	18,920	36	4,274	23,230

27 Reconciliation of net income to net cash flow from operating activities

	2025 £'000	2024 £'000
Net income for year	744	530
TBAC asset transfer	(462)	-
Dividends received	(175)	(179)
Interest receivable	(48)	(61)
Rental income	(140)	(147)
Depreciation and impairment of tangible fixed assets	93	66
(Gains)/losses on investments	(75)	(487)
Loss on disposal of tangible fixed assets	2	5
(Increase)/decrease in stock	-	-
(Increase)/decrease in debtors	43	(71)
Increase/(decrease) in creditors	27	44
Net cash flow from operating activities	9	(300)

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2025

28 Contingent liabilities

There were no contingent liabilities at either financial year end other than those relating to tenants' improvements which may be payable on the termination of the farm tenancies.

29 Accommodation in management

At 30 June 2025, the Foundation had 45 units of accommodation (2024: 45) offering accommodation for up to 51 residents.

30 The liability of the guarantors

The Foundation does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount for which each member is liable to contribute is £10. There were 10 (2024: 10) such members at 30 June 2025.

31 Related parties

The Foundation continues to support the connected charity, the Educational Foundation of Lady Katherine Leveson. At 30 June 2025, £6k (2024: £5k) was owed to the Educational Foundation of Lady Katherine Leveson.

32 Auditor's remuneration

The auditor's remuneration comprises an audit fee of £10k (2024: £10k) and accountancy fee of £1k (2024: £1k) both excluding VAT.

33 Capital commitments

At 30 June 2025 the charity had capital commitments amounting to £194k (2024 - £471k) excluding VAT, in respect of the remaining contract for improvements to the care home and related buildings.

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales - Charity number 1146710

Accounts

**The Foundation of Lady Katherine Leveson
Financial Statements
Year Ended 30 June 2024**

Charity registration number: 1146710
Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Year ended 30 June 2024

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The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

Governors of the Charity

The governors and officers who have served during the year and since the year end were as follows:

Elected governors	J Evans OBE (appointed as Chairman on 22 November 2023) The Rt Hon the Earl of Aylesford (retired on 22 November 2023) The Rt Hon Viscount Daventry Sir William Dugdale Bt M C Fetherston-Dilke Mrs N Hammett Mrs C Hopkinson R Macpherson Mrs C Matthews
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Governors nominated by Solihull MBC	D Bell Councillor A Burrow
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Officers of the Charity

Master	The Revd D Collins (appointed 18 July 2023)
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Bailiff	Mrs S Woodman ACA
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Care manager	Mr S Blancaflor
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Patron governor	The Rt Hon the Earl of Aylesford (appointed 31 January 2024) The Rt Revd Michael Volland, Bishop of Birmingham (appointed 10 November 2024)
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The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

Charity registration number	1146710
Company registration number	07890553
Registered office	Temple House Temple Balsall Knowle Solihull B93 0AN
Auditor	Dafferns LLP Chartered Accountants and Statutory Auditor One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment managers	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU Property Income Trust for Charities Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3PT Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

INTRODUCTION

The governors present their report and the audited financial statements of the charity for the year ended 30 June 2024. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity published in October 2020.

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee (charity number 1146710 and company number 07890553).

The affairs of the historic charity and the company were brought together under a linking order dated 22 June 2012 under which order these accounts are prepared.

The company is governed by its Articles and Memorandum of Association dated 15 December 2011.

The Foundation is managed through the Board of governors which meets as necessary, generally bi-monthly. Day-to-day management of the Foundation is vested in a senior management team comprising the Master (a statutory appointment under the terms of the Articles), the Bailiff (appointed as Company Secretary) and the Care Manager. It is a condition of the Articles that the Master be an ordained priest of the Church of England; the Bailiff has appropriate accountancy qualifications.

The Foundation seeks to recruit governors with appropriate technical expertise or knowledge and provides a full induction into the day-to-day activities of the Foundation as part of the appointment process. Emphasis is also given to recruiting governors who live locally who can therefore support the Foundation more readily on a day-to-day basis. Governors are appointed at ordinary meetings by way of a majority resolution; Solihull Metropolitan Borough Council is entitled to appoint two governors to the Foundation.

OBJECTS OF THE FOUNDATION

Lady Katherine Leveson, who died in 1674, provided endowments in her will for almshouses, the church and the school at Temple Balsall.

The present-day objects of the Foundation are to:

- relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities calculated to relieve the needs of such persons.
- advance the education of the pupils through the Educational Foundation.
- advance the education of the public in the subject of ageing, spirituality and social policy.
- advance the Christian religion for the benefit of the public.

PRINCIPAL ACTIVITIES

The Foundation today provides supported housing accommodation and residential care for the elderly in a Christian environment, together with support for St Mary's church and the Lady Katherine Leveson Church of England Primary school.

The Foundation offers accommodation for up to 51 residents; the Court had 29 apartments providing residential care, with 16 independent living flats housing up to a further 22 people living more independently. The management have previously registered 4 of the independent living flats to accommodate residential care if required and continue to review the remaining independent living flats to ensure the best and most flexible use to meet the needs of both residential and independent living residents.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

ACHIEVEMENTS AND PERFORMANCE

The financial results of the Foundation for the year ended 30 June 2024 are set out in detail on page 11. These show the performance of the Foundation's housing operations - residential care and independent living housing - and of its investments. The governors regard these as separate but related activities and the notes to these accounts provide analysis of the financial performance of each in notes 4 to 14.

The Foundation generated an operating surplus of £43k (2023 - £149k); in addition, there were unrealised net investment gains on the quoted investment portfolios of £487k (2023 - losses of £48k) generating an overall gain of £530k (2023 - gain of £101k).

The Foundation's core operations (as represented by the movement in unrestricted funds) generated a surplus before investment gains for the year of £31k. However, as the analysis in note 14 shows, the cost of operating the care home, including the £250k notional rent of the buildings in which it operates, generates a loss as in earlier years.

The changes to the National Insurance rates and National Living wages levels announced by the Government in the November budget will have an impact on the finances of the core operations, which is being assessed.

The property improvements designated reserve had a balance as at 30 June 2024 of £950k (2023 - £950k). There is also a major repair fund with a balance at 30 June 2024 of £233k (2023 - £212k) held with Sarasin & Partners LLP. All property repairs during the year were funded directly from unrestricted funds. Following the completion of the project to replace the main boilers in the care home during the financial year at a cost of £441k, there are currently more property improvement works in progress to replace the radiators and pipework within the care home - to be completed in two stages during the summer of 2024 and 2025.

During the year, a new care home website was created - ladykcare.co.uk - with new branding and fresh colours. Work is now progressing on a new Foundation website.

The governors welcomed the Rev Debbie Collins as the Master of the Foundation during the year; she was installed on 18th July 2023 as Vicar of St Mary's and has successfully completed her first year.

The governors wish to record their appreciation and thanks to Lord Aylesford who retired as a governor and as chairman of the board of governors in November 2023 after serving for 33 years and as chairman for over 14 years. In January 2024 the governors agreed to appoint Lord Aylesford to the honorary role of Patron Governor in recognition of his great contribution to the Foundation. The governors were also delighted that the new Bishop of Birmingham, the Rt Revd Dr Michael Volland also accepted the role of Patron Governor, thereby maintaining the strong historic link between the Foundation and the Bishopric of Birmingham.

The governors are enormously grateful to the care home management and staff and for their tireless dedication to the loving care of our residents. The governors continue their commitment to having well-trained staff; the majority of care staff have NVQ qualifications and staff retention is encouraged by investment in personal development and staff wellbeing.

Providing an excellent standard of care will always be a top priority for the Foundation.

LADY KATHERINE LEVESON CHURCH OF ENGLAND PRIMARY SCHOOL

One of the aims of the Foundation is to support the advancement of the education of the pupils of the school through the Educational Foundation.

Since September 2020, the school has been part of the Birmingham Diocesan Multi-Academy Trust ('BDMAT') who have day-to-day responsibility for the management and development of the school. As part of the transfer to the Trust, BDMAT took on a long lease with the Foundation for the school buildings, on a peppercorn rent, assuming responsibility for repairs and any new buildings.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

FUTURE PLANS

During the year the governors stepped up their exploration of strategic options for the future by evaluating how the potential of the site, including the redundant barns, might best be developed to further the Foundation's objects. The services of Isabel Merrifield of ISME Consulting were engaged to support the governors and the management team in this work, which is continuing.

Plans have been developed to improve and extend the communal living spaces in the main care home; planning permission originally sought in 2022-23 has not yet been granted – making architectural changes to a listed building on an historical site is proving not to be straightforward.

FUNDS

Transfers to/from reserves are considered on an annual basis depending on future expectations of needs and events. Amounts are transferred to designated funds to enable future amounts to be expended on maintaining and improving the property portfolio.

INVESTMENT POLICY

The Foundation's investment objective is to maximise the total investment return over the longer term without taking undue risk, principally achieved by investing in a well-diversified portfolio of equities and fixed interest investments through the use of pooled funds, with the principal fund manager being Sarasin & Partners.

The governors invest separately in property pooled funds managed by Mayfair Capital Investment Management Limited and the Charities Property Fund which provide attractive income yields from portfolios of diversified commercial property.

The total return on the endowment investments was £481k; £135k relates to investment income which has been used to fund the aims of the charity on a day-to-day basis during the financial year. £150k has been added to the capital value of the underlying endowment investment portfolio at June 2024 to maintain its value and to ensure that the value of the investment does not get diminished by inflation over the longer term. The remaining £196k of the return has been added to the unapplied total return fund for future use by the Foundation.

PUBLIC BENEFIT

The governors confirm that they have paid due regard to the guidance given by the Charity Commission and confirm their belief that the Foundation's purpose is for public benefit.

RISK

The governors have established a comprehensive range of procedures in order to minimise risk to the Foundation's activities, including clear terms of reference for all committees, a governance structure with clear organisational lines of reporting and regular operational review of disaster planning and crisis management strategy.

RESERVES POLICY

The governors continue to ensure that sufficient reserves are maintained to finance the day-to-day running of the Foundation's activities.

FIXED ASSETS

Movements in tangible fixed assets and fixed asset investments are disclosed within the notes to the accounts.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2024

PAY POLICY FOR SENIOR STAFF

The remuneration for the management team is reviewed by the governors who use benchmarking against comparable organisations along with an assessment of market rates and consideration of performance.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing these financial statements, the governors 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 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 Foundation will continue in operation.

The governors are responsible for keeping accounting records that disclose with reasonable accuracy at any time 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.

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

In accordance with company law, as the company's directors, the governors certify that:

- there is no relevant audit information of which the company's auditors are unaware and that, as directors of the company,
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of this information.

CONCLUSION

The governors are extremely grateful to all the management and staff for the enthusiasm and commitment with which they have carried out their duties and responsibilities in the ever challenging and changing care profession.

AUDITORS

Dafferns LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE GOVERNORS.....



Date 27 November 2024

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2024

Opinion

We have audited the financial statements of The Foundation of Lady Katherine Leveson (the 'charitable company') for the year ended 30 June 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2024

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2024

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, set out on page 6, the governors (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 governors 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 governors 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 governors 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.

- Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2024

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.



Lucy Hatton FCCA
for and on behalf of Dafferns LLP
Chartered Accountants and Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 27 November 2024

The Foundation of Lady Katherine Leveson

Statement of financial activities (incorporating the income and expenditure account)

Year ended 30 June 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income from:						
Donations and legacies	4	5	19	-	24	32
Charitable activities	5	1,534	-	-	1,534	1,492
Other trading activities	6	2	-	-	2	2
Investments	7	252	-	135	387	357
Other income	8	1	-	-	1	12
Allocated to income from unapplied total return	9	135	-	(135)	-	-
Total income		1,929	19	-	1,948	1,895
Expenditure on:						
Property management	10	(253)	(2)	-	(255)	(217)
Charitable activities	11	(1,645)	(5)	-	(1,650)	(1,529)
Total expenditure		(1,898)	(7)	-	(1,905)	(1,746)
Net income before investment gains and losses		31	12		43	149
Net unrealised gains/ (losses) on investments	19, 20	141	-	346	487	(48)
Net income after gains/ (losses) on investments		172	12	346	530	101
Transfers between funds	25	5	(5)	-	-	-
Net movement in funds	25	177	7	346	530	101
Reconciliation of funds:						
Total funds brought forward	25	3,475	39	18,442	21,956	21,855
Total funds carried forward	25	3,652	46	18,788	22,486	21,956

All income and expenditure derive from continuing activities.

For the purpose of reporting under the Companies Act 2006, net income after gains and losses on investments, excluding the £346k gain on endowment investments (2023: £59k loss) is £184k (2023: £160k).

The notes on pages 14 to 28 form part of the financial statements.

The Foundation of Lady Katherine Leveson

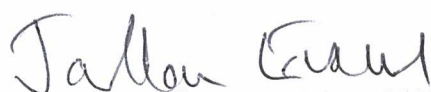
Balance sheet

Year ended 30 June 2024

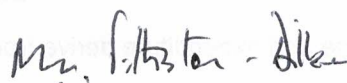
	Note	2024		2023	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	18		4,731		4,224
Investments	19		16,191		15,725
			20,922		19,949
Current assets					
Investments	20	1,083		1,062	
Stocks	21	2		2	
Debtors	22	187		116	
Cash at bank and in hand		716		1,207	
		1,988		2,387	
Creditors: amounts falling due within one year	23	(424)		(380)	
Net current assets			1,564		2,007
Net assets			22,486		21,956
Charity funds					
Permanent endowment	25		18,788		18,442
Restricted funds	25		46		39
Unrestricted funds:					
- Income and expenditure fund	25	1,927		1,918	
- Designated funds	25	1,725		1,557	
		3,652		3,475	
	26		22,486		21,956

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the governors and authorised for issue on 27 November 2024.

Signed on behalf of the Board of governors



J Evans OBE, Chairman



M C Fetherston-Dilke, Governor

The notes on pages 14 to 28 form part of these financial statements.

Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Statement of Cash Flows

Year ended 30 June 2024

	Note	2024 £'000	2023 £'000
Cash flow from operating activities	27	(300)	(169)
Net cash flow from operating activities		(300)	(169)
Cash flow from investing activities			
Tangible fixed assets acquired		(578)	(134)
Transfer of funds to higher rate savings		-	(200)
Interest received		61	33
Dividends received		179	164
Rents received from investment properties		147	160
Net cash flow from investing activities		(191)	23
Net decrease in cash and cash equivalents		(491)	(146)
Cash and cash equivalents at 1 July 2023		1,207	1,353
Cash and cash equivalents at 30 June 2024		716	1,207
Cash and cash equivalents consist of:			
Cash at bank and in hand		716	1,207
Cash and cash equivalents at 30 June 2024		716	1,207

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

1 General information

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee, incorporated and domiciled in England (Company number 07890553, Charity number 1146710). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described on page 3.

2 Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice.

The Foundation of Lady Katherine Leveson 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.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The governors consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aims and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aims and use of each restricted fund are set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the Foundation, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the permanent endowment fund.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

2 Principal accounting policies (continued)

(c) Income resources

All incoming resources are included in the statement of financial activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Foundation where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(d) Resources expended

All expenditure is accounted for on an accruals basis when a liability is incurred and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generated funds are those costs attributable to generating incoming resources for the Foundation. Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. Governance costs include those incurred in the governance of the Foundation and are primarily associated with constitutional and statutory requirements.

(e) Tangible fixed assets

Tangible fixed assets, except the care home and related buildings, are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Refurbishment fixtures and fittings	10% straight line
Major boiler and heating replacement	4% straight line

(f) Care home and related buildings

The care home and related buildings are included at valuation based on the depreciated replacement cost basis. They are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. The annual charge for depreciation is £Nil.

(g) Fixed asset investments

Properties held as fixed asset investments are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. No records exist for the original cost in respect of the majority of the property. Fixed asset investment properties are held at current valuation. Fixed asset investments in listed securities are held at market value.

Realised gains and losses on disposal and unrealised gains and losses arising on revaluation of investments are both recognised in the statement of financial activities.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

2 Principal accounting policies (continued)

(h) Current asset investments

Current asset investments include funds which may be required at short notice.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Donations received

Donations are disclosed as income in the statement of financial activities when received. Those donations which are received for specific purposes are carried forward in restricted funds to the extent that they have not been expended in the year.

(l) Pension costs

The Foundation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Foundation.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services.

(m) Routine maintenance

The governors have established a regular programme of cyclical repairs and maintenance. Costs are charged in the year in which they are incurred.

(n) Major repairs

Costs of major repairs, unless representing improvements to the properties, are charged in the year in which they are incurred.

(o) Value added tax

In these financial statements, where applicable, expenditure is shown inclusive of VAT as the Foundation is not registered for value added tax.

(p) Website costs

Costs relating to website design and maintenance are expensed in the year in which they are incurred.

(q) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

3 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed asset valuation

The care home and related buildings were valued by Barlow Associates as at 30 June 2016 using a depreciated replacement cost basis to establish a deemed cost at the FRS102 transition date. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The following are the charity's key sources of estimation uncertainty:

Fixed assets investments

The valuation of the permanent endowment properties was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profile of the balance and the historical experience.

4 Income from donations and legacies

	2024 £'000	2023 £'000
Donations	9	26
Legacies	15	6
	<hr/>	<hr/>
	24	32
	<hr/>	<hr/>

Income from donations and legacies was £24k (2023: £32k) of which £19k (2023: £24k) was attributable to restricted and £5k (2023: £8k) to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

5 Income from charitable activities

	2024 £'000	2023 £'000
Residential care	1,227	1,170
Independent living accommodation	139	100
Respite care	129	199
Domiciliary care	36	19
Other income	3	4
	<hr/> 1,534	<hr/> 1,492

As part of its charitable aims, the Foundation supported a number of residents with contributions towards their fees during the financial year to the value of £42k (2023: £53k).

All income was attributable to unrestricted funds.

6 Income from trading activities

Income from trading activities was £2k (2023: £2k) of which all was attributable to unrestricted funds.

7 Income from investments

	2024 £'000	2023 £'000
Dividend and interest income	240	197
Rental income	147	160
	<hr/> 387	<hr/> 357

Income from investments – stated net of management fees - was £387k (2023: £357k) of which £135k (2023: £124k) was attributable to endowment and £252k (2023: £233k) was attributable to unrestricted funds.

8 Other income

The charity received no Government grants this year (2023: £11k) for Covid support in care homes, used to help fund infection control costs, vaccination, workforce retention and also to support staff in previous years. The small amount of other income is attributable to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

9 Permanent endowment invested on a total return basis

The charity has exercised its rights under section 104(A) of the Charities Act 2011 with effect from 30 June 2019. This power permits the governors permanently to invest endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised, it allows the governors to apply an appropriate portion of the unapplied total return to income each year.

During the current year the total return on the endowment investments was £481k (2023: net gain of £65k); the governors transferred £135k (2023: £124k) of investment income received to fund the aims of the charity on a day to day basis and £150k (2023: nil) has been added to the capital value of the underlying endowment investment portfolio to maintain its value and to ensure the value of these investments does not get diminished by inflation in the longer term. The remaining £196k (2023: loss of £59k) of the return has been added to the unapplied total return fund for future use by the Foundation.

	Endowment for investment £'000	Unapplied total return £'000	Permanent endowment investments £'000
At 1 July 2023	2,352	1,704	4,056
Movements			
Investment income	-	135	135
Gains / (losses)	-	346	346
	-	481	481
Unapplied total return allocated to income	-	(135)	(135)
Unapplied total return allocated to investment to maintain capital value	150	(150)	-
Net movement in the reporting period	150	196	346
Total value of permanent endowment investments at 30 June 2024	2,502	1,900	4,402

10 Property management

Property management comprises the costs of managing and carrying out repairs as needed to the charity's investment properties and the buildings at Temple Balsall, other than those used in the care home, which are accounted for as shown in note 11.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

11 Analysis of expenditure on charitable activities

	Activities undertaken directly £'000	Support costs £'000	Total 2024 £'000	Total 2023 £'000
Care home				
Provision of care services	1,351	121	1,472	1,426
Routine maintenance	92	-	92	63
Major repairs	7	-	7	-
	<u>1,450</u>	<u>121</u>	<u>1,571</u>	<u>1,489</u>
Support for:				
St Mary's Church	47	-	47	33
Lady Katherine Leveson School	32	-	32	7
	<u>1,529</u>	<u>121</u>	<u>1,650</u>	<u>1,529</u>

Expenditure on charitable activities was £1,650k (2023: £1,529k) of which £5k (2023: £4k) was attributable to restricted funds. £1,645k (2023: £1,525k) of the above costs was attributable to unrestricted funds.

12 Support costs

	2024 £'000	2023 £'000
Master's salary (part)	11	5
Management	56	85
Administration	9	9
Insurance	24	24
Governance (see note 13)	21	19
	<u>121</u>	<u>142</u>

13 Governance costs

	2024 £'000	2023 £'000
Audit and accountancy	14	12
Bailiff's salary (part)	7	7
	<u>21</u>	<u>19</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

14 Analysis of net incoming resources

	Properties and investments £'000	Care home activities £'000	Other charitable activities £'000	Total £'000
Income:				
Donations and legacies	2	14	8	24
Rental and other investment income	387	-	-	387
Charitable activities	-	1,534	-	1,534
Other income	3	-	-	3
Total income	392	1,548	8	1,948
Expenditure:				
Raising funds – property management	(255)	-	-	(255)
Charitable activities	-	(1,571)	(79)	(1,650)
Total expenditure	(255)	(1,571)	(79)	(1,905)
Net income	137	(23)	(71)	43
Notional rent payable by care home	250	(250)	-	-
Total	387	(273)	(71)	43

The notional rent payable is derived from management estimates based on current rent levels established by the rent officer.

15 Governors' and key management personnel remuneration and expenses

The governors neither received nor waived any remuneration during the year (2023: £Nil).

The total amount of employee benefits received by key management personnel was £160k (2023: £138k) the increase principally reflecting the appointment of a new Master during the financial year. The governors consider that the Foundation's key management comprises the Master, Bailiff and Care Manager.

One governor had expenses reimbursed of £389 during the year for costs associated with hosting a lunch for the retiring Chair of governors (2023: £Nil).

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

16 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2024	2023
Master, Bailiff, and care Manager	3	2
Care assistants, kitchen, manual and other administration staff	41	42
	<hr/> 44	<hr/> 44

The average number of employees expressed as full-time equivalents was 35 (2023: 33).

Total staff costs and employee benefits were as follows:

	2024 £'000	2023 £'000
Wages and salaries	1,081	1,008
Social security costs	77	61
Pension costs	29	20
Redundancy costs	14	-
	<hr/> 1,201	<hr/> 1,089

The above figures include payments for sick pay and agency staff.

The company has a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £29k (2023: £20k).

One employee received total remuneration including employee benefits (excluding employer pension costs) of more than £60,000.

17 Taxation

The company is exempt from corporation tax on its charitable activities; input VAT is irrecoverable.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

18 Tangible fixed assets

	Care home and related buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation:				
At 1 July 2023	3,973	745	25	4,743
Additions	520	58	-	578
Disposals	-	(59)	-	(59)
At 30 June 2024	4,493	744	25	5,262
Depreciation:				
At 1 July 2023	-	494	25	519
Charge for the year	7	59	-	66
Eliminated on disposals	-	(54)	-	(54)
At 30 June 2024	7	499	25	531
Net book value:				
At 30 June 2024	4,486	245	-	4,731
At 30 June 2023	3,973	251	-	4,224

The care home and related buildings were re-valued on transition to FRS 102 as at 30 June 2016 by Barlow Associates following guidance from ICAEW. The valuation was prepared using a depreciated replacement cost basis. The depreciated replacement value took account of the value of the land for its existing use and the gross replacement cost of the buildings. Appropriate deductions were made to allow for age, condition, economic or functional obsolescence and environmental and other factors. This may result in the existing property being worth less than replacement and, in the event of forced sale, a lower figure being achieved.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

Additions on the care home and related buildings during the year relate to the completed costs of the installation of the new care home boilers and the start of the pipework and radiator replacement project, which will be depreciated over 25 years.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

19 Fixed asset investments

	Permanent endowment properties £'000	Permanent endowment investments £'000	Unrestricted fund investments £'000	Total £'000
Valuation				
At 1 July 2023	10,461	4,056	1,208	15,725
Change in market value	-	346	120	466
At 30 June 2024	10,461	4,402	1,328	16,191

Investments at fair value comprise:

	2024 £'000	2023 £'000
Investment properties	10,461	10,461
Property trusts	331	353
Income and growth funds	5,399	4,911
	16,191	15,725

The permanent endowment properties were revalued as at 30 June 2021 by Barlow Associates. The valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

20 Current asset investments

	£'000
At 1 July 2023	1,062
Change in market value	21
At 30 June 2024	1,083
Cost	776

Current assets investments include the Sarasin Endowment Fund Class A with a current market value of £233k (2023: £212k), the balance being held in cash, to cover the cost of future major repairs.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

21 Stocks

	2024 £'000	2023 £'000
Food, cleaning and laundry	2	2
	<hr/> 2	<hr/> 2

22 Debtors

	2024 £'000	2023 £'000
Residents' contribution arrears	77	17
Rent arrears	21	20
Prepayments and accrued income	41	39
Other debtors	48	40
	<hr/> 187	<hr/> 116

23 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	101	65
Other tax and social security	18	20
Accruals	155	162
Other creditors	67	58
Residents' contribution in advance	77	70
Related party creditor (see note 31)	6	5
	<hr/> 424	<hr/> 380

24 Leases

Operating leases

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

	2024 £'000	2023 £'000
Not later than one year	7	7
Later than one and not later than five years	23	25
Later than five years	<hr/> -	<hr/> 5

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

25 Fund reconciliation

Restricted funds

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains / (losses) £'000	Balance at 30 June 2024 £'000
Donation reserve	39	19	(7)	(5)	-	46
	<u>39</u>	<u>19</u>	<u>(7)</u>	<u>(5)</u>	<u>-</u>	<u>46</u>

Donations reserve represents donations received less expenditure incurred in line with donors' wishes.

Unrestricted funds

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Unrealised Gains / (losses) £'000	Balance at 30 June 2024 £'000
Income and expenditure fund	1,818	1,929	(1,898)	5	73	1,927
Designated:						
Property improvements	950	-	-	-	-	950
Lady Cadbury bequest	313	-	-	-	31	344
Barbara Leonard bequest	182	-	-	-	16	198
Major repair reserve	212	-	-	-	21	233
	<u>3,475</u>	<u>1,929</u>	<u>(1,898)</u>	<u>5</u>	<u>141</u>	<u>3,652</u>

Property improvements – reserves have been established to augment funds required to maintain and improve the historic Temple Balsall buildings.

Lady Cadbury bequest – these funds have been designated from the original bequest from the late Lady Cadbury in 2010-11 for the benefit and care of the elderly at Temple Balsall.

Barbara Leonard bequest – these funds have been designated from the original bequest from the late Barbara Leonard for the benefit of the Temple Balsall community.

Major repair reserve – these funds have been designated to provide for estimated future expenditure principally arising out of quinquennial inspections on the functional property of the Foundation.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

25 Fund reconciliation (continued)

Permanent endowment

	Balance at 1 July 2023 £'000	Income £'000	Allocated to income from unapplied total return £'000	Gains / (losses) £'000	Balance at 30 June 2024 £'000
Endowment funds	18,442	135	(135)	346	18,788
	18,442	135	(135)	346	18,788

26 Analysis of net assets between funds

	Permanent endowment £'000	Restricted funds £'000	Unrestricted funds £'000	Total £'000
Fixed assets	3,925	-	806	4,731
Investments	14,863	-	1,328	16,191
Current assets	-	46	1,942	1,988
Current liabilities	-	-	(424)	(424)
Total	18,788	46	3,652	22,486

27 Reconciliation of net income to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income for year	530	101
Dividends received	(179)	(164)
Interest receivable	(61)	(33)
Rental income	(147)	(160)
Depreciation and impairment of tangible fixed assets	66	55
(Gains)/losses on investments	(487)	48
Loss on disposal of tangible fixed assets	5	5
(Increase)/decrease in stock	-	-
(Increase)/decrease in debtors	(71)	3
Increase/(decrease) in creditors	44	(24)
Net cash flow from operating activities	(300)	(169)

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2024

28 Contingent liabilities

There were no contingent liabilities at either financial year end other than those relating to tenants' improvements which may be payable on the termination of the farm tenancies.

29 Accommodation in management

At 30 June 2024, the Foundation had 45 units of accommodation (2023: 45) offering accommodation for up to 51 residents.

30 The liability of the guarantors

The Foundation does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount for which each member is liable to contribute is £10. There were 10 (2023: 11) such members at 30 June 2024.

31 Related parties

The Foundation continues to support the connected charity, the Educational Foundation of Lady Katherine Leveson. At 30 June 2024, £5k (2023: £5k) was owed to the Educational Foundation of Lady Katherine Leveson.

32 Auditor's remuneration

The auditor's remuneration comprises an audit fee of £10k (2023: £10k) and accountancy fee of £1k (2023: £1k) both excluding VAT.

33 Capital commitments

At 30 June 2024 the charity had capital commitments amounting to £471k (2023 - £348k) excluding VAT, in respect of improvements to the care home and related buildings.

34 Contingent assets

The Foundation has been approached by Temple Balsall Amalgamated Charities (TBAC) who wish to donate their total assets and liabilities to the Foundation, being a local charity with similar charitable aims. The assets consist of cash balances and an investment portfolio, the value of which is approximately £450k. The agreement will transfer the TBAC charity as a whole across to the Foundation and is likely to complete during the 2024-25 financial year.

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales - Charity number 1146710

Accounts

**The Foundation of Lady Katherine Leveson
Financial Statements
Year Ended 30 June 2023**

Charity registration number: 1146710
Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Year ended 30 June 2023

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The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

Governors & Officers of the charity

The governors and officers who have served during the year and since the year end were as follows:

Elected governors	The Rt Hon the Earl of Aylesford (Chairman) The Rt Hon Viscount Daventry Sir William Dugdale Bt J Evans OBE M C Fetherston-Dilke Mrs N Hammett Mrs C Hopkinson R Macpherson (appointed 20 July 2022) Mrs C Matthews Mrs C Sawdon JP (resigned 2 November 2022)
Ex-officio governor	The Rt Revd The Lord Bishop of Birmingham (retired 18 October 2022)
Governors nominated by Solihull MBC	M Adlington (retired 20 July 2022) D Bell Councillor A Burrow
Master	The Revd D Collins (appointed 18 July 2023) The Revd K Lloyd-Roberts (retired 30 September 2022)
Bailiff	Mrs S Woodman ACA
Care manager	Mr S Blancaflor

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

Charity registration number	1146710
Company registration number	07890553
Registered office	Temple House Temple Balsall Knowle Solihull B93 0AN
Auditor	Dafferns LLP Chartered Accountants and Statutory Auditor One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment managers	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU Property Income Trust for Charities Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3PT Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

INTRODUCTION

The governors present their report and the audited financial statements of the charity for the year ended 30 June 2023. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity published October 2020.

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee (charity number 1146710 and company number 07890553).

The affairs of the historic charity and the company were brought together under a linking order dated 22 June 2012 under which order these accounts are prepared.

The company is governed by its Articles and Memorandum of Association dated 15 December 2011.

The Foundation is managed through the Board of governors which meets as necessary, generally bi-monthly. Day-to-day management of the Foundation is vested in a senior management team comprising the Master (a statutory appointment under the terms of the Articles), the Bailiff (appointed as Company Secretary) and the Care Manager. It is a condition of the Articles that the Master be an ordained priest of the Church of England; the Bailiff has appropriate accountancy qualifications.

The Foundation seeks to recruit governors with appropriate technical expertise or knowledge and provides a full induction into the day-to-day activities of the Foundation as part of the appointment process. Emphasis is also given to recruiting governors who live locally who can therefore support the Foundation more readily on a day-to-day basis. Governors are appointed at ordinary meetings by way of a majority resolution; Solihull Metropolitan Borough Council is entitled to appoint two governors to the Foundation.

OBJECTS OF THE FOUNDATION

Lady Katherine Leveson, who died in 1674, provided endowments in her will for almshouses, the church and the school at Temple Balsall.

The present-day objects of the Foundation are to:

- relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities calculated to relieve the needs of such persons.
- advance the education of the pupils through the Educational Foundation.
- advance the education of the public in the subject of ageing, spirituality and social policy.
- advance the Christian religion for the benefit of the public.

PRINCIPAL ACTIVITIES

The Foundation today provides supported housing accommodation and residential care for the elderly in a Christian environment, together with support for St Mary's church and the Lady Katherine Leveson Church of England Primary school.

The Foundation offers accommodation for up to 51 residents; the Court had 29 apartments providing residential care, with 16 sheltered living flats housing up to a further 22 people living more independently. The management have previously registered 4 of the sheltered living flats to accommodate residential care if required and continue to review the remaining sheltered flats to ensure the best and most flexible use to meet the needs of both residential and sheltered residents.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

ACHIEVEMENTS AND PERFORMANCE

The financial results of the Foundation for the year ended 30 June 2023 are set out in detail on page 11. These show the performance of the Foundation's housing operations - residential care and sheltered housing - and of its investments. The governors regard these as separate but related activities and the notes to these accounts provide analysis of the financial performance of each in notes 4 to 14.

The Foundation generated an operating surplus of £149k (2022 - £115k); in addition, there were unrealised net investment losses on the quoted investment portfolios of £48k (2022 - losses of £346k) generating an overall gain of £101k (2022 - loss of £231k).

The Foundation's normal operations (as represented by the movement in unrestricted funds) generated a surplus before investment losses for the year of £131k. However, as the analysis in note 14 shows, the cost of operating the care home, including the £238k notional rent of the buildings in which it operates, generates a loss in line with earlier years.

A further £100k has been transferred to the property improvements designated reserve during the year providing for future maintenance and improvements to the historic buildings. After making the transfer the balance on this fund at 30 June 2023 was £950k (2022 - £850k). There is also a major repair fund with a balance at 30 June 2023 of £212k (2022 - £211k) held with Sarasin & Partners LLP. All property repairs during the year were funded directly from unrestricted funds. There are currently property improvement works in progress to replace the main boilers to the care home - to be completed before winter 2023; the governors also seek to improve and extend the communal living spaces in the main care home.

The governors are very pleased to announce the appointment of the Rev Debbie Collins as the Master of the Foundation who was installed on 18th July 2023 as vicar of St Mary's.

The governors wish to express their gratitude and thanks to the Rev Kathy Lloyd-Roberts who retired in September 2022, after 13 years as Master of the Foundation and vicar of St Mary's.

The governors are enormously grateful for the tireless dedication of the care home management and staff and for their continuing commitment to the loving care of our residents.

Mrs Clare Sawdon, a governor since 1996, stepped down in November 2022 after 26 years of service. Michael Adlington also retired after 19 years as a local governor. The governors pay tribute to them both for their passion and dedication in support of the care home and the Foundation.

The board of governors has been strengthened during the year by the appointment of Councillor Andrew Burrow who has been nominated by Solihull MBC and who brings a further diverse range of experience.

Providing an excellent standard of care will always be a top priority for the Foundation. The care home was awarded a 'good' rating from the Care Quality Commission in 2019, falling short by the smallest of margins of the previous 'outstanding' rating which the Foundation aims to restore.

The governors continue their commitment to staff training; the majority of care staff have NVQ qualifications and staff retention is encouraged by continued investment in personal development and staff wellbeing, the latter particularly important at the current time.

LADY KATHERINE LEVESON CHURCH OF ENGLAND PRIMARY SCHOOL

One of the aims of the Foundation is to support the advancement of the education of the pupils of the school through the Educational Foundation.

Since September 2020, the school has been part of the Birmingham Diocesan Multi-Academy Trust ('BDMAT') who have day-to-day responsibility for the management and development of the school. As part of the transfer to the Trust, BDMAT took on a long lease with the Foundation for the school buildings, on a peppercorn rent, assuming responsibility for repairs and any new buildings.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

FUTURE PLANS

Planning consent was obtained some years ago to renovate adjacent redundant farm buildings at Temple House farm, but implementation of this project was deferred in 2008. The governors have, however, undertaken works necessary to activate planning consent.

During 2022-23 the governors have taken steps to apply for planning permission on a significant renovation project of the kitchen, dining and recreational areas of the court buildings for which listed building consent will be required.

In August 2023, the governors instructed works to replace the heating system for the care home. The work is being carried out in stages to ensure that there is minimal disruption to the residents.

The governors continue to explore strategic options for the future by evaluating how the potential of the site, including the redundant barns, might best be developed to further the Foundation's objects.

FUNDS

Transfers to/from reserves are considered on an annual basis depending on future expectations of needs and events. Amounts are transferred to designated funds to enable future amounts to be expended on maintaining and improving the property portfolio.

INVESTMENT POLICY

The Foundation's investment objective is to maximise the total investment return over the longer term without taking undue risk, principally achieved by investing in a well-diversified portfolio of equities and fixed interest investments through the use of pooled funds, with the principal fund manager being Sarasin & Partners.

The governors invest separately in property pooled funds managed by Mayfair Capital Investment Management Limited and the Charities Property Fund which provide attractive income yields from portfolios of diversified commercial property.

The aggregate reduction in the value of the endowment investments was £59k reflecting unrealised losses in the continuing uncertain investment climate. Investment income from the endowment portfolio of £124k has been used to fund the aims of the charity on a day-to-day basis during the financial year. The governors have in mind the aim of sustaining the value of the endowment investments over the longer term. The £59k resultant loss has reduced the unapplied total return fund only.

PUBLIC BENEFIT

The governors confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit and confirm that the Foundation's purpose is for public benefit.

RISK

The governors have established a comprehensive range of procedures in order to minimise risk to the Foundation's activities, including clear terms of reference for all committees, a governance structure with clear organisational lines of reporting and regular operational review of disaster planning and crisis management strategy.

RESERVES POLICY

The governors continue to ensure that sufficient reserves are maintained to finance the day to day running of the Foundation's activities.

The Foundation of Lady Katherine Leveson

Governors' Report

Year ended 30 June 2023

FIXED ASSETS

Movements in tangible fixed assets and fixed asset investments are disclosed within the notes to the accounts.

PAY POLICY FOR SENIOR STAFF

The remuneration for the management team is reviewed by the governors who use benchmarking against comparable organisations along with an assessment of market rates and consideration of performance.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing these financial statements, the governors 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 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 Foundation will continue in operation.

The governors are responsible for keeping accounting records that disclose with reasonable accuracy at any time 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.

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

In accordance with company law, as the company's directors, the governors certify that:

- there is no relevant audit information of which the company's auditors are unaware and that, as directors of the company,
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of this information.

CONCLUSION

The governors are extremely grateful to all the management and staff for the enthusiasm and commitment with which they have carried out their duties and responsibilities in the ever challenging, changing and transparent care profession.

AUDITORS

Dafferns LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE GOVERNORS.....


Date 22 November 2023

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2023

Opinion

We have audited the financial statements of The Foundation of Lady Katherine Leveson (the 'charitable company') for the year ended 30 June 2023 which comprise the statement of financial activities, balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2023

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2023

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, set out on page 5, the governors (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 governors 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 governors 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 governors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management and those charged with governance around actual and potential litigation and claims;

Reviewing minutes of meetings of those charged with governance;

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year ended 30 June 2023

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.



Lucy Hatton FCCA
for and on behalf of Dafferns LLP
Chartered Accountants and Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 22 November 2023

The Foundation of Lady Katherine Leveson

Statement of financial activities (incorporating the income and expenditure account)

Year ended 30 June 2023

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and legacies	4	7,833	24,258	-	32,091	38,675
Charitable activities	5	1,492,325	-	-	1,492,325	1,333,187
Other trading activities	6	1,660	-	-	1,660	1,085
Investments	7	233,583	-	123,702	357,285	314,081
Other income	8	12,012	-	-	12,012	96,658
Allocated to income from unapplied total return	9	123,702	-	(123,702)	-	-
Total income		1,871,115	24,258	-	1,895,373	1,783,686
Expenditure on:						
Property management	10	(214,920)	(1,883)	-	(216,803)	(216,739)
Charitable activities	11	(1,524,896)	(4,292)	-	(1,529,188)	(1,452,268)
Total expenditure		(1,739,816)	(6,175)	-	(1,745,991)	(1,669,007)
Net income/(expenditure) before investment gains and losses		131,299	18,083		149,382	114,679
Net gains/(losses) on investments	19, 20	10,514	-	(58,808)	(48,294)	(345,827)
Net income/(expenditure) after losses on investments		141,813	18,083	(58,808)	101,088	(231,148)
Transfers between funds	25	977	(977)	-	-	-
Net movement in funds	25	142,790	17,106	(58,808)	101,088	(231,148)
Reconciliation of funds:						
Total funds brought forward	25	3,332,579	21,764	18,501,072	21,855,415	22,086,563
Total funds carried forward	25	3,475,369	38,870	18,442,264	21,956,503	21,855,415

All income and expenditure derive from continuing activities.

For the purpose of reporting under the Companies Act 2006, the net income after gains and losses on investments, excluding the £58,808 loss on endowment investments (2022: £231,886 loss), is £159,896 (2022: £738).

The notes on pages 14 to 28 form part of the financial statements.

The Foundation of Lady Katherine Leveson

Balance sheet

Year ended 30 June 2023

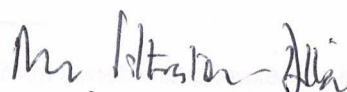
	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	18		4,224,648		4,150,335
Investments	19		15,725,681		15,775,537
			<u>19,950,329</u>		<u>19,925,872</u>
Current assets					
Investments	20	1,062,093		860,531	
Stocks	21	1,909		1,854	
Debtors	22	115,732		119,345	
Cash at bank and in hand		1,206,858		1,352,662	
		<u>2,386,592</u>		<u>2,334,392</u>	
Creditors: amounts falling due within one year	23	<u>(380,418)</u>		<u>(404,849)</u>	
Net current assets			2,006,174		1,929,543
Net assets			<u>21,956,503</u>		<u>21,855,415</u>
Charity funds					
Permanent endowment	25		18,442,264		18,501,072
Restricted funds	25		38,870		21,764
Unrestricted funds:					
- Income and expenditure fund	25	1,918,254		1,780,559	
- Designated funds	25	<u>1,557,115</u>		<u>1,552,020</u>	
			<u>3,475,369</u>		<u>3,332,579</u>
	26		<u>21,956,503</u>		<u>21,855,415</u>

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the governors and authorised for issue on 22 November 2023.

Signed on behalf of the Board of governors



The Rt Hon the Earl of Aylesford, Chairman



M C Fetherston-Dilke, Governor

The notes on pages 14 to 29 form part of these financial statements.

Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Statement of Cash Flows

Year ended 30 June 2023

	Note	2023 £	2022 £
Cash flow from operating activities	27	(168,447)	(238,949)
Net cash flow from operating activities		<u>(168,447)</u>	<u>(238,949)</u>
Cash flow from investing activities			
Tangible fixed assets acquired		(134,642)	(68,430)
Transfer of funds to higher rate savings		(200,000)	-
Interest received		32,583	2,133
Dividends received		164,539	163,877
Rents received from investment properties		160,163	148,071
Net cash flow from investing activities		<u>22,643</u>	<u>245,651</u>
Net decrease in cash and cash equivalents		(145,804)	6,702
Cash and cash equivalents at 1 July 2022		1,352,662	1,345,960
Cash and cash equivalents at 30 June 2023		<u>1,206,858</u>	<u>1,352,662</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,206,858	1,352,662
Cash and cash equivalents at 30 June 2023		<u>1,206,858</u>	<u>1,352,662</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

1 General information

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee, incorporated and domiciled in England (Company number 07890553, Charity number 1146710). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described on page 3.

2 Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice.

The Foundation of Lady Katherine Leveson 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.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The governors consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aims and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aims and use of each restricted fund are set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the Foundation, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

2 Principal accounting policies (continued)

(c) Income resources

All incoming resources are included in the statement of financial activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Foundation where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(d) Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generated funds are those costs attributable to generating incoming resources for the Foundation. Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. Governance costs include those incurred in the governance of the Foundation and are primarily associated with constitutional and statutory requirements.

(e) Tangible fixed assets

Tangible fixed assets, except the care home and related buildings, are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Refurbishment fixtures and fittings	10% straight line

(f) Care home and related buildings

The care home and related buildings are included at a valuation based on the depreciated replacement cost basis. They are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. The annual charge for depreciation is £Nil.

(g) Fixed asset investments

Properties held as fixed asset investments are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. No records exist for the original cost in respect of the majority of the property. Fixed asset investment properties are held at current valuation. Fixed asset investments in listed securities are held at market value.

Realised gains and losses on disposal and unrealised gains and losses arising on revaluation of investments are both recognised in the statement of financial activities.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

2 Principal accounting policies (continued)

(h) Current asset investments

Current asset investments include funds which may be required at short notice.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Donations received

Donations when received are disclosed as income in the statement of financial activities. Those donations which are received for specific purposes are carried forward in restricted funds to the extent that they have not been expended in the year.

(l) Pension costs

The Foundation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Foundation.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services.

(m) Routine maintenance

The governors have established a regular programme of cyclical repairs and maintenance. Costs are charged in the year in which they are incurred.

(n) Major repairs

Costs of major repairs, unless representing improvements to the properties, are charged in the year in which they are incurred.

(o) Value added tax

In these financial statements, where applicable, expenditure is shown inclusive of VAT as the Foundation is not registered for value added tax.

(p) Website costs

Costs relating to website design and maintenance are expensed in the year in which they are incurred.

(q) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

3 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed asset valuation

The care home and related buildings were valued using a depreciated replacement cost basis to establish a deemed cost at the FRS102 transition date. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The following are the charity's key sources of estimation uncertainty:

Fixed assets investments

The permanent endowment properties valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profile of the balance and the historical experience.

4 Income from donations and legacies

	2023 £	2022 £
Donations	25,691	13,175
Legacies	6,400	25,500
	<hr/> 32,091	<hr/> 38,675

Income from donations and legacies was £32,091 (2022: £38,675) of which £24,258 (2022: £12,999) was attributable to restricted and £7,833 (2022: £25,676) to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

5 Income from charitable activities

	2023 £	2022 £
Residential care	1,170,258	1,196,476
Sheltered accommodation	100,518	64,276
Respite care	199,089	62,551
Domiciliary care	18,937	6,638
Other income	3,523	3,246
	<u>1,492,325</u>	<u>1,333,187</u>

As part of its charitable aims, the Foundation supported a number of residents with contributions towards their fees during the financial year to the value of £52,863 (2022: £55,346).

Income from charitable activities was £1,492,325 (2021: £1,333,187) all of which was attributable to unrestricted funds.

6 Income from trading activities

Income from trading activities was £1,660 (2022: £1,085) of which all was attributable to unrestricted funds.

7 Income from investments

	2023 £	2022 £
Dividend and interest income	197,122	166,010
Rental income	160,163	148,071
	<u>357,285</u>	<u>314,081</u>

Income from investments – stated net of management fees - was £357,285 (2022: £314,081) of which £123,702 (2022: £125,013) was attributable to endowment and £233,583 (2022: £189,068) was attributable to unrestricted funds.

8 Other income

The charity benefitted from Government grants of £10,853 (2022: £93,108) used to help fund infection control costs, vaccination, workforce retention and also to support staff, all attributable to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

9 Permanent endowment invested on a total return basis

The charity has exercised its rights under section 104(A) of the Charities Act 2011 with effect from 30 June 2019. This power permits the governors permanently to invest endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised, it allows the governors to apply an appropriate portion of the unapplied total return to income each year.

During the year the net gain on the endowment investments was £64,894 (2022: net loss of £108,278); of this value, the governors transferred all of the £123,702 (2022: £123,608) of investment income received to fund the aims of the charity on a day to day basis. The resultant loss of £58,808 has reduced the underlying value of the unapplied total return fund.

Following a transfer in 2022 of £75,000 into the endowment for investment fund, the governors have taken the decision under the current economic and investment market conditions, to maintain the face value of this fund for 2023 with the view that in the longer term investment values will again increase to offset the recent inflationary pressures.

	Endowment for investment £	Unapplied total return £	Permanent endowment investments £
At 1 July 2022	2,351,462	1,763,110	4,114,572
Movements			
Investment income	-	123,702	123,702
Gains / (losses)	-	(58,808)	(58,808)
	-	64,894	64,894
Unapplied total return allocated to income	-	(123,702)	(123,702)
Net movement in the reporting period	-	(58,808)	(58,808)
Total value of permanent endowment investments at 30 June 2023	2,351,462	1,704,302	4,055,764

10 Property management

Property management comprises the costs of managing and carrying out repairs as needed to the charity's investment properties and the buildings at Temple Balsall other than those used in the care home which are accounted for as shown in note 11.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

11 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2023 £	Total 2022 £
Care home				
Provision of care services	1,283,938	142,557	1,426,495	1,333,382
Routine maintenance	62,625	-	62,625	66,016
Major repairs	-	-	-	8,580
	<u>1,346,563</u>	<u>142,557</u>	<u>1,489,120</u>	<u>1,407,978</u>
Support for:				
St Mary's Church	32,833	-	32,833	32,909
Lady Katherine Leveson School	7,235	-	7,235	11,381
	<u>1,386,631</u>	<u>142,557</u>	<u>1,529,188</u>	<u>1,452,268</u>

Expenditure on charitable activities was £1,529,188 (2022: £1,452,268) of which £4,292 (2022: £3,861) was attributable to restricted funds. £1,524,896 (2022: £1,448,407) of the above costs was attributable to unrestricted funds.

12 Support costs

	2023 £	2022 £
Master's salary (part)	5,198	13,828
Management	85,132	54,706
Administration	9,143	8,728
Insurance	24,202	26,513
Governance (see note 13)	18,881	20,604
	<u>142,557</u>	<u>124,379</u>

13 Governance costs

	2023 £	2022 £
Audit and accountancy	11,628	14,100
Bailiff's salary (part)	7,253	6,504
	<u>18,881</u>	<u>20,604</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

14 Analysis of net incoming resources

	Properties and investments £	Care home activities £	Other charitable activities £	Total £
Income:				
Donations and legacies	1,883	19,125	11,083	32,091
Rental and other investment income	357,285	-	-	357,285
Charitable activities	-	1,492,325	-	1,492,325
Other income	2,819	10,853	-	13,672
Total income	<u>361,987</u>	<u>1,522,303</u>	<u>11,083</u>	<u>1,783,686</u>
Expenditure:				
Raising funds – property management	(216,803)	-	-	(216,803)
Charitable activities	-	(1,489,120)	(40,068)	(1,529,188)
Total expenditure	<u>(216,803)</u>	<u>(1,489,120)</u>	<u>(40,068)</u>	<u>(1,745,991)</u>
Net income	145,184	33,183	(28,985)	149,382
Notional rent payable by care home	238,050	(238,050)	-	-
Total	<u>383,234</u>	<u>(204,867)</u>	<u>(28,985)</u>	<u>149,382</u>

The notional rent payable is derived from management estimates based on current rent levels established by the rent officer.

15 Governors' and key management personnel remuneration and expenses

The governors neither received nor waived any remuneration during the year (2022: £Nil).

The total amount of employee benefits received by key management personnel was £138,091 (2022: £187,148) the reduction principally reflecting the vacancy period following the retirement of the Master. The governors consider that the Foundation's key management comprises the Master, Bailiff and Care Manager.

The governors did not have any expenses reimbursed during the year (2022: £Nil).

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

16 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2023	2022
Master, Bailiff, and care Manager	2	3
Care assistants, kitchen, manual and other administration staff	42	41
	<u>44</u>	<u>44</u>

The average number of employees expressed as full-time equivalents was 33 (2022: 31).

Total staff costs and employee benefits were as follows:

	2023 £	2022 £
Wages and salaries	1,008,523	976,545
Social security costs	60,666	54,102
Pension costs	19,634	18,011
	<u>1,088,823</u>	<u>1,048,658</u>

The above figures include payments for sick pay and agency staff.

One employee received total remuneration including employee benefits (excluding employer pension costs) of more than £60,000.

17 Taxation

The company is exempt from corporation tax on its charitable activities; input VAT is irrecoverable.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

18 Tangible fixed assets

	Care home and related buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:				
At 1 July 2022	3,925,000	712,148	25,000	4,662,148
Additions	48,207	86,435	-	134,642
Disposals	-	(53,497)	-	(53,497)
At 30 June 2023	<u>3,973,207</u>	<u>745,086</u>	<u>25,000</u>	<u>4,743,293</u>
Depreciation:				
At 1 July 2022	-	486,813	25,000	511,813
Charge for the year	-	55,061	-	55,061
Eliminated on disposals	-	(48,229)	-	(48,229)
At 30 June 2023	-	<u>493,645</u>	<u>25,000</u>	<u>518,645</u>
Net book value:				
At 30 June 2023	<u>3,973,207</u>	<u>251,441</u>	<u>-</u>	<u>4,224,648</u>
At 30 June 2022	<u>3,925,000</u>	<u>225,335</u>	<u>-</u>	<u>4,150,335</u>

The care home and related buildings were re-valued on transition to FRS 102 as at 30 June 2016 by Barlow Associates. The valuation was prepared using a depreciated replacement cost basis. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings. Appropriate deductions have been made to allow for age, condition, economic or functional obsolescence and environmental and other factors. This may result in the existing property being worth less than replacement and, in the event of forced sale, a lower figure being achieved.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

19 Fixed asset investments

	Permanent endowment properties £	Permanent endowment investments £	Unrestricted fund investments £	Total £
Valuation				
At 1 July 2022	10,461,500	4,114,572	1,199,465	15,775,537
Change in market value	-	(58,808)	8,952	(49,856)
At 30 June 2023	<u>10,461,500</u>	<u>4,055,764</u>	<u>1,208,417</u>	<u>15,725,681</u>

Investments at fair value comprise:

	2023 £	2022 £
Investment properties	10,461,500	10,461,500
Property trusts	352,696	438,197
Income and growth funds	4,911,485	4,875,840
	<u>15,725,681</u>	<u>15,775,537</u>

The permanent endowment properties were revalued as at 30 June 2021 by Barlow Associates. The valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

20 Current asset investments

	£
At 1 July 2022	860,531
Transfer of funds to higher rate savings	200,000
Change in market value	1,562
At 30 June 2023	<u>1,062,093</u>
Cost	<u>776,111</u>

Current assets investments include the Sarasin Endowment Fund Class A with a current market value of £212,093 (2022: £210,531), the balance being held in cash, to cover the cost of future major repairs.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

21 Stocks

	2023 £	2022 £
Food, cleaning and laundry	1,909	1,854
	<u>1,909</u>	<u>1,854</u>

22 Debtors

	2023 £	2022 £
Residents' contribution arrears	16,966	9,330
Rent arrears	19,537	43,938
Prepayments and accrued income	39,093	46,935
Other debtors	40,136	19,142
	<u>115,732</u>	<u>119,345</u>

23 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	65,353	61,574
Other tax and social security	20,255	16,964
Accruals	161,666	156,109
Other creditors	58,474	108,433
Residents' contribution in advance	69,988	57,839
Related party creditor (see note 31)	4,682	3,930
	<u>380,418</u>	<u>404,849</u>

24 Leases

Operating leases

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

	2023 £	2022 £
Not later than one year	7,262	5,515
Later than one and not later than five years	24,830	20,089
Later than five years	<u>5,438</u>	<u>9,108</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

25 Fund reconciliation

Restricted funds

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 June 2023 £
Donation reserve	21,764	24,258	(6,175)	(977)	-	38,870
	<u>21,764</u>	<u>24,258</u>	<u>(6,175)</u>	<u>(977)</u>	<u>-</u>	<u>38,870</u>

Donations reserve represents donations received less expenditure incurred in line with donors' wishes.

Unrestricted funds

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers £	Unrealised Gains / (losses) £	Balance at 30 June 2023 £
Income and expenditure fund	1,780,559	1,871,115	(1,739,816)	(99,023)	5,419	1,818,254
Designated:						
Property improvements	850,000	-	-	100,000	-	950,000
Lady Cadbury bequest	310,729	-	-	-	2,319	313,048
Barbara Leonard bequest	180,760	-	-	-	1,214	181,974
Major repair reserve	210,531	-	-	-	1,562	212,093
	<u>3,332,579</u>	<u>1,871,115</u>	<u>(1,740,016)</u>	<u>977</u>	<u>10,514</u>	<u>3,475,169</u>

Property improvements – reserves have been established to augment funds required to maintain and improve the historic Temple Balsall buildings.

Lady Cadbury bequest – these funds have been designated from the original bequest from the late Lady Cadbury in 2010-11 for the benefit and care of the elderly at Temple Balsall.

Barbara Leonard bequest – these funds have been designated from the original bequest from the late Barbara Leonard for the benefit of the Temple Balsall community.

Major repair reserve – these funds have been designated to provide for estimated future expenditure principally arising out of quinquennial inspections on the functional property of the Foundation.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

25 Fund reconciliation (continued)

Permanent endowment

	Balance at 1 July 2022 £	Income £	Allocated to income from unapplied total return £	Gains / (losses) £	Balance at 30 June 2023 £
Endowment funds	18,501,072	123,702	(123,702)	(58,808)	18,442,264
	<u>18,501,072</u>	<u>123,702</u>	<u>(123,702)</u>	<u>(58,808)</u>	<u>18,442,264</u>

26 Analysis of net assets between funds

	Permanent endowment £	Restricted funds £	Unrestricted funds £	Total £
Fixed assets	3,925,000	-	299,648	4,224,648
Investments	14,517,264	-	1,208,417	15,725,681
Current assets	-	38,870	2,347,722	2,386,592
Current liabilities	-	-	(380,418)	(380,418)
Total	<u>18,442,264</u>	<u>38,870</u>	<u>3,475,369</u>	<u>21,956,503</u>

27 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for year	101,088	(231,148)
Dividends received	(164,539)	(163,877)
Interest receivable	(32,583)	(2,133)
Rental income	(160,163)	(148,071)
Depreciation and impairment of tangible fixed assets	55,061	53,792
(Gains)/losses on investments	48,294	345,827
Loss on disposal of tangible fixed assets	5,269	1,294
(Increase)/decrease in stock	(55)	(224)
(Increase)/decrease in debtors	3,613	(34,220)
Increase/(decrease) in creditors	(24,432)	(60,189)
Net cash flow from operating activities	<u>(168,447)</u>	<u>(238,949)</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year ended 30 June 2023

28 Contingent liabilities

There were no contingent liabilities at either financial year end other than those relating to tenants' improvements which may be payable on the termination of the farm tenancies.

29 Accommodation in management

At 30 June 2023, the Foundation had 45 units of accommodation (2022: 45) offering accommodation for up to 51 residents.

30 The liability of the guarantors

The Foundation does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount for which each member is liable to contribute is £10. There were 11 (2022: 13) such members at 30 June 2023.

31 Related parties

The Foundation continues to support the connected charity, the Educational Foundation of Lady Katherine Leveson. At 30 June 2023, £4,682 (2022: £3,930) was owed to the Educational Foundation of Lady Katherine Leveson.

32 Auditor's remuneration

The auditor's remuneration comprises an audit fee of £10,200 (2022: £10,220) and accountancy fee of £550 (2022: £1,530) both excluding VAT.

33 Capital commitments

At 30 June 2023 the charity had capital commitments amounting to £347,985 (2022 - £NIL) excluding VAT, in respect of improvements to the care home and related buildings.

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales - Charity number 1146710

Accounts

The Foundation of Lady Katherine Leveson
Financial Statements
Year Ended 30 June 2022

Charity registration number: 1146710
Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Year Ended 30 June 2022

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The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

Governors & Officers of the charity

The governors and officers who have served during the year and since the year end were as follows:

Elected governors	The Rt Hon the Earl of Aylesford (Chairman) The Rt Hon Viscount Daventry Sir William Dugdale Bt J Evans OBE M C Fetherston-Dilke Mrs N Hammett (appointed 23 May 2022) Mrs C Hopkinson R Macpherson (appointed 20 July 2022) Mrs C Matthews (appointed 25 January 2022) Mrs C Sawdon JP (resigned 2 November 2022)
Ex-officio governor	The Rt Revd The Lord Bishop of Birmingham (retired 18 October 2022)
Governors nominated by Solihull MBC	M Adlington (retired 20 July 2022) D Bell Councillor A Burrow (appointed 17 May 2022)
Master	The Revd K Lloyd-Roberts (retired 30 September 2022)
Bailiff	Mrs S Woodman ACA
Care Manager	Mrs P Johal (until 24 December 2021) Mr S Blancaflor

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

Charity registration number	1146710
Company registration number	07890553
Registered office	Temple House Temple Balsall Knowle Solihull B93 0AN
Auditor	Dafferns LLP Chartered Accountants and Statutory Auditor One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment managers	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU Property Income Trust for Charities Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3PT Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

INTRODUCTION

The governors present their report and the audited financial statements of the charity for the year ended 30 June 2022. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity published October 2020.

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee (charity number 1146710 and company number 07890553).

The affairs of the historic charity and the company were brought together under a linking order dated 22 June 2012 under which order these accounts are prepared.

The company is governed by its Articles and Memorandum of Association dated 15 December 2011.

The Foundation is managed through the Board of governors which meets as necessary, generally bi-monthly. Day-to-day management of the Foundation is vested in a senior management team comprising the Master (a statutory appointment under the terms of the Articles), the Bailiff (appointed as Company Secretary) and the Care Manager. It is a condition of the Articles that the Master be an ordained priest of the Church of England; the Bailiff has appropriate accountancy qualifications.

The Foundation seeks to recruit governors with appropriate technical expertise or knowledge and provides a full induction into the day-to-day activities of the Foundation as part of the appointment process. Emphasis is also given to recruiting governors who live locally who can therefore support the Foundation more readily on a day-to-day basis. Governors are appointed at ordinary meetings by way of a majority resolution; Solihull Metropolitan Borough Council is entitled to appoint two governors to the Foundation.

OBJECTS OF THE FOUNDATION

Lady Katherine Leveson, who died in 1674, provided endowments in her will for almshouses, the church and the school at Temple Balsall.

The present-day objects of the Foundation are to:

- relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities calculated to relieve the needs of such persons.
- advance the education of the pupils through the Educational Foundation.
- advance the education of the public in the subject of ageing, spirituality and social policy.
- advance the Christian religion for the benefit of the public.

PRINCIPAL ACTIVITIES

The Foundation today provides supported housing accommodation and residential care for the elderly in a Christian environment, together with support for St Mary's church and the Lady Katherine Leveson Church of England Primary school.

The Foundation offers accommodation for up to 51 residents; the Court had 29 apartments providing residential care, with 16 sheltered living flats housing up to a further 22 people living more independently. The management have now registered a further 4 of the sheltered living flats to accommodate residential care if required and continue to review the remaining sheltered flats to ensure the best and most flexible use to meet the needs of both residential and sheltered residents.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

ACHIEVEMENTS AND PERFORMANCE

The financial results of the Foundation for the year ended 30 June 2022 are set out in detail on page 10. These show the performance of the Foundation's housing operations - residential care and sheltered housing - and of its investments. The governors regard these as separate but related activities and the notes to these accounts provide analysis of the financial performance of each in notes 4 to 14.

The Foundation generated an operating surplus of £115k (2021 - £405k); in addition, there were unrealised net investment losses on the quoted investment portfolios of £346k (2021 - gain of £580k) generating an overall loss of £231k (2021 - gain of £4,032k).

The Foundation's normal operations (as represented by the movement in unrestricted funds) generated a surplus before investment losses for the year of £107k. However, as the analysis in note 14 shows, the cost of operating the care home, including the £216k notional rent of the buildings in which it operates, for this financial year changes the surplus into a loss; the care home has generally shown a loss for many years.

The balance on the property improvements designated reserve fund providing for future maintenance and improvements to the historic buildings at 30 June 2022 was £850k (2021 - £850k). There is also a major repair fund with a balance at 30 June 2022 of £211k (2021 - £227k) held with Sarasin & Partners LLP. All property repairs during the year were funded directly from unrestricted funds. Plans for property improvement to be funded from these sources were deferred during the coronavirus pandemic.

This year has been particularly challenging for the care home with a marked impact on operations resulting from the Covid-19 pandemic, which affected the whole of the financial year. Reduced income resulted from restricted admissions to ensure sufficient staffing was available to care for our residents. Grants continued in this financial year but at a reduced level to support infection control, support staff in isolating, promote regular testing; additional funds were received from central government for staff retention throughout the year.

The governors are enormously grateful for the tireless dedication of the care home management and staff and for their unflinching commitment to the care of residents during what has been a particular difficult period.

There has been a number of changes in composition of the governors and governing body during and after the 2021/22 financial year.

The governors wish to express their gratitude and thanks to the Rev Kathy Lloyd-Roberts who has retired after 13 years as Master of the Foundation and vicar of St Mary's.

Plans are in hand, in consultation with the diocese of Birmingham and the parochial church council, to appoint a successor as Master of the Foundation, this following a period of interregnum which the governors will hope to minimise.

Michael Adlington, a governor nominated by Solihull MBC, retired in July 2022 after 19 years of service. The governors pay tribute to Mr Adlington, who lives locally, for his tireless support of the care home.

The board of governors has been strengthened during the year by the appointment of three new governors who bring a range of practical experience and qualification; we welcome:

- Mrs Carol Matthews - who has recently retired as a lawyer with a local firm - appointed in January 2022,
- Mrs Nicola Hammett - appointed in May 2022; she is also Chair of the governors of the Temple Balsall primary school, and
- Robert Macpherson - appointed in July 2022 - to help the governors in developing and executing improvements to the building fabric at Temple Balsall and future plans.

Providing an excellent standard of care will always be a top priority for the Foundation. The care home was awarded a 'good' rating from the Care Quality Commission in 2019, falling short by the smallest of margins of the previous 'outstanding' rating which the Foundation aims to restore.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

The governors continue their commitment to staff training; the majority of care staff have NVQ qualifications and staff retention is encouraged by continued investment in personal development and staff wellbeing, the latter particularly important at the current time.

LADY KATHERINE LEVESON CHURCH OF ENGLAND PRIMARY SCHOOL

One of the aims of the Foundation is to support the advancement of the education of the pupils of the school through the Educational Foundation.

The school is now part of the Birmingham Diocesan Multi-Academy Trust ('BDMAT') with day-to-day responsibility for the management and development of the school. In September 2020, BDMAT took on a long lease with the Foundation for the school buildings, on a peppercorn rent assuming responsibility for repairs and any new buildings.

FUTURE PLANS

Planning consent was obtained some years ago to renovate adjacent redundant farm buildings at Temple House farm, but implementation of this project was deferred in 2008. The governors have, however, undertaken works necessary to activate planning consent.

The governors intend to undertake a significant renovation of the kitchen, dining and recreational areas of the court buildings for which listed building consent will be required. The governors hope that the project can be commenced in 2023.

The governors continue to explore strategic options for the future by evaluating how the potential of the site, including the redundant barns, might best be developed to further the Foundation's objects.

FUNDS

Transfers to/from reserves are considered on an annual basis depending on future expectations of needs and events. Amounts are transferred to designated funds to enable future amounts to be expended on maintaining and improving the property portfolio.

INVESTMENT POLICY

The Foundation's investment objective is to maximise the total investment return over the longer term without taking undue risk, principally achieved by investing in a well-diversified portfolio of equities and fixed interest investments through the use of pooled funds, with the principal fund manager being Sarasin & Partners.

The governors invest separately in property pooled funds managed by Mayfair Capital Investment Management Limited and the Charities Property Fund which provide attractive income yields from portfolios of diversified commercial property.

The aggregate reduction in the value of the endowment investments was £232k reflecting unrealised losses in the uncertain investment climate. Investment income of £124k has been used to fund the aims of the charity on a day-to-day basis during this difficult financial year whilst £75k has been added to the capital value of the underlying endowment for investment fund to continue to maintain its value over the longer term. The resultant loss of £307k has reduced the unapplied total return fund.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

PUBLIC BENEFIT

The governors confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit and confirm that the Foundation's purpose is for public benefit.

RISK

The governors have established a comprehensive range of procedures in order to minimise risk to the Foundation's activities, including clear terms of reference for all committees, a governance structure with clear organisational lines of reporting and regular operational review of disaster planning and crisis management strategy.

RESERVES POLICY

The governors continue to ensure that sufficient reserves are maintained to finance the day to day running of the Foundation's activities.

FIXED ASSETS

Movements in tangible fixed assets and fixed asset investments are disclosed within the notes to the accounts.

PAY POLICY FOR SENIOR STAFF

The remuneration for the management team is reviewed by the governors who use benchmarking against comparable organisations along with an assessment of market rates and consideration of performance.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing these financial statements, the governors 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 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 Foundation will continue in operation.

The governors are responsible for keeping accounting records that disclose with reasonable accuracy at any time 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.

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

In accordance with company law, as the company's directors, the governors certify that:

- there is no relevant audit information of which the company's auditors are unaware and that, as directors of the company,
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of this information.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2022

CONCLUSION

The governors are extremely grateful to all the management and staff for the enthusiasm and commitment with which they have carried out their duties and responsibilities during a very long and difficult period coping with the impact of the coronavirus pandemic.

AUDITORS

Dafferns LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE GOVERNORS.....

Date 23 November 2022

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2022

Opinion

We have audited the financial statements of The Foundation of Lady Katherine Leveson (the 'charitable company') for the year ended 30 June 2022 which comprise the statement of financial activities, balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2022

Other information

The governors are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2022

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, set out on page 5, the governors (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 governors 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 governors 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 governors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management and those charged with governance around actual and potential litigation and claims;

Reviewing minutes of meetings of those charged with governance;

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2022

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.



**Lucy Hatton FCCA
for and on behalf of Dafferns LLP
Chartered Accountants and Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB**

Date: 23 November 2022

The Foundation of Lady Katherine Leveson

Statement of financial activities (incorporating the income and expenditure account)

Year Ended 30 June 2022

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and legacies	4	25,676	12,999	-	38,675	12,871
Charitable activities	5	1,333,187	-	-	1,333,187	1,547,861
Other trading activities	6	1,085	-	-	1,085	36
Investments	7	190,473	-	123,608	314,081	304,561
Other income	8	96,658	-	-	96,658	110,324
Allocated to income from unapplied total return	9	123,608	-	(123,608)	-	-
Total income		1,770,687	12,999	-	1,783,686	1,975,653
Expenditure on:						
Raising funds – property management	10	(214,939)	(1,800)	-	(216,739)	(181,995)
Charitable activities	11	(1,448,407)	(3,861)	-	(1,452,268)	(1,389,141)
Total expenditure		(1,663,346)	(5,661)	-	(1,669,007)	(1,571,136)
Net income/(expenditure) before investment gains and losses		107,341	7,338		114,679	404,517
Net gains/(losses) on investments	19, 20	(113,941)	-	(231,886)	(345,827)	3,626,996
Net income/(expenditure) after losses on investments		(6,600)	7,338	(231,886)	(231,148)	4,031,513
Transfers between funds		12,095	(12,095)	-	-	-
Net movement in funds	25	5,495	(4,757)	(231,886)	(231,148)	4,031,513
Reconciliation of funds:						
Total funds brought forward	25	3,327,084	26,521	18,732,958	22,086,563	18,055,050
Total funds carried forward	25	3,332,579	21,764	18,501,072	21,855,415	22,086,563

All income and expenditure derive from continuing activities.

For the purpose of reporting under the Companies Act 2006, the net income after losses on investments, excluding the £231,886 loss on endowment investments (2021: £3,467,281 gain), is £738 (2021: £564,232).

The notes on pages 15 to 29 form part of the financial statements.

The Foundation of Lady Katherine Leveson

Balance sheet

Year Ended 30 June 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	18		4,150,335		4,136,991
Investments	19		15,775,537		16,104,543
			<u>19,925,872</u>		<u>20,241,534</u>
Current assets					
Investments	20	860,531		877,354	
Stocks	21	1,854		1,630	
Debtors	22	119,345		85,124	
Cash at bank and in hand		1,352,662		1,345,960	
		<u>2,334,392</u>		<u>2,310,068</u>	
Creditors: amounts falling due within one year	23	<u>(404,849)</u>		<u>(465,039)</u>	
Net current assets			1,929,543		1,845,029
Net assets			<u>21,855,415</u>		<u>22,086,563</u>
Charity funds					
Permanent endowment	25		18,501,072		18,732,958
Restricted funds	25		21,764		26,521
Unrestricted funds:					
- Income and expenditure fund	25	1,780,559		1,919,411	
- Designated funds	25	<u>1,552,020</u>		<u>1,407,673</u>	
			3,332,579		3,327,084
	26		<u>21,855,415</u>		<u>22,086,563</u>

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the governors and authorised for issue on 23 November 2022.

Signed on behalf of the Board of governors



The Rt Hon the Earl of Aylesford, Chairman



M C Fetherston-Dilke, Governor

The notes on pages 15 to 29 form part of these financial statements.

Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Statement of Cash Flows

Year Ended 30 June 2022

	Note	2022 £	2021 £
Cash flow from operating activities	27	(238,949)	189,547
Net cash flow from operating activities		<u>(238,949)</u>	<u>189,547</u>
Cash flow from investing activities			
Tangible fixed assets acquired		(68,430)	(75,132)
Investments acquired		-	(425,306)
Investments sold		-	225,306
Interest received		2,133	199
Dividends received		163,877	167,686
Rents received from investment properties		148,071	136,676
Net cash flow from investing activities		<u>245,651</u>	<u>29,429</u>
Net increase in cash and cash equivalents		6,702	218,976
Cash and cash equivalents at 1 July 2021		1,345,960	1,126,984
Cash and cash equivalents at 30 June 2022		<u>1,352,662</u>	<u>1,345,960</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,352,662	1,345,960
Cash and cash equivalents at 30 June 2022		<u>1,352,662</u>	<u>1,345,960</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

1 General information

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee, incorporated and domiciled in England (Company number 07890553, Charity number 1146710). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described on page 3.

2 Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice.

The Foundation of Lady Katherine Leveson 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.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The governors consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aims and use of each designated fund are set out in the notes to the financial statements. They form part of the unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aims and use of each restricted fund are set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the Foundation, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

2 Principal accounting policies (continued)

(c) Income resources

All incoming resources are included in the statement of financial activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Foundation where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(d) Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generated funds are those costs attributable to generating incoming resources for the Foundation. Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. Governance costs include those incurred in the governance of the Foundation and are primarily associated with constitutional and statutory requirements.

(e) Tangible fixed assets

Tangible fixed assets, except the care home and related buildings, are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Refurbishment fixtures and fittings	10% straight line

(f) Care home and related buildings

The care home and related buildings are included at a valuation based on the depreciated replacement cost basis. They are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. The annual charge for depreciation is £Nil.

(g) Fixed asset investments

Properties held as fixed asset investments are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. No records exist for the original cost in respect of the majority of the property. Fixed asset investment properties are held at current valuation. Fixed asset investments in listed securities are held at market value.

Realised gains and losses on disposal and unrealised gains and losses arising on revaluation of investments are both recognised in the statement of financial activities.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

2 Principal accounting policies (continued)

(h) Current asset investments

Current asset investments include funds which may be required at short notice.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Donations received

Donations when received are disclosed as income in the statement of financial activities. Those donations which are received for specific purposes are carried forward in restricted funds to the extent that they have not been expended in the year.

(l) Pension costs

The Foundation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Foundation.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services. Any difference between the charge for the current year and the contributions paid to the scheme would be included in debtors in the balance sheet.

(m) Routine maintenance

The governors have established a regular programme of cyclical repairs and maintenance. Costs are charged in the year in which they are incurred.

(n) Major repairs

Costs of major repairs, unless representing improvements to the properties, are charged in the year in which they are incurred.

(o) Value added tax

In these financial statements, where applicable, expenditure is shown inclusive of VAT as the Foundation is not registered for value added tax.

(p) Website costs

Costs relating to website design and maintenance are expensed in the year in which they are incurred.

(q) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

3 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed asset valuation

The care home and related buildings were valued using a depreciated replacement cost basis to establish a deemed cost at the FRS102 transition date. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The following are the charity's key sources of estimation uncertainty:

Fixed assets investments

The permanent endowment properties valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profile of the balance and the historical experience.

4 Income from donations and legacies

	2022 £	2021 £
Donations	13,175	12,871
Legacies	25,500	-
	<u>38,675</u>	<u>12,871</u>

Income from donations and legacies was £38,675 (2021: £12,871) of which £12,999 (2021: £12,851) was attributable to restricted and £25,676 (2021: £20) to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

5 Income from charitable activities

	2022 £	2021 £
Residential care	1,196,476	1,400,191
Sheltered accommodation	64,276	80,899
Respite care	62,551	43,648
Domiciliary care	6,638	20,071
Other income	3,246	3,053
	<u>1,333,187</u>	<u>1,547,861</u>

As part of its charitable aims, the Foundation supported a number of residents with contributions towards their fees during the financial year to the value of £55,346 (2021: £51,222)

Income from charitable activities was £1,333,187 (2021: £1,547,861) all of which was attributable to unrestricted funds.

6 Income from trading activities

Income from trading activities was £1,085 (2021: £36) of which all was attributable to unrestricted funds.

7 Income from investments

	2022 £	2021 £
Dividend and interest income	166,010	167,885
Rental income	148,071	136,676
	<u>314,081</u>	<u>304,561</u>

Income from investments – stated net of management fees - was £314,081 (2021: £304,561) of which £125,013 (2021: £129,965) was attributable to endowment and £189,068 (2021: £174,596) was attributable to unrestricted funds.

8 Other income

The charity benefitted from Government's grants of £93,108 (2021: £108,040) during the pandemic used to reduce the cost of infection control, testing and workforce retention, all attributable to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

9 Permanent endowment invested on a total return basis

The charity has exercised its rights under section 104(A) of the Charities Act 2011 with effect from 30 June 2019. This power permits the governors permanently to invest endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised, it allows the governors to apply an appropriate portion of the unapplied total return to income each year.

During the year the net loss on the endowment investments was £108,278; of this value, the governors transferred all of the £123,608 (2021: £129,965) of investment income received to fund the aims of the charity on a day to day basis in what has been a difficult year. Under the current economic and investment market conditions with unrealised investment losses of £231,886, the governors have transferred £75,000 (2021: £55,224) from the unapplied total return fund to the endowment investment to seek to continue to maintain the endowment capital value over the longer term. The resultant loss of £306,886 has reduced the underlying value of the unapplied total return fund.

	Endowment for investment £	Unapplied total return £	Permanent endowment investments £
At 1 July 2021	2,276,462	2,069,996	4,346,458
Movements			
Investment income	-	123,608	123,608
Gains / (losses)	-	(231,886)	(231,886)
	-	(108,278)	(106,873)
Unapplied total return allocated to income	-	(123,608)	(123,608)
Unapplied total return allocated to investment to maintain capital value	75,000	(75,000)	-
Net movement in the reporting period	75,000	(306,886)	(231,886)
Total value of permanent endowment investments at 30 June 2022	2,351,462	1,763,110	4,114,572

10 Raising funds – property management

Property management comprises the costs of managing and carrying out repairs as needed to the charity's investment properties and the buildings at Temple Balsall other than those used in the Care home which are accounted for as shown in note 11.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

11 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2022 £	Total 2021 £
Care home				
Provision of care services	1,209,003	124,379	1,333,382	1,260,649
Routine maintenance	66,016	-	66,016	64,167
Major repairs	8,580	-	8,580	12,632
	<u>1,283,600</u>	<u>124,379</u>	<u>1,407,978</u>	<u>1,337,448</u>
Support for:				
St Mary's Church	32,909	-	32,909	38,065
Lady Katherine Leveson School	11,381	-	11,381	13,628
	<u>1,327,889</u>	<u>124,379</u>	<u>1,452,268</u>	<u>1,389,141</u>

Expenditure on charitable activities was £1,452,268 (2021: £1,389,141) of which £3,861 (2021: £3,645) was attributable to restricted funds. £1,448,407 (2021: £1,385,496) of the above costs was attributable to unrestricted funds.

12 Support costs

	2022 £	2021 £
Master's salary (part)	13,828	13,294
Management	54,706	44,559
Administration	8,728	10,462
Insurance	26,513	20,800
Governance (see note 13)	20,604	22,411
	<u>124,379</u>	<u>111,526</u>

13 Governance costs

	2022 £	2021 £
Audit and accountancy	14,100	14,100
Property valuation fees	-	4,500
Bailiff's salary (part)	6,504	3,811
	<u>20,604</u>	<u>22,411</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

14 Analysis of net incoming resources

	Properties and investments £	Care home activities £	Other charitable activities £	Total £
Income:				
Donations and legacies	1,800	8,049	28,826	38,675
Rental and other investment income	314,081	-	-	314,081
Charitable activities	-	1,333,187	-	1,333,187
Other income	4,635	93,108	-	97,743
Total income	<u>320,516</u>	<u>1,434,345</u>	<u>28,826</u>	<u>1,783,686</u>
Expenditure:				
Raising funds – property management	(216,739)	-	-	(216,739)
Charitable activities	-	(1,407,978)	(44,290)	(1,452,268)
Total expenditure	<u>(216,739)</u>	<u>(1,407,978)</u>	<u>(44,290)</u>	<u>(1,669,007)</u>
Net income	103,777	26,366	(15,464)	114,679
Notional rent payable by care home	216,409	(216,409)	-	-
Total	<u>320,186</u>	<u>(190,043)</u>	<u>(15,464)</u>	<u>114,679</u>

The notional rent payable is derived from management estimates based on current rent levels established by the rent officer.

15 **Governors' and key management personnel remuneration and expenses**

The governors neither received nor waived any remuneration during the year (2021: £Nil).

The total amount of employee benefits received by key management personnel was £187,148 (2021: £122,095). During the year, there have been exceptional management costs as a consequence of the Covid pandemic. The governors consider that the Foundation's key management comprises the Master, Bailiff and Care Manager.

The governors did not have any expenses reimbursed during the year (2021: £Nil).

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

16 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2022	2021
Bailiff, Master and Care Manager	3	3
Care assistants, kitchen, manual and other administration staff	41	45
	<hr/> 44	<hr/> 48

The average number of employees expressed as full-time equivalents was 31 (2021: 34).

Total staff costs and employee benefits were as follows:

	2022	2021
	£	£
Wages and salaries	976,545	961,196
Social security costs	54,102	48,726
Pension costs	18,011	15,093
	<hr/> 1,048,658	<hr/> 1,025,015

The above figures include payments for sick pay and agency staff.

One employee received total remuneration including employee benefits (excluding employer pension costs) of more than £60,000.

17 Taxation

The company is exempt from corporation tax on its charitable activities; input VAT is irrecoverable.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

18 Tangible fixed assets

	Care home and related buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:				
At 1 July 2021	3,925,000	681,406	25,000	4,631,406
Additions	-	68,430	-	68,430
Disposals	-	(37,688)	-	(37,688)
At 30 June 2022	<u>3,925,000</u>	<u>712,148</u>	<u>25,000</u>	<u>4,662,148</u>
Depreciation:				
At 1 July 2021	-	469,415	25,000	494,415
Charge for the year	-	53,792	-	53,792
Eliminated on disposals	-	(36,394)	-	(36,394)
At 30 June 2022	<u>-</u>	<u>486,813</u>	<u>25,000</u>	<u>511,813</u>
Net book value:				
At 30 June 2022	<u>3,925,000</u>	<u>225,335</u>	<u>-</u>	<u>4,150,335</u>
At 30 June 2021	<u>3,925,000</u>	<u>211,991</u>	<u>-</u>	<u>4,136,991</u>

The care home and related buildings were re-valued on transition to FRS 102 as at 30 June 2016 by Barlow Associates. The valuation was prepared using a depreciated replacement cost basis. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings. Appropriate deductions have been made to allow for age, condition, economic or functional obsolescence and environmental and other factors. This may result in the existing property being worth less than replacement and, in the event of forced sale, a lower figure being achieved.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

19 Fixed asset investments

	Permanent endowment properties £	Permanent endowment investments £	Unrestricted fund investments £	Total £
Valuation				
At 1 July 2021	10,461,500	4,346,458	1,296,585	16,104,543
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
Change in market value	-	(231,886)	(97,120)	(329,006)
At 30 June 2022	10,461,500	4,114,572	1,199,465	15,775,537

Investments at fair value comprise:

	2022 £	2021 £
Investment properties	10,461,500	10,461,500
Property trusts	438,197	371,717
Income and growth funds	4,875,840	5,271,325
	15,775,537	16,104,543

The permanent endowment properties were revalued as at 30 June 2021 by Barlow Associates. The valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

20 Current asset investments

	£
At 1 July 2021	877,354
Additions	-
Disposals	-
Change in market value	(16,823)
Profit on sale of investments	-
At 30 June 2022	860,531
Cost	776,111

Current assets investments include the Sarasin Endowment Fund Class A with a current market value of £210,531 (2021: £227,354), the balance held in cash, to cover the cost of future major repairs.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

21 Stocks

	2022 £	2021 £
Food, cleaning and laundry	1,854	1,630
	<u>1,854</u>	<u>1,630</u>

22 Debtors

	2022 £	2021 £
Residents' contribution arrears	9,330	8,092
Rent arrears	43,938	21,034
Prepayments and accrued income	46,935	35,966
Other debtors	19,142	20,032
	<u>119,345</u>	<u>85,124</u>

23 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	61,574	70,917
Other tax and social security	16,964	4,916
Accruals	156,109	196,116
Other creditors	108,433	127,215
Residents' contribution in advance	57,839	63,024
Related party creditor (see note 31)	3,930	3,714
	<u>404,849</u>	<u>465,039</u>

24 Leases

Operating leases

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

	2022 £	2021 £
Not later than one year	5,515	5,660
Later than one and not later than five years	20,089	20,852
Later than five years	<u>9,108</u>	<u>13,860</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

25 Fund reconciliation

Restricted funds

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 June 2022 £
Donation reserve	26,521	12,999	(5,661)	(12,095)	-	21,764
	<u>26,521</u>	<u>12,999</u>	<u>(5,661)</u>	<u>(12,095)</u>	<u>-</u>	<u>21,764</u>

Donations reserve - represents donations received less expenditure incurred in line with donors' wishes.

Unrestricted funds

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Unrealised Gains / (losses) £	Balance at 30 June 2022 £
Income and expenditure fund	1,719,411	1,770,687	(1,662,846)	12,095	(58,788)	1,780,559
Designated:						
Property improvements	850,000	-	-	-	-	850,000
Lady Cadbury bequest	335,885	-	-	-	(25,156)	310,729
Barbara Leonard bequest	194,434	-	(500)	-	(13,174)	180,760
Major repair reserve	227,354	-	-	-	(16,823)	210,531
	<u>3,327,084</u>	<u>1,770,687</u>	<u>(1,663,346)</u>	<u>12,095</u>	<u>(113,942)</u>	<u>3,332,579</u>

Property improvements -- reserves have been established to augment funds required to maintain and improve the historic Temple Balsall buildings.

Lady Cadbury bequest -- these funds have been designated from the original bequest from the late Lady Cadbury in 2010-11 for the benefit and care of the elderly at Temple Balsall.

Barbara Leonard bequest -- these funds have been designated from the original bequest from the late Barbara Leonard for the benefit of the Temple Balsall community.

Major repair reserve -- these funds have been designated to provide for estimated future expenditure principally arising out of quinquennial inspections on the functional property of the Foundation.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

25 Fund reconciliation (continued)

Permanent Endowment

	Balance at 1 July 2021 £	Income £	Allocated to income from unapplied total return £	Gains / (losses) £	Balance at 30 June 2022 £
Endowment Funds	18,732,958	123,608	(123,608)	(231,886)	18,501,072
	<u>18,732,958</u>	<u>123,608</u>	<u>(123,608)</u>	<u>(231,886)</u>	<u>18,501,072</u>

26 Analysis of net assets between funds

	Permanent endowment £	Restricted funds £	Unrestricted funds £	Total £
Fixed assets	3,925,000	-	225,335	4,150,335
Investments	14,576,072	-	1,199,465	15,775,537
Current assets	-	21,764	2,312,628	2,334,392
Current liabilities	-	-	(404,849)	(404,849)
Total	<u>18,501,072</u>	<u>21,764</u>	<u>3,332,579</u>	<u>21,855,415</u>

27 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for year	(231,148)	4,031,513
Dividends received	(163,877)	(167,686)
Interest receivable	(2133)	(199)
Rental income	(148,071)	(136,676)
Depreciation and impairment of tangible fixed assets	53,792	47,158
(Gains)/losses on investments	345,827	(581,996)
Revaluation of investments	-	(3,045,000)
Loss on disposal of tangible fixed assets	1,294	2,560
(Increase)/decrease in stock	(224)	860
(Increase)/decrease in debtors	(34,220)	(7,727)
Increase/(decrease) in creditors	(60,189)	46,740
Net cash flow from operating activities	<u>(238,949)</u>	<u>189,547</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2022

28 Contingent liabilities

There were no contingent liabilities at either financial year end other than those relating to tenants' improvements which may be payable on the termination of the farm tenancies.

29 Accommodation in management

At 30 June 2022, the Foundation had 45 units of accommodation (2021: 45) offering accommodation for up to 51 residents.

30 The liability of the guarantors

The Foundation does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount for which each member is liable to contribute is £10. There were 13 (2021: 10) such members at 30 June 2022.

31 Related parties

The Foundation continues to support the connected charity, the Educational Foundation of Lady Katherine Leveson. At 30 June 2022, £3,930 (2021: £3,714) was owed to the Educational Foundation of Lady Katherine Leveson.

32 Auditor's remuneration

The auditor's remuneration comprises an audit fee of £10,220 (2021: £10,220) and accountancy fee of £1,530 (2021: £1,530) both excluding VAT.

THE FOUNDATION OF LADY KATHERINE LEVESON

England & Wales - Charity number 1146710

Accounts

**The Foundation of Lady Katherine Leveson
Financial Statements
Year Ended 30 June 2021**

Charity registration number: 1146710
Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Year Ended 30 June 2021

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The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

Governors & Officers of the charity

The governors and officers who have served during the year and since the year end were as follows:

Elected governors	The Rt Hon the Earl of Aylesford (Chairman) The Rt Hon Viscount Daventry Sir William Dugdale Bt J Evans OBE M C Fetherston-Dilke Mrs C Hopkinson Mrs C Sawdon JP
Ex-officio governor	The Rt Revd The Lord Bishop of Birmingham
Governors nominated by Solihull MBC	M Adlington D Bell
Master	The Revd K Lloyd-Roberts
Bailiff	Mrs S Woodman ACA
Care Manager	Mrs P Johal

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

Charity registration number	1146710
Company registration number	07890553
Registered office	Temple House Temple Balsall Knowle Solihull B93 0AN
Auditor	Dafferns LLP Chartered Accountants and Statutory Auditor One Eastwood Harry Weston Road Binley Business Park Coventry CV3 2UB
Bankers	HSBC Bank plc 130 New Street Birmingham B2 4JU
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Investment managers	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU Property Income Trust for Charities Mayfair Capital Investment Management Limited 55 Wells Street London W1T 3PT Charities Property Fund Savills Investment Management 33 Margaret Street London W1G 0JD CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

INTRODUCTION

The governors present their report and the audited financial statements of the charity for the year ended 30 June 2021. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity published October 2020.

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee (charity number 1146710 and company number 07890553).

The affairs of the historic charity and the company were brought together under a linking order dated 22 June 2012 under which order these accounts are prepared.

The company is governed by its Articles and Memorandum of Association dated 15 December 2011.

The Foundation is managed through the Board of governors which meets as necessary, generally bi-monthly. Day-to-day management of the Foundation is vested in a senior management team comprising the Master (a statutory appointment under the terms of the Articles), the Bailiff (appointed as Company Secretary) and the Care Manager. It is a condition of the Articles that the Master be an ordained priest of the Church of England; the Bailiff has appropriate accountancy qualifications.

The Foundation seeks to recruit governors with appropriate technical expertise or knowledge and provides a full induction into the day-to-day activities of the Foundation as part of the appointment process. Emphasis is also given to recruiting governors who live locally who can therefore support the Foundation more readily on a day-to-day basis. Governors are appointed at ordinary meetings by way of a majority resolution; Solihull Metropolitan Borough Council is entitled to appoint two governors to the Foundation.

OBJECTS OF THE FOUNDATION

Lady Katherine Leveson, who died in 1674, provided endowments in her will for almshouses, the church and the school at Temple Balsall.

The present-day objects of the Foundation are to:

- relieve elderly people and those in poor health who are in need by providing accommodation, services or facilities calculated to relieve the needs of such persons.
- advance the education of the pupils through the Educational Foundation.
- advance the education of the public in the subject of ageing, spirituality and social policy.
- advance the Christian religion for the benefit of the public.

PRINCIPAL ACTIVITIES

The Foundation today provides supported housing accommodation and residential care for the elderly in a Christian environment, together with support for St Mary's church and the Lady Katherine Leveson Church of England Primary school.

The Foundation offers accommodation for up to 51 residents; the Court had 29 apartments providing residential care, with 16 sheltered living flats housing up to a further 22 people living more independently. The management have now registered a further 4 of the sheltered living flats to accommodate residential care if required and continue to review the remaining sheltered flats to ensure the best and most flexible use to meet the needs of both residential and sheltered residents.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

ACHIEVEMENTS AND PERFORMANCE

The financial results of the Foundation for the year ended 30 June 2021 are set out in detail on page 10. These show the performance of the Foundation's housing operations - residential care and sheltered housing - and of its investments. The governors regard these as separate but related activities and the notes to these accounts provide analysis of the financial performance of each in notes 4 to 14.

The Foundation generated an operating surplus of £405k (2020 - £287k); in addition, there were realised and unrealised net investment gains on the quoted investment portfolios of £580k (2020 - £113k) whilst the revaluation of the endowment properties in this financial year increased their value by just over £3 million generating an overall surplus of £4,029k (2020 - £400k).

The Foundation's normal operations (as represented by the movement in unrestricted funds) generated a surplus before investment gains for the year of £397k. However, as the analysis in note 14 shows, the cost of operating the care home, including the £207k notional rent of the buildings in which it operates, reduces the surplus to a modest margin; the care home has generally shown a loss for many years.

A further £200k has been transferred to the property improvements designated reserve during the year in anticipation of future works. After making the transfer the balance on this reserve fund providing for future maintenance and improvements to the historic buildings at 30 June 2021 was £850k (2020 - £650k). There is also a major repair fund with a balance at 30 June 2021 of £227k (2020 - £202k) which was transferred from M&G Investments this year and is now held with Sarasin & Partners LLP. All property repairs during the year were funded directly from unrestricted funds. Plans for property improvement to be funded from these sources have been deferred during the coronavirus pandemic.

These results were achieved despite the challenging operating conditions resulting from the Covid-19 pandemic, which affected the whole of the financial year. Additional costs particularly wages and salaries were incurred from isolating residents and staff when required and keeping them both safe. Grants to support infection control, support staff in isolating and promote regular testing were received from central government throughout the year to offset additional costs.

The governors are enormously grateful for the tireless dedication of the care home management and staff, and for their unflinching commitment to the care of residents during these difficult times.

Providing an excellent standard of care will always be a top priority for the Foundation. The care home was awarded a 'good' rating from the Care Quality Commission in 2019, falling short by the smallest of margins of the previous 'outstanding' rating which the Foundation aims to restore.

The governors continue their commitment to staff training; the majority of care staff have NVQ qualifications and staff retention is encouraged by continued investment in personal development and staff wellbeing, the latter particularly important at the current time.

LADY KATHERINE LEVESON CHURCH OF ENGLAND PRIMARY SCHOOL

One of the aims of the Foundation is to support the advancement of the education of the pupils of the school through the Educational Foundation.

With the support of the Foundation governors, the school governors have entered into arrangements with the Birmingham Diocesan Multi-Academy Trust ('BDMAT') to assume day-to-day responsibility for the management and development of the school. BDMAT have taken on a long lease with the Foundation for the school buildings, on a peppercorn rent, then assuming responsibility for repairs and any new buildings. The effective date of transfer was 1 September 2020.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

FUTURE PLANS

Planning consent was obtained some years ago to renovate adjacent redundant barn buildings at Temple House Farm to provide a small number of housing units; implementation of this project was deferred in 2008, in view of the then uncertain economic climate. The governors have, however, undertaken works necessary to activate the planning consent.

The governors continue to explore strategic options for the future by evaluating how the potential of the site, including the redundant barns, might best be developed to further the Foundation's objects.

FUNDS

Transfers to/from reserves are considered on an annual basis depending on future expectations of needs and events. Amounts are transferred to designated funds to enable future amounts to be expended on maintaining and improving the property portfolio.

INVESTMENT POLICY

The Foundation's investment objective is to maximise the total investment return over the longer term without taking undue risk, principally achieved by investing in a well-diversified portfolio of equities and fixed interest investments through the use of pooled funds, with the principal fund manager being Sarasin & Partners.

The governors invest separately in property pooled funds managed by Mayfair Capital Investment Management Limited and the Charities Property Fund which provide attractive income yields from portfolios of diversified commercial property.

The total return on the endowment investments was £552k; £130k relates to the investment income received which has been used to fund the aims of the charity on a day to day basis during the 2020/21 financial year, whilst £55k has been added to the capital value of the underlying endowment investment portfolio as at June 2021 to maintain its value and to ensure the value of these investments does not get diminished by inflation. The remaining £367k of the return has been added to the unapplied total return fund for future use by the Foundation.

PUBLIC BENEFIT

The governors confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit and confirm that the Foundation's purpose is for public benefit.

RISK

The governors have established a comprehensive range of procedures in order to minimise risk to the Foundation's activities, including clear terms of reference for all committees, a governance structure with clear organisational lines of reporting and regular operational review of disaster planning and crisis management strategy.

RESERVES POLICY

The governors continue to ensure that sufficient reserves are maintained to finance the day to day running of the Foundation's activities.

FIXED ASSETS

Movements in tangible fixed assets and fixed asset investments are disclosed within the notes to the accounts.

The Foundation of Lady Katherine Leveson

Governors' Report

Year Ended 30 June 2021

PAY POLICY FOR SENIOR STAFF

The remuneration for the management team is reviewed by the governors who use benchmarking against comparable organisations along with an assessment of market rates and consideration of performance.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Foundation at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing these financial statements, the governors 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 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 Foundation will continue in operation.

The governors are responsible for keeping accounting records that disclose with reasonable accuracy at any time 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.

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

In accordance with company law, as the company's directors, the governors certify that:

- there is no relevant audit information of which the company's auditors are unaware and that, as directors of the company,
- they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of this information.

CONCLUSION

The governors are extremely grateful to all the management and staff for the enthusiasm and commitment with which they have carried out their duties and responsibilities during a very difficult period coping with the impact of the coronavirus pandemic.

AUDITORS

Dafferns LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE GOVERNORS.....

Date 24 November 2021

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2021

Opinion

We have audited the financial statements of The Foundation of Lady Katherine Leveson (the 'charitable company') for the year ended 30 June 2021 which comprise the statement of financial activities, balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2021

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, set out on page 5, the governors (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 governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Foundation of Lady Katherine Leveson

Independent Auditor's Report

Year Ended 30 June 2021

Responsibilities of governors (continued)

In preparing the financial statements, the governors 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 governors 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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Richard Miller MA (Oxon) FCA (Senior statutory auditor)
for and on behalf of Dafferns LLP
Chartered Accountants and Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 24 November 2021

The Foundation of Lady Katherine Leveson

Statement of financial activities (incorporating the income and expenditure account)

Year Ended 30 June 2021

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and legacies	4	20	12,851	-	12,871	9,601
Charitable activities	5	1,547,861	-	-	1,547,861	1,398,458
Other trading activities	6	36	-	-	36	1,888
Investments	7	174,596	-	129,965	304,561	304,356
Other income	8	110,324	-	-	110,324	7,686
Allocated to income from unapplied total return	9	129,965	-	(129,965)	-	-
Total income		1,962,802	12,851	-	1,975,653	1,721,989
Expenditure on:						
Raising funds – property management	10	(180,195)	(1,800)	-	(181,995)	(180,496)
Charitable activities	11	(1,385,496)	(3,645)	-	(1,389,141)	(1,254,193)
Total expenditure		(1,565,691)	(5,445)	-	(1,571,136)	(1,434,689)
Net Income /(expenditure) before investment gains and losses		397,111	7,406		404,517	287,300
Net gains/(losses) on investments	19, 20	159,715	-	3,467,281	3,626,996	112,801
Net income after gains on investments		556,826	7,406	3,467,281	4,031,513	400,101
Transfers between funds		2,035	(2,035)	-	-	-
Net movement in funds	25	558,861	5,371	3,467,281	4,031,513	400,101
Reconciliation of funds:						
Total funds brought forward	25	2,768,223	21,150	15,265,677	18,055,050	17,654,949
Total funds carried forward	25	3,327,084	26,521	18,732,958	22,086,563	18,055,050

All income and expenditure derive from continuing activities.

For the purpose of reporting under the Companies Act 2006, the net income after gains on investments, excluding the £3,467,281 (2020: £90,537) gain on endowment investments, is £564,232 (2020: £309,564).

The notes on pages 13 to 27 form part of the financial statements.

The Foundation of Lady Katherine Leveson

Balance sheet

Year Ended 30 June 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	18		4,136,991		4,111,577
Investments	19		16,104,543		12,502,733
			<u>20,241,534</u>		<u>16,614,310</u>
Current assets					
Investments	20	877,354		652,168	
Stocks	21	1,630		2,490	
Debtors	22	85,124		77,397	
Cash at bank and in hand		1,345,960		1,126,984	
		<u>2,310,068</u>		<u>1,859,039</u>	
Creditors: amounts falling due within one year	23	<u>(465,039)</u>		<u>(418,299)</u>	
Net current assets			1,845,029		1,440,740
Net assets			<u>22,086,563</u>		<u>18,055,050</u>
Charity funds					
Permanent endowment	26		18,732,958		15,265,677
Restricted funds	25		26,521		21,150
Unrestricted funds:					
- Income and expenditure fund	25	1,919,411		1,423,809	
- Designated funds	25	<u>1,407,673</u>		<u>1,344,414</u>	
			3,327,084		2,768,223
			<u>22,086,563</u>		<u>18,055,050</u>

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the governors and authorised for issue on 24 November 2021.

Signed on behalf of the Board of governors



M C Fetherston-Dilke, Governor



J Evans OBE, Governor

The notes on pages 13 to 27 form part of these financial statements.

Company registration number: 07890553

The Foundation of Lady Katherine Leveson

Statement of Cash Flows

Year Ended 30 June 2021

	Note	2021 £	2020 £
Cash flow from operating activities	27	189,547	110,121
Net cash flow from operating activities		<u>189,547</u>	<u>110,121</u>
Cash flow from investing activities			
Tangible fixed assets acquired		(75,132)	(27,150)
Investments acquired		(425,306)	-
Investments sold		225,306	-
Interest received		199	4,150
Dividends received		167,686	169,566
Rents received from investment properties		136,676	130,640
Net cash flow from investing activities		<u>29,429</u>	<u>277,206</u>
Net increase in cash and cash equivalents		218,976	387,327
Cash and cash equivalents at 1 July 2020		1,126,984	739,657
Cash and cash equivalents at 30 June 2021		<u>1,345,960</u>	<u>1,126,984</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,345,960	1,126,984
Cash and cash equivalents at 30 June 2021		<u>1,345,960</u>	<u>1,126,984</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

1 General information

The Foundation of Lady Katherine Leveson is a charitable company limited by guarantee, incorporated and domiciled in England (Company number 07890553, Charity number 1146710). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described on page 3.

2 Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice.

The Foundation of Lady Katherine Leveson 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.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies (see note 3).

The financial statements have been prepared on a going concern basis. The governors consider that there is a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future and for this reason they have adopted the going concern basis in preparing the financial statements.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aims and use of each designated fund are set out in the notes to the financial statements. They form part of the unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aims and use of each restricted fund are set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the Foundation, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Foundation and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

2 Principal accounting policies (continued)

(c) Income resources

All incoming resources are included in the statement of financial activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Foundation where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(d) Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generated funds are those costs attributable to generating incoming resources for the Foundation. Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Foundation. Governance costs include those incurred in the governance of the Foundation and are primarily associated with constitutional and statutory requirements.

(e) Tangible fixed assets

Tangible fixed assets, except the care home and related buildings, are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Refurbishment fixtures and fittings	10% straight line

(f) Care home and related buildings

The care home and related buildings are included at a valuation based on the depreciated replacement cost basis. They are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. The annual charge for depreciation is £Nil.

(g) Fixed asset investments

Properties held as fixed asset investments are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation. No records exist for the original cost in respect of the majority of the property. Fixed asset investment properties are held at current valuation. Fixed asset investments in listed securities are held at market value.

Realised gains and losses on disposal and unrealised gains and losses arising on revaluation of investments are both recognised in the statement of financial activities.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

2 Principal accounting policies (continued)

(h) Current asset investments

Current asset investments include funds which may be required at short notice.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Donations received

Donations when received are disclosed as income in the statement of financial activities. Those donations which are received for specific purposes are carried forward in restricted funds to the extent that they have not been expended in the year.

(l) Pension costs

The Foundation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Foundation.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services. Any difference between the charge for the current year and the contributions paid to the scheme would be included in debtors in the balance sheet.

(m) Routine maintenance

The governors have established a regular programme of cyclical repairs and maintenance. Costs are charged in the year in which they are incurred.

(n) Major repairs

Costs of major repairs, unless representing improvements to the properties, are charged in the year in which they are incurred.

(o) Value added tax

In these financial statements, where applicable, expenditure is shown inclusive of VAT as the Foundation is not registered for value added tax.

(p) Website costs

Costs relating to website design and maintenance are expensed in the year in which they are incurred.

(q) Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

3 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed asset valuation

The care home and related buildings were valued using a depreciated replacement cost basis to establish a deemed cost at the FRS102 transition date. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The following are the charity's key sources of estimation uncertainty:

Fixed assets investments

The permanent endowment properties valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

Impairment of debtors

The charity makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management consider them individually reviewing the ageing profile of the balance and the historical experience.

4 Income from donations and legacies

	2021 £	2020 £
Donations	12,871	9,601
Legacies	-	-
	<u>12,871</u>	<u>9,601</u>

Income from donations and legacies was £12,871 (2020: £9,601) of which £12,851 (2020: £8,980) was attributable to restricted and £20 (2020: £621) to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

5 Income from charitable activities

	2021 £	2020 £
Residential care	1,400,191	1,159,046
Sheltered accommodation	80,899	86,392
Respite care	43,648	131,293
Domiciliary care	20,071	17,411
Other income	3,053	4,317
	<hr/> 1,547,861	<hr/> 1,398,458

As part of its charitable aims, the Foundation supported a number of residents with contributions towards their fees during the financial year to the value of £51,222 (2020: £67,813)

Income from charitable activities was £1,547,861 (2020: £1,398,458) all of which was attributable to unrestricted funds.

6 Income from trading activities

Income from trading activities was £36 (2020: £1,888) of which all was attributable to unrestricted funds.

7 Income from investments

	2021 £	2020 £
Dividend and interest income	167,885	173,716
Rental income	136,676	130,640
	<hr/> 304,561	<hr/> 304,356

Income from investments – stated net of management fees - was £304,561 (2020: £304,356) of which £129,965 (2020: £131,819) was attributable to endowment and £174,596 (2020: £172,537) was attributable to unrestricted funds.

8 Other income

The charity benefitted from Government's grants of £110,324 (2020: £7,686) during the pandemic used to reduce the cost of infection control and testing, all attributable to unrestricted funds.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

9 Permanent endowment invested on a total return basis

The charity has exercised its rights under section 104(A) of the Charities Act 2011 with effect from 30 June 2019. This power permits the governors permanently to invest endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised, it allows the governors to apply an appropriate portion of the unapplied total return to income each year

During the current year the total return on the endowment investments was £552,246; the governors transferred £129,965 (2020: £131,819) of investment income received to fund the aims of the charity on a day to day basis and £55,224 has been added to the capital value of the underlying endowment investment portfolio to maintain its value and to ensure the value of these investments does not get diminished by inflation. The remaining £367,057 of the return has been added to the unapplied total return fund for future use by the Foundation.

	Endowment for investment £	Unapplied total return £	Permanent endowment investments £
At 1 July 2020	2,221,238	1,702,939	3,924,177
Movements			
Investment income	-	129,965	129,965
Gains / (losses)	-	422,281	422,281
	-	552,246	552,246
Unapplied total return allocated to income	-	(129,965)	(129,965)
Unapplied total return allocated to investment to maintain capital value	55,224	(55,224)	-
Net movement in the reporting period	55,224	(185,189)	(129,965)
Total value of permanent endowment investments at 30 June 2021	2,276,462	2,069,996	4,346,458

10 Raising funds – property management

Property management comprises the costs of managing and carrying out repairs as needed to the charity's investment properties and the buildings at Temple Balsall other than those used in the Care home which are accounted for as shown in note 11.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

11 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2021 £	Total 2020 £
Care home				
Provision of care services	1,149,122	111,526	1,260,648	1,125,937
Routine maintenance	64,167	-	64,167	72,890
Major repairs	12,632	-	12,632	17,662
	<u>1,225,922</u>	<u>111,526</u>	<u>1,337,448</u>	<u>1,216,489</u>
St Mary's Church & Lady Katherine Leveson School support	51,693	-	51,693	37,704
	<u>1,277,614</u>	<u>111,526</u>	<u>1,389,141</u>	<u>1,254,193</u>

Expenditure on charitable activities was £1,389,141 (2020: £1,254,193) of which £3,645 (2020: £3,909) was attributable to restricted funds. £1,385,496 (2020: £1,250,284) of the above costs was attributable to unrestricted funds.

12 Support costs

	2021 £	2020 £
Master's salary (part)	13,294	12,813
Management	44,559	36,156
Administration	10,462	10,783
Insurance	20,800	14,797
Governance (see note 13)	22,411	18,434
	<u>111,526</u>	<u>92,983</u>

13 Governance costs

	2021 £	2020 £
Audit and accountancy	14,100	14,260
Property valuation fees	4,500	-
Bailiff's salary (part)	3,811	4,174
	<u>22,411</u>	<u>18,434</u>

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

14 Analysis of net incoming resources

	Properties and investments £	Care home activities £	Other charitable activities £	Total £
Income:				
Donations and legacies	1,800	8,071	3,000	12,871
Rental and other investment income	304,597	-	-	304,597
Charitable activities	-	1,547,861	-	1,547,861
Other income	2,284	108,040	-	110,324
Total income	308,681	1,663,972	3,000	1,975,653
Expenditure:				
Raising funds – property management	(181,995)	-	-	(181,995)
Charitable activities	-	(1,337,448)	(51,693)	(1,389,141)
Total expenditure	(181,995)	(1,337,448)	(51,693)	(1,571,136)
Net income	126,686	326,524	(48,693)	404,517
Notional rent payable by care home	207,090	(207,090)	-	-
Total	333,776	119,434	(48,693)	404,517

The notional rent payable is derived from management estimates based on current rent levels established by the rent officer.

15 Governors' and key management personnel remuneration and expenses

The governors neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee benefits received by key management personnel was £122,095 (2020: £121,386). The governors consider that the Foundation's key management comprises the Master, Bailiff and Care Manager.

The governors did not have any expenses reimbursed during the year (2020: £Nil).

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

16 Staff costs and employee benefits

The average monthly number of employees during the year was as follows:

	2021	2020
Bailiff, Master and Care Manager	3	3
Care assistants, kitchen, manual and other administration staff	45	42
	<hr/>	<hr/>
	48	45
	<hr/>	<hr/>

The average number of employees expressed as full-time equivalents was 34 (2020: 34).

Total staff costs and employee benefits were as follows:

	2021 £	2020 £
Wages and salaries	961,196	873,002
Social security costs	48,726	43,334
Pension costs	15,093	13,449
	<hr/>	<hr/>
	1,025,015	929,785
	<hr/>	<hr/>

The above figures include payments for sick pay and agency staff.

No employees received total remuneration including employee benefits (excluding employer pension costs) of more than £60,000.

17 Taxation

The company is exempt from corporation tax on its charitable activities; input VAT is irrecoverable.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

18 Tangible fixed assets

	Care home and related buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:				
At 1 July 2020	3,925,000	660,044	25,000	4,610,044
Additions	-	75,132	-	75,132
Disposals	-	(53,770)	-	(53,770)
At 30 June 2021	<u>3,925,000</u>	<u>681,406</u>	<u>25,000</u>	<u>4,631,406</u>
Depreciation:				
At 1 July 2020	-	473,467	25,000	498,467
Charge for the year	-	47,158	-	47,158
Eliminated on disposals	-	(51,210)	-	(51,210)
At 30 June 2021	<u>-</u>	<u>469,415</u>	<u>25,000</u>	<u>494,415</u>
Net book value:				
At 30 June 2021	<u>3,925,000</u>	<u>211,991</u>	<u>-</u>	<u>4,136,991</u>
At 30 June 2020	<u>3,925,000</u>	<u>186,577</u>	<u>-</u>	<u>4,111,577</u>

The care home and related buildings were re-valued on transition to FRS 102 as at 30 June 2016 by Barlow Associates. The valuation was prepared using a depreciated replacement cost basis. The depreciated replacement value takes into account the value of the land for its existing use and the gross replacement cost of the buildings. Appropriate deductions have been made to allow for age, condition, economic or functional obsolescence and environmental and other factors. This may result in the existing property being worth less than replacement and, in the event of forced sale, a lower figure being achieved.

The main properties are several hundred years old and there is no intention of selling them. Therefore, the use of open market value which is based on the best price the sale of the property might reasonably be expected to realise is considered to be inappropriate.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

19 Fixed asset investments

	Permanent endowment properties £	Permanent endowment investments £	Unrestricted fund investments £	Total £
Valuation				
At 1 July 2020	7,416,500	3,924,177	1,162,056	12,502,733
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	3,045,000	-	-	3,045,000
Change in market value	-	422,281	134,529	556,810
At 30 June 2021	<u>10,461,500</u>	<u>4,346,458</u>	<u>1,296,585</u>	<u>16,104,543</u>

Investments at fair value comprise:

	2021 £	2020 £
Investment properties	10,461,500	7,416,500
Property trusts	371,717	361,453
Income and growth funds	5,271,325	4,724,780
	<u>16,104,543</u>	<u>12,502,733</u>

The permanent endowment properties were revalued as at 30 June 2021 by Barlow Associates resulting in a £3.045m increase in value. The valuation was prepared using an open market valuation basis and in accordance with the RICS appraisal and valuation manual.

20 Current asset investments

	£
At 1 July 2020	652,168
Additions	425,306
Disposals	(225,306)
Change in market value	2,048
Profit on sale of investments	23,138
At 30 June 2021	<u>877,354</u>
Cost	<u>776,111</u>

Current assets investments include 164,204 units of the Sarasin Endowment Fund Class A Income (2020: 2,404 units of the M&G NAACIF Accumulation Fund) with a current market value of £227,354 (2020: £202,168) to cover the cost of future major repairs as the major repair reserve.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

21 Stocks

	2021 £	2020 £
Food, cleaning and laundry	1,630	2,490
	<u>1,630</u>	<u>2,490</u>

22 Debtors

	2021 £	2020 £
Residents' contribution arrears	8,092	10,822
Rent arrears	21,034	25,643
Prepayments and accrued income	35,966	23,182
Other debtors	20,032	17,750
	<u>85,124</u>	<u>77,397</u>

23 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	70,054	70,917
Other tax and social security	4,916	8,411
Accruals	196,116	160,989
Other creditors	127,215	113,564
Residents' contribution in advance	63,024	61,040
Related party creditor (see note 31)	3,714	3,378
	<u>465,039</u>	<u>418,299</u>

24 Leases

Operating leases

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

	2021 £	2020 £
Not later than one year	5,660	3,980
Later than one and not later than five years	20,852	2,608
Later than five years	13,860	-

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

25 Fund reconciliation

Restricted funds

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 June 2021 £
Donation reserve	21,150	12,851	(5,445)	(2,035)	-	26,521
	<u>21,150</u>	<u>12,851</u>	<u>(5,445)</u>	<u>(2,035)</u>	<u>-</u>	<u>26,521</u>

Donations reserve - represents donations received less expenditure incurred in line with donors' wishes.

Unrestricted funds

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 June 2021 £
Income and expenditure fund	1,423,809	1,962,802	(1,550,691)	(197,965)	811,456	1,719,411
Designated:						
Property improvements	650,000	-	-	200,000	-	850,000
Lady Cadbury bequest	301,067	-	-	-	34,818	335,885
Barbara Leonard bequest	191,179	-	(15,000)	-	18,255	194,434
Major repair reserve	202,168	-	-	-	25,186	227,354
	<u>2,768,223</u>	<u>1,962,802</u>	<u>(1,565,691)</u>	<u>2,035</u>	<u>159,715</u>	<u>3,327,084</u>

Property improvements –reserves have been established to augment funds required to maintain and improve the historic Temple Balsall buildings.

Lady Cadbury bequest – these funds have been designated from the original bequest from the late Lady Cadbury in 2010-11 for the benefit and care of the elderly at Temple Balsall.

Barbara Leonard bequest – these funds have been designated from the original bequest from the late Barbara Leonard for the benefit of the Temple Balsall community.

Major repair reserve – these funds have been designated to provide for estimated future expenditure principally arising out of quinquennial inspections on the functional property of the Foundation.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

26 Analysis of net assets between funds

	Permanent endowment £	Restricted funds £	Unrestricted funds £	Total £
Fixed assets	3,925,000	-	211,991	4,136,991
Investments	14,807,958	-	1,296,585	16,104,543
Current assets	-	26,521	2,283,547	2,310,068
Current liabilities	-	-	(465,039)	(465,039)
Total	18,732,958	26,521	3,327,084	22,086,563

27 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for year	4,031,513	400,101
Dividends received	(167,686)	(169,566)
Interest receivable	(199)	(4,150)
Rental income	(136,676)	(130,640)
Depreciation and impairment of tangible fixed assets	47,158	49,377
(Gains)/losses on investments	(581,996)	(112,801)
Revaluation of investments	(3,045,000)	-
Loss on disposal of tangible fixed assets	2,560	325
(Increase)/decrease in stock	860	(260)
(Increase)/decrease in debtors	(7,727)	15,115
Increase/(decrease) in creditors	46,740	62,620
Net cash flow from operating activities	189,547	110,121

28 Contingent liabilities

There were no contingent liabilities at either financial year end other than those relating to tenants' improvements which may be payable on the termination of the farm tenancies.

29 Accommodation in management

At 30 June 2021, the Foundation had 45 units of accommodation (2020: 45) offering accommodation for up to 51 residents.

30 The liability of the guarantors

The Foundation does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount for which each member is liable to contribute is £10. There were 9 (2020: 9) such members at 30 June 2021.

The Foundation of Lady Katherine Leveson

Notes to the Financial Statements

Year Ended 30 June 2021

31 Related parties

The Foundation continues to support the connected charity, the Educational Foundation of Lady Katherine Leveson. At 30 June 2021, £3,714 (2020: £3,378) was owed to the Educational Foundation of Lady Katherine Leveson.

32 Auditor's remuneration

The auditor's remuneration comprises an audit fee of £10,220 (2020: £10,220) and accountancy fee of £2,080 (2020: £2,080) both excluding VAT.

