

**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)
Bailiff	Mrs S Woodman ACA
Care manager	Mr S Blancaflor

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

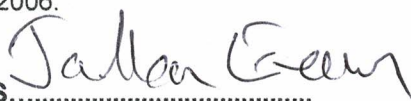
The governors are extremely grateful to all the management and staff for the enthusiasm and commitment with which they have carried out their duties and responsibilities in the ever challenging and changing care profession.

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.

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.

L Hatton

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

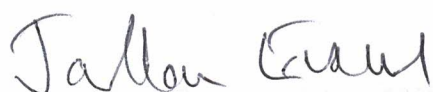
Balance sheet

Year ended 30 June 2024

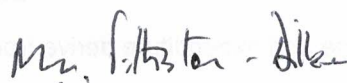
		2024	2023
	Note	£'000	£'000
Fixed assets			
Tangible assets	18	4,731	4,224
Investments	19	16,191	15,725
		<u>20,922</u>	<u>19,949</u>
Current assets			
Investments	20	1,083	1,062
Stocks	21	2	2
Debtors	22	187	116
Cash at bank and in hand		716	1,207
		<u>1,988</u>	<u>2,387</u>
Creditors: amounts falling due within one year	23	<u>(424)</u>	<u>(380)</u>
Net current assets		1,564	2,007
Net assets		<u>22,486</u>	<u>21,956</u>
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	<u>1,725</u>	<u>1,557</u>
		3,652	3,475
	26	<u>22,486</u>	<u>21,956</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 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.

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

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
	<u>1,534</u>	<u>1,492</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 £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
	<u>387</u>	<u>357</u>

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
	<u>44</u>	<u>44</u>

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	-
	<u>1,201</u>	<u>1,089</u>

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
	<u>2</u>	<u>2</u>

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
	<u>187</u>	<u>116</u>

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
	<u>424</u>	<u>380</u>

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	<u>-</u>	<u>5</u>

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
	39	19	(7)	(5)	-	46

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
	3,475	1,929	(1,898)	5	141	3,652

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.