



# ANNUAL REPORT & FINANCIAL STATEMENTS

Period ended 30<sup>th</sup> June 2021

Company Registration Number: 09923402 (England and Wales)

Charity Number: 1169016

  
**Longleigh**  
Foundation

A grant-making partner for the social housing sector

# CONTENTS

SECTION	PAGE
REFERENCE & ADMINISTRATIVE DETAILS OF THE COMPANY & ITS ADVISORS	3
ANNUAL REPORT	
OBJECTIVES & ACTIVITIES	4
ACHIEVEMENTS & PERFORMANCE	13
FINANCIAL REVIEW	15
PLANS FOR FUTURE PERIODS	19
STRUCTURE, GOVERNANCE & MANAGEMENT	22
DISCLOSURE OF INFORMATION TO AUDITORS	22
SMALL COMPANIES EXEMPTION	22
INDEPENDENT AUDITOR'S REPORT	23
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL ACTIVITIES	28
STATEMENT OF FINANCIAL POSITION	29
STATEMENT OF CASH FLOWS	30
PRINCIPAL ACCOUNTING POLICIES	31
NOTES TO THE FINANCIAL STATEMENTS	34

## REFERENCE & ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY & ITS ADVISORS

TRUSTEES	
CHAIR	David Emerson CBE
	Anne Dokov
	Elizabeth Morris
	John Weguelin
	Ronald Williamson
COMPANY SECRETARY	Anne Harling
INDEPENDENT COMMITTEE MEMBER	Jon Pearson
CHIEF EXECUTIVE OFFICER	Andrew Peers
REGISTERED OFFICE	Suite C, Lancaster House Grange Business Park Enderby Road Whetstone Leicester LE8 6EP
REGISTERED COMPANY NUMBER	09923402 (England and Wales)
REGISTERED CHARITY NUMBER	1169016
AUDITOR	Buzzacott LLP 130 Wood Street London EC2V 6DL
BANKERS	Unity Trust Bank plc Four Brindley Place Birmingham B1 2JB
INVESTMENT FUND MANAGER	Cazenove Capital 1 London Wall Place London EC2Y 5AU
INVESTMENT ADVISORS	Yoke Financial Consultants Ltd 6 Normanhurst Rd London SW2 3TA



## ANNUAL REPORT

The trustees of the Longleigh Foundation ('the charity'), who are also directors of the charitable company for the purposes of the Companies Act, are pleased to present their annual report and financial statements for the period 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2021. Future reports will run to the year ended 30<sup>th</sup> June. This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

## OBJECTIVES AND ACTIVITIES

The objects of the charity, as set out in our Articles of Association, are: **the relief of persons in need through poverty, age, chronic sickness or disability (either mental or physical) and, in particular, the relief of such persons by the provision of housing and associated facilities, amenities or services.**

During this period, a new strategic plan was developed, entitled **Longleigh 2025: Progress and Partnership.**

As a result of the new plan, the objects of the charity have been translated into an updated social mission statement, as follows: **to support transformation in the lives of residents and communities, becoming the charity partner to the social housing sector.**

The new plan has also led to the following vision statement being defined: **to enable more lives to be transformed across more communities by continuously improving the difference we make and the value we bring to our partnerships with the social housing sector.**

The new plan includes an updated set of values. In pursuit of the charity's mission and vision all trustees, staff, associates and partners are expected to uphold and champion these values as representatives of the Longleigh Foundation. These values are:

- **Compassionate:** we will ensure, from the boardroom to the frontline, that we remain connected to and understanding of the real-life challenges faced by those living with increased vulnerabilities and multiple disadvantages. We will shape our decisions around how we can best serve their needs.
- **Collaborative:** working in a spirit of collaboration we will strive to develop mutually beneficial partnerships with all our stakeholders so that together we deliver a greater social impact than any of us could achieve on our own.
- **Agile:** we will work in ways that reflect and respond to the changing world around us, ensuring that our funding and our support is always directed to the areas where the potential for transforming lives and communities exists.
- **Insightful:** we are committed to taking the learning from our activities and bringing these insights to shape conversations across the social housing and charitable foundation sectors to support collective development and improvement.

- **Ethical:** from our investments to our purchasing, and from our recruitment to our partnerships, we will be guided by sound ethics to be the best example possible so that we use our resources to have a positive impact on society, the environment and the economy around us.

The main activities undertaken in relation to the pursuit of our charitable objects, social mission and vision are in the form of grant-making. Longleigh is in the minority of charitable foundations in that we provide three types of grants that, when linked together, support how we bring value, learning and insight to our social housing partners. These three types of grants that we provide are as follows:

- Grants to individuals and families that live in social housing and are in financial hardship.
- Grants to organisations to deliver enhanced services for the individuals and communities served by the social housing sector.
- Grants to organisations for research into the issues that can help improve the quality of life and aspirations for social housing residents.

These are three distinct grant-making disciplines and we have processes in place to manage the grant-making cycle across the different stakeholder groups that engage with each.

## GRANTS TO INDIVIDUALS

Our individual grants were, for the period, exclusively for residents in the properties or housing-schemes of our sole, major donor (Stonewater Ltd). The eligibility criteria is carefully developed to ensure that we seek to reach the residents who are in greatest financial distress and vulnerability. For this period, we updated the eligibility document to take into account the impact that Government measures to manage the COVID-19 pandemic had on residents.

Alongside this, our eligibility criteria is designed to also ensure that we do not award grants that may be financially advantageous to the operations of our donor – the balance of advantage via these grants must always be, overwhelmingly, to the individual beneficiary.

At the beginning of this period, we introduced a number of ‘pathways’ into our eligibility document. To be eligible for a grant, a social housing resident (or member of their household) needed to meet at least one of the pathways and this is to support our aim of ensuring the available funding reaches those in greatest need. Applications for these grants must be submitted by a staff member of the social housing provider that is our major donor on behalf of their residents. We commonly saw multiple pathways being selected in applications to help us better understand the seriousness of the residents’ situations. Across the applications we received, the following shows how many times each pathway was selected:

- Moving from homelessness/supported living into independent living – 292
- Diagnosed health condition or disability – 249
- Mental health condition or substance addiction – 235

- Fleeing from an abusive relationship – 169
- Delays to entitled-to benefits, including COVID-19 support measures – 140
- Social Services involvement – 105
- Family with children in receipt of free school meals – 95
- Serious or traumatic experience in the home – 26
- Moving into independent living from prison/supported by Probation – 11

Alongside our sector knowledge and insight, we will continue to work closely with the staff of our major donor and other partners to ensure the pathways remain relevant to meet the needs of the most financially vulnerable residents and families.

The financial value of the funding that we distributed via our individual grants during the period was £555,139 for 704 approved applications. This was an increase from £268,760 in the previous reporting period.

This has been another period of substantial increase, reflecting the increased budget we allocated to these grants as the impact of the COVID-19 pandemic started to be evident. The increase also reflects the continuing work that we did to raise awareness of these grants to the frontline housing officers of our donor and the continuing hardship that people in precarious employment, on low incomes and in a range of vulnerable situations (such as homelessness and violent relationships) face in their everyday lives.

The grants we make to individuals are short-term and very practical interventions. The most recurring items that the grants were used for included:

- Floor coverings where this would make a property safe for a young child or a person with a disability.
- Essential white goods so people could store fresh food and prepare meals.
- Essential household items, such as beds, to support people's physical and emotional health and wellbeing.
- Support for food or utilities costs through a period of transition e.g. delays to benefits.



Our average grant value in this period was approximately £750 (an increase from £700 in the previous period) and these grants demonstrate how a relatively small amount of money can provide a basis for which people can build or rebuild their lives. They are a direct example of how we pursue our charitable objects and social mission.

During the course of this period, our main challenges in the provision of grants to individuals and families were caused by the impact of the COVID-19 pandemic. In particular, as the staff of our major donor moved to working remotely and having their own COVID-19-related personal and professional challenges to contend with, continuity in the progressing of applications was paramount in our minds. The ongoing communication with frontline and management level housing staff ensured that we could work as well as possible together to cope with disruption in working practices and this, in no small way, helped us rise to the challenges residents were facing and distribute such a big increase in funding.

The other main challenge was the disruption in the supply of products for which we had approved grants. Many of our main suppliers of flooring, white goods and essential household items all had to adapt to the impact of the COVID-19 pandemic on their staffing, operations and supply chains. Again, communication was the key to understanding how suppliers were managing their business continuity, trying to get products to people but in a safe and compliant way and in letting us know about particular stock availability problems.

During the period, we set up a small additional fund to support the employees of our major donor whose household finances had been affected by the pandemic and placed them into financial hardship or crisis. We made 26 grants to employees, totalling £23,618 and, in particular, supported with household shopping costs and access to IT devices for children's educational purposes.

With such a big increase in activity came the need to increase capacity in our team. During the period we appointed an additional Individual Grants Officer, on a fixed-term, self-employed contract.

We are pleased that, for the year ahead, we have been able to allocate £450,000 to our grants for individuals' activity. Even with this level of budget, we anticipate being oversubscribed and are very mindful of the impact that the end of the furlough scheme and the removal of the £20 weekly uplift in Universal Credit payments will have on the residents and communities we are here to serve. The ongoing management of our budget will be essential to ensure that there is a level of funding available right throughout the next financial year.

## GRANTS TO ORGANISATIONS

As befits our origin of being formed by a social housing provider, our social mission and vision state that we are committed to supporting the individuals and communities served by the social housing sector. This means that we seek to fund 'qualifying' organisations that are addressing issues and themes that are more prominent and prevalent for these individuals and communities.

Our qualifying criteria for organisations to be eligible for our funding are:

- Their work fulfils charitable and socially-beneficial purposes.
- They are registered with The Charity Commission and/or Companies House.
- There is no legal ability to distribute surpluses in the form of dividends.
- They have at least three, unrelated directors or trustees on their governance board.
- They exist for the public and social benefit, rather than individual benefit.

During this period, the majority of our expenditure on grants to organisations was in making continuation and final year payments on funding agreements established in previous financial years. This accounted for £732,862 out of the £929,252 of funding for project and research grants.

We approved five new grants totalling £196,390.

### **CUPPA AND CHAT SESSIONS**

Our commitment to being a relational funder was put to the test over this period due to the impact of the COVID-19 pandemic. Early into the period, we wrote to all organisations we had funded for projects and research to:

- Support a change in the use of funding if this was about engaging with the same group in the community as per their originally approved applications.
- Encourage a conversation if they felt they needed to change the use of funding in a way that was not about engaging with the same community as per their original application or to support the organisational impact of the COVID-19 pandemic.
- Encourage a conversation if they felt that pausing their funded period would be helpful, for example, if they were going to have to place staff on furlough.
- Simplify the reporting requirements because our team would not be able to do in-person visits.

We also offered the opportunity to the community-based organisations we had funded, many of which are modest in scale, to attend Zoom-based 'cuppa and chat' sessions. These sessions were to provide a place for the leaders of projects and organisations to share their challenges, concerns and ideas as well as to provide peer-to-peer support to each other as this most unprecedented of times continued to present new issues to cope with.

We are proud of our response to support those we funded. The sessions enabled us to engage with multiple projects at the same time, in a way that we had not done before. There was an openness from those who joined the sessions and, from this, lots of sharing of similar concerns and hopes and of ideas to cope with the changing world. A community and network developed, resulting in many ongoing conversations in addition to the Zoom sessions. Wonderfully, several organisations went on to develop new service delivery and funded partnerships together, taking this initiative far beyond what we could have hoped for. And, we ran a series of five themed sessions, addressing topics that were being continually raised over the months. These themed sessions included:



- Recruitment in a wholly online/digital process.
- Leading in a remote and increasingly digital world.
- Understanding your social impact.
- Influencing the decision-makers, at which a local authority Chief Executive shared their insights and recommendations.
- Diversifying products and services and income.

As we go into the next period, we are continuing to run these ‘cuppa and chat’ sessions and can see that there is much more we can do to build a supportive and learning community that delivers added-value from our funding far beyond just the giving of a grant.

### **ADDITIONAL SUPPORT TO RESIDENTS’ INITIATIVE**

Early into the first of the national lockdowns, the impact on people’s economic and emotional wellbeing was becoming well documented. People in low-paid work, precarious employment, the gig-economy and the self-employed were being hit hard in their pockets. Family relationships were being severely tested and, for too many, home became more like a prison than a safe-haven.

In response to the impact being seen, we provided additional funding to some of the organisations we were already funding so that they could increase capacity to provide timely access, for the residents of our major donor, to bespoke and sustained support in relation to their economic and emotional wellbeing.

Over the course of this period, we saw many residents and their families access the support available. As we enter the next financial year, we will be reshaping and continuing this programme of support because we recognise that the immediate and lasting effects of the COVID-19 pandemic have not yet been fully realised. This programme, which we are calling ‘Circles of Support’ will include the additional topic of physical health and wellbeing. The programme is an attempt to show the difference that can be made by a modern approach to grant-making that sees us be an involved partner and collaborator with those we fund.



The full list of organisations to which we awarded funding in the accounting period was:

PROJECT/ORGANISATION NAME	PRIMARY ACTIVITIES	FUNDING AWARDED (£)
Southampton Women's Refuge – Stonewater	Providing a tailored programme to support women who have fled from domestic violence to develop skills and confidence for the future.	83,128
Starting Point – The Mustard Tree Foundation	A longer-term support and mentoring programme for young people aged 15-25 into education, employment and training.	75,000
Alcohol Education Trust	The scale of funding awarded reflects the Year 1 and 2 funding for this project, due to the extension of our financial year. This project is delivering a programme of support to young adults, residing in Stonewater supported living schemes, about making safe choices in the use of alcohol and cannabis.	74,500
We Are Digital – Stonewater	A programme of support across multiple regions of England for people who are digitally excluded due to geography, education, skills or finances.	52,500
Bringing it Back Home - Leeds Music Trust	Music and creative support interventions for people experiencing homelessness, poor mental health and substance abuse problems.	50,853
Safe Space – Stonewater	Development of support at a bespoke refuge for people from the LGBTQ+ community fleeing domestic violence and abuse.	50,600
Life, Loss, Learning & Legacy - Lippy People Charitable Trust	Support for older men suffering from bereavement through video storytelling and peer-support groups.	50,000
Veteran's Self Build Project - Community Self Build Agency	Funding a project lead to oversee the self-build project and training and welfare costs for the veterans.	50,000
Impact North	Qualified child psychotherapists providing longer periods of counselling support for vulnerable children and their families to restore relationships.	49,885
Clean Slate	Financial inclusion training, products and 1-1 support for individuals in financial hardship and difficulty.	47,565
Supporting Inclusive and assisted living in	Research project regarding maximising the quality of life and potential for people to	43,238

PROJECT/ORGANISATION NAME	PRIMARY ACTIVITIES	FUNDING AWARDED (£)
Retirement living Schemes – University of Stirling	remain living well in their home with dementia.	
Zarach	Working to overcome bed poverty by supplying a new bed, within 48 hours, to children with no bed of their own to sleep in.	43,205
Digital Tables - Stonewater	Innovative interactive digital tables and staff capacity to support older people with dementia.	41,250
Access Hospitality	Work experience and training opportunities within the hospitality sector for people with disabilities and learning difficulties.	39,015
Revitalise	Revitalise are a leading provider of respite breaks for people with disabilities and carers.	33,000
Befriending Project - Justlife Foundation	Befriending support for people experiencing homelessness and living in temporary accommodation to help overcome isolation and progress into sustainable living situations.	25,000
Huddersfield Live at Home - MHA	Intergenerational activities to support independent living, overcoming isolation and improving wellbeing for older people.	22,287
3 projects under £10,000	We provided continuation funding for projects we have funded to support them in how they implement methods to help them demonstrate their social value. We also provided final year funding to the Diversity Trust on a project supporting the LGBTQ community.	9,336
ADDITIONAL SUPPORT TO RESIDENTS INITIATIVE		
Clean Slate	As previously described in the ‘additional support to residents initiative’ section, we funded three organisations to increase their capacity to provide support to Stonewater residents due to the impact on people’s economic and emotional wellbeing during the COVID-19 pandemic.	39,480
Kaleidoscope		25,000
Impact North		24,410
Total Project Grant Expenditure		929,252

## THE YEAR AHEAD: WORKING TO ACHIEVE OUR AIMS

Our new strategic plan, 'Longleigh 2025: Progress and Partnership', includes four key aims that we are striving to achieve and these are:

- Key aim one: Be a valued and integral long-term partner to our donors in how they enable transformation in the lives of their residents and communities.
- Key aim two: Partner with more social housing providers and their supply chain so our model can reach more individuals and communities.
- Key aim three: Embed a learning culture within Longleigh so we can understand, improve and demonstrate the difference we make and then share this with others.
- Key aim four: Improve the effectiveness and efficiency of our work through continual development and integration of systems.

As we head into the next financial year, we have already started to implement actions and initiatives that progress how we achieve our aims:

- We have started a facilitated process that will result in us having a suitable method in place for how we understand the difference our funding makes. The process will help us understand and learn more about the social impact of our funding and also the value our relational and supportive approach to issuing that funding has.
- There are several ways in which we could approach the development of new partnerships and this has already been the subject of a facilitated session with trustees. We will finalise an agreed strategic approach, from which the focussed allocation of time, resources and actions will flow.
- With support from an external consultancy, we have also commenced the process for selecting a new grants management system, a critical operational component for a grant-making Foundation. There is 'whole-team' involvement in this process due to the importance of getting the right solution for the immediate and longer-term.

The above three developments, combined with the forthcoming appointment of a part-time Communications Officer, all support how we strive to fulfil our first key aim, of being a valued and integral long-term partner to our donors. The world has changed as a result of the COVID-19 pandemic, and the impact of this on the structure and operations of the social housing sector is no exception. Our commitment to the social housing sector demands that we are sensitive to the challenges the sector faces if we are to remain a relevant and increasingly value-adding partner.

## PUBLIC BENEFIT

The trustees confirm that they have complied with their duty to have due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims, objectives and activities for the period. To satisfy the 'benefit' aspect of the guidance and in pursuit of the our objects, the trustees ensure, through the setting and oversight of grant-making strategies that the Foundation's funding is reaching the most vulnerable individuals and focusing on communities served by the social housing sector.

For example, during the accounting period we have funded organisations that are delivering work and projects to:

- Provide training and support for young people at risk of misusing alcohol and cannabis.
- Supporting social housing residents to be better off through helping them budget and manage their finances.
- Undertake research into how technology can support independent living for people with long-term conditions, including dementia.
- Provide qualified therapy support for parents and children who have experience serious trauma in their relationships.

To satisfy the 'public' aspect of the guidance the trustees place due consideration on the number of people that will have the opportunity to engage with services, facilities and support provided by the projects that are approved for Project Grants. Applicants are asked to state whether their work is 'high intensity' (e.g. in-depth engagement with lower numbers of people) or 'low intensity' (e.g. potential to engage with larger numbers of people). Applicants for grants need to be able to communicate the need for their work within the communities they intend to focus on.

The trustees take the issue of consistency in decision-making regarding public benefit seriously. The regularly updated eligibility criteria for Individual Grants and application process for Project and Research Grants are designed to ensure transparent and consistent approaches.

## SUMMARISING KEY ACHIEVEMENTS AND PERFORMANCE

Many of the key achievements have been shared throughout this report but can be summarised as follows:

### GRANTS TO INDIVIDUALS

During the period, a key achievement has been the year-on-year increase of 106% in the amount of funding distributed on our individual grants. These short-term, practical interventions support people at particularly distressing and transitional times in their lives and the COVID-19 pandemic has increased the breadth and depth of the challenges people have been facing.

These grants are a time-intensive form of grant-making but the impact they can have on helping people re-build and transform their lives should not be understated. The Individual Grants enable people to have some space to breathe: society cannot expect people to progress if they are always under threat. These grants can play a small part in removing that pressure and threat so individuals and families can start looking to the future.

"I have received a fridge freezer and double bed from you and have an electric oven arriving on Saturday. I just wanted to say a big thank you from the bottom of my heart. My life changed dramatically when I was diagnosed with paranoid schizophrenia shortly after the tragic death of my younger brother. I hope that finally having a place to call home will help me start to rebuild my life and I am so grateful for your help."

~Individual Grant Recipient, 2020~



"Thank you so much. Your team is really understanding and supportive to people who truly need it. Without the help you have provided I would be struggling to have food and things for my kids when financial problems at the minute have been back. Topping up my gas and electric means I haven't got to stress for a little bit. I'm really grateful for the help and support and it will not be forgotten about."

~Individual Grant Recipient, 2021~

## GRANTS TO ORGANISATIONS

During the period a key achievement has been the distribution of £929,252, for project and research grants, which was an increase of 10% over the previous period.

From the amount distributed, £821,752 was to organisations with which we had existing multiple-year funding agreements in place. The resilience and ability to adapt, in the face of the pandemic, that we have seen from organisations we fund has been truly remarkable. Their commitment to being able to continue serving their communities, at such an unprecedented time meant that the overwhelming majority of organisations did not need to 'pause' their funding period with us as they continued to deliver and engage.

As previously mentioned, another key achievement has been in the awarding of £88,890 to a small number of organisations that we were already funding to enable them to increase capacity to directly provide support to social housing residents whose

economic and/or emotional wellbeing had been impacted on as a result of the COVID-19 pandemic. Hundreds of residents and families were able to access the support available and we are already looking at the re-shaping and continuation of this initiative into the next year.

We remain proud of our ability to be a supportive and relational funder. We were able to rise to the challenge presented by the pandemic and offer the 'cuppa & chat' Zoom sessions, as mentioned earlier in this report. The feedback received from organisations about the value of these sessions, the support from the leaders of other organisations and projects and the new partnerships created, has all meant that these sessions are continuing into the next period.

## CHALLENGES IN THE PERIOD

The most significant challenges in the period have all centred on the impact of the COVID-19 pandemic, many of which have already been covered in this report.

As a home-based and geographically-dispersed trustee and staff team, we were already well-equipped to cope with remote working but the prolonged absence of meeting up together, in person, was felt. We know that how we travel and what we meet up for will be different in the future but we remain keen to meet up as lockdown restrictions ease. We foresee the main reasons for travelling in the future will be for specific team and operational development activities, to visit projects we have funded and to engage with external partners and stakeholders.

It has remained an aim to increase the overall scale of our work through attracting new partners and donors. The business challenges that the pandemic brought to the social housing sector and its supply chains meant that there had to be a great deal of sensitivity in any activity about progressing this aim. The last year has not been the time to seek funds from new partners who may have needed to place staff on furlough, make redundancies and have seen significant threats to their organisational existence.

We remain firm in our belief that Longleigh is a value-adding option to social housing providers in how they provide enhanced support and services to their residents and communities. We will continue to be in-tune with how the social housing sector is emerging from the pandemic to understand what the appropriate potential is for engaging in conversations about new partnerships.

## FINANCIAL REVIEW

### REVIEW OF THE PERIOD

The Financial Statements are for the 15-month period ending 30th June 2021. It was agreed by the trustees to change our financial year end from March to June. As with many social housing providers, who are a key stakeholder group for us, our founding and major donor's financial year runs from April to March. This means that the exact amount of our donation is not known until around late March / early April each year. This presents challenges in the preparation of work plans and budgets if our financial year starts just as we are being notified of the exact donation amount. The change in



financial year dates will enable us to have a sensible three-month planning and budgeting period after the exact donation amount is known.

The total income for the period amounted to £3,980,079 (2020: £2,532,531). £3,800,000 was two restricted donations received from our founding donor, Stonewater Ltd (2020: £2,500,000). £175,606 was investment income received for the period from our new investment in Cazenove's Charity Responsible Multi Asset Fund (2020: £nil). £4,153 was interest received from short term deposits (2020: £31,400) and £320 received from fundraising from Stonewater staff (2020: £1,131).

The total expenditure for the period amounted to £1,831,394 (2020: £1,439,121). £555,139 was towards our individual grant programme (2020: £268,760), £886,014 to our project grants (2020: £802,681) and £43,238 to our research grants programme (2020: £43,238).

£11,421 (2020:£10,241) was spent directly on raising funds, being Cazenove's investment management fee for the period.

Total operating costs (direct overheads, support and governance costs) total £335,582 for the period (2020: £314,193 for the year).

## INVESTMENT

Longleigh appointed Cazenove Capital as its Investment Manager in May 2020. £4.9m was originally invested in the Cazenove Charity Responsible Multi-Asset Fund (RMAF), with a further £800,000 in April 2021. Our investment was valued as £6,318,753 at year end.

As a foundation, we have a long-term investment strategy with the objective of receiving an income return of 3-5% return after inflation and fees. We also have a separate Treasury Management policy to ensure we have adequate liquidity and hold secure and accessible deposits.

It is our policy to ensure our investments are in line with our values and invested responsibly and ethically. The RMAF has a strong Environmental Social and Governance policy, including screening to exclude investing in areas of significant social or environmental harm and providing regular updates on its social impact.

The Finance and Investment Committee review the performance of the investment at their quarterly meeting and also meet the investment managers at least annually.

Our investment has performed ahead of our target this period, with a total return of 14.4%.

## RESERVES

The total reserves at year end were £7,695,771 (2020: £4,928,222). This is made up of £7,153,223 (2020: £4,390,147) restricted funds and £542,548 (2019: £538,075) unrestricted funds.



Our short-term reserves policy is to hold a minimum of unrestricted cash reserves to meet the next six month's forecast operating costs. This is to ensure there is enough liquidity for us to operate efficiently in a period of uncertainty or turbulence while the trustees review the strategy. This six-month forecast is currently a balance of £236,250, and our unrestricted reserve fund of £542,548 at year end meets this policy.

The amount above the required reserves policy level that is held in our unrestricted cash reserves gives us the scope to undertake developments, wholly in the pursuit of our charitable objects and social mission, that may sit outside the permitted use of the restricted donations we receive from our founding and major donor. The restriction on donations is that they must be used for the benefit of our donor's social housing residents and the communities in which they have a housing presence. The unrestricted funds we hold would enable us, for example, to fund the expansion of a successful project into an area beyond that of our major donor as a way to support relationship developments with new potential social housing donors. Or, there might be some particular organisational development needs we have, where use of the unrestricted funds is more appropriate than using those that are restricted. Due to the limited amount of unrestricted reserves we have and the unlikely situation of having more of those in the future, we are very careful in how we prioritise the use of these funds and this reflects the current position of holding an amount above what is required in the reserves policy.

Our long-term reserves policy is to ensure the restricted fund does not fall below a value of 12 months operating costs, plus the maximum potential value of all multi-year grants, assuming they all meet their reporting requirements. At year end, this is a figure of £599k. The restricted fund meets the minimum reserves policy with a balance of £7,153,223 and is to be used in accordance with the donor's specifications, as described in Note 9.

It is our aim to maintain restricted reserves at a minimum level of £7m so that the income this generates can meet a reasonable level of grant expenditure and operating costs. Reserves are being built up from the annual donations from Stonewater Ltd, as agreed with them. This is to ensure that Longleigh has the financial resilience to meet unexpected falls in income and periods of uncertainty.

## RISKS

The trustees regularly review the major risks to which the Longleigh Foundation is exposed. Risks are assessed on the basis of their likelihood and potential impact, along with the mitigation strategies in place to manage them in line with the board's risk appetite. They are recorded in a risk register which is reviewed by the trustees at each meeting and is updated and approved accordingly. Where appropriate, systems or procedures have been established to manage the risks the charity faces. The trustees, supported by and advised by the Chief Executive, continually monitor changes in risk levels or the emergence of new risks that may impact upon the organisation.

The trustees consider the following to be the key risks that the Longleigh Foundation face:

Risk	Mitigating actions
The impact of the COVID-19 pandemic on the continuity of our grant-making and supporting operations.	<ul style="list-style-type: none"> <li>• Implement the developed business continuity plan as required.</li> <li>• Hold regular meetings with suppliers to be updated on their continuity, stock availability and supply chain statuses.</li> </ul>
Poor relationship with our founding and major donor.	<ul style="list-style-type: none"> <li>• Fulfil agreed Memorandum Of Understanding and reporting requirements.</li> <li>• Hold regular meetings between CEOs and Chairs of both organisations.</li> <li>• Deliver the communications and engagement plan.</li> </ul>
The inability/unwillingness of donors to fulfil their funding commitments to us.	<ul style="list-style-type: none"> <li>• Understand any financial concerns during CEO's and Chair's meetings.</li> <li>• Monitor wider social housing developments that may affect financial positions.</li> </ul>
Inability to demonstrate our social value and impact in respect of the donations received.	<ul style="list-style-type: none"> <li>• Complete and implement the process of identifying our social impact measures and methodology.</li> <li>• Produce impact update reports for our major donor.</li> <li>• Fund projects and research that carry strategic significance to our major donor and the social housing sector.</li> </ul>
Poor performance of long-term investments, resulting in lower than planned income to spend on future grant-making and supporting operations.	<ul style="list-style-type: none"> <li>• Implement board-approved Treasury and Investment Management policies.</li> <li>• Work in line with the Terms of Reference document for the Finance &amp; Investment (F&amp;I) Committee.</li> <li>• Investment Fund Managers to attend the F&amp;I Committee meetings twice per year.</li> <li>• Retain the services of specialist charity investment advisors.</li> </ul>
Cyber-attacks and breaches in security and integrity of data.	<ul style="list-style-type: none"> <li>• Maintain cyber-attack monitoring software across all computers.</li> <li>• Maintain the ongoing programme of cyber-attack awareness training.</li> <li>• Maintain Cyber Essentials certification through compliance with required standards and practices.</li> <li>• Implement Data Protection compliance as advised by our independent Data Protection Officer.</li> </ul>
Instability/loss of key staff within the small team.	<ul style="list-style-type: none"> <li>• Embed our social mission and values at the heart of our team culture, connecting and engaging everyone in what we do.</li> </ul>

- Provide regular 1-1 and team interactions, across virtual and in-person formats to keep the home-based team connected. This includes supervisions, annual appraisals, team meetings and project visits.
- Maintain a range of HR policies and procedures that helps Longleigh be the best employer that we can be.

## FUNDRAISING

The Longleigh Foundation does not actively seek donations from individuals or, therefore, use a third-party fundraiser. Donations received are from ad hoc fundraising events, mainly organised by our donor's staff. There have been no complaints regarding fundraising in the period.

## PLANS FOR FUTURE PERIODS

Many of our main priorities for the year ahead have already been outlined in the above statements. In summary, these priorities are:

- Complete the development of our social impact methodology and implement this to support our continual learning and improvement in the pursuit of our social mission and vision.
- Complete the process of identifying the most suitable grants management system for our needs. Then implement this system to improve the experience for applicants and to improve our effectiveness, efficiency and gain greater insights about our work.
- Share the added-value we bring and our learning across the social housing and charitable foundation sectors.
- Oversee our long-term financial investments so that we balance a) managing our resources with b) our long-term investment goals.
- Continue to realise the benefits we have in being able to join up our work due to being able to fund individuals/families as well as organisations to deliver both projects and research.
- Implement actions that support the delivery of an agreed strategic approach in relation to developing new partnerships and donors.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### GOVERNING DOCUMENT

Longleigh Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered at Companies House (no 09923402) and with the Charity Commission in England and Wales (no 1169016).

## TRUSTEES

The trustees have been appointed based on their relevant experiences, skills and knowledge as it pertains to governance, the work of the charity and the social housing sector. As set out in the articles, Stonewater Limited can appoint one person as a trustee. Trustees are appointed for three-year terms of office and may seek re-appointment for further terms, up to a maximum of nine consecutive years.

New trustees are given full inductions. This includes spending time with the Chair and the Chief Executive, engaging with frontline and senior staff of our major donor and with projects that we have funded.

The board undertakes an annual skills and experience audit to inform succession planning and ensure that the trustees collectively continue to have the expertise needed to lead the charity effectively. Longleigh is a member of the Association of Charitable Foundations (ACF) and the Association of Charitable Organisations (ACO) and trustees are encouraged to attend relevant training opportunities. Individual trustees are expected to comply with, and uphold, Longleigh's values and objectives and share responsibility for decisions taken.

In the coming year, we will be bringing a new trustee on board. The recruitment process that was undertaken focused on how Longleigh embraces greater diversity in the make-up of the board.

## FINANCE & INVESTMENT COMMITTEE

The Finance & Investment Committee has delegated responsibilities and fulfils these in line with a Terms of Reference document that is reviewed and approved by the board of trustees. The purpose of the committee is to monitor the charity's finances and investments, ensure the trustees fulfil their financial responsibilities and make recommendations to the full board. The committee meet quarterly and currently consists of two trustees and an Independent Member, who has relevant charity financial expertise.

## DECISION MAKING

The board of trustees is collectively responsible for ensuring that Longleigh adopts good governance practices, complying with all legal and regulatory responsibilities, and safeguarding Longleigh's resources. Meetings are held quarterly at which the board sets strategy and policies, oversees the Foundation's finances, grant funding and monitors overall performance. The board review and set the remuneration of key management personnel annually.

Longleigh has adopted the Charity Governance Code and monitors compliance with this code.

The trustees delegate the day-to-day management of the Longleigh Foundation to the Chief Executive. The Chief Executive and staff team oversee the work of the charity, by adhering to the grant making policies and procedures and implementing all of the operational procedures to enable the charity to fulfil its mission.

The Longleigh Foundation has received Company Secretarial services from Stonewater Limited in the period.

## RELATED PARTIES

The Longleigh Foundation is primarily funded through donations from Stonewater Limited. The trustees recognise their charitable responsibilities and state formally that the charity's activities will always be consistent with pursuing the achievement of its social objects. Any benefit which may accrue to Stonewater Limited from the Longleigh Foundation's activities will be incidental and outweighed by the contribution to the Foundation's charitable objectives. Please see note 12 for further Related Party transaction details.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Longleigh Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each trustee has taken all of the steps that s/he should have taken as a trustee in order to make her/himself aware of any relevant audit

information and to establish that the charitable company's auditor is aware of that information.

## SMALL COMPANIES EXEMPTION

In preparing this report the trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees on 3<sup>rd</sup> November 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'DE', written over a horizontal line.

**David Emerson CBE**  
**Chair**

# INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF LONGLEIGH FOUNDATION – PERIOD TO 30<sup>TH</sup> JUNE 2021

## OPINION

We have audited the financial statements of Longleigh Foundation (the 'charitable company') for the period ended 30 June 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

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.

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 income and expenditure for the 15-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## **OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

## **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 in respect to the remuneration of Trustees specified by law are not made; or
- we have not received all the information and explanations we require for our audit

## **TRUSTEES' RESPONSIBILITIES**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or has 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006), those that relate to data protection (General Data Protection Regulation) and those in relation to safeguarding.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF THIS REPORT

This report is made solely to the charitable company's Trustees, 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 Trustees those matters that 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's and the company's Trustees as a body, for our audit work, or the opinions we have formed.



**Shachi Blakemore (Senior Statutory Auditor)**

**For and on behalf of Buzzacott LLP**

**130 Wood Street**

**London**

**EC2V 6DL**

**Dated: 25 November 2021**

# STATEMENT OF FINANCIAL ACTIVITIES

(Including income and expenditure accounts) PERIOD TO 30<sup>TH</sup> JUNE 2021

	Notes	Unrestricted funds £	Restricted funds £	Period ended 30 <sup>th</sup> June 2021 £	Unrestricted funds £	Restricted funds £	Year to 31 <sup>st</sup> March 2020 Total funds £
<b>Income and endowments from:</b>							
Donations	1	320	3,800,000	<b>3,800,320</b>	1,131	2,500,000	2,501,131
Investments	2	4,153	175,606	<b>179,759</b>	31,400	-	31,400
<b>Total income</b>		<b>4,473</b>	<b>3,975,606</b>	<b>3,980,079</b>	<b>32,531</b>	<b>2,500,000</b>	<b>2,532,531</b>
<b>Expenditure on:</b>							
Raising funds	3	-	19,973	<b>19,770</b>	-	21,033	21,033
Charitable activities	4	-	1,811,421	<b>1,811,624</b>	2,865	1,415,223	1,418,088
<b>Total expenditure</b>		<b>-</b>	<b>1,831,394</b>	<b>1,831,394</b>	<b>2,865</b>	<b>1,436,256</b>	<b>1,439,121</b>
Net gains on investments	8	-	618,864	<b>618,864</b>	-	-	-
<b>Net income /</b>							
<b>Net movement in Funds</b>		<b>4,473</b>	<b>2,763,076</b>	<b>2,767,549</b>	<b>29,666</b>	<b>1,063,744</b>	<b>1,093,410</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward		<b>538,075</b>	<b>4,390,147</b>	<b>4,928,222</b>	508,409	3,326,403	3,834,812
<b>Fund balances carried forward</b>	11	<b>542,548</b>	<b>7,153,223</b>	<b>7,695,771</b>	<b>538,075</b>	<b>4,390,147</b>	<b>4,928,222</b>

The notes on pages 31 to 39 form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION: PERIOD TO 30<sup>TH</sup> JUNE 2021

	Notes	30 <sup>th</sup> June 2021 £	30 <sup>th</sup> June 2021 £	31 <sup>st</sup> March 2020 £	31 <sup>st</sup> March 2020 £
<b>Fixed assets</b>					
Computer equipment	7		<b>3,696</b>		5,895
Investments	8		<b>6,318,753</b>		-
<b>Total fixed assets</b>			<b>6,322,449</b>		5,895
<b>Current assets</b>					
Debtors		<b>76,020</b>		26,367	
	9				
Investments - cash		<b>1,215,137</b>		-	
Cash at bank and in hand		<b>220,247</b>		5,210,499	
<b>Total current assets</b>		<b>1,511,404</b>		5,236,866	
<b>Creditors:</b> amounts falling due within one year	10	<b>(138,082)</b>		(314,539)	
<b>Net current assets</b>			<b>1,373,322</b>		4,922,327
<b>Total assets less current liabilities</b>			<b>7,695,771</b>		4,928,222
<b>Represented by:</b>					
Unrestricted funds			<b>542,548</b>		538,075
Restricted funds			<b>7,153,223</b>		4,390,147
<b>Total funds</b>	11		<b>7,695,771</b>		4,928,222

The notes on pages 31 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3<sup>rd</sup> November 2021.



Trustee

## Longleigh Foundation

A Company Limited by Guarantee

Registered Number: 09923402

# STATEMENT OF CASH FLOWS: PERIOD TO 30<sup>th</sup> JUNE 2021

	Notes	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>1,746,964</b>	1,077,392
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		<b>179,759</b>	31,400
Proceeds from the sale of fixed assets		<b>400</b>	-
Purchase of tangible fixed assets		<b>(2,348)</b>	(3,640)
Purchase of investments		<b>(5,298,116)</b>	-
<b>Net cash (used in)/provided by investing activities</b>		<b>(5,120,305)</b>	27,760
<b>Analysis of changes in net debt</b>			
Change in cash and cash equivalents in the period		<b>(3,373,341)</b>	1,105,152
Cash and cash equivalents at the beginning of the period	B	<b>5,210,499</b>	4,105,347
<b>Cash and cash equivalents at the end of the period</b>	B	<b>1,837,158</b>	5,210,499

## A: RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>2,767,549</b>	1,093,410
<b>Adjustments for:</b>		
Depreciation charges	<b>4,059</b>	2,865
(Gains) on investments	<b>(618,864)</b>	-
Dividends and interest from investments	<b>(179,759)</b>	(31,400)
Loss on the sale of fixed assets	<b>89</b>	-
(Increase)/decrease in debtors	<b>(49,653)</b>	13,246
(Decrease in creditors)	<b>(176,457)</b>	(729)
<b>Net cash provided by operating activities</b>	<b>1,746,964</b>	1,077,392

## B: ANALYSIS OF CASH AND CASH EQUIVALENTS

	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
Cash at bank	<b>220,247</b>	5,210,499
Short term deposits	<b>1,215,137</b>	-
Cash held by investment manager	<b>401,774</b>	-
<b>Total cash and cash equivalents</b>	<b>1,837,158</b>	5,210,499

The notes on pages 31 to 39 form part of these financial statements.

# PRINCIPAL ACCOUNTING POLICIES: PERIOD TO 30<sup>th</sup> JUNE 2021

## CHARITY INFORMATION

The charity is a company limited by guarantee (registered number 09923402, charity number 1169016), which is incorporated in the UK. The address of the registered office is Suite C, Lancaster House, Grange Business Park, Enderby Road, Whetstone, Leicester, LE8 6EP.

## BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), applicable UK accounting standards including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Longleigh 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 note.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The area in the financial statements where these judgements and estimates have been made is in relation to the allocation of indirect operating costs.

## GOING CONCERN

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. Despite the global uncertainty in relation to coronavirus pandemic, there are no concerns regarding the Foundation's ability to continue as a going concern.

## INCOME

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. Donations are accounted for as unrestricted, unless there are restrictions under the terms on which they are received or solicited.

## **EXPENDITURE**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be recovered.

Expenditure on raising funds comprises those costs directly attributable to our new investment strategy and the opening of the investment fund in April 2020 and fundraising costs which are incurred in seeking voluntary contributions for the charity.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. These include project and research grants to third party institutions and hardship grants to individuals.

All multi-year project grants are subject to satisfactory annual review and reporting as set out in the funding agreement and are therefore only accounted for when this condition has been met. Estimated future costs of existing projects grants are shown in note 13 to the financial statements.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to strategic management of the charity. These are allocated in line with the policy below.

## **ALLOCATION OF OPERATING COSTS**

Operating costs, including direct staff costs, are allocated directly to the activity that they relate to where possible.

Indirect operating costs have been apportioned to the activity based on the estimated support staff time spent on each activity. This is 5% to raising funds, 75% individual grants, 18% project grants and 2% research grants (2020: 5% to raising funds, 60% individual grants, 33% project grants and 2% research grants). This split is reflective of the fact that even though the value of individual grants is lower than project grants, the individual grant activity is more time intensive and has increased 106% in the last period.

## **FINANCIAL INSTRUMENTS**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. All basic financial instruments are held at amortised cost. Financial assets comprise cash at bank, together with trade and other debtors. Financial liabilities comprise all creditors except social security and other taxes.

## **FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and valued at historical cost.



Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful life for computer equipment is three years.

## **INVESTMENTS**

Investments are initially measured at cost and subsequently at market value. Investment gains and losses, whether realised or unrealised, are recognised in the statement of financial activities in the period in which they arise.

## **DEBTORS**

Debtors are initially recognised at their settlement amount and subsequently at amortised cost of their recoverable amount. Prepayments are valued at the amount prepaid.

## **CASH**

Cash at bank includes cash in short term highly liquid investments and cash in deposit accounts that are available on demand or have a maturity of 100 days or less.

Investment cash included within current assets is deposits held by our investment managers for use over the next 12 months.

## **CREDITORS**

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of funds to a third party will be required in settlement and the amount due to settle can be measured or estimated reliably.

Creditors are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

## **FUND ACCOUNTING**

The charity's unrestricted general fund consists of funds which the charity are free to use for any purpose in furtherance of its charitable objects.

Restricted funds are funds that can only be used for specific restricted purposes within the objects of the charity as laid down by the donor. Expenditure which meets this criteria is charged to the fund. Further explanation of the nature and purpose of each fund is included in note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS: PERIOD TO 30<sup>TH</sup> JUNE 2021

## 1. DONATIONS

	Unrestricted funds £	Restricted funds £	Period ended 30 <sup>th</sup> June 2021 Total funds £
Stonewater Limited	-	3,800,000	3,800,000
Other donations	320	-	320
<b>Total</b>	<b>320</b>	<b>3,800,000</b>	<b>3,800,320</b>

  

	Unrestricted funds £	Restricted funds £	Year to 3 <sup>rd</sup> March 2020 Total funds £
Stonewater Limited	-	2,500,000	2,500,000
Other donations	1,131	-	1,131
<b>Total</b>	<b>1,131</b>	<b>2,500,000</b>	<b>2,501,131</b>

## 2. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Period ended 30 <sup>th</sup> June 2021 Total funds £
Investments	-	175,606	175,606
Bank interest	4,153	-	4,153
<b>Total</b>	<b>4,153</b>	<b>175,606</b>	<b>179,759</b>

  

	Unrestricted funds £	Restricted funds £	Year to 3 <sup>rd</sup> March 2020 Total funds £
Bank interest	31,400	-	31,400
<b>Total</b>	<b>31,400</b>	<b>-</b>	<b>31,400</b>

### 3. EXPENDITURE ON RAISING FUNDS

	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
Professional Investment advice	-	10,000
Other fundraising costs	-	249
Investment Manager fees	11,421	-
Allocation of support costs	5,897	8,111
Allocation of governance costs (note 5)	2,655	2,673
<b>Total</b>	<b>19,973</b>	<b>21,033</b>

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES - RESTRICTED

#### Restricted

	Grants undertaken by Longleigh £	Grants to other organisations £	Direct overhead costs £	Support costs £	Governance costs (note 5) £	Period ended 30 <sup>th</sup> June 2021 Total £
Individual grants	555,139	-	133,435	88,453	39,824	816,851
Project grants	-	886,014	31,110	21,229	9,558	947,911
Research grants	-	43,238	-	2,359	1,062	46,659
<b>Total</b>	<b>555,139</b>	<b>929,252</b>	<b>164,545</b>	<b>112,041</b>	<b>50,444</b>	<b>1,811,421</b>

#### Restricted

	Grants undertaken by Longleigh £	Grants to other organisations £	Direct overhead costs £	Support costs £	Governance costs (note 5) £	Year to 31 <sup>st</sup> March 2020 Total £
Individual grants	268,760	-	70,867	97,332	32,071	469,030
Project grants	-	802,681	24,789	53,533	17,639	898,642
Research grants	-	43,238	-	3,244	1,069	47,551
<b>Total</b>	<b>268,760</b>	<b>845,919</b>	<b>95,656</b>	<b>154,109</b>	<b>50,779</b>	<b>1,415,223</b>

### 5. GOVERNANCE EXPENDITURE

	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
Auditors remuneration – audit	8,820	7,500
Auditors remuneration – tax	-	1,500
Company Secretarial fee	11,250	9,000
Chair's remuneration	5,625	3,000
Direct staff costs allocation	22,247	25,346
Trustee and staff training, travel and subsistence	825	3,852
Trustee meeting costs	1,000	3,189
Trustee recruitment	3,000	-
Other costs	332	65
<b>Total</b>	<b>53,099</b>	<b>53,452</b>

## 6. EMPLOYEES

	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
Wages and salaries	198,090	155,978
Social security costs	13,565	13,860
Other pension costs	6,590	4,323
<b>Total</b>	<b>218,245</b>	<b>174,161</b>

The Charity employed four staff members during 2021 (2020: four).

One employee received emoluments between £80,000 - £90,000 for the 15-month period (year ended 31 March 2020: one £60,000 - £70,000). If we pro rate the period down to 12-months, the banding would be consistent with last year, with one employee receiving emoluments between £60,000 - £70,000.

Pension costs are payable in respect of defined contribution pension schemes and are accounted as part of the Charity's restricted funds. Contributions are recognised in the statement of financial activities in the period which they are payable to the scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

David Emerson has been paid £5,625 in respect of his role as Chairman, as approved by the Charity Commission for England and Wales (2020: David Emerson, Chairman paid £3,000). £nil has been reimbursed to trustees in respect of travel and expenses incurred on the charity's activities (2020: £1,521 to four trustees).

Key management personnel comprise the trustees and Chief Executive. The total remuneration of the charity's key management personnel (including employer's national insurance and pension contributions) for the period was £103,495 (2020: £79,035).

## 7. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>Cost</b>	
At 1 <sup>st</sup> April 2020	9,204
Additions	2,348
Disposals	(1,869)
At 30 <sup>th</sup> June 2021	9,683
<b>Depreciation</b>	
At 1 <sup>st</sup> April 2020	3,309
Charge for period	4,058
Disposals	(1,380)
At 30 <sup>th</sup> June 2021	5,987
<b>Net book values</b>	
At 30 <sup>th</sup> June 2021	3,696
At 31 <sup>st</sup> March 2020	5,895

## 8. INVESTMENTS

	30th June 2021 £	31st March 2020 £
Market value at 1 <sup>st</sup> April 2020	-	-
Additions at cost	5,298,116	-
Net unrealised gain	618,863	-
Market value at 30 <sup>th</sup> June 2021	5,916,979	-
Cash held by investment managers	401,774	-
<b>Total carrying value at 30<sup>th</sup> June 2021</b>	<b>6,318,753</b>	-
<b>Historic cost at 30<sup>th</sup> June 2021</b>	<b>5,298,116</b>	-

The following holdings are considered material to the overall value of investments, representing over 5% of the overall market value:

	30 <sup>th</sup> June 2021 £	31 <sup>st</sup> March 2020 £
Schroder Global Sustainable Growth	1,569,544	-

## 9. DEBTORS

	30 <sup>th</sup> June 2021 £	31 <sup>st</sup> March 2020 £
Prepayments	22,948	4,602
Accrued income	53,072	10,607
Other debtors	-	11,158
<b>Total</b>	<b>76,020</b>	<b>26,367</b>

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 <sup>th</sup> June 2021 £	31 <sup>st</sup> March 2020 £
Trade creditors	14,776	8,412
Accruals for grants payable	101,066	288,017
Taxation and social security	1,698	4,884
Other creditors – Amounts owed to Stonewater Limited	-	282
Other accruals	20,542	12,944
<b>Total</b>	<b>138,082</b>	<b>314,539</b>

## 11. MOVEMENT IN FUNDS

	Balance at Year to 1 <sup>st</sup> April 2020 £	Incoming resources £	Resources expended £	Net gain on investments £	Balance at period ended 30 <sup>th</sup> June 2021 £
Unrestricted funds	538,075	4,473	-	-	542,548
Restricted funds	4,390,147	3,975,606	(1,831,394)	618,864	7,153,223
	<b>4,928,222</b>	<b>3,980,079</b>	<b>(1,831,394)</b>	<b>618,864</b>	<b>7,695,771</b>

	Balance at 1 <sup>st</sup> April 2019 £	Incoming resources £	Resources expended £	Balance at Year to 3 <sup>rd</sup> March 2020 £
Unrestricted funds	508,409	32,531	(2,865)	538,075
Restricted funds	3,326,403	2,500,000	(1,436,256)	4,390,147
	<b>3,834,812</b>	<b>2,532,531</b>	<b>(1,439,121)</b>	<b>4,928,222</b>

The donations received from Stonewater Ltd are restricted, in that the grants are to be used for the benefit of Stonewater residents, members of residents' families living in Stonewater properties and the communities within which Stonewater operates. The donation can also be used towards general overheads required to support the above work.

## 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Period ended 30 <sup>th</sup> June 2021 Total funds £
Fixed assets	3,696	6,318,753	6,322,449
Current assets	538,852	972,552	1,511,404
Current liabilities	-	(138,082)	(138,082)
<b>Total</b>	<b>542,548</b>	<b>7,153,223</b>	<b>7,695,771</b>

  

	Unrestricted funds £	Restricted funds £	Year to 3 <sup>rd</sup> March 2020 Total funds £
Fixed assets	5,895	-	5,895
Current assets	532,180	4,704,686	5,236,866
Current liabilities	-	(314,539)	(314,539)
<b>Total</b>	<b>538,075</b>	<b>4,390,147</b>	<b>4,928,222</b>

## 13. ISSUED SHARE CAPITAL

The company is limited by guarantee and does not have share capital.

## 14. RELATED PARTY TRANSACTIONS

Stonewater Limited is Longleigh Foundation's founding donor. Stonewater Limited donated £3,800,000 (2020: £2,500,000) to Longleigh Foundation during the period ending 30<sup>th</sup> June 2021.

Activity	Period ended 30 <sup>th</sup> June 2021 £	Year to 31 <sup>st</sup> March 2020 £
Management fee for Finance and Administrative support	-	20,587
Company Secretarial services for the period/year	11,250	9,000
Project grants	227,478	220,872
Amount owed to Stonewater at year end	-	282

As set out in the articles, Stonewater Limited can appoint one person as a trustee. Anne Dokov was selected as trustee and is also a Stonewater board member.

## 15. GRANT COMMITMENTS

Multi-year grants are subject to additional annual reporting requirements being met by the recipients before they are due. They are therefore not included as a liability until the reporting requirement is met. The value of estimated future grants is £126,516 and all fall due in 21-22 (2020: £823,494; £755,256 in 20-21 and £68,238 in 21-22).

## 16. TAX

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charges arose in the period.



# Longleigh Foundation

A grant-making partner for the social housing sector

The Longleigh Foundation is a company limited by guarantee with charitable status, registered in England & Wales.

Company number: 09923402

Charity number: 1169016

Registered office: Suite C, Grange Business Park, Enderby Road, Whetstone, Leicester, LE8 6EP

Email: [contact@longleigh.org](mailto:contact@longleigh.org)

Website: [www.longleigh.org](http://www.longleigh.org)

Twitter: [@longleighfound](https://twitter.com/longleighfound)