



ANNUAL REPORT & FINANCIAL STATEMENTS

Year ended 30th June 2022

Company Registration Number: 09923402 (England and Wales)

Charity Number: 1169016


Longleigh
Foundation

A grant-making partner for the social housing sector

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REFERENCE & ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY & ITS ADVISORS

TRUSTEES	
CHAIR	David Emerson CBE
	Aisha Butera (appointed on 01.01.22)
	Anne Dokov
	Elizabeth Morris
	John Weguelin
	Ronald Williamson
COMPANY SECRETARY	Anne Harling
INDEPENDENT COMMITTEE MEMBER	Jon Pearson (resigned on 15.02.22)
	Fiona Ellison (appointed on 01.01.22)
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 – which provides a summary of performance and achievements – and financial statements for the year ended 30th June 2022. The comparative information relates to the 15 month period ended 30th June 2021. 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, MISSION & VALUES

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.**

The charity is working in line with its strategic plan, entitled **Longleigh 2025: Progress and Partnership.**

In the strategic plan, the objects of the charity have been translated into a 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 five-year vision in the strategic plan is: **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.**

In pursuit of the charity's mission and vision all trustees, staff, associates and partners are expected to uphold and champion the charity's values. 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.

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

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 of our principal donor 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 year, exclusively for residents in the properties or housing-schemes of our sole, major donor (Stonewater Ltd). The eligibility criteria are carefully developed to ensure that we seek to reach the residents who are in greatest financial distress and vulnerability. For this year, we updated the eligibility document to a) take on board learning from our grant-making experiences and b) consider the cost-of-living crisis that has escalated and has seen soaring rates of inflation, affecting the cost of everyday essentials such as food and energy.

Alongside this, our eligibility criteria are 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.

During the year, we have continued to assess Individual Grant applications in line with situational ‘pathways’, which are stated in 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:

- Diagnosed health condition or disability – 304
- Mental health condition or substance addiction – 286
- Moving from homelessness/supported living into independent living – 202
- Fleeing from an abusive relationship – 144
- Family with children in receipt of free school meals – 98

- Social Services involvement – 83
- Victims of a reported crime in their home – 35
- Delays to entitled-to benefits – 28
- Moving into independent living from prison/supported by Probation – 4
- Supporting Refugees from Ukraine – 3

Alongside our increasing sector engagement, knowledge and insight, we 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 vulnerable residents and families.

This has been another period of substantial increase, supported by an additional donation from Stonewater, of £250,000 in early 2022. When comparing the performance of this period with the same 12-month period last year, there was 16% increase in grants approved and a 38% increase in the value of the funding awarded.

The financial value of the funding that we distributed via our individual grants during the year was £580,805 for 674 approved applications. This was an increase from £555,139 in the previous, extended 15-month reporting period. Out of the grants approved, 515 were Hardship Grants, 153 were Crisis and Disaster Grants and six were Education, Training & Employment Grants.

During the year, we experienced new levels in both the number of applications and amount of funding approved in a single month. We approved 87 applications in both May and June 2022 and approved over £78,000 of funding in March 2022.

The increase also reflects the continuing engagement and partnership work that we did with Stonewater colleagues to raise awareness of these grants to their frontline officers of our donor and in communications to their customers.

The grants we make to individuals are short-term and very practical interventions. A notable change we have seen during the year is the significant increase in requests for us to provide more ongoing support, across several months, to support people with essential food and energy costs, due to the cost-of-living crisis. Alongside this observed change, some of the other most recurring items that the grants were used for included:

- Floor coverings where this would make a property safe for households with young children or a person with a disability/condition that affects movement.
- 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.



Richard's story

****Grant recipient's name has been changed to protect their identity.**

Richard has three young children and has separated from their mother. His three children were living with their mother full time, until social services became involved due to concerns around the quality of care they were receiving in that setting. All three children were subject to a child protection plan and consequently removed from their mother's care. It was decided that they should live with their father full time, as this would be best for their wellbeing.

When Richard applied for a Longleigh grant via a Stonewater staff member, he was feeling very stressed and under immense pressure. He was often off work due to sickness/stress as he was very worried about his children and desperate for them to be moved into his home. He ended up having to leave his job as he could not manage this, along with caring for his children and coping with his anxieties.

This spiralled him into financial difficulty, and his lack of income, meant that he got behind with his rent payments, and had very little money left over for his gas, electric and food. On top of this, he needed to buy essential items for his children (to enable them to move in full time) and did not have the funds for this. His financial struggles, on top of all of the other worries, caused Richard to become increasingly frantic and feel lost, not knowing how to deal with his situation.

Longleigh supported Richard with food vouchers, gas and electric top ups, carpeting for the children's bedrooms, beds for the children, paint to decorate their bedrooms and vouchers for the smaller essential items that they needed. This gave Richard the financial breathing space to get back on his feet and to give the children a good start as they adjust to living with their dad full time.

Richard is also looking for alternative employment that will fit around childcare, and was referred to Clean Slate, one of Longleigh's Circle of Support partners, to improve his financial situation in the longer term. Richard hopes, with these changes, his children will soon be living with him full time, and he will have more suitable, stable employment in the future.

Our average grant value in this year was approximately £860 (an increase from £750 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 period, the ongoing implications of the Covid-19 pandemic and then the emergence of the cost-of-living crisis have been two main factors that have continued to drive the demand for Individual Grants. Continued supply-chain challenges, resulting in varying levels of product availability, coupled with the greater administrative work that comes with providing longer-term support with food and fuel have been particularly notable challenges.

It is the ongoing commitment to good communication with the staff of our principal donor and with key suppliers that has supported good continuity of service to social housing residents and ensured we have been able to rise to the challenge of the continued growth in this area of our work.

During the period, we continued to run a small, additional fund to support the employees of our principal donor. During the period, we repurposed the focus of this fund away from the direct impact of the Covid-19 pandemic and to the impact of the cost-of-living crisis. We made three grants to employees, totalling £3,960.

We have an Individual Grants Manager and two Individual Grants Officers dedicated to this area of our work, which is the same capacity as the last reporting period. The appointment of a part-time Finance Administration Officer has been a much-welcomed addition to the team in supporting, within a broader remit, the increased financial administrative requirements of the Individual Grants programme.

As we go into the 2022-23 financial year, we are pleased that we will be able to maintain a similar budget for Individual Grants as we have had in this period. We are expecting a continued high level of demand for these grants due to continuing escalation we are seeing in inflation rates, fuel price cap increases and overall rises in the cost-of-living. We are committed to providing an all-year-round service, which means we closely manage our budget monthly to avoid running out of funding part-way through the year. We recognise that how we manage demand, so that we don't create unrealistic expectations about how many people we can support, will be important in the year ahead.

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 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.
- 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, we distributed a total of £442,016 on Project Grants and Research Grants to organisations, as follows:

- 11 Project Grants totalling £358,778
 - o New grants (6 grants, £281,500)
 - o Continuation funding grants (5 grants, £77,278)
- 2 Research Grants totalling £83,238

- o New grants (1 grant, £40,000)
- o Continuation funding grants (1 grant, £43,238)



SUPPORT FOR THE ORGANISATIONS WE FUND

Our relational approach to funding has been evident again during the year. Virtual group ‘cuppa & chat’ sessions, that started in the last period due to the lockdowns, have continued throughout this period. Several organisations have also requested one-to-one discussions about their funded projects and wider organisational matters, and we have been pleased to hold such discussions to mentor those we fund and create helpful connections due to our extensive networks.

During the year we have received several final reports from organisations we have funded. A question asked was related to whether our funding and/or support has credibly enabled the organisation to secure any additional funding or income. We have always believed that being relational and supportive has a value and the responses received have emphatically supported this. One project, that received £225,000 of funding over a three-year period, cite generating more than £500,000 of additional income due to the sustainability of our funding – and the confidence this gave to other funders – and due to the connections we made for them. Another project, that received £150,000 of funding over a three-year period, stated that over £180,000 of additional income was received. It is this type of reported feedback that encourages us to consider ways to do more support for those we fund, as we are seeing pleasing levels of additional money come into the communities we are dedicated to supporting.



Project Grant focus: The Alcohol Education Trust partnership with Stonewater

We funded the Alcohol Education Trust to deliver a three-year project, in partnership with Stonewater's supported living schemes for young people, to support young people in having healthy relationships with alcohol and drugs. In this reporting period, the project received its final year of funding. We have been pleased to see how this project has progressed, despite the challenges that the Covid-19 pandemic presented.

"The three-year funding from Longleigh, enabling the Alcohol Education Trust to develop a programme on alcohol and cannabis awareness and safer choices for the most vulnerable 16-25-year-olds across England, has been truly transformative. Not only have we been able to support young people across Stonewater residences over the last two years, but vulnerable young adults in all settings. We have been able to build the knowledge and skills around drugs and alcohol among the wonderful Stonewater staff working with them and strengthened their ability to support young people day to day too. We're also thrilled with the legacy of the online advice hub covering all aspects of wellbeing, www.life-stuff.org that we have been able to build because of the Longleigh Foundation grant."

Helena Conibear
Chief Executive Officer
The Alcohol Education Trust

"Having the opportunity to work so closely with the Alcohol Education Trust over the last two years, has allowed us to co-produce bespoke alcohol and cannabis awareness training for our young residents in a truly flexible way that has been led by the evolving needs of the young people we support. We have been able to address the serious issues of alcohol use and cannabis use and the risks and dangers in an age appropriate, engaging way. The team at Alcohol Education Trust are true experts in their fields but have the added ability of being able to engage young people in a way that is impactful and inclusive. The Alcohol Education Trust's approach around making informed choices, really complements our way of working and has provided our young people and our onsite colleagues with skills, knowledge and tools to use again and again."

Helena Doyle
Customer Experience Director
Stonewater

A video casestudy of the Alcohol Education Trust's project can be found on Longleigh's website: <https://longleigh.org/our-annual-reviews/annual-review-2021/>

CIRCLES OF SUPPORT

In our last report, we provided information about an 'additional support to residents initiative'. This initiative was launched due to the impact of the Covid-19 pandemic (and measures imposed to manage this) on people's economic, emotional and physical health and wellbeing. We all saw how those 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. The prolonged isolation that adults and children all faced, and the impact of this on mental health and education, has been well-documented.

In response to the impact seen, we provided additional funding to some of the organisations we were already funding so – in conjunction with the Individual Grants we provide – 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. During this period, this initiative was named ‘Circles of Support’.

Over the course of the year, we provided funding of £280,000 to our Circles of Support partners. We were delighted to fund Community Health Works CIC to be the physical health and wellbeing partner on this initiative.

Over the course of the year, we saw many residents and their families access the support available – via both light-touch and very-intensive interventions. We have seen a substantial number of individuals and families supported have accessed support from more than one of the funded partners on this initiative, emphasising the link between their financial, emotional and physical health and wellbeing.

During the year, Circles of Support has become increasingly well-known by the housing staff of our principal donor, and they have welcomed being able to make this timely offer of help to their residents, especially at a time where publicly funded services are over-stretched and where waiting-times can be lengthy.

As we go into the 2022-23 financial year, we aim to further improve the reporting and impact measurement process for this initiative so that we might demonstrate the substantial added value that is being delivered to the point where a sustainable pathway is identified beyond our funding.

RESEARCH PROJECT FUNDING

During the period the INVITE research project, being delivered by the University of Stirling, entered its final year of funding. We were delighted to see this project, focusing on how technology can assist people living with long-term conditions such as dementia, live as independently as possible, showcased at the Housing 2022 conference this year. We are excited to see the final report for the project, and how the research findings can be disseminated across the social housing sector, for the benefit of many residents and providers of specialist, supported living schemes.

A short video about the INVITE project has been made during the year and can be viewed here: <https://player.vimeo.com/video/725289869?h=6c7f556ccf>



“The INVITE project, funded by the Longleigh Foundation, has enabled us to conduct longitudinal impact research that is often sought after, but quite rare. The timing, investment and support has allowed us to have the time to explore real person-led, co-produced technology solutions that improve people’s wellbeing and quality of life. We were able to spend time with Stonewater Housing Association residents and staff and investigate what people need, what they find difficult and easy about their lives. Then we matched the right intervention to individuals – this could range from an Amazon Alexa to a simple jar opener. After we introduced, trained, and facilitated different technology solutions we asked people how they got on and the impact on their lives. The results were so surprising that we have created an evidence-led report that challenges many assumptions about technology, promotes co-production approaches and highlights that small solutions often have the biggest impact on peoples’ lives. Because of this funding, we have created a new model for housing provision to improve policy and practice within the housing, health and social care sectors and beyond.”

Dr Vikki McCall

Senior Lecturer in Social Policy (Housing)

University of Stirling

This year also saw us commission our own research for the first time. Our experiences of making Individual Grants to social housing residents who required suitable flooring throughout their homes, was coupled with our engagement with many other providers of Individual Grants, also providing support for flooring. Inspired by the TPAS Cymru/Tai Pawb ‘Floored’ report, we ran a process to identify a suitably experienced research partner to investigate the impact on residents of not having suitable flooring and to seek solutions that could be financially and operationally realistic for social housing providers. That we have funded this research is a testament to our increasing experiences and insights, along with the positive relationships we are building across the social housing and charitable foundations sectors. This project was funded late into the period, and we are looking forward to reporting on progress in our next annual report.

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

PROJECT/ORGANISATION NAME	PRIMARY ACTIVITIES	FUNDING AWARDED (£)
Clean Slate	Financial inclusion training, products and 1-1 support for individuals in financial hardship and difficulty.	180,000
Supporting Inclusive and assisted living in Retirement living Schemes – University of Stirling	Research project regarding maximising the quality of life and potential for people to remain living well in their home with dementia.	43,238
Altair	Research project regarding the lack of flooring provision in social housing.	40,000
Impact North	Qualified child psychotherapists providing longer periods of counselling support for	40,000

PROJECT/ORGANISATION NAME	PRIMARY ACTIVITIES	FUNDING AWARDED (£)
	vulnerable children and their families to restore relationships.	
Kaleidoscope Plus Group	Emotional wellbeing and counselling support.	30,000
Community Health Works	Physical health and wellbeing support.	30,000
Alcohol Education Trust	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.	26,000
Imagineer	Supporting people in receipt of personal budgets in making person-centred choices about the use of those budgets.	25,250
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
3 projects under £10,000	Two social-impact reporting grants and fitness project in Stonewater retirement living schemes.	2,528
Total Project Grant Expenditure		442,016

WORKING TO ACHIEVE OUR AIMS

Our 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.

Key developments in the period that support the pursuit of our strategic aims have been:

- We have continued 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. Work done via this process has been embedded into our new grants management system, which will launch in late 2022.

- The Trustees commissioned research to look at the appetite from other social housing providers, and their supply chain partners, to deliver their community investment and impact via Longleigh, as an independent, rather than in-house, solution. This work is ongoing.
- As referenced earlier in this section, a new grants management system is being developed and will be launched in late 2022. A thorough selection process was conducted and completed to identify a partner that could deliver a system that would contribute to how we achieve many aspects of the key aims in our strategic plan. For example, the new system will provide for a better application process for Individual Grants; will integrate with our financial systems; and, have comprehensive data-gathering and reporting functionality to drive our learning insights and continual improvement.
- We invested, for the first time in our short history, in a part-time role, dedicated to developing our communications. As a result, we have been able to produce content for the staff and resident publications of our major donor; engage with a Chartered Institute of Housing (CIH) and ITN Business programme, called 'Reinventing Homes' (<https://www.cih.org/policy/reinventing-homes>); and increase our social media presence.

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 year. To satisfy the 'benefit' aspect of the guidance and in pursuit of 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 year we have funded/continued to fund organisations that are delivering work and projects to:

- Undertake research into how technology can support independent living for people with long-term conditions, including dementia.
- 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.
- Provide qualified therapy support for parents and children who have experience serious trauma in their relationships.
- Undertake research into the impact of a lack of suitable flooring provision in social housing and seek to identify solutions that could transform the approach to flooring across the social housing sector.

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.

FINANCIAL REVIEW

REVIEW OF THE YEAR

The total income for the year amounted to £2,413,424 (15 months ended 30th June 2021: £3,980,079). Of this, £2,157,508 comprised three restricted donations received from our founding donor, Stonewater Ltd (15 months ended 30th June 2021: £3,800,000); £254,627 was investment income received for the year from our investment in Cazenove's Charity Responsible Multi Asset Fund (15 months ended 30th June 2021: £175,606); £789 was interest received from short term deposits (15 months ended 30th June 2021: £4,153) and £500 was from other fundraising (15 months ended 30th June 2021: £320).

The total expenditure for the period amounted to £1,458,337 (15 months ended 30th June 2021: £1,831,394). Of this, £584,765 was spent on individual grants (15 months ended 30th June 2021: £555,139); £358,778 was for project grants (15 months ended 30th June 2021: £886,014) and £83,238 was spent on research grants (15 months ended 30th June 2021: £43,238).

Total operating costs (direct overheads, support and governance costs) amounted to £431,556 for the year (15 months ended 30th June 2021: £347,003). Of this, £58,490 (15 months ended 30th June 2021: £11,421) related to the raising of funds, comprising Cazenove's investment management fee, ITN programme cost and our Communications Lead. £180,909 (15 months ended 30th June 2021: £164,545) of operating costs related directly to charitable activities, being the infrastructure to implement our individual, project and research grant programmes. Governance costs totalled £58,611 (15 months ended 30th June 2021: £53,099) and other support costs amounted to £133,546 (15 months ended 30th June 2021: £117,938).

Longleigh is committed to being open and transparent regarding its operating costs and we ensure that the funds entrusted to us are used efficiently and effectively towards our charitable mission and aims. We are still a relatively new, modest-scale Foundation (sitting outside of the top 300 Foundations), being five years since grant making activities commenced, and are therefore still in a phase of investing in our working practices and structure as we continue to grow. The Association of Charitable Foundations (ACF) produced a report in June 2022 regarding operating costs in the top

300 Foundations, which describes the complexities in comparing operating costs across Foundations due to their varying sizes, grant programmes and operating models. The report states, on average, the top 300 Foundations are spending 71% directly on grant making, which is consistent with Longleigh's grant spend as a percentage of total spend. In line with our key aim, of being a learning organisation, we will continue to monitor and benchmark our total operating costs, to ensure we are working effectively and proportionately, with adequate skill and due care in all that we do.

INVESTMENT

Longleigh has continued to hold its long term investment in Cazenove's Charity Responsible Multi-Asset Fund (RMAF).

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 that 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 meet the investment managers at least annually. The board have also agreed to have an independent triennial review of the investment strategy and investment managers, with the first one due in May 2023.

Our investment was valued as £5,881,665 (2021: £6,318,753) at year end and has incurred an unrealised loss for the year of £440,167 (15 months ended 30th June 2021: gain of £618,863). The total return for the year ended 30th June 2022 was -3.5% (15 months ended 30th June 2021: +14.4%). The Finance and Investment Committee have met with Cazenove twice in the past six months to discuss the current economic situation and how Cazenove are reacting to the difficult and uncertain markets. The board are comfortable with Cazenove's investment strategy and understand that while the income from the fund is smoothed over a period of time and the 4% income received from the fund is likely to be achievable, the total return target of the fund may not be achievable next year with the current rates of inflation. Longleigh's board will continue to have regular contact and updates from Cazenove over the next year.

RESERVES

The total reserves at year end were £8,201,691 (2021: £7,695,771). This is made up of £7,687,524 (2021: £7,153,223) restricted funds and £523,167 (2021: £542,548) 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 that 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 £236,830, and our unrestricted reserve fund of £523,167 at year end exceeds 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. We have used some unrestricted funds in the year to participate in the ITN programme, discussed above, to increase the social housing sectors knowledge of Llongleugh and the grant programmes we can provide. 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 £553,659. The restricted fund exceeds the minimum reserves policy with a balance of £7,687,524 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 Llongleugh has the financial resilience to meet unexpected falls in income and periods of uncertainty.

RISKS

The Trustees review the major risks to which the Llongleugh Foundation is exposed, set out in the Risk Register, at each board meeting. Risks are assessed based on their likelihood and potential impact, along with the mitigating actions in place to manage them in line with the board's risk appetite. 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 Llongleugh Foundation faces:

Risk	Mitigating actions
Continuity of services and operations	<ul style="list-style-type: none"> • Review homeworking arrangements on an annual basis. • Ensure all IT hardware, software and cloud systems are in good working order. • Ensure system backups are completed on a minimum of a weekly basis. • Implement Business Continuity Plan.
Relationship with our major donor	<ul style="list-style-type: none"> • Adhere to agreed MOU and reporting frameworks. • Hold regular meetings between CEOs. • Hold suitably appropriate meetings between Chairs. • Implement a Communications & Engagement Plan.
Donors fulfilling their funding commitments to us	<ul style="list-style-type: none"> • Monitor donor's financial performance. • Keep abreast of financial performance across the social housing sector. • Assess impact and agree mitigating actions of donor and/or wider housing sector financial performance.
Continuity of organisational delivery and development with limited advance sight of future resources to work with	<ul style="list-style-type: none"> • Establish a new agreement with the major donor to aid longer-term planning. • Setting budgets and associated work plans that are deliverable based on the team capacity that the agreed budget allows for.
Demonstrating our social and added-value to our major donor (and future donors)	<ul style="list-style-type: none"> • Deliver the process to determine our social impact methodology. • Implement social impact methodology. • Produce 6-monthly social impact progress reports to the Board. • Produce Annual Reviews that has social impact information embedded. • Ensure that projects funded fulfil their reporting requirements to us about the impact of their work. • Restrict or withdraw future funding from projects who do not meet their reporting requirements.
Management and/or performance of investments	<ul style="list-style-type: none"> • Implement Treasury and Investment Management Policy papers. • Work in line with ToR for the F&I Committee to manage investment performance. • Investment Fund Managers to attend F&I meetings twice per year, and main board

Risk	Mitigating actions
	<p>once a year, to update on performance and outlook.</p> <ul style="list-style-type: none"> • Retain the advice of specialist charity investment advisors. • Maintain independent member to F&I with charity sector finance experience. • Ensure investment skills are present on the board of Trustees. • Regularly review and, where appropriate, update the Treasury & Investment Strategies.
Managing finances in line with agreed budgets	<ul style="list-style-type: none"> • Set realistic budget that provides appropriate scope for flexibility and unexpected costs. • Review income & expenditure on a monthly basis. • Re-forecast on a quarterly basis. • Ensure agreed Financial Standing Orders (FSOs) procedures are implemented. • Use the F&I Committee and Board process for the approval of additional costs.
Cyber-attacks and breach of data integrity	<ul style="list-style-type: none"> • Cyber-attack monitoring software updated on a scheduled basis with notifications of any 'failing' areas received and actioned. • Ongoing cyber-attack training to be completed by all with Longleigh domain addresses. • Maintain Cyber Essentials certification. • Implement Data Protection compliance actions as instructed by Data Protection Officer across all areas of grant-making, communications and operations. • Ensure Data Protection compliance across the new grants management system.
Securing new donors	<ul style="list-style-type: none"> • Work in partnership with our founding donor to identify and progress relationships with social housing providers and supply chain partners. • Implement activity plans (communications and events activities) to support the generation of leads and develop relationships with other housing associations, their supply chains and corporates associated with our key areas of activity (geographically and by subject).

Risk	Mitigating actions
	<ul style="list-style-type: none"> • Deliver a specific communications plan for the ITN programme opportunity that seeks to raise awareness of our work across both Stonewater and non-Stonewater geographies.
Stability of key staff within the small team	<ul style="list-style-type: none"> • Have a long-term approach to team recruitment and development. • Embed our mission and values at the heart of our team culture to ensure the whole team is engaged in our work. • Provide regular 1-1 and team interactions for the home-based team, including supervisions, appraisals, team meetings and project visits. • Review team wellbeing at monthly team meetings and 1-1s to ensure a good balance between workload and hours provided to do that work. • Maintain a range of HR policies & procedures that help Longleigh be the best employer we can be. • Embrace service delivery contracts, where suitable, to secure appropriate skills and reduce likelihood of turnover in low-hours roles.
Fraudulent or unapproved use of awarded funding	<p>Project & Research Grants:</p> <ul style="list-style-type: none"> • Project & Research Grants funding agreement states uses of funding that are approved. • Review the annual financial statements from projects as part of their reporting requirements. • Review Companies House and Charity Commission websites in advance of funding payments to ensure all projects are complying with their regulatory requirements. <p>Individual Grants:</p> <ul style="list-style-type: none"> • Individual Grants criteria includes section (for residents and staff) about misuse of Individual Grants funding. • Monthly sample check on Individual Grants approved completed by Finance & Ops Manager and signed off by Chief Executive.

Risk	Mitigating actions
	<ul style="list-style-type: none"> • Establish contracts/accounts directly with suppliers of goods and services most used for Individual Grants. • Implement grant fulfilment options that provide receipted-spend on high-value items. • Lingleigh team to lead on grant fulfilment. • Hold regular meetings with SW staff to review progress on overall Individual Grants programme.
Pipeline of mission-related projects to award funding to	<ul style="list-style-type: none"> • Maintain discussions with our major donor (and potential future donors) about their strategic priorities and community-based solutions to addressing these. • Continually develop and nurture relationships with Community Foundations and Third Sector infrastructure and support organisations. • Communicate our work via our website and social media to raise awareness of who we fund. • Implement the 'calls for applications' approach to stimulate applications at required times.
Delivery of the new grants management system	<ul style="list-style-type: none"> • Dedicated lead from the Lingleigh team to work with provider on delivery of the plan to achieve the key milestones. • Manage provider progress in line with provided schedule of work.
Setting a progressive grant-making and organisational development budget	<ul style="list-style-type: none"> • Maintaining suitably regular communication with SW Board and Executive - regarding levels of need and demand for our various grants and organisational development aims to help discuss progressive budgets and, therefore, donation levels that could support this. • Production of monthly Individual Grants reports and 6-monthly update reports for SW CEO and Board. • Holding an annual strategy session with key SW colleagues that considers customer needs and how Lingleigh's grant-making can support meeting those needs.

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:

- Undertake an agreed joint working party activity with our principal donor to reflect on the past five years of operation and refresh the working framework as we look to the future.
- Complete the development and implementation of our social impact methodology to support our continual learning and improvement in the pursuit of our social mission and vision.
- Complete the development and implementation process of the new grants management system to improve our effectiveness, efficiency and gain greater insights about our work.
- Continue to build relationships and develop our communications across the social housing and charitable foundations sectors, sharing our learning added value we bring.
- Continue to oversee our long-term financial investments, vital during this very challenging economic period, 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.
- Conclude the research commissioned into the appetite of the social housing sector, and its supply chain partners, of becoming major donors to Longleigh, and implement arising actions.

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. During the period, we welcomed one new trustee.

During the year, trustees attended an online group training session on the topic of Equality, Diversity and Inclusion (EDI) and the commitment to embedding continual improvement in this area was demonstrated via the recruitment process conducted in this period.

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 welcoming a new chair and the new trustee as nominated by Stonewater Limited. The recruitment process to be undertaken for the new chair will be focused on how Longleigh retains excellent leadership skills and charitable foundations sector knowledge on the board and will see the continuation of our commitment to best practices in Equality, Diversity and Inclusion.

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 year.

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 2nd November 2022 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'DE', with a long horizontal stroke extending to the right.

David Emerson CBE
Chair

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF LONGLEIGH FOUNDATION – PERIOD TO 30TH JUNE 2022

OPINION

We have audited the financial statements of Longleigh Foundation (the 'charitable company') for the year ended 30th June 2022, 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 30th June 2022 and of its income and expenditure for the 12-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
- 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).

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. 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

Date: 2 November 2022

STATEMENT OF FINANCIAL ACTIVITIES

(Including income and expenditure accounts) YEAR ENDED 30TH JUNE 2022

	Notes	Unrestricted funds £	Restricted funds £	Year ended 30 th June 2022 £	Unrestricted funds £	Restricted funds £	15 months ended 30 th June 2021 £
Income and endowments from:							
Donations	1	500	2,157,508	2,158,008	320	3,800,000	3,800,320
Investments	2	789	254,627	255,416	4,153	175,606	179,759
Total income		1,289	2,412,135	2,413,424	4,473	3,975,606	3,980,079
Expenditure on:							
Raising funds	3	20,670	47,428	68,098	-	19,973	19,770
Charitable activities	4	-	1,390,239	1,390,239	-	1,811,421	1,811,624
Total expenditure		20,670	1,437,667	1,458,337	-	1,831,394	1,831,394
Net (expenditure) / income before investment (losses)/gains		(19,381)	974,468	955,087	4,473	2,144,212	2,148,685
Net (loss)/ gain on investments	8	-	(440,167)	(440,167)	-	618,864	618,864
Net (expenditure) / income and net movement in funds		(19,381)	534,301	514,920	4,473	2,763,076	2,767,549
Reconciliation of funds							
Fund balances brought forward		542,548	7,153,223	7,695,771	538,075	4,390,147	4,928,222
Fund balances carried forward	11	523,167	7,687,524	8,210,691	542,548	7,153,223	7,695,771

The notes on pages 33 to 41 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION: YEAR ENDED 30TH JUNE 2022

	Notes	30 th June 2022 £	30 th June 2022 £	30 th June 2021 £	30 th June 2021 £
Fixed assets					
Computer equipment	7		4,291		3,696
Investments	8		5,881,665		6,318,753
Total fixed assets			5,885,956		6,322,449
Current assets					
Debtors	9	89,732		76,020	
Investments - cash		2,165,924		1,215,137	
Cash at bank and in hand		273,696		220,247	
Total current assets		2,529,352		1,511,404	
Creditors: amounts falling due within one year	10	(204,617)		(138,082)	
Net current assets			2,324,735		1,373,322
Total assets less current liabilities			8,210,691		7,695,771
Represented by:					
Unrestricted funds			523,167		542,548
Restricted funds			7,687,524		7,153,223
Total funds	11		8,210,691		7,695,771

The notes on pages 33 to 41 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 2nd November 2022.



Trustee

David Emerson CBE

Longleigh Foundation

A Company Limited by Guarantee

Registered Number: 09923402

STATEMENT OF CASH FLOWS: YEAR ENDED 30th JUNE 2022

	Notes	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	755,408	1,746,964
Cash flows from investing activities:			
Dividends and interest from investments		255,416	179,759
Proceeds from the sale of fixed assets		350	400
Purchase of tangible fixed assets		(3,859)	(2,348)
Purchase of investments		(401,034)	(5,298,116)
Net cash used in investing activities		(149,127)	(5,120,305)
Analysis of changes in net debt			
Change in cash and cash equivalents in the period		606,281	(3,373,341)
Cash and cash equivalents at the beginning of the period	B	1,837,158	5,210,499
Cash and cash equivalents at the end of the period	B	2,443,439	1,837,158

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

	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Net income for the reporting period (as per the statement of financial activities)	514,920	2,767,549
Adjustments for:		
Depreciation charges	2,980	4,059
Loss / (gain) on investments	440,167	(618,864)
Dividends and interest from investments	(255,416)	(179,759)
(Gain) / loss on the sale of fixed assets	(66)	89
Increase in debtors	(13,712)	(49,653)
Increase / (decrease) in creditors	66,535	(176,457)
Net cash provided by operating activities	755,408	1,746,964

B: ANALYSIS OF CASH AND CASH EQUIVALENTS

	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Cash at bank	273,696	220,247
Short term deposits	2,165,924	1,215,137
Cash held by investment manager	3,819	401,774
Total cash and cash equivalents	2,443,439	1,837,158

The charity does not hold any debt instruments and therefore a reconciliation of changes in net debt has not been included.

The notes on pages 33 to 41 form part of these financial statements.

PRINCIPAL ACCOUNTING POLICIES: YEAR ENDED 30th JUNE 2022

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..

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 the management of our investment fund, communications strategy and other 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, as well as working to best-practice standards (as set out in the Governance Code) 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 staff time spent on each activity. This is 5% to raising funds, 75% individual grants, 15% project grants and 5% research grants (2021: 5% to raising funds, 75% individual grants, 18% project grants and 2% research grants). The above apportionment of staff's time reflects the fact the individual grants is much more time intensive, with a higher volume and lower value per grant than project grants.

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 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 are deposits and liquid funds 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 because 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: YEAR ENDED 30TH JUNE 2022

1. DONATIONS

	Unrestricted funds £	Restricted funds £	Year ended 30 th June 2022 Total funds £
Stonewater Limited	-	2,157,508	2,157,508
Other donations	500	-	500
Total	500	2,157,508	2,158,008

	Unrestricted funds £	Restricted funds £	15 months ended 30 th June 2021 Total funds £
Stonewater Limited	-	3,800,000	3,800,000
Other donations	320	-	320
<i>Total</i>	<i>320</i>	<i>3,800,000</i>	<i>3,800,320</i>

2. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Year ended 30 th June 2022 Total funds £
Investments	-	254,627	254,627
Bank interest	789	-	789
Total	789	254,627	255,416

	Unrestricted funds £	Restricted funds £	15 months ended 30 th June 2021 Total funds £
Investments	-	175,606	175,606
Bank interest	4,153	-	4,153
<i>Total</i>	<i>4,153</i>	<i>175,606</i>	<i>179,759</i>

3. EXPENDITURE ON RAISING FUNDS

	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Direct staff cost allocation and consultants	22,065	-
ITN project	20,670	-
Other fundraising costs	3,922	-
Investment Manager fees	11,833	11,421
Allocation of support costs	6,677	5,897
Allocation of governance costs (note 5)	2,931	2,655
Total	68,098	19,973

4. EXPENDITURE ON CHARITABLE ACTIVITIES – RESTRICTED

Restricted

	Grants undertaken by Lingleigh £	Grants to other organisations £	Direct overhead costs £	Support costs £	Governance costs (note 5) £	Year ended 30 th June 2022 Total £
Individual grants	584,765	-	156,809	100,160	43,958	885,692
Project grants	-	358,778	24,100	20,032	8,791	411,701
Research grants	-	83,238	-	6,677	2,931	92,846
Total	584,765	442,016	180,909	126,869	55,680	1,390,239

Restricted

	Grants undertaken by Lingleigh £	Grants to other organisations £	Direct overhead costs £	Support costs £	Governance costs (note 5) £	15 months ended 30 th 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
Total	555,139	929,252	164,545	112,041	50,444	1,811,421

5. GOVERNANCE EXPENDITURE

	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Auditors remuneration – audit	8,790	8,820
Company Secretarial fee	9,000	11,250
Chair's remuneration	4,500	5,625
Direct staff costs allocation	19,566	22,247
Trustee and staff training, travel and subsistence	8,223	825
Trustee meeting costs	4,345	1,000
Trustee recruitment	2,665	3,000
IT & website	1,370	-
Other costs	152	332
Total	58,611	53,099

6. EMPLOYEES

	Year ended 30 th June 2022 £	15 months ended 30 th June 2021 £
Wages and salaries	180,760	198,090
Social security costs	14,305	13,565
Other pension costs	9,558	6,590
Total	204,623	218,245

The Charity employed six staff members during 2022 (2021: four).

One employee received emoluments between £60,000 - £70,000 for the year ended 30 June 2022 (period ended 30 June 2021: one £80,000 - £90,000). If we pro rate last year's period down to 12-months, the banding would be consistent with the current 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 £4,500 in respect of his role as Chairman, as approved by the Charity Commission for England and Wales (2021: David Emerson, Chairman paid £5,625 for the period). £614 has been reimbursed to four trustees in respect of travel and expenses incurred on the charity's activities (2021: £nil).

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 year was £85,206 (2021: £103,495).

7. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 st July 2021	9,683
Additions	3,859
Disposals	(2,041)
At 30 th June 2022	11,501
Depreciation	
At 1 st July 2021	5,987
Charge for period	2,980
Disposals	(1,757)
At 30 th June 2022	7,210
Net book values	
At 30 th June 2022	4,291
At 30 th June 2021	3,696

8. INVESTMENTS

	2022 £	2021 £
Market value at start of the period	5,916,979	-
Additions at cost	401,034	5,298,116
Net unrealised (loss)/gain	(440,167)	618,863
Market value at 30 th June	5,877,846	5,916,979
Cash held by investment managers	3,819	401,774
Total carrying value at 30th June	5,881,665	6,318,753
Historic cost at 30th June	5,699,150	5,298,116

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

	2021 £	2021 £
Schroder Global Sustainable Growth	1,710,794	1,569,544
Sparinvest Ethical Global Value	526,634	-

9. DEBTORS

	2022 £	2021 £
Prepayments	25,776	22,948
Accrued income	63,956	53,072
Total	89,732	76,020

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	36,906	14,776
Accruals for grants payable	135,431	101,066
Taxation and social security	6,246	1,698
Other accruals	26,034	20,542
Total	204,617	138,082

11. MOVEMENT IN FUNDS

	Balance at 1 st July 2021 £	Incoming resources £	Resources expended £	Net loss on investments £	Balance at 30 th June 2022 £
Unrestricted funds	542,548	1,289	(20,670)	-	523,167
Restricted funds	7,153,223	2,412,135	(1,437,667)	(440,167)	7,687,524
	7,695,771	2,413,424	(1,458,337)	(440,167)	8,210,691

	Balance at 1 st April 2020 £	Incoming resources £	Resources expended £	Net gain on investments £	Balance at 30 th 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
	4,928,222	3,980,079	(1,831,394)	618,864	7,695,771

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 £	30 th June 2022 Total funds £
Fixed assets	-	5,885,956	5,885,956
Current assets	523,167	2,006,185	2,529,352
Current liabilities	-	(204,617)	(204,617)
Total	523,167	7,687,524	8,210,691

	Unrestricted funds £	Restricted funds £	30 th 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)
Total	542,548	7,153,223	7,695,771

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 £2,157,508 (15 month period ended 30th June 2021: £3,800,000) to Longleigh Foundation during the year ending 30th June 2022. Longleigh Foundation paid the following amounts to Stonewater Limited during the period, which are included within expenditure.

	Year ended 30th June 2022 £	15 months ended 30th June 2021 £
Company Secretarial services for the year/period	9,000	11,250
Project grants	1,500	227,478

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 and recognised as a liability in the financial statements. They are therefore not included as a liability until the reporting requirement is met. The value of estimated future grants is £80,000, with £40,000 due in 22-23 and £40,000 due in 23-24 (2021: £126,516 all due 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

