



The Royal Institution of Chartered Surveyors Benevolent Fund Limited
(A Charitable Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021

Company Number: 980025

Charity Number: 261245

The Royal Institution of Chartered Surveyors Benevolent Fund Limited

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CHAIR'S FOREWORD

LionHeart's year to March 2021 was, like those of many other organisations, unprecedented in the history of the charity. The office was shut down by the Covid-19 outbreak, but by strong teamwork between the Board, the senior leadership team, and our superbly resilient staff, we not only maintained "business as usual", but indeed expanded our output in many areas to cope with increased demand.

We very much took the view that if ever there was a period that we would need to be there for the surveying family, this was it. As one grateful beneficiary put it – "LionHeart always has your back". Indeed so. Strategically, we continued our progress on our five-year plan. Naturally, some areas were affected by the complete dearth of "live" conferences, but other areas, particularly our online offer and virtual events continued, and even thrived.

At Board level, I was delighted that we were extremely successful in our aim to diversify the board, in which women now outnumber men. Amy Leader FRICS, Diane Dumashie FRICS, Shashi Sharma FCA and Philippa Sampson-Bancroft MRICS were appointed to the Board in March, with Shashi joining Honorary Treasurer James Williamson as the second non-surveyor Trustee. Amy and Diane bring senior-level experience, with Diane offering an international perspective, while Philippa provides much-needed insight into public sector surveying and has strong governance experience. It is to the credit of all four of them that they hit the ground running, despite only having met some of us online.

I must thank our senior leadership team, headed up of course by our CEO Davina Goodchild who has provided reassuring and level-headed direction in very challenging circumstances. Tight financial stewardship, under the leadership of our Head of Finance and Corporate Services Jane Lucas, has again returned a positive balance for the year. Our Head of Operations Juliet Smithson ensured that our client-facing operations were maintained during exceptional circumstances, while ensuring the well-being of our staff team, of whom I thank each and every one for keeping the show on the road from their kitchens and spare rooms.

As last year, I would conclude by thanking the wider LionHeart team – ambassadors, co-opted committee members, donors and supporters – for everything they have done in the last 12 months. Together, all of us have ensured that LionHeart has been there when needed. Cometh the hour, cometh the charity.



Peter McCrea FRICS FCI Arb
Chair, Board of Trustees, LionHeart

STRATEGIC REPORT 2020/21

This was the second year of a five-year strategy which aims to dramatically increase awareness of and engagement in LionHeart with the Royal Institution of Chartered Surveyors (RICS) professionals around the globe.

There have been no changes to our vision, mission and values which remain as follows:

Our vision is to ensure that everyone in the RICS community has access to confidential, practical support.

Our mission is to deliver advice that matters and support that counts; personal, flexible support for all RICS professionals and the people they love to help them overcome life's unexpected challenges.

Our values are:

- Integrity
- Compassion
- Professionalism
- Flexibility

Our five strategic priorities are:

- Building Awareness – so that all RICS professionals know of LionHeart, understand its role and have pride in association with it
- Developing Engagement – so that the RICS world is interested and engaged in LionHeart's story, services and activities and takes opportunities to get involved
- Global Development – to provide a truly global offer with services and products meeting the needs of each RICS world region
- Service Development and Delivery – to deliver a validated range of services meeting an increased demand with demonstrable impact on the wellbeing of RICS professionals
- Organisational Development – to be an organisation that punches above its weight and achieves incredible results through delivery of its strategy

Impact of Covid on LionHeart Strategy and Operations

LionHeart was in a strong position to be able to respond quickly and effectively to the impact that Covid has had on the lives of RICS professionals and their families. We were already using Microsoft Teams and had many members of staff regularly working from home. We were therefore able to move seamlessly to working from home immediately from the first lockdown and have been doing so since.

Emergency board meetings were held to ascertain whether we needed to alter any of our Grant Criteria or Guidelines or services policies in order to ensure we were able to support those affected by the pandemic and concluded that no change was needed.

As we were not able to provide in person workshops, we moved all of our training online and developed a suite of new webinars to be delivered globally, including a number specifically dealing with the impact of the pandemic.

All of our other services were able to run effectively as normal and there was no disruption to our service.

Operational Management

We have continued with our development of a full set of work plans that operationalise the Strategic Plan and link delivery to KPIs. Every member of the LionHeart staff team contributes to at least one of the work plans. All managers have been empowered to manage their own budget aligned to the work plans. Everyone has regular supervision that focuses on the delivery of work plans. In this way we ensure that our focus is upon the delivery of the Strategic Plan.

The values of the organisation: Flexibility, Compassion, Professionalism and Integrity are central to our operations and are discussed at meetings and within individual supervision sessions. This year we have developed guidance for behaviours linked to values to help team members identify where and when they can demonstrate our values in their roles.

Digital Transformation

We have made significant progress towards our planned digital transformation this year including enhancements to our Microsoft Dynamics systems covering our CRM and finance system. PowerBI is now an integral part of our reporting. At the time of writing, we are developing our use of PowerBI further along with the use of other Microsoft 365 systems for better collaboration.

This progress will provide a quicker, more empowering IT solution for all staff; giving them the tools they need to do their job wherever they are without needing to ask others for information or access.

A Great Place to Work

Despite the pandemic we have ensured that all members of staff have prioritised the wellbeing of the staff team. We asked for feedback on the effect of the pandemic on their wellbeing regularly through the use of an anonymous all staff survey. We were able to respond flexibly to employees who had children at home and made sure that every member of staff had the right equipment at home to enable them to work safely.

We provided essential training for all members of the staff team this year. Training covered the following areas:

- Safeguarding adults
- Fraud awareness
- GDPR and cyber security
- Equality, diversity and inclusion and unconscious bias
- Bullying and harassment
- Health and safety (including workstation safety and advice on working from home)

Engagement

We had another fantastic year in terms of engagement. Our social media audience has continued to grow as our warm and inclusive tone resonated well with a profession under pressure due to the pandemic. Our partnership with Estates Gazette continued to provide us with opportunities to provide excellent content that illuminates the issues that are affecting the sector. We also collaborated on a new mental health platform for the profession. Engagement during the pandemic has been online only but we adapted quickly to this and have established new ways of engaging audiences with refreshed presentations and new video offerings.

Our team of dedicated volunteer ambassadors was enlarged to include a new global network to help us reach the worldwide community of RICS professionals and ambassadors for those members embarking upon the assessment for chartered status. We are ambitious to develop our engagement further, but we are extremely pleased to be building on a successful first year with excellent progress in our second year.

Raising awareness and developing services outside of the UK has remained a priority. The Covid-19 pandemic prevented us from undertaking our trips to Hong Kong and Dubai to carry out research and engage with RICS

professionals there, however, plans are well underway for online focus groups in both locations. This research will inform our plans for developing a presence in both Hong Kong and Dubai.

Developing Services

As the world moved online due to the Covid-19 pandemic, we reviewed our services offer and introduced a number of new webinar resources to respond to the new challenges faced by RICS professionals. These included new financial webinars and additional content to support those made redundant due to the changes in the industry. In response to evidence from our helpline we also developed a specification for a counselling service for 11-25s and this will be piloted during 2021/22.

We delivered the following results during the year:

- 243 webinars, an increase of 117%
- 5,576 webinar attendees, an increase of 318%
- 244 new people were helped and supported
- We provided counselling to 115 people
- We welcomed a further 3 organisations to our corporate partnership project
- Our social media audience increased by over 32%
- We recruited 14 new volunteer ambassadors, available to speak of their lived experience and to promote LionHeart within the profession

Becky's Story

Becky, a chartered surveyor in her 20s from London, found herself without a job when the coronavirus pandemic hit. She got in touch with LionHeart in April 2020, in the unfortunate position of having left one job but due to start a new one a few weeks later in May.

Unfortunately, her new company then withdrew the job offer, leaving her ineligible for government furlough support and without any income at all until she could claim benefits some weeks later. As well as a monthly grant and regular telephone support from a LionHeart support officer, Becky was also referred to our legal helpline for some initial advice on employment contract law.

Struggling mentally with her situation through lockdown and feeling anxious about her future, Becky also took up some counselling. As she began to look for new job opportunities, she also had some sessions with one of our external employment partners, who helped her revamp her CV and prepare to enter the jobs market at an uncertain time. Becky said: "LionHeart has been the greatest support during my time of need. The counselling service was outstanding, especially during the lockdown period. In addition, the financial aid given to me helped me with my living expenses while I was looking for work." Less than six months later, Becky started a new surveying job and was back in the workplace looking forward to a more secure future.

David's Story

Having often made donations to LionHeart over the years, Kenyan chartered surveyor and businessman David never dreamt he might one day be in a position where he would need our help himself. However, when the coronavirus pandemic hit, he found himself in a precarious position and not sure if his social housing enterprise would survive the hurdle.

He said: "With Covid coinciding with a few business and personal situations, life became challenging financially and I found myself in my most vulnerable financial position ever."

David got in touch with LionHeart, and our financial support officer guided him through the process to apply for a monthly grant to help him cover his basic outgoings and keep his family home. He said: “This top-up ensured I could focus on sorting out the problems rather than the stresses of losing my home. It allowed me to focus on keeping the business afloat and on surviving through to 2021. “Without these funds I don’t think I could have pushed through this, but we have now stabilised the social enterprise, kept all the team working and at least some income.

“A huge thank you to LionHeart and the team. Your support officer was supportive, relaxed and easy to open up to; just what was needed and so reassuring during the difficult times.”

Rob’s Story

A freak accident at home left quantity surveyor Rob paralysed from the chest down at the age of 58.

The widowed dad-of-four suffered a severe spinal cord injury when low blood pressure caused him to faint and fall awkwardly at his home. After undergoing surgery, he was transferred to a rehab centre, but it was clear the house he shared with his three sons would need extensive adaptations in order to make it safe and comfortable for him. Rob was offered help from UK trades charity Band of Builders, which arranged for a makeover force of 60 trades volunteers to carry out work to adapt his home.

A LionHeart support officer liaised with Rob’s family and Band of Builders to work out how we could contribute and help reunite Rob with his family after the life-changing accident. Through our one-off grants programme, we paid for accessible appliances in his new specially-adapted kitchen, with other construction materials and fittings donated by local firms. Now back at home with his sons and learning to rebuild his life, Rob said the combined efforts had left him “simply speechless”.

OUR PLANS FOR 2021/22

Our ambitious strategy is all about increasing the numbers of RICS professionals and their families that utilise our services, whether those be our workshops and webinars or our helpline and support services, including grants and counselling. In order to achieve our aims, we are investing in the organisation and the team will continue to grow over the next three years.

During 2021/22 we will continue to deliver IT solutions to improve effectiveness and efficiency. As a more digitally focused organisation we will take advantage of quicker, online access to services for ourselves and the people we help. We will enhance analysis and understanding of our impact, ensure better integration across all of our communication platforms, and continued data protection compliance.

We will deliver an awareness campaign in order to enable all RICS professionals globally to sign up to receive information directly from LionHeart; this will enable us to reach out to more RICS professionals and their families with our excellent services. Through this raised awareness we aim to further increase the numbers of people we help, the number of people attending our webinars, the number of people donating and the number of people in receipt of other services such as counselling. In addition to this we will review and improve our impact monitoring and reporting processes in order to better demonstrate the positive impact of our work.

Davina Goodchild CMgr FCMI
Chief Executive

TRUSTEES' REPORT

The Board of Trustees present their combined annual report for the year from 1 April 2020 to 31 March 2021 prepared in accordance with the Companies Act 2006 and the Charities Act 2011, together with audited financial statements for the year.

Public Benefit

The Trustees have read and understood the Charity Commission guidance on public benefit. They consider that LionHeart, a registered charitable company whose charitable purpose as defined within the Charities Act 2011 are for the relief and prevention of poverty, demonstrates its public benefit by providing financial help and other assistance to past and present RICS members and their dependants (and past members of organisations that have merged with the RICS and their dependants) and RICS staff who have experienced difficulties in their lives. The RICS is the leading professional body for the property sector and membership is open to those who meet defined educational and professional practice standards. The number of people that could potentially ask for help is in excess of 500,000. All assistance is provided at the discretion of Trustees of the charity, after careful consideration of the circumstances and the needs of the applicant.

OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY FOR THE PUBLIC BENEFIT

Reference and Administrative Details

The Royal Institution of Chartered Surveyors Benevolent Fund Limited, known as LionHeart, is registered as a charity in England with the registration number of 261245. It is also a company limited by guarantee and not having a share capital. The company is registered in England with the registration number 980025.

The principal office of the charity and its registered office is 55 Colmore Row, Birmingham B3 2AA. Its website is www.lionheart.org.uk

The present Trustees and any past Trustees who served during the period are shown on page 15 together with the names of the senior executive staff on page 16. The professional advisors to the charity are set out on page 16.

Charitable Objective

The declared object of LionHeart is to provide assistance to past and present members of the Royal Institution of Chartered Surveyors and their dependants who experience difficulties in their lives. Assistance is typically given in cases of physical or mental ill health, unemployment, accident or disability, family separation, difficulties in retirement or returning to work and adverse economic conditions although LionHeart will assist with any problem, where possible.

Delivery of Charitable Objective

LionHeart delivers its charitable objective through the work of two teams – the Partnership and Engagement Team and the Support Services Team.

The Partnership and Engagement Team offer a suite of workshops, webinars and awareness-raising sessions on subjects of interest to RICS professionals, all designed to help increase wellbeing, health and happiness. Workshops are developed in response to RICS professionals' needs which are assessed via our regular surveys and feedback from the people we help.

The Support Services Team provide advice that matters and support that counts. Their expert advice helps prevent life's challenges from becoming life's crises, and our confidential, practical support helps people overcome those challenges. We provide the following services but everyone who calls is treated as an individual and, as such, our response is 'made to measure':

- Regular grants to help with general living costs, in certain circumstances
- One-off grants to deal with an emergency or unexpected difficulties
- Professional counselling
- Support and advice on a range of issues including stress and wellbeing
- Coaching
- Practical help and advice to help unemployed chartered surveyors get back into work
- Legal advice
- Debt advice and practical support

All of the help offered is person centred with each person being supported by a bespoke set of services and solutions according to their individual circumstances. Grants are usually made to individuals with a maximum time limit of 24 months.

Grant Making Policy

The Board of Trustees annually review and update the guidelines used by the Support Services Team to establish whether or not we are able to help an individual financially. The guidelines are reviewed to take into account changes to the general cost of living, social security benefit rates and other support for those not working. Support Team decisions regarding individual grants are audited by Trustees twice a year.

Covid-19

The shadows of Covid-19 were felt across the world and the impact of the pandemic on surveyors and their families accounted for almost 30% of all calls made to the LionHeart helpline. People felt the effects of the virus in different ways. There was, of course, a pressing and immediate need for financial support for those who lost their jobs or business income due to Covid, and from April to June we saw applications for grants increase by 100%. Almost a third of all grants made during the year were attributable in some way to coronavirus.

As well as financial support to help bridge the gap during this challenging time, anxiety and uncertainty also took its toll. We saw a rise in demand for counselling and emotional support as well as a huge jump in requests for legal advice. Around two thirds of all the legal queries we received related to employment law, as many faced furlough and possible job loss, with a world of work that suddenly looked very different.

LionHeart moved to fully remote working and continues to support the surveying community with enhanced online provision including webinars specifically commissioned to inform and support surveyors and their families with the new challenges that they are facing. We have continued as usual to provide our helpline and other frontline support services such as financial grants and counselling. Our investment in flexible and agile working for all staff means we continue to be in a very good position to maintain and enhance our services without interruption.

A fifth of those who called us due to Covid received additional support including counselling or coaching, while 45% received ongoing support from the LionHeart staff team. Altogether, almost 9 in 10 received at least one service from us following their initial call to the helpline. Face to face training and workshops had to be put on hold, we also offered an expanded programme of webinars to support people's wellbeing and personal development, delivering almost 250 online sessions across the year for individuals and partner firms, with thousands of attendees.

Financial grants continue to be available, and we recognise that the impact of this virus will continue to be felt during 2021 and beyond. The needs of the community we are supporting will continue to change and LionHeart is committed to flexibility in responding to new requirements as they arise.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income for the year was £2,961k. Our overall expenditure was £1,941k and there was increased activity and development of our services in accordance with the five-year strategy. Income was higher than budgeted due to donors leaving substantial legacies to LionHeart. Trustees are aware of another legacy due to LionHeart but are awaiting confirmation of the value. We are always grateful to RICS members and their families who choose to remember us in this way. Income from donations with subscriptions was slightly down compared to the previous year. Due to changes in delivery of services and less travelling in 2020/21 our expenditure was lower than we had budgeted with delivery of services being achieved remotely.

The net funds of LionHeart increased over the year with both income and expenditure being slightly better than our expectations and there was a gain investment of £3.601m, recovering all losses from the previous year. Our investments are made with a long-term view, and short-term fluctuations are expected.

Overall, the financial position of LionHeart remains strong, with free reserves at a level required by our reserves policy, and investments maintaining levels required to ensure our long-term growth and sustainability.

FINANCIAL MANAGEMENT POLICIES

Reserves

1. Free Reserves

These are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. They are intended to facilitate running costs of the charity and provide necessary cashflow from funds that are not invested.

The free reserves at the end of the year are £2,449k, a decrease on the previous year, 2019/20 £2,827k. They are at the target level of free reserves and are intended to cover a year's expenditure.

Trustees aim to secure an income fund which provides cover for expenditure to give less short-term reliance on fluctuating sources of income such as legacies and donations.

2. Designated Funds

These comprise unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are explained in the notes to the accounts.

The designated funds at the end of the year total £24,253k (2019/20 £19,529k). These funds are made up as follows:

	£000
Income Fund	23,307
Development Fund	1,200
Fixed Asset Fund	36
Total	<u>24,543</u>

The Development Fund was set up in 2019 to utilise some reserves to facilitate funding the objectives of the five-year strategy. Monies are transferred to ensure that the balance remains appropriate for delivery of the strategy in line with agreed plans.

3. Restricted Fund

These arise where donors express a restriction on the purposes to which a gift may be applied. The restricted fund at the end of the year is £nil (2019/20 £nil).

4. Pension Reserve

The pension reserve at the year end is a deficit of £232k (2019/20 deficit of £75k).

In general, participating in a defined benefit pension scheme means that the employer is exposed to a number of risks:

- Investment risk. The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges
- Interest rate risk. The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the fund holds assets such as equities the value of the assets and liabilities may not move in the same way
- Inflation risk. All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks

Going Concern

LionHeart has net assets of 2020/21 £26,760k (2019/20 £22,281k), and this includes managed investments of £23,189k (2019/20 £19,587k). Investment income in 2020/21 was £862k (2019/20 £858k). Donations from RICS members totalled £695k (2019/20 £801k).

We use a specialist investment management company to manage and safeguard the investments, and their track record in growing the portfolio and at the same time minimising risk has been in line with market trends.

We consistently receive significant income from RICS members. We regularly review all sources of income, to improve the service and expand the client base. In the light of Covid-19 we have reassessed these and considered the potential impact. These measures together with our asset base provides appropriate confidence of LionHeart's going concern capability.

INVESTMENT POLICY AND PERFORMANCE

Principal Investment Objective

The investment objective is to grow the income and capital returns in the long term for invested funds. The assets should be managed to at least maintain the real capital value of the portfolio, whilst generating a sustainable level of investment income to support current charitable activities, having regard to the charitable nature of the funds and to the Trustees' responsibility to avoid unacceptable risks.

Investment Policy Statement

The charity's investment policy was reviewed in 2019.

Review of Fund Managers

The charity formally reviews its managers on a regular basis at least five-yearly. Their performance was reviewed in 2019 found to be satisfactory and the appointment continues. There will be a formal review during 2022.

COMMERCIAL INVESTMENTS

LionHeart has a number of quoted commercial investments, which are held within two distinct portfolios managed by Sarasin & Partners. Sarasin & Partners LLP are professional fund managers and operate subject to constraints specified by the Investment Committee regarding objective, benchmark, risk profile, maximum size of individual underlying security and reporting.

The two investment portfolios are divided between a long-term fund, invested solely in the Sarasin Endowments Fund, and a medium-term fund, which is predominantly invested in the Sarasin Income & Reserves Fund.

Long-term Portfolio - Sarasin Endowments Fund

The benchmark for the fund, as of 1 February 2020 is: MSCI UK IMI (Net Return) GBP (20%), ICE BofAML Sterling Corporate (7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI AC World ex UK (Local Currency) (GBP) (10%), MSCI AC World ex UK (Net Total Return) (40%), UK Cash LIBOR 1 Month (Total Return) (10%).

The investment portfolio achieved a return of 25.4% against the composite benchmark return of 25.5% (2019/20 -1.5% against a benchmark of -5.1%).

Medium-term Portfolio – Sarasin Income & Reserves Fund

The benchmark for the fund, as of 1 February 2020 is: MSCI UK IMI (Net Return) GBP (10%), ICE BofAML Sterling Corporate (30%), ICE BofAML UK Gilts All Stocks (35%), MSCI AC World ex UK (Net Total Return) (10%), UK Cash LIBOR 1 Month (Total Return) (15%).

The investment portfolio achieved a return of 7.0% against a composite benchmark return of 6.7% (2019/20 2.7% against a benchmark of 2.5%). The Trustees decided to hold cash in anticipation of an increase in grants due to the Covid-19 pandemic, recognising that there would be a short term effect on the return of the portfolio. The return of the underlying Sarasin Income & Reserves Fund was 8.7% over the same period.

Reporting

Income reports and valuations are produced for the two portfolios on a monthly basis and full reports with economic outlook, quarterly. The quarterly reports are circulated to members of the Investment Committee. Sarasin & Partners fund managers attend two Investment Committee meetings each year in addition to the September Board of Trustees meeting.

Socially Responsible Investment Policy and Corporate Governance Policy

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing
- The fund will also avoid investment in companies that earn a material portion of their revenue from alcohol manufacture, armaments, gambling and pornography
- All externally managed funds are screened on initial purchase and reviewed regularly to ensure that they adhere to these rules
- The fund publishes a regular sustainability audit of its investments and is active in voting on company resolutions. Where necessary, the firm will engage in direct dialogue with investee companies, policy makers and governing bodies in order to drive positive change

Unquoted Investments

LionHeart has one unquoted commercial investment; a holding of 104,960 ordinary shares in the Gravesend and District Property Company gifted to the charity as part of a legacy. The shares are not easily marketable, and the Trustees have decided to retain some of them but have also looked at the possibility of selling some.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statement of Trustees' Responsibilities, Corporate Governance and Risk Management

Board of Trustees

The Board of Trustees is responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Trustees to prepare financial statements for each financial period which give a true and fair view of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

LionHeart, in preparing these accounts, has complied with current statutory requirements and its Memorandum and Articles of Association and has adopted, in full, the provisions of SORP 2015 for Charities. The Trustees consider that the charity is adequately funded to meet its current obligations.

The charity is governed by its Articles of Association, these require that the number of elected members of the Board of Trustees be not less than 8 or more than 18. The President of the RICS is Patron of LionHeart during their year of office. All Trustees serve for a term of three years upon which they are eligible for re-appointment unless they have already served three consecutive terms in which case, they are not eligible for re-election until they have stood down for at least one year. The articles have been reviewed and an updated version is now in place.

Trustee Recruitment, Training and Development

Trustees are recruited via adverts placed on the web targeting the property industry and the charity sector. We also advertise online through our own website and social media as well as other free channels. We have a full application process including an application form and interview and we follow good practice and equal opportunities guidelines throughout the process.

We actively encourage Trustees to undertake training and development so that our governance is fit for purpose. Details of external Trustee training opportunities are circulated to Trustees as they arise, and attendance is reported to the Board. Training is sourced from the Association of Charity Officer's Trustee Seminar Programme, the Charity

Finance Group, National Council of Voluntary Organisations and other opportunities provided by commercial and third sector providers from time to time.

Safeguarding

LionHeart operates a robust safeguarding procedure to provide staff and volunteers with overarching principles that guide our approach. These are reviewed regularly and have been substantially enhanced recently. All of our staff that work with people requesting help are aware of their safeguarding responsibilities, and our counsellors are regulated by the British Association for Counselling and Psychotherapy ensuring appropriate professional and ethical standards at all times.

Governance Code

The Charity Governance Code was introduced in July 2017. The code is not statutory regulation but “represents a standard of good governance practice to which all charities should aspire”. The code requests that charities either apply the standards of the code or explain how they are going to apply them in the future. LionHeart now has in place a Quality Task Group that has considered the recent code update and will ensure that future updates are considered and actioned on an ongoing basis.

A key change to the code is on Equality, Diversity and Inclusion an area where LionHeart had already been reviewing and assessing appropriate changes. This work will continue and grow and encompass the recommendations of the code.

Fundraising

LionHeart income is largely from the following sources:

- Regular donations from RICS professionals
- Gift aid
- Return on investments
- Legacy donations
- Clients account donations (with the necessary assurances regarding repayment if required)

We do not outsource fundraising to external organisations and are registered with the Fundraising Regulator. LionHeart has a new part-time team member who assists with fundraising activities. The charity has no other fundraising requiring disclosure under S162A of the Charities Act 2011.

General Data Protection Regulation (GDPR)

New data protection processes and policies were introduced in 2018 in order for the organisation to be compliant with GDPR. We have a data sharing agreement with the RICS that has been updated in line with the new code and our privacy statements have been updated and are available online. All staff are trained on the responsibilities in respect of data.

OUR STAFF

LionHeart is a vibrant and progressive charity that values its workforce and recognises the need for skilled and committed staff who work well as a team and with Trustees to deliver quality services to RICS members, past and present, and their dependants. This is achieved through creating an environment where staff feel supported by managers and employers, and where they receive regular information about the organisation through meetings and briefings. They are actively encouraged to give their suggestions and views on performance and strategy to develop the organisation and its performance.

Trustees are committed to the continuing professional development of staff at all levels within the organisation. The training needs and the performance of each staff member is a continuous process, supported by supervision from line managers. Training programmes are provided to meet any on-going needs, with the aim of developing employees for both their current and their future roles. LionHeart is an accredited Investors in People employer and has the IIP Gold Award.

KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel is set on advice from a third party, by reference to benchmarks for charities of a similar size and nature. All salaries were reviewed in 2019.

Patron

The President of the Royal Institution of Chartered Surveyors is LionHeart's Patron. At 31 March 2021, the office holder was Kath Fontana.

Honorary Officers for 2020/21

Chair	Peter McCrea
Vice Chair	James Grierson
Honorary Treasurer	James Williamson

Other Members

The following have served as members of the Board (and Directors) during the year and at the date the accounts were signed:

Dayle Bayliss
Andrew Carrick
Diane Dumashie, from May 2020
James Grierson
Amy Leader, from May 2020
Caroline Legg
Katie Leppard
Peter McCrea
Philip Nell
Philippa Sampson-Bancroft, from May 2020
Shashi Sharma, from May 2020
Kate Taylor
James Williamson

Audit and Risk Committee

The Audit and Risk Committee has the purpose of overseeing the preparation and agreement of the annual accounts and audit of LionHeart's finances. Specifically, the committee will:

- Oversee the audit of the accounts and make recommendations for approval by the Board of Trustees
- Oversee the risk management process

Committee Membership:

James Grierson	Chair
Katie Leppard	Trustee
Shashi Sharma	Trustee, from May 2020
Mark Southwell	Co-opted

Lorna Wright
Jane Lucas

Co-opted
LionHeart

Investment Committee

The Investment Committee has the following role and purpose:

- To appoint appropriate professional investment manager(s)
- To agree with the investment manager(s) the broad long-term investment strategy for LionHeart's capital endowment
- To monitor the investment performance of the investment manager(s) against suitable benchmarks and peer groups
- To assess the ethical, social and governance (ESG) policies of the investment manager(s) and investments to ensure they do not bring LionHeart into disrepute
- To oversee the charity's policies for cash and short-term deposit management
- To recommend to the Board of Trustees a change of investment managers, when required
- To oversee and manage the selection process for new investment managers

Committee Membership:

James Williamson	Trustee, Chair
Philip Nell	Trustee, Vice Chair
James Grierson	Trustee
Philippa Sampson-Bancroft	Trustee, from May 2020
Robert Dyson	Co-opted, retired April 2021
Patrick Hall	Co-opted, retired April 2021
Chris Perkins	Co-opted
Neil A'Bear	Co-opted, from November 2020
Jane Lucas	LionHeart

SENIOR LEADERSHIP TEAM

The Trustees delegate day to day management of the charity to the Senior Leadership Team, who attend Trustee and Committee meetings as appropriate and report on the activities of the charity to Trustees regularly.

Chief Executive	Davina Goodchild
Head of Finance & Corporate Services	Jane Lucas
Head of Operations	Juliet Smithson

PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG
Solicitors	Wilsons, Steynings House, Summerlock Approach, Salisbury, Wiltshire, SP2 7RJ
Investment Managers	Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
Bankers	Unity Trust Bank PLC, Nine Brindleyplace, Birmingham, B1 2HB

Corporate Governance

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency and effectiveness. Processes are in place to ensure that performance is monitored, and that appropriate management information is prepared and reviewed regularly by both Executive Management and the Board of Trustees.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- A business plan and annual budget approved by the Trustees
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews
- Delegation of day-to-day management authority and segregation of duties
- Identification and management of risks

Risk Management

The Trustees have continued to focus on Risk Management. This has involved:

- Identifying the major risks facing the charity
- Assessing the likelihood and severity of the risks identified
- Reviewing the existing controls that the charity has in place to mitigate the risks
- Seeking to identify and implement any further actions required to manage risk

The Trustees confirm that they have systems in place to mitigate the major risks facing the charity which they have identified. Recent reviews have included consideration of how all aspects of Covid-19 may affect the charity. Major risks identified include:

- Volatility of income, from both investments and donations. To mitigate this the Investment Committee monitors performance, and we encourage donations by multiple methods. Sufficient reserves are held in case income falls significantly.
- The increasingly global nature of RICS membership. In response to this we are looking to develop our services outside of the UK over the next five years.

Third Party Indemnity for Directors

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charitable company. This cover is up to £1m and cost £1k (2019/20 £1k).

Statement as to Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

LionHeart's auditors for financial year ending 31 March 2021 are Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The report and accounts were approved and authorised by the Board of Trustees on 9 September 2021 and signed on their behalf by:



Peter McCrea FRICS FCI Arb
Chair, Board of Trustees, LionHeart

Independent Auditors' Report to the members of LionHeart (The Royal Institution of Chartered Surveyors Benevolent Fund Limited)

Opinion

We have audited the financial statements of LionHeart (The Royal Institution of Chartered Surveyors Benevolent Fund Limited) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of charitable company's affairs as at 31 March 2021 and of its income resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and

discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Employment legislation and Taxation legislation.

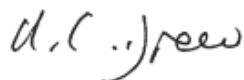
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew, Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP, Statutory Auditor**

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 15 September 2021

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

FOR THE YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021

		Unrestricted Funds	Year Ended 31 March 2021	Unrestricted Funds	Year Ended 31 March 2020
	Notes	£000	Total £000	£000	Total £000
Income From:					
Donations and Legacies	2	2,074	2,074	1,391	1,391
Other Trading Activities	3	25	25	27	27
Investments	4	862	862	858	858
Total Income		2,961	2,961	2,276	2,276
Expenditure on:					
Raising Funds	5	53	53	55	55
Investment Management Fees	5	101	101	96	96
Charitable Activities	6	1,787	1,787	1,806	1,806
Total Expenditure		1,941	1,941	1,957	1,957
Net Gains / (Loss) on Investments		3,601	3,601	(929)	(929)
Net Income/(Expenditure)		4,621	4,621	(610)	(610)
Transfers Between Funds		0	0	0	0
Other Recognised Gains / (Losses):					
Actuarial Gains / (Losses) on Defined Benefit Pension Scheme	20	(142)	(142)	13	13
Net Movement in Funds		4,479	4,479	(597)	(597)
Reconciliation of Funds					
Total Funds Brought Forward		22,281	22,281	22,878	22,878
Total Funds Carried Forward		26,760	26,760	22,281	22,281

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities. The notes on pages 25 to 40 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2021

COMPANY REGISTRATION No. 980025

REGISTERED CHARITY No. 261245

		31 March 2021		31 March 2020	
	NOTES	£000	£000	£000	£000
Fixed Assets					
Intangible Assets	10		29		59
Tangible Assets	11		7		26
Investments: Commercial	12		23,385		19,783
Investments: Social	13		85		92
Total Fixed Assets			23,506		19,960
Current Assets					
Debtors	14	1,255		1,038	
Cash at Bank and in Hand		<u>2,374</u>		<u>1,546</u>	
Total Current Assets		3,629		2,584	
Creditors					
Amounts falling due within one year	15	<u>(143)</u>		<u>(188)</u>	
Net Current Assets			3,486		2,396
Total assets less current liabilities			26,992		22,356
Creditors					
Amounts falling due after one year	15		0		0
Defined Pension Scheme Liability	20		(232)		(75)
Total Net Assets			26,760		22,281
Funds					
Restricted Funds			0		0
Unrestricted Designated Funds			24,543		19,529
Unrestricted Free Funds			2,449		2,827
Pension Reserve			(232)		(75)
Total Charity Funds	17		26,760		22,281

The accounts are prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102 and with the special provisions of Part 15 of the Companies Act relating to small companies.

Signed on behalf of the Board of Trustees and authorised for issue on 9 September 2021.



Peter McCrea FRICS FCI Arb

Chair, Board of Trustees, LionHeart

The notes on pages 25 to 40 form part of these financial statements.

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year Ended 31 March 2021	Year Ended 31 March 2020
		£000	£000
Cash Flows from Operating Activities:			
<i>Net Cash Provided by / (used in) Operating Activities</i>	22	(32)	(865)
Cash Flows from Investing Activities:			
Returns from Investments		862	858
Purchase of Property, Plant, Equipment & Intangibles		1	(97)
Proceeds from Sale of Investments		0	0
Purchase of Investments		0	0
<i>Net Cash Provided by / (used in) Investing Activities</i>		<u>863</u>	<u>761</u>
Change in Cash and Cash Equivalents in the year		828	(104)
Cash and Cash Equivalents at 1 April 2020		<u>1,546</u>	<u>1,650</u>
Cash and Cash Equivalents at 31 March 2021		<u>2,374</u>	<u>1,546</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Charity Information

LionHeart is a registered charity (number 261245) and company limited by guarantee with no share capital, registered in England and Wales (number 980025). Its registered office and principal place of business is 55 Colmore Row, Birmingham, B3 2AA.

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The accounts have been prepared on a going concern basis. Having carried out a detailed review of LionHeart's resources and the challenges presented by the current economic climate, taking into account the impact of Covid-19, the Trustees are satisfied that the charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of the approval of the accounts.

There are no significant financial uncertainties which the Trustees consider are a significant risk to the ability of the charity to trade as a going concern in the foreseeable future.

Funds Structure

LionHeart has one unrestricted and undesignated fund, three designated funds and no restricted funds.

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

Designated funds are unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are reviewed annually.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. Expenditure is charged to the Statement of Financial Activities when incurred.

Income

Donations received directly by LionHeart are accounted for on the day of receipt or when they become entitled to them. Donations collected by third parties are accounted for as cash in third parties' hands on the date of receipt by the third party. Legacies are accounted for as soon as entitlement, probability and monetary value can be established. For investments, accounting entries are based upon the quarterly returns submitted by our investment management company.

Expenditure and Irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable to beneficiaries are accounted for where either we have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or where any condition attaching to the grant is fulfilled.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred. Where possible costs are directly attributed to specific activities. Overhead and support costs which relate to more than one activity are apportioned between those activities.

Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised and are valued at depreciated historic cost. Depreciation is charged on fixed assets on a straight-line basis over their estimated useful life. The useful life of LionHeart's fixed assets is 3 years for office and computer equipment.

Intangible Assets and Amortisation

Intangibles are amortised over 3 years, with a full year's depreciation charged in the first year.

Investments

Investments are stated at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period. The fair value of the investments is the quoted bid price.

Social Investments are loans to beneficiaries. Loans are partially provided for in case of default.

The shares in Gravesend and District Property Company Ltd are not traded on a known exchange and transactions are small. Trustees consider that the valuation of £196k is reasonable.

Pensions

LionHeart operates defined benefit and defined contribution (money purchase) schemes. Note 20 gives details of the defined benefit scheme. The calculations on the recognition of gains and losses and the notes are produced in accordance with FRS 102 requirements. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses arising are recognised immediately in the Statement of Financial Activities. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in the Statement of Financial Activities. The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations. Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and monies on short term deposit, at the bank and other short-term liquid investments with original maturities of three months or less.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount allowing for any trade discounts due.

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Such financial instruments, except for investments classified at fair value through profit and loss, are initially recognised at transaction value and subsequently measured at their settlement value.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Trustees have determined a level of provision against the loans made to beneficiaries, this is reviewed each year.

2. Donations and Legacies

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Donations from RICS members	695	801
Other cash donations	287	505
Donations	982	1,306
Legacies	1,082	75
Unrestricted grants	10	10
Total	2,074	1,391

3. Other Trading Activities

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Lottery income	25	27
Total	25	27

4. Investment Income

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Dividends from listed investments	698	692
Investment return	160	153
Dividends from unlisted investments	4	13
Total	862	858

The above figures have been amended to show investment return as income instead of as a change in market value.

5. Cost of Raising Funds

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Costs of activities	1	3
Lottery costs	22	22
Staff costs	30	30
Total	53	55
Investment manager fees	101	96
Total	154	151

6. Charitable Expenditure by Activity

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Grant Making to Individuals		
Grants approved	436	397
Staff costs	90	91
Depreciation	7	7
Other costs	0	0
Support	61	69
Governance	14	15
Total	608	579
Advice and Beneficiary Support		
Staff costs	224	251
Depreciation	17	18
Other costs	25	16
Support	152	182
Governance	36	39
Total	454	506
Engagement and Communications		
Staff costs	162	167
Depreciation	12	12
Other costs	6	13
Support	109	125
Governance	26	27
Total	315	344
Workshops and Webinars		
Staff costs	195	160
Depreciation	14	11
Other costs	38	65
Support	132	116
Governance	31	25
Total	410	377
Total		
Grants approved	436	397
Staff costs	671	669
Depreciation	50	48
Other costs	69	94
Support	454	492
Governance	107	106
Total	1,787	1,806

All expenditure is from unrestricted funds. Governance costs are also shown in note 7.

7. Analysis of Support and Governance Costs

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Grant Making to Individuals		
Staff costs	30	25
Consultancy	3	6
Information and technology costs	15	20
Other costs	13	18
Governance	14	15
Total	<u>75</u>	<u>84</u>
Advice and Beneficiary Support		
Staff costs	74	66
Consultancy	7	16
Information and technology costs	37	53
Other costs	34	48
Governance	36	39
Total	<u>188</u>	<u>222</u>
Engagement and Communications		
Staff costs	54	45
Consultancy	5	11
Information and technology costs	26	36
Other costs	24	33
Governance	26	27
Total	<u>135</u>	<u>152</u>
Workshops and Webinars		
Staff costs	65	41
Consultancy	6	10
Information and technology costs	32	34
Other costs	29	30
Governance	31	25
Total	<u>163</u>	<u>140</u>
Total		
Staff costs	223	177
Consultancy	21	43
Information and technology costs	110	143
Other costs	100	129
Governance	107	106
Total	<u>561</u>	<u>598</u>

All allocations are on the basis of staff numbers.

Net income is stated after charging the following:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Depreciation	50	49
Auditor's remuneration	<u>13</u>	<u>12</u>

8. Employees

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Staff costs comprise:		
Salaries	833	741
Social security costs	72	70
Other pension contributions	<u>108</u>	<u>116</u>
Total	<u>1,013</u>	<u>927</u>

All expenditure is from unrestricted funds.

The average number of employees during the year was 26 (2019/20 24). Full time equivalents were 23.3 (2019/20 20.5).

One employee earned emoluments in excess of £60,000 in the year (2019/20 1) this was in the band £80,001 to £90,000. Pension contributions of £8k were made for this employee (2019/20 £7k).

Key management personnel of the charity are those having authority and responsibility delegated to them by the Trustees for planning, directing and controlling the activities of the charity. The total employee benefits of the key management personnel of the charity were £203k (2019/20 £185k). No termination payments were made in the year (2019/20 nil).

9. Trustees' and Co-Opted Members' Remuneration and Expenses

The Trustees and co-opted committee members received no remuneration during the year (2019/20 nil). Some of the Trustees and co-opted members claim travelling and subsistence expenses and during the year a total of £147 was paid to 2 Trustees and co-opted committee members (2019/20 £6k to 10).

10. Intangible Fixed Assets

	Year ended 31 March 2021 £000 Software Development
Cost	
At 1 April 2020	88
Additions	0
Disposals	0
At 31 March 2021	<u>88</u>
Depreciation	
At 1 April 2020	29
Disposals	0
Charge for year	30
At 31 March 2021	<u>59</u>
Net book value	
At 31 March 2021	<u>29</u>
At 31 March 2020	<u>59</u>

11. Tangible Fixed Assets

	Year ended 31 March 2021 £000 Office Equipment
Cost	
At 1 April 2020	68
Additions	1
Disposals	(7)
At 31 March 2021	<u>62</u>
Depreciation	
At 1 April 2020	42
Disposals	(7)
Charge for year	20
At 31 March 2021	<u>55</u>
Net book value	
At 31 March 2021	<u>7</u>
At 31 March 2020	<u>26</u>

12. Fixed Asset Investments

	31 March 2021	31 March 2020
	£000	£000
Quoted securities at fair value		
Sarasin Endowment Fund	23,189	19,587
Unquoted securities at fair value		
Gravesend and District Property Company	196	196
Total commercial investments	23,385	19,783

13. Social Investments

	31 March 2021	31 March 2020
	£000	£000
Interest free loans with no fixed repayment date, made to beneficiaries		
Loans outstanding at 1 April	228	257
Loans repaid during the year	(7)	(29)
Loans outstanding at 31 March	221	228
Provision for bad debts on loans		
Provision at 1 April	(136)	(136)
Provision released in the year	0	0
Provision at 31 March	(136)	(136)
Net loans outstanding as at 31 March	85	92

14. Debtors

	31 March 2021	31 March 2020
	£000	£000
Taxation recoverable	64	62
Prepayments and accrued income	1,052	253
Other debtors	139	723
Total	1,255	1,038

15. Creditors

Amounts falling due within one year

	31 March 2021 £000	31 March 2020 £000
Trade creditors	9	1
Grant commitments	73	79
Accruals	40	79
Taxation and social security	20	18
Other creditors	1	11
Total	143	188

Grant Commitments	31 March 2021 £000	31 March 2020 £000
Balance 1 April 2020	79	93
Additions	436	376
Paid	(442)	(390)
Balance 31 March 2021	73	79

16. Net Assets

	31 March 2021 Unrestricted £000	31 March 2021 Total £000	31 March 2020 Unrestricted £000	31 March 2020 Total £000
Fixed assets	36	36	85	85
Investments	23,470	23,470	19,875	19,875
Net current assets	3,486	3,486	2,396	2,396
Provisions	(232)	(232)	(75)	(75)
TOTAL	26,760	26,760	22,281	22,281

17. Movement in Funds in the Year

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2021 £000
Free reserves	2,827	2,961	(1,877)	(1,462)	0	2,449
Income fund	17,844	0	0	1,862	3,601	23,307
Development fund	1,600	0	0	(400)	0	1,200
Pension reserve	(75)	0	(15)		(142)	(232)
Fixed asset fund	85	0	(49)		0	36
Restricted fund	0	0	0		0	0
Total	22,281	2,961	(1,941)	0	3,459	26,760

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2020 £000
Free reserves	2,065	2,276	(1,877)	363	0	2,827
Income fund	18,773	0	0	0	(929)	17,844
Development fund	2,060	0	0	(460)	0	1,600
Pension reserve	(57)	0	(31)	0	13	(75)
Fixed asset fund	37	0	(49)	97	0	85
Restricted fund	0	0	0	0	0	0
Total	22,878	2,276	(1,957)	0	(916)	22,281

Designated Funds

The Income Fund has been designated by the Trustees to provide future income for the charity to continue its activities indefinitely.

The Development Fund was set up in 2019 to utilise some reserves to facilitate funding the objectives of the five-year strategy. Monies were transferred from the Income Fund for this.

The Pension Reserve has been designated by the Trustees to set aside funds against the deficit on the defined benefit pension scheme.

The Tangible Fixed Asset Fund has been designated by the Trustees to set aside funds for the future depreciation on fixed assets.

Restricted Fund

There are currently no restricted funds.

Transfers Between Funds

Funds have been transferred to (from) free reserves to match the necessary levels of designated funds and to the tangible fixed asset fund to match the future depreciation commitment.

18. Commitments Under Operating Leases

At 31 March 2021, the charity had one operating lease with a commitment of £43k within one year (2020 £43k) and £32k greater than one year, but less than five years (2020 £75k).

19. Capital Commitments

At 31 March 2021, the charity had no capital commitments (2020 £nil).

20. Staff Pension Schemes

Three current employees are members of the Local Government Pension Scheme which is administered by the London Pensions Fund Authority. There are also two pension members and a further two deferred members. The Local Government Pension scheme is a defined benefit (final salary) scheme. LionHeart as the employer, although not a local authority, is classified as an admitted body into the scheme. LionHeart has no influence over how the scheme operates or its investment performance. Contribution levels are set by reference to actuarial assessments that are formally reviewed by the LPFA every three years. Pension costs are accounted for on the basis of spreading the cost of pensions over employees' working lives with LionHeart. The scheme was closed to new members on 9 December 2010. Following this date new employees are offered a contribution to stakeholder pension plans. The current pension offered is operated by Royal London.

The Financial Reporting Standard 102 (FRS 102) disclosures are provided by the London Pensions Fund Authority (LPFA) on an agreed statutory basis over which LionHeart has no control. The methodology and assumptions prescribed for the purposes of FRS 102 mean that the disclosures will be inherently volatile, varying greatly according to investment market conditions at each accounting date.

FRS 102 requires disclosure of the charity's share of the assets and liabilities of the LPFA defined benefits scheme. A qualified independent actuary, appointed by LPFA, has made a valuation on 31 March 2021 based on the following assumptions:

Assumed life expectations from age 65 are:

		31 March 2021	31 March 2020
Life expectancy from age 65 (years)			
Retiring today			
	Males	23.5	23.8
	Females	23.6	23.6
Retiring in 20 years			
	Males	23.4	23.7
	Females	25.8	25.9

We have also assumed that:

- members will exchange half their commutable pension for cash at retirement
- members will retire at one pension age for all tranches of benefit, which will be the pension weighted average tranche retirement age

The financial assumptions used to calculate the results are as follows:

	31 March 2021	31 March 2020
Financial assumptions	% pa	% pa
Discount rate	1.95%	2.35%
Pension increases	2.85%	1.90%
Salary increases	3.85%	2.90%

On the basis of these assumptions the LPFA actuary values the charity's share of the funds is as follows:

	31 March 2021 £000	31 March 2020 £000
Fair value of charity's share of the funds' assets	2,057	1,778
Present value of the defined benefit obligation	(2,289)	(1,853)
Charity's share of the funds' net deficit	(232)	(75)

	31 March 2021 £000	31 March 2020 £000
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The analysis of the assets of the scheme is as follows:

Equities	1,118	964
Target return funds	484	433
Infrastructure	174	125
Property	187	162
Cash	94	94
Total	2,057	1,778

Reconciliation of defined benefit obligation:

Opening defined benefit obligation	1,853	1,951
Current service cost	38	40
Interest cost	43	46
Contributions by members	7	7
Estimated benefits paid, net of transfers in	(67)	(38)
Change in financial assumptions	455	(160)
Experience gain / (loss) on defined benefit obligation	(21)	(26)
Past service costs including curtailments	0	15
Change in demographic assumptions	(19)	18
Closing defined benefit obligation	2,289	1,853

Reconciliation of fair value of employer assets:

Opening fair value of employer assets	1,778	1,894
Interest on assets	41	45
Contributions by members	7	7
Contributions by employer, including unfunded	27	27
Return on assets less interest	273	(88)
Administration expenses	(2)	(2)
Estimated benefits paid plus unfunded transfers in	(67)	(38)
Other actuarial gains	0	(67)
Closing fair value of employer's assets	2,057	1,778

The total return on fund assets for the year to 31 March 2021 was £314k (2019/20 £43k).

Amounts recognised in the Statement of Financial Activities in respect of defined benefit schemes are as follows:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Service cost	49	37
Net interest on the defined liability	4	1
Administration expenses	3	2
Total loss / (profit)	56	40

Remeasurements in other comprehensive income:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	273	(88)
Other actuarial gains / (losses) on assets	0	(67)
Change in financial assumptions	(455)	160
Change in demographic assumptions	19	(18)
Experience gain / (loss) on defined benefit obligation	21	26
Changes in effect of asset ceiling	0	0
Remeasurement of the net assets / (defined liability)	(142)	13

Projected pension expense for the period to 31 March 2022

Analysis of projected amount to be charged to the statement of financial activities for the year to 31 March 2022:

	1 April 2021 to 31 March 2022 £000
Service cost	49
Net interest cost	4
Administration expenses	3
Total charge	56
Estimated employer's contributions	28

21. Related Party Transactions

No related party transactions have been identified in the year.

22. Reconciliation of Income / (Expenditure) to Net Cashflow from Operating Activities

	Year Ended 31 March 2021 £000	Year Ended 31 March 2020 £000
Net income / (expenditure) for the year	4,621	(610)
Depreciation and amortisation	50	49
Disposal of social investment	7	29
(Gains) / losses on investments	(3,601)	929
Defined benefit pension scheme adjustment	15	31
Returns on Investments	(862)	(858)
(Increase) / decrease in debtors	(217)	(437)
Increase / (decrease) in creditors	(45)	2
Net cash provided by / (used by) operating activities	(32)	(865)

23. Financial Instruments

	31 March 2021 £000	31 March 2020 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	23,385	19,783
Financial assets that are debt instruments measured at amortised cost	3,650	2,614
	<u>27,035</u>	<u>22,397</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(143)</u>	<u>(188)</u>

Financial assets measured at fair value through income and expenditure comprises investments in UK listed and unlisted securities.

Financial assets measured at amortised cost comprise cash at bank, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise grant commitments, accruals and other creditors.

The charity's income, expense, gains and losses in respect of financial instruments are summarised below:

	31 March 2021 £000	31 March 2020 £000
Total investment income for financial assets measured at fair value through income and expenditure	858	845
Net gains on financial assets measured at fair value through income and expenditure	<u>3,601</u>	<u>(929)</u>

24. Reconciliation of Net Debt

	1 April 2020 £000	Cashflows	31 March 2021 £000
Cash	1,546	828	2,374
Finance lease obligations	(2)	2	0
Total	<u>1,544</u>	<u>830</u>	<u>2,374</u>