



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 2021 TO 31 MARCH 2022

Company Number: 980025

Charity Number: 261245

The Royal Institution of Chartered Surveyors Benevolent Fund Limited

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CHAIR'S FOREWORD

During 2021/22, LionHeart continued to provide strong support to those members of the RICS family affected by Covid-19 – not only financial but, equally importantly, sometimes just being someone to talk to. If Covid formed the bookend to the start of the year, the end of the year saw us provide vital help to members and their families in Ukraine – which we continue to do. Our global reach was also exemplified by our assistance to a member caught up in the instability in Ethiopia, together with requests for help from India and Nigeria.

We continued to expand on our offer to those at the start of their careers, with APC support at the forefront. This is a relatively recent expansion of LionHeart's services, but a reminder that we are here for all surveyors, of whatever age and experience. Our digital offering expanded significantly, with webinars on a variety of topics proving extremely popular.

Our staff, with inspirational leadership from Davina Goodchild, kept the whole show on the road from their spare bedrooms and kitchens, demonstrating the resilience which we have perhaps taken for granted, but for which the Board, and the profession, continue to be thankful.

I cannot let the opportunity pass to especially thank two long-serving LionHeart stalwarts, Patrick Hall, and Bob Dyson, both of whom retired from the Investment Committee in April 2021. Bob served on the Committee for over 20 years, during which he combined stewardship of our funds with senior roles within the profession. We were very sorry to see him retire, but he had more than earned it! In addition to sterling service on the Committee, Patrick is a former chair of the Board, and was instrumental in effecting significant change in governance and the way the Charity operated. Our continued success is down in no small part to the building blocks which Patrick put in place a decade ago. We thank them both for their super and long-standing service.

During the year we also said farewell to Trustee Kate Taylor, and our Head of Finance and Corporate Services, Jane Lucas. During Kate's three years on the Board, she brought to bear cutting-edge experience of the profession with masterful knowledge of the APC process. Jane was one of the unsung heroes of the Charity and masterminded our digitisation and general upgrading of systems. She was a steady financial hand in turbulent times for the profession. They both leave with our grateful thanks.

We are now three years into our five-year strategic plan, so inevitably minds are turning to how we should shape the next stage in our progress. Work has already commenced on that, with both the Board and staff feeding into the process.

My heartfelt thanks go to all our extended team for their work in 2021/22 - staff, my superb colleagues around the board table, our ambassadors, committee-members, supporters, and donors, all of whom play a vital, and often unsung, role. Thank you.

For me, the spirit of LionHeart was summed up by the recipient of one of our Christmas hampers, who told us it was the *only* Christmas present he would receive that year. Truly, when it seems there is no-one to turn to, LionHeart is there for you.

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

STRATEGIC REPORT 2021/2022

This was the third year of a five-year strategy which aims to dramatically increase awareness of and engagement in LionHeart with Royal Institution of Chartered Surveyors (RICS) members 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

The Continued 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.

Our training has continued to be delivered online and during the year we increased our global audience for these sessions.

All 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.

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. Our progress and success with digital innovation has resulted in plans for a Digital/Data research and planning project in 2022/2023; moving us closer to the digital future we believe will increase our reach and impact.

A Great Place to Work

We ensure that we consider the wellbeing of the staff team. We ask for feedback on staff wellbeing, experience, and motivation regularly using an anonymous all staff survey. The full staff team is now working from home with visits to the office now limited to specific meetings or events. We continue to invest in staff development with the launch of a LionHeart learning plan across the organisation and advanced plans for a development programme specifically for managers.

Engagement

We have continued to build on the fantastic of levels of online engagement with the surveying community that we really established during the pandemic. We strive to use a warm and inclusive tone designed to reassure people that LionHeart understands the tricky world climate and is here to support. We have continued to grow our social media audience (up around a third on the previous year), have grown our global website audience, and notched up over 150,000 website page views as we continue to offer varied articles and blogs that resonate with our audience.

We have continued to see a real demand for online learning and have broadened the range of webinar subjects being delivered live. These are also available for download; good use of video has also been made to engage and inform our audiences.

We have worked hard to engage the younger end of the profession as we have expanded our support for apprentices, students, and APC candidates. A new offer from our Support Services Team to help APC candidates with their final presentation practices has been a huge hit, both in terms of take-up but also because this social media savvy generation have been very quick to share their successes and publicly acknowledge our support. We hope that this really positive experience of LionHeart so early in their careers will mean they continue to use our services and advocate for LionHeart for the rest of their careers.

We also developed an education partner offer to extend our engagement with students and apprentices even further and establish fruitful relationships with some key universities and training providers.

Our team of dedicated volunteer ambassadors continued to grow both globally and in the UK. Raising awareness and developing services outside of the UK has remained a priority, and our growing number of global ambassadors is helping us build better networks and raise awareness in various regions of the world. Online focus groups in the Asia Pacific region have also informed our plans for growth in the region.

We were able to use our good connections with RICS to respond very proactively and quickly when the war in Ukraine broke out. Together we were able to make those surveyors in Ukraine aware that LionHeart was there to help,

primarily in the form of emergency grants, which our team worked hard to process sometimes within hours of first enquiry. The crisis also provided an opportunity for us to highlight the global nature of LionHeart's support and was responded to very positively by the wider surveying community.

Finally, during this year we undertook our largest ever global mailout campaign, with the twin aims of raising awareness and generating more opt-ins for our digital mailings. Over 102,000 copies of a letter, tear-off contact card and copy of our latest Impact Report were sent to surveyors all over the world. This generated not only a number of new sign-ups but also sparked several new enquiries for help.

Developing Services

We launched a counselling service for 12-25s and agreed a delivery partnership with a global supplier of counselling and legal advice enabling us to offer a comprehensive service in over 100 countries. Not only did this streamline and speed up access to support globally but also included, for the first time, the chance for people to access counselling in their preferred local language. We continued to develop new webinars to meet the needs of RICS members including new webinars on supporting people with cancer and dealing with bereavement in the workplace.

We delivered the following results during the year:

- 9,230 individual acts of support
- 233 webinars, and a further 2045 views and downloads of recorded webinars, the latter a 41% increase on last year
- Our coaching service expanded by 30% and our APC support service grew over 2000%
- 429 new people were helped and supported, an increase of 76%
- We provided counselling to 184 people, an increase of 60%
- We welcomed a further 10 organisations to our corporate partnership project
- Our social media audience increased by over 32%
- We recruited 15 new volunteer ambassadors, available to speak of their lived experience and to promote LionHeart within the profession, and expanded our ambassador network beyond the UK for the first time

Ademola's Story

Ademola approached LionHeart when he was "down to his last pennies" after he lost his job and ran into difficulties claiming government support.

The APC candidate, in his early thirties, had borrowed money from his mother but said: "I just ran out of all other financial support options. It was a desperate situation being unemployed and not able to get the universal credit I should have received."

At the time, the job market was sluggish due to the pandemic. LionHeart was able to provide a short-term monthly grant, access to legal advice and some help with his hunt for his next position.

Eventually Ade had a backdated claim for universal credit accepted and successfully started a new job after receiving support with his job applications and interview skills. He has now resumed his APC pathway.

He said: "LionHeart gave me financial, emotional and career advice assistance. It took a huge weight off my shoulders and the service was everything I could have hoped for."

Clive's Story

A surveyor in his fifties, Clive said he had never expected to need support from LionHeart, let alone end up requesting counselling. He said: "I was suffering low mood and self-esteem, stressed, generally struggling with everything and feeling alone. I received some counselling and some coaching support from LionHeart.". Clive began weekly sessions with a LionHeart counsellor over a period of time.

He said: "It gave me opportunity to talk to someone about my circumstances and what I had been through, and the effect that had on me, and provided professional, considered support. It's given me my optimism back; for a long time my emotions and thoughts had been repressed. The service was excellent, and I never thought I'd ever have a call on it. Whilst it was hard at first exploring topics that were affecting me, I'm much happier and can see a positive future."

Paula's Story

Paula was very disappointed when she didn't make the grade at her first APC attempt, following a particularly challenging time in her personal life.

Determined to try for her chartered status again as quickly as possible, she approached LionHeart for support. She said: "I had a very difficult personal situation right before the first APC panel. I remember I felt hugely disappointed to have failed but when I read the referral report, I realised I'd made some huge mistakes."

She received regular support calls and help to practise her presentation and interview skills ahead of her next panel, adding: "LionHeart was fantastic from the start. It meant I managed to review all my weak spots, develop my presentation to another level and just feel more confident and prepared."

The extra preparation and support gave Paula the confidence boost she needed to succeed at her second APC panel. She added: "I would highly recommend anyone trying to achieve MRICS to reach out to LionHeart. It is a great initiative, and the support is very well organised."

OUR PLANS FOR 2022/23

Our ambitious strategy is all about increasing the numbers of RICS members and their families that utilise our services, whether those be our workshops and webinars or our helpline and support services, including grants and counselling.

During 2022/23 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 our communication platforms, and continued data protection compliance.

During this year we will be carrying out two very important reviews; the first will be to examine our approach to Equality, Diversity, and Inclusion. An action plan will be drawn up to identify and deliver excellence in this area for LionHeart in all areas including service delivery, employment, and involvement of volunteers. We will also be considering our digital future and creating some plans for innovation in the areas of data and digital to ensure we are optimising our resources to achieve our mission.

Davina Goodchild CMgr FCMI
Chief Executive

TRUSTEES' REPORT

The Board of Trustees present their combined annual report for the year from 1 April 2021 to 31 March 2022 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 purposes 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. 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 more than 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 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 made to individuals and families, usually 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 we can help an individual financially. The guidelines are reviewed to consider changes to the general cost of living, social security benefit rates and other support for those not working. Support Services Team decisions regarding individual grants are audited by Trustees twice a year.

Covid, and moving on from a global pandemic

Particularly during the early part of this financial year, we continued to see the effects of Covid ripple on. While we didn't see the levels of job losses and financial impact we had originally feared – largely thanks to government schemes such as furlough and support with income for the self-employed – there was a lingering impact financially for global professionals, who may not have had access to the same levels of support and where the jobs market was not as buoyant, and the prolonged impact of the pandemic had left some businesses struggling.

What we did experience on the helpline was a certain level of fatigue and the emotional strain that the pandemic was having and the effects of prolonged periods of restrictions, lockdowns, school closures and working from home. The numbers of people presenting with mental ill health and stress problems rose by almost 60%, and we almost doubled the number of counselling clients we supported. In addition, we identified a need to further expand the support we could offer families following months of uncertainty and isolation and amid the well-documented squeeze on access to youth mental health services. As a result, by September we had introduced our new counselling offer for the children aged 12 and upwards of RICS professionals in the UK.

The rise in global enquiries generated not only applications for grants but also requests for emotional support as the pandemic continued to affect people worldwide. Through a new partnership with a global EAP provider, we streamlined the way we were able to offer counselling to those professionals based outside the UK and Ireland, speeding up access to vetted, accredited counsellors in over 100 countries and including access to support in the client's preferred language for the first time.

This increased awareness globally put us in a good position to respond when the war broke out in Ukraine, and our team were able to process emergency grants to both surveyors who were leaving the country and those who had to stay but needed help to get their families to safety.

As the workplace has begun to return to normal, we have seen a renewed appetite for career development support such as coaching and help with interview and confidence skills. We have also seen increased demand for our online webinars and downloadable resources in this area.

Throughout this year, as last year, we have continued to monitor the changing needs of the community we are supporting and have been ready to adapt our offering as needed. As we approached the end of the year, there have been increased opportunities to engage with our members pce to face at conferencing, fundraising, and networking events, which has allowed us to continue building our visibility and reach.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income for the year was £1,992k. Our overall expenditure was £2,068k and there was increased activity and development of our services in accordance with the five-year strategy. Overall income was on budget for the year even with legacies a little short of those budgeted. 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 2021/22 our expenditure was lower than we had budgeted, with delivery of services being achieved remotely.

The net funds of LionHeart increased over the year. Despite a dip in valuations due to market conditions in the last quarter of the year, there was a gain on investments of £292k. 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 £2,884k, an increase on the previous year, (2020/21 £2,449k). 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 £24,352k (2020/21 £24,543k). These funds are made up as follows:

	£000
Income Fund	23,349
Development Fund	1,000
Fixed Asset Fund	3
Total	<u>24,352</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 (2020/21 £nil).

4. Pension Reserve

The pension reserve at the year-end is a surplus of £145k (2020/21 deficit of £232k).

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 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. If 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 2021/22 £27,381k (2020/21 £26,760k), and this includes managed investments of £24,961k (2020/21 £23,189k). Investment income in 2021/22 was £866k (2020/21 £862k). Donations from RICS members totalled £683k (2020/21 £695k).

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 May 2022 shortly after the year-end having previously been reviewed in 2019.

Review of Fund Managers

The charity formally reviews its managers on a regular basis at least five-yearly. There was a formal review during the year. Performance was found to be satisfactory, however it was decided to tender services. A second fund manager was appointed shortly after the year-end with investments to be split across the two Fund Managers on a 50/50 basis.

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 of the fund from 1st July 2021 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%), SONIA + 2% (alternative assets) (10%).

The benchmark for the fund, up to 30th June 2021 was: 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 +5.3% against the composite benchmark return of +9.1% (2020/21 +25.4% against a benchmark of +25.5%).

Medium-term Portfolio – Sarasin Income & Reserves Fund

The benchmark of the fund from 1st July 2021 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%), SONIA (5%), SONIA + 2% (alternative assets) (10%).

The benchmark for the fund, up to 30th June 2021 was: 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 -1.2% against a composite benchmark return of -0.6% (2020/21 +7.0% against a benchmark of +6.7%).

Reporting

Income reports and valuations are produced for the two portfolios monthly 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, pornography, and predatory lending.
- All externally managed funds are screened on initial purchase and reviewed regularly to ensure that they also adhere to these rules.
- The funds publish a regular sustainability audit of investments and are active in voting on company resolutions. Where necessary, the firms will engage in direct dialogue with investee companies, policy makers and governing bodies to drive positive change.

Unquoted Investments

LionHeart has one unquoted commercial investment; at the start of the year it had a holding of 104,960 ordinary shares in the Gravesend and District Property Company gifted to the charity as part of a legacy. The Trustees took the decision to sell the shares and 62,500 shares were sold during the year. This left a balance at the end of the year of 42,460 shares.

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 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.

Trustee Recruitment, Training and Development

Trustees are recruited via adverts placed on the web targeting both 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 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)

Lionheart has two part-time fundraising team members We do not outsource fundraising to external organisations and are registered with the Fundraising Regulator. The charity has no other fundraising requiring disclosure under S162A of the Charities Act 2011. A decision was made to end the LionHeart lottery to reduce costs and allow us to streamline our fundraising initiatives to focus resources on other key fundraising areas, for example, gaining regular support by Direct Debit. Consequently, the final lottery draw took place on 28th June 2021.

General Data Protection Regulation (GDPR)

New data protection processes and policies were introduced in 2018 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. The next review is due late 2022.

Patron

The President of the Royal Institution of Chartered Surveyors is LionHeart's Patron. On 31 March 2022, the office holder was Clement Lau.

Honorary Officers for 2021/22

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
James Grierson
Amy Dalton-Leader
Caroline Legg
Katie Leppard
Peter McCrea
Philip Nell
Philippa Sampson-Bancroft
Shashi Sharma
Kate Taylor (resigned February 2022)
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
Mark Southwell	Co-opted
Lorna Wright	Co-opted
Jane Lucas	LionHeart, resigned April 2022

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
Robert Dyson	Co-opted, retired April 2021
Patrick Hall	Co-opted, retired April 2021
Chris Perkins	Co-opted
Neil A'Bear	Co-opted
Jane Lucas	LionHeart, resigned April 2022

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, resigned April 2022
Head of Operations	Juliet Smithson

PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG
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Solicitors	Wilsons, Steynings House, Summerlock Approach, Salisbury, Wiltshire, SP2 7RJ
Investment Managers	Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU CCLA, Senator House 85 Queen Victoria Road, London, EC4V 4ET
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 (2020/21 £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 2022 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 8 September 2022 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 2022 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 2022 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 legacy 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: 24th October 2022

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

FOR THE YEAR FROM 1 APRIL 2021 TO 31 MARCH 2022

		Unrestricted Funds	Year Ended 31 March 2022 Total £000	Unrestricted Funds	Year Ended 31 March 2021 Total £000
	Notes	£000	£000	£000	£000
Income From:					
Donations and Legacies	2	1,120	1,120	2,074	2,074
Other Trading Activities	3	6	6	25	25
Investments	4	866	866	862	862
Total Income		1,992	1,992	2,961	2,961
Expenditure on:					
Raising Funds	5	53	53	53	53
Investment Management Fees	5	110	110	101	101
Charitable Activities	6	1,905	1,905	1,787	1,787
Total Expenditure		2,068	2,068	1,941	1,941
Net Gains / (Loss) on Investments		292	292	3,601	3,601
Net Income/(Expenditure)		216	216	4,621	4,621
Transfers Between Funds		0	0	0	0
Other Recognised Gains / (Losses):					
Actuarial Gains / (Losses) on Defined Benefit Pension Scheme	21	405	405	(142)	(142)
Net Movement in Funds		621	621	4,479	4,479
Reconciliation of Funds					
Total Funds Brought Forward		26,760	26,760	22,281	22,281
Total Funds Carried Forward		27,381	27,381	26,760	26,760

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 2022

COMPANY REGISTRATION No. 980025

REGISTERED CHARITY No. 261245

		31 March 2022		31 March 2021	
	NOTES	£000	£000	£000	£000
Fixed Assets					
Intangible Assets	11		0		29
Tangible Assets	12		3		7
Investments: Commercial	13		25,041		23,385
Investments: Social	14		79		85
Total Fixed Assets			25,123		23,506
Current Assets					
Debtors	15	399		1,255	
Cash at Bank and in Hand		1,872		2,374	
Total Current Assets		2,271		3,629	
Creditors					
Amounts falling due within one year	16	(158)		(143)	
Net Current Assets			2,113		3,486
Total assets less current liabilities			27,236		26,992
Creditors					
Amounts falling due after one year	16		0		0
Defined Pension Scheme Liability	21		145		(232)
Total Net Assets			27,381		26,760
Funds					
Restricted Funds			0		0
Unrestricted Designated Funds			24,352		24,543
Unrestricted Free Funds			2,884		2,449
Pension Reserve			145		(232)
Total Charity Funds	18		27,381		26,760

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 8 September 2022.



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 2022

	Note	Year Ended 31 March 2022	Year Ended 31 March 2021
		£000	£000
Cash Flows from Operating Activities:			
<i>Net Cash Provided by / (used in) Operating Activities</i>	23	(1)	(32)
Cash Flows from Investing Activities:			
Returns from Investments		866	862
Purchase of Property, Plant, Equipment & Intangibles		(3)	1
Proceeds from Sale of Investments		136	0
Purchase of Investments		(1,500)	0
<i>Net Cash Provided by / (used in) Investing Activities</i>		(501)	863
Change in Cash and Cash Equivalents in the year		(502)	828
Cash and Cash Equivalents at the 1 April 2021		2,374	1,546
Cash and Cash Equivalents at the 31 March 2022		1,872	2,374

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, except for 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 £80k 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 2022 £000	Year ended 31 March 2021 £000
Donations from RICS members	683	695
Other cash donations	248	287
Donated office space	0	0
Donations	931	982
Legacies	179	1,082
Unrestricted grants	10	10
Total	1,120	2,074

3. Other Trading Activities

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Trading subsidiary	0	0
Lottery income	6	25
Total	6	25

The Lottery was discontinued June 2021.

4. Investment Income

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Dividends from listed investments	676	698
Investment return	183	160
Dividends from unlisted investments	7	4
Total	866	862

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 2022 £000	Year ended 31 March 2021 £000
Costs of activities	1	1
Lottery costs	5	22
Staff costs	47	30
Total	53	53
Investment manager fees	110	101
Total	163	154

The Lottery was discontinued June 2021.

6. Charitable Expenditure by Activity

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Grant Making to Individuals		
Grants approved	314	436
Staff costs	117	90
Depreciation	6	7
Other costs	0	0
Support & Governance	116	75
Total	553	608
Advice and Beneficiary Support		
Staff costs	207	224
Depreciation	11	17
Other costs	47	25
Support & Governance	205	188
Total	470	454
Engagement and Communications		
Staff costs	193	162
Depreciation	10	12
Other costs	96	6
Support & Governance	182	135
Total	481	315
Workshops and Webinars		
Staff costs	155	195
Depreciation	9	14
Other costs	65	38
Support & Governance	173	163
Total	402	410
Total		
Grants approved	314	436
Staff costs	671	671
Depreciation	36	50
Other costs	208	69
Support & Governance	676	561
Total	1,905	1,787

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

7. Analysis of Support and Governance Costs

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Grant Making to Individuals		
Staff costs	55	30
Consultancy	5	3
Information and technology costs	21	15
Other costs	18	13
Governance	17	14
Total	116	75
Advice and Beneficiary Support		
Staff costs	97	74
Consultancy	9	7
Information and technology costs	37	37
Other costs	33	34
Governance	29	36
Total	205	188
Engagement and Communications		
Staff costs	86	54
Consultancy	8	5
Information and technology costs	33	26
Other costs	29	24
Governance	26	26
Total	182	135
Workshops and Webinars		
Staff costs	82	65
Consultancy	7	6
Information and technology costs	31	32
Other costs	28	29
Governance	25	31
Total	173	163
Total		
Staff costs	320	223
Consultancy	29	21
Information and Technology Costs	122	110
Other costs	108	100
Governance	97	107
Total	676	561

All allocations are based on staff numbers.

8. Net income is stated after charging the following:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Depreciation	36	50
Auditor's remuneration	14	13

9. Employees

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Staff costs comprise:		
Salaries	889	833
Social security costs	85	72
Other pension contributions	130	108
Total	1,104	1,013

All expenditure is from unrestricted funds.

The average number of employees during the year was 28 (2020/21 26). Full time equivalents were 24.4 (2020/21 23.3).

One employee earned emoluments in excess of £60,000 in the year (2020/21 1) this was in the band £80,001 to £90,000 (2020/21 £80,001 to £90,000). Pension contributions of £8k were made for this employee (2020/21 £8k).

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 £211k (2020/21 £203k). No termination payments were made in the year (2020/21 nil).

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

The Trustees and co-opted committee members received no remuneration during the year (2020/21 nil). Some of the Trustees and co-opted members claim travelling and subsistence expenses and during the year a total of £2,174 was paid to 8 Trustees and co-opted committee members (2020/21 £147 to 2).

11. Intangible Fixed Assets

	Year ended 31 March 2022 £000 Software Development
Cost	
At 1 April 2021	88
Additions	0
Disposals	0
At 31 March 2022	<u>88</u>
Depreciation	
At 1 April 2021	59
Disposals	0
Charge for year	29
At 31 March 2022	<u>88</u>
Net book value	
At 31 March 2022	<u>0</u>
At 31 March 2021	<u>29</u>

12. Tangible Fixed Assets

	Year ended 31 March 2022 £000 Office Equipment
Cost	
At 1 April 2021	62
Additions	3
Disposals	(2)
At 31 March 2022	<u>63</u>
Depreciation	
At 1 April 2021	55
Disposals	(2)
Charge for year	7
At 31 March 2022	<u>60</u>
Net book value	
At 31 March 2022	<u>3</u>
At 31 March 2021	<u>7</u>

13. Fixed Asset Investments

	31 March 2022	31 March 2021
	£000	£000
Quoted securities at fair value		
Sarasin Endowment Fund	24,961	23,189
Unquoted securities at fair value		
Gravesend and District Property Company	80	196
Total commercial investments	25,041	23,385

14. Social Investments

	31 March 2022	31 March 2021
	£000	£000
Interest free loans with no fixed repayment date, made to beneficiaries		
Loans outstanding at 1 April	221	228
Loans repaid during the year	(11)	(7)
Loans outstanding at 31 March	210	221
Provision for bad debts on loans		
Provision at 1 April	(136)	(136)
Provision released in the year	5	0
Provision at 31 March	(131)	(136)
Net loans outstanding as at 31 March	79	85

15. Debtors

	31 March 2022	31 March 2021
	£000	£000
Taxation recoverable	44	64
Prepayments and accrued income	251	1,052
Other debtors	104	139
Total	399	1,255

16. Creditors

	31 March 2022 £000	31 March 2021 £000
Trade creditors	36	9
Grant commitments	54	73
Accruals	44	40
Taxation and social security	22	20
Other creditors	2	1
Total	158	143

	31 March 2022 £000	31 March 2021 £000
Balance 1 April 2021	73	79
Additions	309	436
Paid	(328)	(442)
Balance 31 March 2022	54	73

17. Net Assets

	31 March 2022 Unrestricted £000	31 March 2022 Total £000	31 March 2021 Unrestricted £000	31 March 2021 Total £000
Fixed assets	3	3	36	36
Investments	25,120	25,120	23,470	23,470
Net current assets	2,113	2,113	3,486	3,486
Provisions	145	145	(232)	(232)
TOTAL	27,381	27,381	26,760	26,760

18. Movement in Funds in the Year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2022 £000
Free reserves	2,449	1,992	(2,005)	448	0	2,884
Income fund	23,307	0	0	(250)	292	23,349
Development fund	1,200	0	0	(200)	0	1,000
Pension reserve	(232)	0	(28)		405	145
Fixed asset fund	36	0	(35)	2	0	3
Restricted fund	0	0	0		0	0
Total	26,760	1,992	(2,068)	0	697	27,381

	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

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.

19. Commitments Under Operating Leases

At 31 March 2022, the charity had one operating lease with a commitment of £32k within one year (2021 £43k) and £0k greater than one year, but less than five years (2021 £32k).

20. Capital Commitments

At 31 March 2022, the charity had no capital commitments (2021 £nil).

21. 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 three 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 2022 based on the following assumptions:

Assumed life expectations from age 65 are:

		31 March 2022	31 March 2021
Life expectancy from age 65 (years)			
Retiring today			
	Males	23.6	23.5
	Females	23.6	23.6
Retiring in 20 years			
	Males	23.4	23.4
	Females	25.9	25.8

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:

Financial assumptions	31 March 2022	31 March 2021
	% pa	% pa
Discount rate	2.60%	1.95%
Pension increases	3.25%	2.85%
Salary increases	4.25%	3.85%

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

	31 March 2022 £000	31 March 2021 £000
Fair value of charity's share of the funds' assets	2,404	2,057
Present value of the defined benefit obligation	(2,259)	(2,289)
Charity's share of the funds' net deficit	145	(232)

	31 March 2022 £000	31 March 2021 £000
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The analysis of the assets of the scheme is as follows:

Equities	1,368	1,118
Target return funds	518	484
Infrastructure	245	174
Property	216	187
Cash	57	94
Total	2,404	2,057

Reconciliation of defined benefit obligation:

Opening defined benefit obligation	2,289	1,853
Current service cost	47	38
Interest cost	44	43
Contributions by members	7	7
Estimated benefits paid, net of transfers in	(22)	(67)
Change in financial assumptions	(110)	455
Experience gain / (loss) on defined benefit obligation	4	(21)
Past service costs including curtailments	0	0
Change in demographic assumptions	0	(19)
Closing defined benefit obligation	2,259	2,289

Reconciliation of fair value of employer assets:

Opening fair value of employer assets	2,057	1,778
Interest on assets	40	41
Contributions by members	7	7
Contributions by employer, including unfunded	26	27
Return on assets less interest	299	273
Administration expenses	(3)	(2)
Estimated benefits paid plus unfunded transfers in	(22)	(67)
Other actuarial gains	0	0
Closing fair value of employer's assets	2,404	2,057

The total return on fund assets for the year to 31 March 2022 was £339k (2020/21 £314k).

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

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Service cost	44	49
Net interest on the defined liability	(4)	4
Administration expenses	3	3
Total loss / (profit)	43	56

Remeasurements in other comprehensive income:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	299	273
Other actuarial gains / (losses) on assets	0	0
Change in financial assumptions	110	(455)
Change in demographic assumptions	0	19
Experience gain / (loss) on defined benefit obligation	(4)	21
Changes in effect of asset ceiling	0	0
Remeasurement of the net assets / (defined liability)	405	(142)

Projected pension expense for the period to 31 March 2023

Analysis of projected amount to be charged to the statement of financial activities for the year to 31 March 2023:

	1 April 2022 to 31 March 2023 £000
Service cost	44
Net interest cost	(4)
Administration expenses	3
Total charge	43
Estimated employer's contributions	26

22. Related Party Transactions

No related party transactions have been identified in the year.

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

	Year Ended 31 March 2022 £000	Year Ended 31 March 2021 £000
Net income / (expenditure) for the year	216	4,621
Depreciation and amortisation	36	50
Disposal of social investment	11	7
(Gains) / losses on investments	(292)	(3,601)
Change of provision - bad debts	(6)	
Defined benefit pension scheme adjustment	28	15
Returns on Investments	(866)	(862)
(Increase) / decrease in debtors	857	(217)
Increase / (decrease) in creditors	15	(45)
Net cash provided by / (used by) operating activities	(1)	(32)

24. Financial Instruments

	31 March 2022 £000	31 March 2021 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	25,041	23,385
Financial assets that are debt instruments measured at amortised cost	2,306	3,650
	<u>27,347</u>	<u>27,035</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(158)</u>	<u>(143)</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 2022 £000	31 March 2021 £000
Total investment income for financial assets measured at fair value through income and expenditure	866	862
Net gains on financial assets measured at fair value through income and expenditure	292	3,601

25. Reconciliation of Net Debt

	1 April 2021 £000	Cashflows	31 March 2022 £000
Cash	2,374	(502)	1,872
Finance lease obligations	0	0	0
Total	<u>2,374</u>	<u>(502)</u>	<u>1,872</u>