



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 2023 TO 31 MARCH 2024**

Company Number: 980025

Charity Number: 261245

# **The Royal Institution of Chartered Surveyors Benevolent Fund Limited**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

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## **CHAIR'S FOREWORD**

2023-24 was on many levels a year of change at LionHeart, and yet in other ways it was very much business as usual.

We said goodbye to our long-serving CEO Davina Goodchild, after 12 years at the helm. Being appointed as an 'agent of change' in 2011, Davina led the charity through a thorough transformation of governance, service delivery, and culture, and left with our very best wishes.

Our Interim CEO, the highly experienced Sarah Keeton, hit the ground running in the Autumn, demonstrating leadership, insight, and competence in challenging times. Sarah did all that we asked of her, and more, keeping the show on the road until our new CEO, Phil Sparke, joined us in the Spring. After the departure of our Head of Finance for family reasons, David Homer has once again stepped up, and I am very grateful to him for putting in much of the heavy lifting in preparing this document.

On the board, we lost 27 years' aggregate service when James Grierson, Dayle Bayliss and Andrew Carrick all 'rolled off' having each completed their maximum nine-year term. I can't overstate the input, wisdom and sheer hours of graft that each of them brought to the board table. James and Dayle had both served as vice-chair, while Andrew undertook many hours of work behind the scenes as the trustee overseeing grants. We said goodbye to each of them at an emotional away day in June 2023, but I should again now record the board's thanks to three outstanding trustees.

As will be evident from the Trustees Report, the charity has seen significant financial headwinds. The combination of income reducing and grants increasing has only been offset by a strong performance on the balance sheet, resulting in an overall increase in assets. The board of trustees has been alive to the pressures facing the charity, and taken action accordingly. This is my final chair's foreword after six years chairing the board and nearly eight as a trustee. To my colleagues past and present, our staff, ambassadors, donors and supporters, can I simply say thank you for all of your efforts over the last twelve months, as we continue to be there to support the surveying family around the world.

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

## **STRATEGIC REPORT 2023-2024**

2023/24 marked the final year of a five-year strategy which aimed to increase awareness of and engagement with LionHeart on the part of members of the Royal Institution of Chartered Surveyors (RICS) around the globe. It also saw a significant uptake in the demand on LionHeart's services, both in the UK and globally.

There have been no changes to LionHeart's 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

### **Operational Overview**

2023/24 saw an increase in demand on each of the charity's key services. In spite of that, feedback received indicated that the quality of service provision remained at a very high level.

Key highlights are as follows:

A total of 820 people were supported during the year, which represents a 10% increase on the prior year, and continues a trend in which demand for our services has risen by over 100% in the last five years. In end of service feedback over 80% of respondents rated the service received from LionHeart as 10/10.

A total of 1544 hours of counselling was delivered during the year, which represents an 8.5% increase on the prior year. 93% of those receiving counselling reported meaningful positive change in wellbeing (a 54% figure is considered "very good" based on a standard national scale).

A total of £581K in grants was awarded during the year, which represents a 29% increase on the prior year, and the largest grants figure in the charity's history.

A total of 200 individuals received legal support through LionHeart during the year, which represents an increase of 17.5% on the prior year.

Over 5,600 individuals attended a LionHeart professional or wellbeing webinar, with a further 2200 watching recorded LionHeart material online.

### **Operational Financial Overview**

The increase in the provision of services compared to the prior year is a definite positive for the charity, in delivering the mission for which it exists. However the resulting additional cost has an inevitable material impact, coming at a time when income right across the spectrum has dropped.

Donations by individual RICS members on the back of their annual RICS subscription has previously been a consistent source of income for LionHeart, but fell by 24% in 2023/24 (from £591k to £448k) as compared to the prior year, which represents a fall of 48% from the 2019/20 figure of £854k.

Income from other sources (excluding legacies, donations on the back of RICS subscriptions and investment income) has shown a similar decline, falling by 44% (from £443k to £247k) in 2023/24 as compared with the prior year, which represents a fall of over 50% from the 2019/20 figure of £505k.

With demand on the charity higher than ever, but reduced income across the key sources, this led to an operating deficit which required the charity to realise both long, and medium-term reserves. As these investments provide a vital element in the charity's funding model, this sets a sustainability challenge which will need to be addressed in the short term in order to move the dial back to a sustainable funding model.

### **Engagement with the surveying community**

We continued to reach RICS professionals, candidates and trainees at all stages of their surveying careers through our online training, with a varied range of wellbeing, personal and career development webinar topics. The staff team worked with our trainers to review and refresh content for seven of our titles, and added a further five topics. Some of these were developed in direct response to feedback from the professionals and partners with whom we work, including sessions on avoiding burnout, managing difficult conversations and supporting disability in the workplace. We also held a popular live online panel discussion and Q&A involving some of our male ambassadors as part of Men's Health Month in November.

Through a combination of live open webinars, which includes joint delivery with RICS, and sessions for corporate and education partners, we reached an audience of over 5,600 people. Recorded sessions, including the webinar library on the LionHeart website, reached a further 2,200 people, with some 30% of these viewers from outside the UK. Also in response to the increasing appetite for 'on-demand' content, we developed and launched the first LionHeart podcast series in September 2023. The initial series of six episodes, all centred on wellbeing subjects, and a Time to Talk Day 'special' in February has been accessed 351 times.

Our support for APC (Assessment of Professional Competence) candidates continued to go from strength to strength. APC practice presentations remain popular and many of these cases are straightforward, one-off sessions. Increasingly however, the Support Services team is supporting APC candidates experiencing anxiety, stress, or not eating or sleeping due to work pressures, and provides ongoing support and contact where required. An astonishing one in four calls during 2023/24 were in support of APC candidates.

Such interaction provides a valuable opportunity for LionHeart to engage with young professionals early on in their career. Many of them publicly thank us on social media after passing their APC, and also engage in fundraising and awareness raising activities, providing a rich source of advocacy and endorsement for LionHeart.

Our volunteer ambassador network continued to grow during the year with an increasing number of opportunities for ambassadors to represent LionHeart at face to face events and conferences. Our ambassadors have also contributed to online awareness-raising content including blogs, video and social media, helping us increase our reach, and championing the charity among their networks.

Social media remains a vital place for us to connect and engage with our supporters, fundraisers and service users. Our total audience grew by a further 15% during the year, representing a 117% rise in followers since 2020. Although LinkedIn remains our biggest platform (62% of total audience) our growing Instagram presence is helping reach a younger audience, with some 40% aged 18 to 34. We have also seen a rise in Facebook followers aged 65 plus.

Engagement of this nature also enables meaningful connections and conversations with individuals and firms. We increasingly see spontaneous positive posts, recommendations and comments from people who have used our services which really helps to consolidate our position as part of their professional sphere and a needed resource for surveyors.

A content marketing strategy, aligned to our services and the subjects in which we know our community is interested, continues to drive engagement and awareness. Over 2023/24 we had 54,000 website page views, with approximately 68% of our audience coming from the UK. As well as producing shareable content for RICS and our

corporate and education partners, throughout the year we sent over 115,000 email communications to our opted-in supporters, including quarterly newsletters and other occasional seasonal and fundraising messages.

Maximising good connections with RICS global staff and global networking ambassadors, we continued to widen awareness of LionHeart's services outside the UK. In the previous financial year, we were able to provide support to a significant proportion of the RICS members who had been living and working in Ukraine when war broke out. During 2023/24, we gave further financial support to a small number of members, either in Ukraine or as refugees from Ukraine.

Grant assistance remains the most needed service for RICS professionals outside the UK, although an increasing number are also accessing APC support as awareness of LionHeart's service grows.

### **Personal Beneficiary Stories**

These are just three stories of the people who have been supported by LionHeart during 2023/24, accessing a range of services.

#### **James's story**

James, a surveyor in his 50s, contacted LionHeart after a serious suicide attempt. The support officer he spoke to immediately put safeguarding measures in place, and supported him with regular calls over a period of several months during his medical treatment and recovery.

He said: "I called LionHeart after a serious suicide attempt. My support officer continued to support me and was instrumental in establishing mental health support and also legal advice in regards to my employer and employment status."

James was able to access legal advice through LionHeart and later agreed a phased return to work, with support in place. This meant he was able to keep his job.

He added: "LionHeart's staff went above and beyond to help me. The support I received was second to none and I can honestly say saved my life. I am now back at work and in the knowledge I have LionHeart by my side."

#### **Edward's story**

Chartered surveyor Edward was struggling with stress at work, while balancing the needs of his disabled wife who needed increasing support at home. It was his wife who initially suggested he contact LionHeart to get some support around stress management.

He said: "My wife suggested I needed help dealing with the exceptional amount of stress I was under; a combination of a very stressful work environment and my wife battling a disability at home. My counsellor was incredibly good and armed me with the tools to understand the sources of my stress and how to manage them effectively. She was very good at steering me to identify ways in which I was causing myself even more unnecessary stress. Some of the strategies I have put in place with her help will assist me for the rest of my life."

#### **Sita's story**

Sita contacted LionHeart after being made redundant from her surveying job. With other things going on in her life, it had been a bruising experience which left her professional confidence at an all-time low and unsure about how she should move forward.

She said: "I was really apprehensive about the future. I felt my support officer really understood what I had experienced and was totally empathetic but practical at the same time - a tricky double act to pull off!"

Sita was offered some coaching sessions to help improve her confidence, as well as support with her CV and interview skills.

### **A Great Place to Work**

The wellbeing of our staff remains key to LionHeart's operation, in maintaining a motivated team which is fulfilled in its day to day work. Feedback from staff on wellbeing, experience, and motivation is sought regularly using an anonymous all staff survey, and a Workplace Wellbeing Group has been established to ensure that staff-related issues have appropriate visibility.

A blended working model is now well established, alternating between working remotely and from the new Birmingham office, to ensure appropriate face to face interaction for collaboration and innovation.

A rolling review of HR policies continues, in liaison with our HR partner Safe HR, to ensure that policies remain in line with current legislation and best practice.

#### **OUR PLANS FOR 2024-25**

In the autumn of 2023 the charity initiated work with the consultancy Fairisle to develop a new strategy to take effect from September 2024. This process will involve engagement with key stakeholders and former beneficiaries, workshops with trustees and staff, and a rolling review by a strategy development team consisting of consultants, trustees and senior staff. Central to this process is a reflection on the theory of change LionHeart seeks to bring about on the part of the communities it serves.

The strategy development work will run through the summer of 2024, with the intention of presenting a proposed three year strategy for approval by the board of trustees in September 2024, supported by appropriate KPIs and a business plan.

With 2024 marking LionHeart's 125<sup>th</sup> anniversary, the event will be marked at various stages and in various locations during the year. That opportunity will be used to celebrate the service the charity has been able to make over such a long period, but also to promote a better understanding of its impact and the strategy which will be adopted for the next three years.

**P R W Sparke MA**  
**Chief Executive**

## TRUSTEES' REPORT

The Board of Trustees presents its combined annual report for the year from 1 April 2023 - 31 March 2024, 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 1 Cornwall Street, Birmingham B3 2DX. Its website is [www.lionheart.org.uk](http://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 Training and Wellbeing Team and the Support Services Team.

The Training and Wellbeing Team offers 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 provides advice that matters and support that counts. The team members' expert advice helps prevent life's challenges from becoming life's crises, and LionHeart's confidential, practical support helps people overcome those challenges. The team provides the following services, but everyone who calls is treated as an individual and, as such, the 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 reviews and updates the guidelines used by the Support Services Team to establish the parameters for financial assistance. The guidelines are reviewed to consider changes to the general cost of living, social security benefit rates and other support for those not working. The Support Services Team's decisions regarding individual grants are audited by trustees twice a year.

### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

Income for the year was £1,720k. Our overall expenditure was £2,515k as a result of increased activity and development of our services in accordance with the five-year strategy. Overall income was down on budget for the year due mainly to a reduction in income from donations with subscriptions, legacy and client account income. This was partially offset by increases in income from dividends and interest. Due to the cost-of-living crisis and a change in household costs calculations, the grant expenditures increased by 29% compared to the previous year. Acknowledging the resulting operating deficit of £795k, it is the trustees' intent to address this through the three-year strategy which will be launched in September 2024.

Alongside this operational position, LionHeart's financial assets increased over the year, due to a marked increase of £2,113k in investment valuations. 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 the 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 £2,514k. They are at the target level of free reserves and are intended to cover 12 months of budgeted expenditure.

Trustees aim to secure sufficient income from LionHeart's investment portfolio and regular donations to provide cover for expenditure and give less short-term reliance on fluctuating sources of income such as legacies.

## 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 £24,559k (2022-2023 £23,074k). These funds are made up as follows:

	<b>FY23/24</b>
	<b>£000's</b>
Income Fund	24,531
Fixed Assets Fund	28
<b>Total</b>	<b>24,559</b>

## 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 (2022-2023 £nil).

## 4. Pension Reserve

The pension reserve at the year-end is a surplus of £115k (2022-2023 surplus of £73k).

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 2023-2024 £27,188k (2022-2023 £25,818k), and this includes managed investments of £26,168k (2022-2023 £24,055k). Investment income in 2023-2024 was £907k (2022-2023 £947k). Donations from RICS members totalled £448k (2022-2023 £591k).

LionHeart has appointed two specialist investment management companies 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.

The trustees are aware of the operating deficit indicated earlier which they are seeking to address via a new strategy. However given the level of reserves currently held, they do not consider this to be a risk to the charity as a going concern.

## INVESTMENT POLICY AND PERFORMANCE

### Principal Investment Objective

LionHeart's investment objective, as set out in its Investment Policy Statement, 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 having previously been reviewed in 2019.

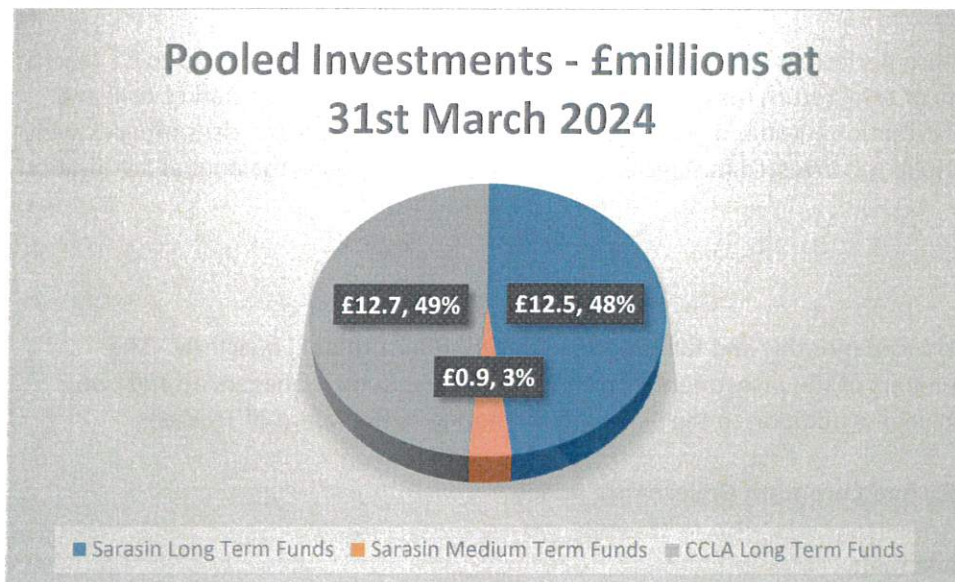
### Review of Fund Managers

The charity formally reviews its fund managers on a regular basis, at least five-yearly. A formal review, including a full procurement, was carried out during 2022. The next review will be no later than 2027. Investments are split across two fund managers on a 50/50 basis.

## POOLED INVESTMENTS

LionHeart has a number of pooled investments, which are managed by Sarasin & Partners and CCLA. Sarasin & Partners LLP and CCLA 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.

Sarasin 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 aim of the portfolio is to enhance the capital value over the longer-term whilst generating sufficient income to meet the requirements of the trust. A 'real return' of 4% per annum has been targeted as an appropriate long-term objective.

The benchmark used for the Fund went through a further strategic evolution on the 1<sup>st</sup> June 2023 and is now: 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 (Local Currency) (GBP) (10%), MSCI AC World (Net Total Return) (60%), SONIA + 2% (alternative assets) (10%).

The investment portfolio achieved a return over the 12 months to 31<sup>st</sup> March 2024 of 11.5% against the composite benchmark return of 15.5% (31/03/2023 -2.8% against a benchmark of -2.4%) and the ARC Steady Growth Charity Peer Group Index, which rose by 9.4%.

#### **Medium-term Portfolio – Sarasin Income & Reserves Fund**

The aim of the portfolio is to seek a consistently attractive level of income, whilst aiming to preserve the value of the capital over the short-medium term.

The benchmark used for the Fund went through a further strategic evolution on the 1<sup>st</sup> June 2023 and is now: ICE BofAML 1-10 Year Sterling Corporate & Collateralised (30%), ICE BofAML 1-10 Year UK Gilt Index (35%), MSCI AC World (Net Total Return) (20%), SONIA (5%), SONIA + 2% (alternative assets) (10%).

The investment portfolio achieved a return in the 12 months to 31<sup>st</sup> March 2024 of 5.4% against a composite benchmark return of 6.5% (31/03/2023 -8.4% against a benchmark of -8.4%) and the ARC Cautious Charity Peer Group Index, which rose by 3.6%.

#### **CCLA COIF Charity Ethical Investment Fund**

The multi-asset long-term fund achieved a return in the 12 months to 31 March 2024 of 13.11% against the Target Return of CPI+5% of 7.18% and a fund comparator benchmark return of 16.73%. Fund performance is shown after the deduction of all fees and expenses with income reinvested. Comparator returns are based on market indices which are not adjusted for management fees or expenses.

The Ethical Fund's Investment Objective is to provide a long-term total return comprising growth in both capital and income. It is benchmarked against a long-term total return of inflation (CPI) plus 5% per annum before costs.

The LionHeart Portfolio had a total return performance of 12.9% after fees and expenses for the period to 31 March 2024. It also aims to deliver a volatility of total return (risk) of significantly less than 100% equity market risk, and, from within total return, an income distribution (dividend) which is reliable from year to year and rises progressively over time. The fund in which the portfolio has invested has declared an intention to increase the annual distribution by 2% for calendar 2024.

#### **Reporting**

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

#### **Socially Responsible Investment Policy and Corporate Governance Policy**

LionHeart's Investment Policy stipulates that:

- 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 fund managers 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.

## **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 is 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. It is 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, which require that the number of elected members of the Board of Trustees be not fewer 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 online targeting both the property industry and the charity sector. LionHeart also advertises online through its own website and social media as well as other free channels. A full application process is followed, including an application form and interview, with good practice and equal opportunities guidelines observed throughout the process.

Trustees are actively encouraged to undertake training and development so that 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 Charitable Organisations 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 its approach. These are reviewed regularly and were substantially enhanced in 2023. Staff who work with people requesting help are aware of their safeguarding responsibilities, and LionHeart's 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 and refreshed in 2020. 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 completed a number of development activities during the previous financial year arising from the assessment of performance against the updated Code. This included an EDI review. A further assessment against the code will be carried out in another 2 – 3 years to provide assurance around progress, or when the code is updated.

### **Fundraising**

LionHeart income is largely from the following sources:

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

LionHeart has three 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.

### **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 their 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 in which 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. Monitoring 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 the last quarter of the previous financial year.

### **Patron**

The President of the Royal Institution of Chartered Surveyors is LionHeart's Patron. On 31 March 2024, the office holder was Tina Paillet FRICS.

### **Honorary Officers for 2023/24**

Chair	Peter McCrea
Vice Chair	Philippa Sampson-Bancroft, from June 2023
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:

Neil A'Bear  
Dayle Bayliss, resigned June 2023  
Andrew Carrick, resigned June 2023  
Diane Dumashie  
Simon Dunkling  
James Grierson, Vice Chair until June 2023  
Amy Dalton-Leader  
Caroline Legg  
Peter McCrea  
Philip Nell  
Philippa Sampson-Bancroft  
Shashi Sharma  
James Williamson  
Neil Worrall

### **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:**

Shashi Sharma	Trustee, Chair from June 2023
James Grierson	Trustee, Chair resigned June 2023
Mark Southwell	Co-opted
Lorna Wright	Co-opted, resigned November 2023
Neil Worrall	Trustee
Amy Dalton-Leader	Trustee, from June 2023
Diane Dumashie	Trustee, from June 2023
Doris Yuen	LionHeart, (non-voting member), left March 2024

## 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, resigned February 2024
Neil A'Bear	Trustee, Vice Chair from February 2024
James Grierson	Trustee, resigned June 2023
Philippa Sampson-Bancroft	Trustee
Chris Perkins	Co-opted
Doris Yuen	LionHeart, (non-voting member), left March 2024

## 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.

<b>Interim Chief Executive Officer</b>	Sarah Keeton, joined November 2023
<b>Chief Executive Designate</b>	Phil Sparke, joined March 2024
<b>Chief Executive</b>	Davina Goodchild, left December 2023
<b>Acting Head of Finance &amp; Corporate Services</b>	David Homer from March 2024
<b>Head of Finance &amp; Corporate Services</b>	Doris Yuen, left March 2024
<b>Head of Operations</b>	Juliet Smithson, left October 2023

## PROFESSIONAL ADVISERS

<b>Auditors</b>	Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG
<b>Solicitors</b>	Wilsons, Alexandra House, St Johns Street, Salisbury, SP1 2SB
<b>Investment Managers</b>	Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
<b>Bankers</b>	Unity Trust Bank PLC, Nine Brindley place, 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. Major risks identified include:

Volatility of income, from both investments and donations. To mitigate this the Investment Committee monitors performance, with donations by multiple methods encouraged. Sufficient reserves are held in case income falls significantly.

LionHeart's reliance on the RICS for a significant proportion of its income in the form of subscription donations.

### **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 £2m and costs £1k (2022-2023 £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 has 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 2024 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 5 September 2024 and signed on its behalf by:



Philippa Sampson-Bancroft FRICS  
Chair, Board of Trustees, LionHeart

## **Opinion**

We have audited the financial statements of LionHeart (The Royal Institution of Chartered Surveyors Benevolent Fund Limited) for the year ended 31 March 2024 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 2024 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](http://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 Charity Commission regulations, General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, 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, designing audit procedures over income, 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.



Kerry Brown, 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:** 07 October 2024

**STATEMENT OF FINANCIAL ACTIVITIES**

(Incorporating an Income and Expenditure Account)

FOR THE YEAR FROM 1 APRIL 2023 TO 31 MARCH 2024

		Unrestricted Funds	Year Ended 31 March 2024 Total £000	Unrestricted Funds £000	Year Ended 31 March 2023 Total £000
	Notes	£000	£000	£000	£000
<b>Income From:</b>					
Donations and Legacies	2	813	813	1,163	1,163
Investments	3	907	907	947	947
<b>Total Income</b>		<b>1,720</b>	<b>1,720</b>	<b>2,110</b>	<b>2,110</b>
<b>Expenditure on:</b>					
Raising Funds	4	42	42	58	58
Investment Management Fees	4	81	81	84	84
Charitable Activities	5	2,392	2,392	2,086	2,086
<b>Total Expenditure</b>		<b>2,515</b>	<b>2,515</b>	<b>2,228</b>	<b>2,228</b>
Realised Net Gains on Investments		0	0	18	18
Unrealised Net Gains / (Loss) on Investments		2,113	2,113	(1,406)	(1,406)
<b>Net Income/(Expenditure)</b>		<b>1,318</b>	<b>1,318</b>	<b>(1,506)</b>	<b>(1,506)</b>
<b>Transfers Between Funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Recognised Gains / (Losses):</b>					
Actuarial Gains / (Losses) on Defined Benefit Pension Scheme	20	52	52	(57)	(57)
<b>Net Movement in Funds</b>		<b>1,370</b>	<b>1,370</b>	<b>(1,563)</b>	<b>(1,563)</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward		25,818	25,818	27,381	27,381
<b>Total Funds Carried Forward</b>		<b>27,188</b>	<b>27,188</b>	<b>25,818</b>	<b>25,818</b>

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 24 to 39 form part of these financial statements.

**BALANCE SHEET AS AT 31 MARCH 2024**

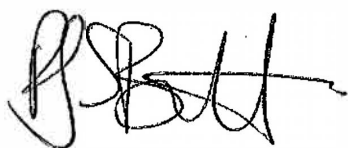
COMPANY REGISTRATION No. 980025

REGISTERED CHARITY No. 261245

		31 March 2024		31 March 2023	
	NOTES	£000	£000	£000	£000
<b>Fixed Assets</b>					
Intangible Assets	10		10		0
Tangible Assets	11		18		1
Investments: Pooled	12		26,168		24,055
Investments: Social	13		54		74
<b>Total Fixed Assets</b>			<b>26,250</b>		<b>24,130</b>
<b>Current Assets</b>					
Debtors	14	253		275	
Cash at Bank and in Hand		806		1,596	
<b>Total Current Assets</b>		<b>1,059</b>		<b>1,871</b>	
<b>Creditors</b>					
Amounts falling due within one year	15	(236)		(256)	
<b>Net Current Assets</b>			<b>823</b>		<b>1,615</b>
<b>Total assets less current liabilities</b>			<b>27,073</b>		<b>25,745</b>
<b>Creditors</b>					
Amounts falling due after one year			0		0
<b>Defined Pension Scheme Liability</b>	20		115		73
<b>Total Net Assets</b>			<b>27,188</b>		<b>25,818</b>
<b>Funds</b>					
Restricted Funds			0		0
Unrestricted Designated Funds			24,559		23,074
Unrestricted Free Funds			2,514		2,671
Pension Reserve			115		73
<b>Total Charity Funds</b>	17		<b>27,188</b>		<b>25,818</b>

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 5 September 2024.



Philippa Sampson-Bancroft FRICS

Chair, Board of Trustees, LionHeart

The notes on pages 24 to 39 form part of these financial statements.

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
		£000	£000
<b>Cash Flows from Operating Activities:</b>			
<i>Net Cash Provided by / (used in) Operating Activities</i>	<b>22</b>	<b>(1,658)</b>	<b>(820)</b>
<b>Cash Flows from Investing Activities:</b>			
Returns from Investments		907	947
Purchase of Property, Plant, Equipment & Intangibles		(39)	0
Proceeds from Sale of Investments		0	97
Purchase of Investments		0	(500)
<i>Net Cash Provided by / (used in) Investing Activities</i>		<b>868</b>	<b>544</b>
<b>Change in Cash and Cash Equivalents in the year</b>		<b>(790)</b>	<b>(276)</b>
Cash and Cash Equivalents at 1 April 2023		1,596	1,872
<b>Cash and Cash Equivalents at 31 March 2024</b>		<b>806</b>	<b>1,596</b>

## 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 1 Cornwall Street, Birmingham B3 2DX.

#### 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, 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 companies.

#### 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. We have taken the exemption available for charity trusts registered in England and Wales from providing the names of grant recipients and the amounts of the grants.

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.

#### **Pensions**

LionHeart operates defined benefit and defined contribution (money purchase) schemes. Note 21 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 2024 £000	Year ended 31 March 2023 £000
Donations from RICS members	448	591
Other cash donations	247	443
<b>Donations</b>	<b>695</b>	<b>1,034</b>
Legacies	108	119
Unrestricted grants	10	10
<b>Total</b>	<b>813</b>	<b>1,163</b>

## 3. Investment Income

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Dividends from pooled investment funds	771	796
Investment income	136	151
<b>Total</b>	<b>907</b>	<b>947</b>

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

#### 4. Cost of Raising Funds

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Costs of activities	2	6
Staff costs	40	52
<b>Total</b>	<b>42</b>	<b>58</b>
Investment Management Fees	81	84
<b>Total</b>	<b>123</b>	<b>142</b>

## 5. Charitable Expenditure by Activity

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Grant Making to Individuals</b>		
Grants approved	581	449
Staff costs	127	135
Depreciation	2	0
Other costs	0	0
Support & Governance	143	118
<b>Total</b>	<b>853</b>	<b>702</b>
<b>Advice and Beneficiary Support</b>		
Staff costs	223	230
Depreciation	3	1
Other costs	64	54
Support & Governance	252	214
<b>Total</b>	<b>542</b>	<b>499</b>
<b>Engagement and Communications</b>		
Staff costs	263	218
Depreciation	4	0
Other costs	11	26
Support & Governance	258	212
<b>Total</b>	<b>536</b>	<b>456</b>
<b>Workshops and Webinars</b>		
Staff costs	174	164
Depreciation	3	1
Other costs	83	35
Support & Governance	201	229
<b>Total</b>	<b>461</b>	<b>429</b>
<b>Total</b>		
Grants approved	581	449
Staff costs	787	747
Depreciation	12	2
Other costs	158	115
Support & Governance	854	773
<b>Total</b>	<b>2,392</b>	<b>2,086</b>

All expenditure is from unrestricted funds. Support & Governance costs are also shown in note 6.

## 6. Analysis of Support and Governance Costs

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Grant Making to Individuals</b>		
Staff costs	61	50
Consultancy	5	11
Information and technology costs	11	15
Other costs	36	22
Governance	30	20
<b>Total</b>	<b>143</b>	<b>118</b>
<b>Advice and Beneficiary Support</b>		
Staff costs	107	91
Consultancy	10	19
Information and technology costs	20	28
Other costs	64	39
Governance	51	37
<b>Total</b>	<b>252</b>	<b>214</b>
<b>Engagement and Communications</b>		
Staff costs	111	89
Consultancy	10	19
Information and technology costs	20	28
Other costs	64	39
Governance	53	37
<b>Total</b>	<b>258</b>	<b>212</b>
<b>Workshops and Webinars</b>		
Staff costs	87	97
Consultancy	8	21
Information and technology costs	16	30
Other costs	49	41
Governance	41	40
<b>Total</b>	<b>201</b>	<b>229</b>
<b>Total</b>		
Staff costs	366	327
Consultancy	33	70
Information and Technology Costs	67	101
Other costs	213	141
Governance	175	134
<b>Total</b>	<b>854</b>	<b>773</b>

All allocations are based on staff numbers.

## 7. Net income is stated after charging the following:

	Year Ended 31 March 2024 £000's	Year Ended 31 March 2023 £000's
Depreciation	12	2
Auditor's remuneration	16	16
Operating lease expenses incurred in the year	57	17
<b>Total</b>	<b>85</b>	<b>34</b>

## 8. Employees

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Staff costs comprise:		
Salaries	1,094	999
Social security costs	111	100
Other pension contributions	122	125
<b>Total</b>	<b>1,327</b>	<b>1,224</b>

All expenditure is from unrestricted funds.

The average number of employees during the year was 29 (2022-2023 29). Full time equivalents were 25.1 (2022-2023 25.2).

One employee earned emoluments in excess of £60,000 in the year (2022-2023 1) this was in the band £100,001 to £110,000 (2022-2023 £80,001 to £90,000). Pension contributions of £7k were made for this employee (2022-2023 £9k).

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 £271k (2022-2023 £206k). There were changes within the Senior Leadership Team during the year.

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

The Trustees and co-opted committee members received no remuneration during the year (2022-2023 nil). Some of the Trustees and co-opted members claim travelling and subsistence expenses and during the year a total of £5,662 was paid to 13 Trustees and co-opted committee members (2022-2023 £4,618 to 12).

## 10. Intangible Fixed Assets

	Year ended 31 March 2024 £000 Software Development
<b>Cost</b>	
At 1 April 2023	88
Additions	15
Disposals	0
At 31 March 2024	<u>103</u>
<b>Depreciation</b>	
At 1 April 2023	88
Disposals	0
Charge for year	5
At 31 March 2024	<u>93</u>
<b>Net book value</b>	
At 31 March 2024	<u>10</u>
At 31 March 2023	<u>0</u>

## 11. Tangible Fixed Assets

	Year ended 31 March 2024 £000 Office Equipment
<b>Cost</b>	
At 1 April 2023	63
Additions	24
Disposals	(4)
At 31 March 2024	<u>83</u>
<b>Depreciation</b>	
At 1 April 2023	62
Disposals	(4)
Charge for year	7
At 31 March 2024	<u>65</u>
<b>Net book value</b>	
At 31 March 2024	<u>18</u>
At 31 March 2023	<u>1</u>

## 12. Fixed Asset Investments

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Market value brought forward	24,055	25,041
Add additions to investments at cost	0	500
Less disposals at carrying value	0	-80
Add net gain (loss) on revaluation	2,113	-1,406
Market value as at 31 March	<u>26,168</u>	<u>24,055</u>

### Fixed Asset Investments by Type

	Year Ended 31 March 2024 £000's	Year Ended 31 March 2023 £000's
Pooled Investment Funds	26,168	24,055
Total	<u>26,168</u>	<u>24,055</u>

During the previous financial year, a second Investment Manager was appointed in CCLA, and 50% of the Sarasin Endowment Fund was transferred to a CCLA COIF Ethical Investment Fund.

## 13. Social Investments

	Year Ended 31 March 2024 £000's	Year Ended 31 March 2023 £000's
<b>Interest Free Loans with no Fixed Repayment Date</b>		
<b>Paid to Beneficiaries</b>		
Loans Outstanding at 1st April	205	210
Loans Repaid During the Year	-20	-5
Loans Outstanding at 31st March	185	205
<b>Provision for Bad Debts on Loans</b>		
Provision at 1st April	-131	-131
Provision Released in the Year	0	0
Provision at 31st March	-131	-131
<b>Net Loans Outstanding at 31st March</b>	<u>54</u>	<u>74</u>

#### 14. Debtors

	Year Ended 31 March 2024 £000's	Year Ended 31 March 2023 £000's
Taxation Recoverable	52	56
Prepayments and Accrued Income	201	176
Other Debtors	0	43
<b>Total</b>	<b>253</b>	<b>275</b>

#### 15. Creditors

	31 March 2024 £000	31 March 2023 £000
Trade creditors	20	73
Grant commitments	128	83
Accruals	53	65
Taxation and social security	24	26
Other creditors	11	9
<b>Total</b>	<b>236</b>	<b>256</b>

#### Grant Commitments

	31 March 2024 £000	31 March 2023 £000
Balance 1 April 2023	83	54
Additions	571	439
Paid	(526)	(410)
<b>Balance 31 March 2024</b>	<b>128</b>	<b>83</b>

#### 16. Net Assets

	31 March 2024 Unrestricted £000's	31 March 2024 Total £000's	31 March 2023 Unrestricted £000's	31 March 2023 Total £000's
Fixed Assets	28	28	1	1
Investments	26,222	26,222	24,129	24,129
Net Current Assets	823	823	1,615	1,615
Provisions	115	115	73	73
<b>Total</b>	<b>27,188</b>	<b>27,188</b>	<b>25,818</b>	<b>25,818</b>

## 17. Movement in Funds in the Year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2024 £000
Free reserves	2,671	1,681	(2,493)	655	0	2,514
Income fund	22,373	0	0	45	2,113	24,531
Development fund	700	0	0	(700)	0	0
Pension reserve	73	0	(10)	0	52	115
Fixed asset fund	1	39	(12)	0	0	28
Restricted fund	0	0	0	0	0	0
<b>Total</b>	<b>25,818</b>	<b>1,720</b>	<b>(2,515)</b>	<b>0</b>	<b>2,165</b>	<b>27,188</b>

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains / (losses) £000	Balance at 31 March 2023 £000
Free reserves	2,884	2,110	(2,211)	(112)	0	2,671
Income fund	23,349	0	0	412	(1,388)	22,373
Development fund	1,000	0	0	(300)	0	700
Pension reserve	145	0	(15)	0	(57)	73
Fixed asset fund	3	0	(2)	0	0	1
Restricted fund	0	0	0	0	0	0
<b>Total</b>	<b>27,381</b>	<b>2,110</b>	<b>(2,228)</b>	<b>0</b>	<b>(1,445)</b>	<b>25,818</b>

### Designated Funds

The Income Fund has been designated by the Trustees to provide future income for the charity to continue its activities indefinitely. This is predominantly made up of investment holdings.

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 any deficit on the defined benefit pension scheme. The balance at close on the 31<sup>st</sup> of March 2024 reflects the surplus on the 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.

## 18. Commitments Under Operating Leases

At 31 March 2024, the charity had one operating lease with a commitment of £37k within one year (2023 £37k) and £37k greater than one year, but less than five years (2023 £74k).

## 19. Capital Commitments

At 31 March 2024, the charity had no capital commitments (2023 £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 is also one pension member 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 2024 based on the following assumptions:

Assumed life expectations from age 65 are:

		<b>31 March 2024</b>	<b>31 March 2023</b>
Life expectancy from age 65 (years)			
Retiring today			
	Males	21.6	21.9
	Females	23.7	23.9
Retiring in 20 years			
	Males	22.9	23.1
	Females	25.5	25.8

The estimated Macauley duration of the employer as of the 31<sup>st</sup> of March 2024 is 15 years.  
The financial assumptions used to calculate the results are as follows:

	<b>31 March 2024</b>	<b>31 March 2023</b>
Financial assumptions		
	% pa	% pa
Discount rate	4.90%	4.80%
Pension increases	2.95%	2.90%
Salary increases	3.95%	3.90%

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

	31 March 2024 £000	31 March 2023 £000
Present value of the defined benefit obligation	1,415	1,361
Fair value of fund assets (bid value)	2,679	2,452
Deficit / (Surplus)	<b>(1,264)</b>	<b>(1,091)</b>
Impact of asset ceiling	1,149	1,018
Net defined benefit liability / (asset)	<b>(115)</b>	<b>(73)</b>

The analysis of the assets of the scheme is as follows:

	31 March 2024 £000	31 March 2023 £000
Equities	1,622	1,442
Target return funds	462	456
Infrastructure	308	310
Property	245	241
Cash	42	3
<b>Total</b>	<b>2,679</b>	<b>2,452</b>

Reconciliation of defined benefit obligation:

Opening defined benefit obligation	1,361	2,259
Current service cost	30	45
Interest cost	65	59
Contributions by members	7	7
Estimated benefits paid, net of transfers in	(25)	(23)
Change in financial assumptions	(10)	(704)
Experience gain / (loss) on defined benefit obligation	3	(330)
Past service costs including curtailments	0	0
Change in demographic assumptions	(16)	48
<b>Closing defined benefit obligation</b>	<b>1,415</b>	<b>1,361</b>

Reconciliation of fair value of employer assets:

Opening fair value of employer assets	2,452	2,404
Interest on assets	118	63
Contributions by members	7	7
Contributions by employer, including unfunded	17	27
Return on assets less interest	111	(31)
Administration expenses	(1)	(1)
Estimated benefits paid plus unfunded transfers in	(25)	(23)
Other actuarial gains	0	6
<b>Closing fair value of employer's assets</b>	<b>2,679</b>	<b>2,452</b>

The total return on fund assets for the year to 31 March 2024 was £229k (2022-2023 £32k).

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

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Service cost	30	45
Net interest on the defined liability	(4)	(4)
Administration expenses	1	1
Total loss / (profit)	<u>27</u>	<u>42</u>

**Remeasurements in other comprehensive income:**

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	111	(31)
Other actuarial gains / (losses) on assets	0	6
Change in financial assumptions	10	704
Change in demographic assumptions	16	(48)
Experience gain / (loss) on defined benefit obligation	(3)	330
Changes in effect of asset ceiling	(82)	(1,018)
Remeasurement of the net assets / (defined liability)	<u>52</u>	<u>(57)</u>

**Reconciliation of asset ceiling:**

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Opening impact of asset ceiling	1,018	-
Interest on asset ceiling	49	-
Actuarial losses / (gains)	82	1,018
Closing impact of asset ceiling	<u>1,149</u>	<u>1,018</u>

The asset ceiling is the present value of any economic benefit available to LionHeart in the form of refunds or reduced future employer contributions. The approach taken was to restrict the surplus with an asset ceiling. The asset ceiling is calculated as the difference between the accounting surplus attributable to Lionheart and the surplus limit. The surplus limit is calculated as the future cost of accrual, calculated in line with the discount rate, minus the present value of the certified contributions payable by LionHeart.

## Projected pension expense for the period to 31 March 2025

Analysis of projected amount to be charged to the statement of financial activities for the year to 31 March 2025:

	1 April 2024 to 31 March 2025 £000
Service cost	29
Net interest cost	(6)
Administration expenses	1
<b>Total charge</b>	<b>24</b>
Estimated employer's contributions	<b>17</b>

Estimated employer's contributions at 15% from 1 April 2023 (previous rate 25.7%).

## 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 2024 £000	Year Ended 31 March 2023 £000
<b>Net income / (expenditure) for the year</b>	<b>1,318</b>	<b>(1,506)</b>
Depreciation and amortisation	12	2
Disposal of social investment	20	6
(Gains) / losses on investments	(2,113)	1,388
Change of provision - bad debts	0	0
Defined benefit pension scheme adjustment	10	15
Returns on Investments	(907)	(947)
(Increase) / decrease in debtors	22	124
Increase / (decrease) in creditors	(20)	98
<b>Net cash provided by / (used by) operating activities</b>	<b>(1,658)</b>	<b>(820)</b>

## 23. Financial Instruments

	31 March 2024 £000	31 March 2023 £000
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	26,168	24,055
Financial assets that are debt instruments measured at amortised cost	1,091	1,909
	<u>27,259</u>	<u>25,964</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(236)</u>	<u>(256)</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 social investments, 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 2024 £000	31 March 2023 £000
Total investment income for financial assets measured at fair value through income and expenditure	907	947
Net gains / (losses) on financial assets measured at fair value through income and expenditure	<u>2,113</u>	<u>(1,388)</u>

## 24. Reconciliation of Net Debt

	1 April 2023 £000's	Cashflows £000's	31 March 2024 £000's
Cash	1,596	(790)	806
Finance Lease Obligations	0	0	0
<b>Total</b>	<b>1,596</b>	<b>(790)</b>	<b>806</b>

