

The William Leech Research Fund  
Trustee's report and financial statements  
for the year ended 31 March 2021

**Registered Charity Number 1127350**

The William Leech Research Fund  
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for the year ended 31 March 2021  
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# **The William Leech Research Fund**

## **Directors and advisors for the year ended 31 March 2021**

### **Trustee**

The William Leech Foundation Limited

### **Directors of the Trustee Company**

Andrew Brown OBE BSc FRICS

(Chairman)

Alice Ambrose-Thurman BA ACA ACIS

Paul Burrage BSc FCA

Maureen Dixon

John Harrison BSc ACA

Philip Poole FCCA

Angela Russell BA FCA CPA

Bill Seddon BSc (Econ) CFA

John Stansfeld CEng FI MarEST MI Mech E

Hugh Welch MA

(Senior Director)

### **Secretary and Registered Office**

Ken Quinn BA FCA

Saville Chambers

5 North Street

Newcastle upon Tyne

NE1 8DF

### **Independent Auditors**

MHA Tait Walker

Chartered accountants and statutory auditors

Bulman House

Regent Centre

Newcastle upon Tyne

NE3 3LS

### **Bankers**

Lloyds Bank plc

102 Grey Street

Newcastle upon Tyne

NE99 1SL

### **Solicitors**

Womble Bond Dickinson LLP

St Ann's Wharf

112 Quayside

Newcastle upon Tyne

NE99 1SB

### **Investment Manager**

CCLA Investment Management Limited

85 Queen Victoria Street

London

EC4V 4ET

# **The William Leech Research Fund**

## **Report of the trustee for the year ended 31 March 2021**

The William Leech Research Fund ('the Research Fund' or 'the Trust') is a charity constituted by Trust Deed. The Trust was formerly known as The William Leech Research Fellowship in Applied Christian Theology. The name was changed on 13 September 2018 following a review of the Trust Deed and the objects of the Trust.

As trustee The William Leech Foundation Limited ('the trustee' or 'the Trustee Company'), a company incorporated in England and Wales, presents the report and audited financial statements of the Research Fund for the year ended 31 March 2021. The financial statements have been prepared in accordance with the Declaration of Trust, the statement of accounting policies set out on pages 17 and 18, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Legal and administrative information set out on page 1 forms part of this report.

### **Objectives and activities**

The trustee is also the trustee of The William Leech Foundation Limited - The Foundation Trust ('The Foundation Trust') and The William Leech Foundation Limited - The Charity Trust ('The Charity Trust'). The income of The Foundation Trust is to be applied in equal shares for the benefit of The British and Foreign Bible Society, Church Mission Society, The Methodist Church in Britain, The Salvation Army and The Society for Promoting Christian Knowledge (collectively known as 'the Five Charities'). The income of The Charity Trust is to be applied for charitable purposes and since 1973 all of its income has been distributed to the Five Charities in equal shares, save in circumstances which the Board of the Trustee Company considered to be exceptional.

In 1987 The Charity Trust established The William Leech Professorial Fellowship in Applied Christian Theology based at either Durham University or the University of Newcastle upon Tyne. The host university previously held the endowment fund. In 2008 the trustee became concerned about the ability of the endowment fund to sustain further five-year appointments at professorial level. A working party reviewed the structure and finances of the Professorial Fellowship and also the nature of the research being undertaken. As a result the Trust was established and vested in The William Leech Foundation Limited as trustee under a Declaration of Trust dated 22 December 2008. Under the terms of a Deed of Gift and Dissolution between the trustee and Durham University the funds held previously by Durham University on behalf of The William Leech Professorial Fellowship were transferred to the Trust on 9 June 2009. A new Management Committee was created to oversee the research projects. Its current members are:

Professor Robert Song (Chair)

Dr Jocelyn Bryan

Rt. Rev. John Pritchard (holds one share in the Trustee Company)

Dr Anna Rowlands

Hugh Welch (representing the Trustee Company)

Margaret Vaughan (holds one share in the Trustee Company)

Members of the Management Committee are appointed by the trustee upon receiving nominations from the Management Committee. Up to two members (and at least one member) may be directors of the Trustee Company. Members serve for a term of three years and may serve up to a maximum of three terms unless there are exceptional circumstances and the trustee resolves otherwise.

## The William Leech Research Fund

The Research Fund intends to focus on shorter-term research-based appointments, usually lasting no more than one year, and on grants towards research projects. The objects of the Research Fund are the advancement of religion for the benefit of the public by the award of grants to support research and theological reflection on social, economic and pastoral issues of relevance to the mission and ministry of churches of the North East of England and to the communication of the Christian gospel in the contemporary context of the UK. The research will be undertaken in ways that involve engagement with the church community, and the useful findings of this research will be disseminated to the churches and the wider public. When awarding grants, the trustee shall express a preference for persons who intend to reside in the North East of England for the duration of their work, in order to facilitate active engagement in the region and the dissemination of their research.

The name and objects of the Research Fund were changed in 2018 (i) to reflect the fact that ‘Applied Christian Theology’ does not reflect current best thought about the relation of theology and practice; and (ii) to recognise the possibility that grants might be made to organisations to conduct research in which it would be inappropriate to identify a particular Fellow.

The trustee referred to the Charity Commission’s general guidance on public benefit when setting the Trust’s aims and objectives and is satisfied that the requirements have been met.

During the financial year the Trustee Company approved two new grants totalling £49,489 on the advice of the Management Committee:

Rev Dr Andrew Byers was appointed to research how the free churches can effectively identify and train younger church leaders indigenous to the North East. The 11-month project started in October 2021 and is based at St John’s College, Durham.

Professor Fred Robinson was appointed to research how Christian organisations in the North East should respond to the problems of tainted money. The one-year appointment started on 1 January 2021 and is based at St Chad’s College, Durham.

Two other projects were active in the financial year:

Alex Fry was appointed to research the relationship between wellbeing, faith and religiosity amongst adults in the North East of England. The appointment was for a two-year period and was based at St John’s College, Durham. The Trust released Alex Fry from the project after he was offered a three-year research post. He was, however, able to complete his report, which was well-received.

Alison Merritt-Smith was appointed to research the relationship between the Shielling project in the Shieldfield area of Newcastle and the ownership of land in the community. The appointment was for a one-year period and was based at the Holy Biscuit in Shieldfield. The project is on hold due to COVID-19 related issues.

Further information on the research produced with support from the Research Fund can be found on the Trust’s website - <http://leechresearchfund.org/>

In the financial year the Trust received a refund of a grant previously made, but not spent, amounting to £3,072 (2020: £22,163).

# **The William Leech Research Fund**

## **Structure, governance and management**

The Nominations and Remuneration Committee of the Trustee Company has continued to provide a formal, rigorous and transparent procedure for the appointment of directors to the Board. Membership consists of four directors, including the Chairman, Senior Director and two other directors. The members should include at least one independent director and at least one of the directors from the five nominated by the Five Charities. The current members are Andrew Brown, Philip Poole, John Stansfeld and Hugh Welch.

Under the Trustee Company's current articles of association directors are appointed for a term of three years after which they retire and are eligible for re-appointment. Directors who have served more than 12 years are eligible for re-appointment for further terms of one year. The Trustee Company has expressed a preference that the term of directors is limited to nine years, unless there are exceptional circumstances. The Nominations and Remuneration Committee continues to look for persons with the necessary skills to make a positive contribution to the Board, who are sympathetic to the Trustee Company's aims and can make a positive impact on its diversity.

New directors receive a letter of appointment and an induction pack, which includes the articles of association, a short history of the Trustee Company and its structure, annual financial statements, Board minutes, terms of reference of the sub-committees, latest financial forecasts, investment reports and any other documents considered to be of importance.

The trustee retains the responsibility for all aspects of the governance and stewardship of the Trust. However, certain functions have been delegated to the Management Committee. The trustee approved formal Terms of Reference of the Management Committee on 31 March 2009 and these were updated on 24 April 2018. The Management Committee is responsible for the recruitment of research fellows, supporting the fellows during their term of office and monitoring their work. The trustee receives quarterly progress reports on the work of the Management Committee. The Management Committee is obliged to seek approval from the Trustee Company for all appointments and grants. If the approval of a grant falls outside the meeting cycle of the Trustee Company, the Chairman and another director of the Trustee Company can give approval. The trustee is grateful for the continuing support of the Management Committee and is confident that it will be able to assist the trustee in meeting the objectives of the Trust.

The Investment Committee of the trustee was established to review investment objectives, asset allocation, ethical investment policy and the performance of the Investment Manager. It also makes recommendations to the Board concerning the appointment of the Investment Manager and the establishment of suitable benchmarks. The Investment Committee normally meets with the Investment Manager each year. The Investment Committee oversees the investment policy of the Trust, whose Trust Deed contains the power to invest on a total return basis. The current members are Andrew Brown, Philip Poole, Ken Quinn, Angela Russell and Bill Seddon.

The Board meets at quarterly intervals at which the directors receive reports from the Investment Committee and the Investment Manager. The Board considers investment management, reserves, distribution and risk management policies, and the performance of the Investment Manager against a range of measures. The day-to-day administration of the Trust is delegated to the Secretary.

Directors' indemnity insurance has been in place for the whole of the year ended 31 March 2021 and also covers the members of the Management Committee.

The trustee is a member of the Church Investors Group. This acts as a forum to enable members to share information and views on ethical, social responsibility and corporate governance matters relating to investment.

# The William Leech Research Fund

## **Risk management**

The Board of the Trustee Company has examined the principal areas of the Trust's operations and considered the major risks in each of these areas. The Trustee Company maintains a detailed risk register which is kept under regular review. The directors have identified the principal risks to the organisation as being:

1. Investment risks:
  - Macro-economic and market conditions
  - Investment manager risk
2. Governance and key personnel risks
3. Fraud
4. Reputational risk

Consideration and management of these risks is a key dimension of Board agendas, and pages 10 and 11 summarise current risk mitigation strategies and assessment of risk profile. The Board continued to function well throughout the COVID-19 pandemic and despite working remotely the directors were able to meet using videoconferencing technology. Home working procedures established previously ensured that there was no interruption to the business. The Trust's investment portfolio has recovered the ground it lost due to COVID-19 concerns in the previous financial year, as better news about vaccines and the unprecedented fiscal support from governments supported the stock markets. The trustee considers that the portfolio is invested diversely and as a long-term investor the portfolio is well-placed to weather any market volatility.

In the opinion of the Board of the Trustee Company the Trust has established resources and systems which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

## **Financial review and investment policy**

The Trust's investment strategy is a total return approach to the investment of the permanent endowment. The trustee believes that the investment objectives should over the long term enable the Investment Manager to produce greater investment returns and so in due course this should lead to more resources being available to fund research posts.

In accordance with the Trust Deed, the trustee confirms that in identifying the value of the portion of the permanent endowment that represented unapplied total return, the trustee identified the value of the initial founding gift in 1987; and when determining the amount of unapplied total return to transfer to income the trustee has considered the amount of income required to fund research projects now and in the future; and when reaching the decision as to the unapplied total return to transfer to income, the trustee has taken professional advice from the Investment Manager regarding the market outlook, investment trends and yield and the prospects for future capital growth.

Since 8 February 2018 the investment portfolio has been invested in the COIF Charities Ethical Investment Fund run by CCLA Investment Management Limited. This is a multi-asset common investment fund, designed for smaller charities, and has a composite benchmark, which is set by the Investment Manager, based on a number of asset classes.

The fund's investment criteria are broadly in line with the approved ethical investment policy (see pages 8 and 9). As at 31 March 2021 the asset allocation of the COIF Charities Ethical Investment Fund was global equities 64.5%; UK equities 12.7%; infrastructure and operating assets 9.0%; contractual income 3.3%; property 4.2%; liquid assets 4.9% and private equity 1.4%. With the possibility that units may have to be liquidated to fund research projects and given the small size of the Trust's endowment fund the Board of the Trustee Company considers that it remains appropriate to be invested through a common investment fund rather than directly-held investments.

# **The William Leech Research Fund**

The Investment Manager reports to the Trustee Company at quarterly and annual intervals. These reports include economic and market reviews, transaction details and portfolio valuations.

The Trust's work is entirely dependent on the investment returns from the endowment fund. During the financial year the trustee transferred a total of £64,000 (2020: £30,000) from the unapplied return of the fund to meet the cost of approved grants and the governance costs of the Trust.

The risk profile of the investment portfolio is medium. The Trust is a long-term investor and the trustee, on professional advice, remains of the view that a portfolio weighted towards equities is appropriate.

## **Achievements and performance**

### **Investments**

As at 31 March 2021 the portfolio was valued at £2,245,104. In the year ended 31 March 2021 the total return was 23.9%. In the financial year the Retail Prices Index ('RPI') and the Consumer Prices Index ('CPI') rose by 1.5% and 0.7% respectively. Over the five-year period to 31 March 2021, the total return was 64.8%. Over the same period RPI and CPI rose by 13.7% and 9.2% respectively.

The portfolio's total return of 23.9% was 1% better than the investment manager's comparator benchmark index. With governments providing unprecedented support and the development and roll-out of vaccines, the stock markets have been able to look beyond the pandemic to better times ahead and this has fed through into the performance of the Trust's investments.

### **Reserves policy**

The policy is to hold sufficient reserves in the unrestricted fund to meet the Trust's financial commitments. At 31 March 2021 there was a balance of £4,567 (2020: £2,756) in the unrestricted fund. In future the trustee intends to transfer sufficient funds to the unrestricted fund that will allow the Trust to meet its funding obligations. This policy is reviewed annually.

### **Plans for future periods**

It is expected that the Trust will take steps to raise its profile through a series of academic seminars and events and will make further grants in the coming financial year.

In January Adam O'Taylor and David Barclay began work on a scoping exercise to investigate whether there are other bodies around the region who might be willing to work in partnership with the Leech Research Fund. This has been partly inspired by the example of the Centre for Theology and Community in the East End of London, where different organisations have teamed up to provide a highly effective and visible centre for equipping churches for their mission through education, mission and research. They are currently engaging a wide variety of potential contacts across the North-East, and will be reporting formally to the July meeting of the Management Committee. The exercise cost £12,000 and this has been charged as a legal and professional services cost under Governance Costs – see note 3 to the financial statements.

### **Statement of trustee's responsibilities**

The trustee is responsible for preparing the report of the trustee and the financial statements in accordance with applicable law and regulations.

Under that law the trustee has prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under that law the trustee must not approve the financial statements unless it is satisfied that they give a true and fair



# The William Leech Research Fund

view of the state of the affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable the trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. The trustee is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

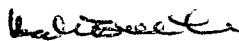
## Appointment of auditors

A resolution for the re-appointment MHA Tait Walker as auditors of the Trust is to be proposed at the forthcoming annual general meeting.

Approved by the trustee and signed on its behalf by:



Andrew Brown  
Director



Hugh Welch  
Director

21 July 2021

# **The William Leech Research Fund**

## **Ethical investment policy and practices for the Research Fund**

**as adopted by the trustee on 29 January 2019**

Our policy is to invest in a manner consistent with the promotion of the objects and principles of the Five Charities. We aim to strike a balance between investing in ways that take account of Christian principles and ethical considerations and securing strong financial returns for the Five Charities over the long term. It is our opinion that in the long term an ethical investment policy along the lines set out below is unlikely to be of significant detriment to rates of investment return. We have prepared this policy in consultation with the Five Charities and with the advice of Investment Managers, who have expressed themselves as being content with it, but recognise that this policy is ultimately the responsibility of the directors.

Through our membership of the Church Investors Group, we will share our perspectives with other like-minded investors and together will aim to encourage companies to perform in an ethical and responsible manner.

We are signatories of the Financial Reporting Council's Stewardship Code and encourage our Investment Managers to vote actively on our behalf in shareholder resolutions relating to responsible corporate practices, and we expect our Investment Managers to report to us regularly on how those votes have been exercised. Expertise in Environmental Social and Governance investment issues is one of the criteria we use to select our Investment Managers; we will also consider the ethical credentials of the Investment Managers themselves in making that appointment.

Given our modest scale, we do not believe that it is appropriate for us to invest proactively in shares purely on the basis of their ethical merits, for example to support companies which are pioneering green technologies, except when our Investment Managers advise us that they would like to add such shares to our holdings as a sensible part of our portfolio investment strategies.

### **Collective investments**

The portfolio of the Research Fund is invested in a collective investment fund run by CCLA. The ethical investment policies adopted by the fund broadly complies with the guidance of the Church of England Ethical Investment Advisory Group (EIAG)'s Statement of Ethical Investment Policy. We will continue to liaise with the manager of the fund and monitor any changes in their ethical investment policies.

There will be times when it is prudent to hold other collective investments in order to access less liquid parts of the markets and achieve adequate diversification within our portfolio, for example to invest in smaller companies, property funds or companies listed in the emerging markets. We recognise, however, that there are particular challenges in screening the ethical credentials of all the component parts of some collective investments. We will therefore review regularly the rationale for such investments and the extent to which they may include holdings that would normally be excluded by EIAG guidelines, and we will not invest in those collective funds where we consider it likely that such holdings might exceed 10% of their value.

### **Cash investments**

When making cash deposits we will not use any banks in whose shares EIAG would recommend we should not invest.

# **The William Leech Research Fund**

## **Directly-held stock market investments**

Were we to hold directly-held stock market investments we would instruct our Investment Managers to follow the EIAG guidelines in the selection of our investments. We believe that this guidance broadly reflects the Christian ethical perspectives of the Five Charities and that it is helpful to draw upon EIAG's expertise in such matters. The EIAG guidelines are also readily available to our Investment Managers and will therefore be a helpful and clear point of reference for them. Recognising that we should not bind ourselves absolutely to the views of an external body, we will review EIAG guidance on a regular basis to assess how far it remains appropriate for us, particularly as major new areas of exclusion are brought in or as existing restrictions are reconsidered. In exceptional circumstances we may choose additionally to instruct our Investment Managers to avoid stocks that are not specifically excluded by EIAG guidance, but given our limited specialist expertise in making such assessments we expect this to be infrequent.

## **Monitoring and review**

We will monitor our adherence to these principles. We will formally review this policy as a whole every three years. If the findings of our periodic review show a significant detrimental financial impact that is expected to persist in the long term, then we will discuss with the Five Charities whether or not the policy should be amended.

***More information about EIAG and its policies may be found at:  
[www.churchofengland.org/about-us/structure/eiag.aspx](http://www.churchofengland.org/about-us/structure/eiag.aspx)***

# The William Leech Research Fund

## Risk management statement

The Trustee Company's approach to the management of risk is designed to enable the Board to proactively identify and manage risks to support the achievement of the Trust's objectives. The Board is responsible for ensuring that adequate systems of risk management are in place and that it has a consistent appetite for risk and that the level of risk is commensurate with achievement of its objectives. A key part of the process is the maintenance of a detailed Risk Register, which is reviewed regularly with any significant changes being reported to the Board. The Board has identified a number of key risks and these are set out below together with an explanation of its mitigation strategies and assessment of each risk.

| KEY RISK AREA   | MITIGATION STRATEGIES  |
|---|--|
| <b>1. Investment risks</b><br><br>a) <b>Macroeconomic and market conditions</b> (including exchange rate, interest rate and inflation risks) could reduce our ability to deliver long-term real growth of income to our beneficiaries | <ul style="list-style-type: none"> <li>Although we will always be exposed to short-term market volatility, our investments are well diversified with a portfolio of global as well as UK equities, to spread risk. The Board considers that a globally diversified portfolio is a good hedge from the risks arising from the UK leaving the European Union.</li> <li>As a long-term investor we consciously hold a weighting towards equities, as we believe this offers the best prospects of protecting our endowment against inflation and delivering real growth over the long term.</li> <li>Our investments in the COIF Charities Ethical Investment Fund can be liquidated easily in the short term, enabling us to sustain short-term distributions even when interest or dividend rates are low.</li> <li>We do not hedge currency risk because we believe the costs of doing so outweigh the benefits, given our liquidity and long-term perspective.</li> </ul> <p><i>Assessment: Despite the development of vaccines there remain concerns about a cohesive global recovery. With the possibility that the unprecedented stimuli provided by governments might give rise to inflation, it is likely that markets will remain volatile. Because of the long-term nature of our endowment and our ability to smooth flows of income to beneficiaries, we believe we are in a good position to ride out shorter-term fluctuations and risk in economic and market conditions.</i></p> |
| b) <b>Investment Manager risk</b> – underperformance by our manager could reduce the returns we are able to deliver.  | <ul style="list-style-type: none"> <li>An annual meeting is held with our manager to monitor their performance.</li> <li>We compare the manager's performance against external benchmarks to help hold them to account.</li> <li>Our policy is to carry out regular re-tendering exercises for investment management services.</li> </ul> <p><i>Assessment: The performance of the investment manager since appointment in 2018 has been very satisfactory. The Investment Committee will continue to monitor performance against a range of measures.</i></p>   |

## The William Leech Research Fund

| KEY RISK AREA   | MITIGATION STRATEGIES  |
|---|--|
| <p><b>2. Governance and key personnel risks</b></p> <p>As a small organisation we have a higher than average dependency on our two members of staff, and rely on having sufficient specialist expertise on our Board.</p> | <ul style="list-style-type: none"> <li>• Appointing five independent directors allows specific skills to be recruited where these are not already in place through our five charity-nominated directors.</li> <li>• An annual Board self-assessment process takes place to monitor the quality of our governance.</li> <li>• Careful documentation of procedures and records has been set up to enable new staff/advisers to pick up information quickly should our staff leave or be incapacitated unexpectedly.</li> </ul> <p><i>Assessment: We believe that we have good levels of governance and access to appropriate expertise. The changes to the Board in recent years have increased its diversity and the appointment of Andrew Brown as Chair will help ensure continuity. Whilst there will always be a risk relating to the loss of key staff members, we have good continuity measures in place.</i></p> |
| <p><b>3. Fraud</b></p> <p>We need to be vigilant about the risks of internal and external fraud impacting upon our operations, and ensure our funds are used for their proper charitable purposes.</p>                    | <ul style="list-style-type: none"> <li>• Two signatories are required for payments in excess of £1,000.</li> <li>• External auditors are required to look out for potential material irregularities, and have direct access to the Chairman as well as reporting specifically on this area each year.</li> <li>• We place reliance on the systems and internal audit operations of our Bankers and Investment Manager as regulated bodies.</li> </ul> <p><i>Assessment: Within the practical constraints of a small organisation we believe we have taken all reasonable steps to prevent fraud.</i></p>   |
| <p><b>4. Reputational risk</b></p> <p>William Leech itself is a relatively low-profile organisation, but our policies and behaviours could impact on the reputation of the Five Charities.</p>                            | <ul style="list-style-type: none"> <li>• We have adopted and implemented an ethical investment policy and aim to follow the recommendations of the Church of England's Ethical Investment Advisory Group (EIAG).</li> <li>• We maintain high professional standards in our handling of relationships with professional advisers.</li> </ul> <p><i>Assessment: Given that we follow ethical guidelines established by the ELAG, we consider it unlikely that the Leech benefactions would be the particular target of adverse publicity – although some pressure groups might want us and other church investors to adopt stronger policies in specific areas. The Trustee Company reviewed the ethical investment and policy statement in the year ended 31 March 2019 and a revised statement was adopted on 29 January 2019.</i></p>   |

# **The William Leech Research Fund**

## ***Independent auditors' report to the trustee of The William Leech Research Fund***

### **Opinion**

We have audited the financial statements of The William Leech Research Fund (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standard, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming 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 Charities Act 2011.

### **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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustee is responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# The William Leech Research Fund

## **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustee**

As explained more fully in the Statement of Trustee's Responsibilities (set out on pages 6 and 7), the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; anti – bribery and corruption; and compliance with the UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

# **The William Leech Research Fund**

## **Use of our report**

This report is made solely to the charity trustee in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustee those matters we are required to state to trustee in an auditors' 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 charity and its trustee for our audit work, for this report, or for the opinions we have formed.

.....  
Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date:

MHA Tait Walker is a trading name of Tait Walker LLP



# The William Leech Research Fund

## Statement of financial activities for the year ended 31 March 2021

|  | Note | Unrestricted fund<br>£ | Endowment fund<br>£ | Total funds<br>2021<br>£ | Unrestricted fund<br>£ | Endowment fund<br>£ | Total funds<br>2020<br>£ |
|--|------|------------------------|---------------------|--------------------------|------------------------|---------------------|--------------------------|
| <b>Income</b>  |      |                        |                     |                          |                        |                     |                          |
| Investment income  | 2    | -                      | 68,469              | 68,469                   | -                      | 66,825              | 66,825                   |
| <b>Total income</b>  |      | -                      | 68,469              | 68,469                   | -                      | 66,825              | 66,825                   |
| <b>Expenditure</b>   |      |                        |                     |                          |                        |                     |                          |
| Charitable activities:                                       |      |                        |                     |                          |                        |                     |                          |
| expenditure on charitable activities                         | 3    | 62,189                 | -                   | 62,189                   | 29,792                 | -                   | 29,792                   |
| <b>Total expenditure</b>                                     |      | 62,189                 | -                   | 62,189                   | 29,792                 | -                   | 29,792                   |
| <b>Net income/ (expenditure) before gains on investments</b> |      | (62,189)               | 68,469              | 6,280                    | (29,792)               | 66,825              | 37,033                   |
| <b>Net gains/(losses) on investments</b>                     | 6    | -                      | 376,458             | 376,458                  | -                      | (57,619)            | (57,619)                 |
| <b>Net income/ (expenditure)</b>                             |      | (62,189)               | 444,927             | 382,738                  | (29,792)               | 9,206               | (20,586)                 |
| <b>Fund transfers</b>  | 5    | 64,000                 | (64,000)            | -                        | 30,000                 | (30,000)            | -                        |
| <b>Movement in funds</b>                                     |      | 1,811                  | 380,927             | 382,738                  | 208                    | (20,794)            | (20,586)                 |
| <b>Total funds at the beginning of the financial year</b>    |      | 2,756                  | 1,983,038           | 1,985,794                | 2,548                  | 2,003,832           | 2,006,380                |
| <b>Total funds at the end of the financial year</b>          |      | 4,567                  | 2,363,965           | 2,368,532                | 2,756                  | 1,983,038           | 1,985,794                |

There were no gains and losses in the financial years other than those noted above.

All incoming resources and resources expended derive from continuing activities.


The notes on pages 19 to 22 form part of these financial statements.

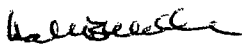
# The William Leech Research Fund

## Balance sheet as at 31 March 2021

|  | Note | Unrestricted<br>fund<br>£ | Endowment<br>fund<br>£ | Total funds<br>2021<br>£ | Unrestricted<br>fund<br>£ | Endowment<br>fund<br>£ | Total funds<br>2020<br>£ |
|--|------|---------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                           |                        |                          |                           |                        |                          |
| Investments                                    | 6    | -                         | 2,245,104              | 2,245,104                | -                         | 1,868,646              | 1,868,646                |
| <b>Total fixed assets</b>                      |      | -                         | 2,245,104              | 2,245,104                | -                         | 1,868,646              | 1,868,646                |
| <b>Current assets</b>                          |      |                           |                        |                          |                           |                        |                          |
| Debtors  | 7    | 566                       | 17,261                 | 17,827                   | 941                       | 16,768                 | 17,709                   |
| Cash at bank and in hand                       |      | 37,266                    | 101,600                | 138,866                  | 4,335                     | 97,624                 | 101,959                  |
| <b>Total current assets</b>                    |      | 37,832                    | 118,861                | 156,693                  | 5,276                     | 114,392                | 119,668                  |
| <b>Liabilities</b>                             |      |                           |                        |                          |                           |                        |                          |
| Creditors: amounts falling due within one year | 8    | (33,265)                  | -                      | (33,265)                 | (2,520)                   | -                      | (2,520)                  |
| <b>Net current assets</b>                      |      | 4,567                     | 118,861                | 123,428                  | 2,756                     | 114,392                | 117,148                  |
| <b>Net assets</b>                              |      | 4,567                     | 2,363,965              | 2,368,532                | 2,756                     | 1,983,038              | 1,985,794                |
| <b>The funds of the charity</b>                |      |                           |                        |                          |                           |                        |                          |
| Endowment funds                                | 5    | -                         | 2,363,965              | 2,363,965                | -                         | 1,983,038              | 1,983,038                |
| Unrestricted funds                             |      | 4,567                     | -                      | 4,567                    | 2,756                     | -                      | 2,756                    |
| <b>Total funds</b>                             |      | 4,567                     | 2,363,965              | 2,368,532                | 2,756                     | 1,983,038              | 1,985,794                |

The financial statements on pages 15 to 22 were approved by the trustee, The William Leech Foundation Limited, on 21 July 2021 and were signed on its behalf by the under mentioned two directors of The William Leech Foundation Limited:

  
 Andrew Brown  
 Director

  
 Hugh Welch  
 Director

The notes on pages 19 to 22 form part of these financial statements.

# **The William Leech Research Fund**

## **Statement of accounting policies**

### **Basis of preparation and assessment of going concern**

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (effective 1 January 2019), and applicable law (United Kingdom Generally Accepted Accounting Practice), and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustee considers that there are no material uncertainties about the Trust’s ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of the investments markets (see investment policy and performance and risk management sections of the trustee’s annual report for more information) and this is true of the following financial periods also.

### **Income recognition**

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally on notification of the interest paid or payable by the bank. Distributions are recognised once the distribution has been declared and notification has been received of the dividend due.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis.

### **Costs of raising funds**

The costs of generating funds consist of investment management costs.

### **Charitable activities**

These include payments to beneficiaries and governance costs as set out in note 3.

Governance costs comprise audit and legal fees and Management Committee expenses and directors’ indemnity insurance premiums (see note 3). The costs of preparing annual financial statements and trustee meetings are borne by William Leech (Investments) Limited and details are set out in note 9.

### **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the financial year. The Trust is invested in the COIF Charities Ethical Investment Fund. The fund is valued at bid price and deals every Thursday. In addition, the investment manager calculates the closing bid price for year-end valuations. The investment management fee for the Fund is charged against the Fund’s income before it is distributed to unitholders.

## **The William Leech Research Fund**

The Trust does not acquire put options, derivatives or other complex financial instruments, other than through its investment in the COIF Charities Ethical Investment Fund. The main form of financial risk faced by the Trust is that of volatility in equity and investment markets due to wider economic conditions.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

### **Fund accounting**

The Trust has a single endowment fund, which provides for the trustee to invest the capital in perpetuity and is managed on a total return basis. The trustee at its discretion may allocate any part of the unapplied total return to the unrestricted fund of the Trust to be used for charitable purposes in accordance with the Trust Deed.

The unrestricted fund comprises the current assets and liabilities that the trustee is free to use in accordance with the charitable objects.

### **Foreign currency**

The Trust's functional and presentation currency is the pound sterling.

### **Cash flow statement**

The Trust has taken advantage of the exemption available to small entities from preparing a cash flow statement under section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

# The William Leech Research Fund

## Notes to the financial statements for the year ended 31 March 2021

### 1 Taxation

The William Leech Research Fund is a registered charity and its non-trading income is exempt from taxation.

### 2 Investment income

|   | 2021<br>£ | 2020   |
|---|-----------|--------|
| Distributions from COIF Charities Ethical Investment Fund | 68,469    | 66,825 |
|   | 68,469    | 66,825 |

### 3 Analysis of expenditure on charitable activities

|   | 2021<br>£     | 2020<br>£     |
|---|---------------|---------------|
| <b>Payments to beneficiaries:</b>                       |               |               |
| Research grants payable                                 | 46,417        | 24,837        |
|   | 46,417        | 24,837        |
| <b>Governance costs:</b>                                |               |               |
| Legal and professional services                         | 12,000        | 871           |
| Audit services  | 2,520         | 2,520         |
| Directors' and Management Committee indemnity insurance | 1,217         | 1,339         |
| Management Committee expenses                           | 35            | 225           |
|   | 15,772        | 4,955         |
| <b>Total</b>  | <b>62,189</b> | <b>29,792</b> |

In the financial year ended 31 March 2021 two grants totalling £49,489 (2020: £47,000) were approved. During the financial year the trust received a refund of the balance of a grant made in prior years. The total credited was £3,072 (2020: £22,163). The net expenditure on grants in the financial year was £46,417 (2020: £24,837).

The trustee has decided to meet all governance costs from unrestricted funds and so no allocation or charge is made to the endowment fund for any governance related costs.

# The William Leech Research Fund

## 4 Trustee's remuneration

The trustee did not receive and was not entitled to receive any remuneration or expenses in respect of its services during the financial year (2020: £Nil). There were no employees during the financial year (2020: none).

## 5 Fund transfers

On 9 June 2009 cash and investments valued at £1,107,390, which were held on behalf of The William Leech Professorial Fellowship in Applied Christian Theology were transferred from Durham University to the Research Fund. The transfer was at market value. The endowment fund was created in 1987 with an original gift of £600,000.

The Trust Deed gives the trustee the power to invest the endowment fund on a total return basis. The power allows the trustee to decide in each period how much of the unapplied total return is transferred to the unrestricted fund and so available for expenditure. The amount of £64,000 (2020: £30,000) transferred represents the resources expended by the Trust on grants and governance during the year ended 31 March 2021. Further transfers will be required as and when the commitment to fund grants payable becomes due.

|  | 2021           | 2021                   | 2021             |
|--|----------------|------------------------|------------------|
|  | Endowment      | Unapplied total return | Total            |
|  | £              | £                      | £                |
| <b>Opening value of endowment</b>                                    |                |                        |                  |
| Gift component of permanent endowment                                | 600,000        | -                      | 600,000          |
| Unapplied total return   | -              | 1,383,038              | 1,383,038        |
| <b>Total</b>   | <b>600,000</b> | <b>1,383,038</b>       | <b>1,983,038</b> |
| <b>Movement in unapplied total return and endowment in the year:</b> |                |                        |                  |
| Investment return: dividends and interest                            | -              | 68,469                 | 68,469           |
| Investment return: recognised and unrecognised gains                 | -              | 376,458                | 376,458          |
| <b>Total</b>   | <b>-</b>       | <b>444,927</b>         | <b>444,927</b>   |
| Unapplied total return allocated to income                           | -              | (64,000)               | (64,000)         |
| <b>Net movement in reporting period</b>                              | <b>-</b>       | <b>380,927</b>         | <b>380,927</b>   |
| <b>Closing value of permanent endowment</b>                          |                |                        |                  |
| Gift component of permanent endowment                                | 600,000        | -                      | 600,000          |
| Unapplied total return   | -              | 1,763,965              | 1,763,965        |
| <b>Total</b>   | <b>600,000</b> | <b>1,763,965</b>       | <b>2,363,965</b> |

# The William Leech Research Fund

## 6 Investments

|   | 2021      | 2020      |
|---|-----------|-----------|
|   | £         | £         |
| Market value at the beginning of the financial year | 1,868,646 | 1,926,265 |
| Gains/(losses) in the financial year                | 376,458   | (57,619)  |
| Market value at the end of the financial year       | 2,245,104 | 1,868,646 |

|  |           |           |
|--|-----------|-----------|
| Investments at market value comprised:                 | 2021      | 2020      |
|  | £         | £         |
| COIF Charities Ethical Investment Fund at market value | 2,245,104 | 1,868,646 |
| Historical cost as at 31 March                         | 1,815,629 | 1,815,629 |

Investments are carried at fair value. All of the Trust's investments are in the COIF Charities Ethical Investment Fund. The holding in the COIF Fund is valued at bid price. The COIF Fund deals on Thursday each week. In addition, the investment manager has calculated the bid price for year-end valuation purposes. The COIF Fund holds a range of equities, fixed income investments and derivatives. The basis of fair value for quoted investments is equivalent to the market value, using the COIF Fund's bid price. Asset sales and purchases are recognised at the date of trade.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the trustee's Annual Report.

The Trust manages the investment risks by retaining expert advisors and investing in a multi-asset fund operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

## 7 Debtors

|  | 2021   | 2020   |
|--|--------|--------|
|  | £      | £      |
| Distribution from COIF Charities Ethical Investment Fund | 17,261 | 16,768 |
| Prepayment – insurance premium                           | 566    | 941    |
|  | 17,827 | 17,709 |

The distribution receivable relates to the restricted fund and the insurance premium relates to the unrestricted fund.

# The William Leech Research Fund

## 8 Creditors: amounts falling due within one year

|                             | 2021<br>£ | 2020<br>£ |
|-----------------------------|-----------|-----------|
| Grants payable              | 24,745    | -         |
| Legal and professional fees | 6,000     | -         |
| Audit services              | 2,520     | 2,520     |
|                             | 33,265    | 2,520     |

All creditors relate to the unrestricted fund.

## 9 Related parties

The trustee considers that it is related to William Leech (Investments) Limited by virtue of having common directors. Certain administration services are provided free of charge by the staff of William Leech (Investments) Limited. These services have not been quantified for inclusion in these financial statements, as the amounts are considered immaterial.

The trustee considers that it is the parent undertaking and ultimate controlling party of the William Leech Research Fund. It is a private company limited by shares, incorporated in England, registration number 664118, and is a charity, registration number 232062. The principal activity of the Company is to act as the sole trustee for three charitable trusts, including The William Leech Foundation Limited – The Foundation Trust and The William Leech Foundation Limited – The Charity Trust.

The consolidated financial statements of The William Leech Foundation Limited can be obtained from the Company Secretary at Saville Chambers, 5 North Street, Newcastle upon Tyne, NE1 8DF.