

THE LEVERHULME TRUST

England & Wales · Charity number 1159154

Details

Status Registered

Legal form CIO

Registered 2014-11-11

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: The objects of the CIO for the public benefit are to promote any purpose being exclusively charitable according to the law of England and Wales through the provision of scholarships and other similar support for education and research.

Activities: The Trust provides scholarships and other similar support for education and research. by making grants across a broad range of schemes, by identifying individuals who can demonstrate high-quality scholarship, originality, and excellence, in their chosen research proposal.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£103,690,000	£117,909,000	£4,006,355,000	17
2023-12-31	£98,928,000	£127,496,000	£3,438,521,000	17
2022-12-31	£92,219,000	£104,215,000	£3,566,006,000	17
2021-12-31	£95,085,000	£140,937,000	£3,579,784,000	15
2020-12-31	£93,766,000	£96,048,000	£3,590,313,000	15

Trustees

Name	Role	Appointed
Alan Jope	Chair	2021-03-10
Conny Helena Maria Braams		2026-06-01
Doug Baillie		2015-10-07
Graeme Pitkethly		2024-03-06
John Richard Slater		2025-09-01
Keith Weed		2021-10-06
Mhairi McEwan		2020-10-07
PROF KEITH GULL		2016-10-05
Paul McNicholl		2025-11-01
Quintin Rupert Salter Price		2024-06-26
Susan Bjorg Garrard		2025-09-01

THE LEVERHULME TRUST

England & Wales - Charity number 1159154

Accounts

LEVERHULME
TRUST _____

**Trustees' Annual Report
and Financial Statements 2024**

Chairman's foreword

I am truly delighted to write this foreword as we celebrate the Trust's centenary and my first year as Chair of the Leverhulme Trust Board. For a hundred years, the Trust has championed fundamental research across all the disciplines, driven by a deep belief in intellectual curiosity and the freedom to pursue original ideas wherever they may lead. We look forward to supporting blue skies research for another century to come.

Our centenary is also an excellent opportunity to highlight some of the remarkable research we have funded in UK universities over the years. I encourage you to visit our new media collection website ([Homepage Media | The Leverhulme Trust](#)) to explore this work and its intellectual – and often practical – impact.

We will also mark our Centenary year with an additional £100m of investment in fundamental research, recognising the real strength of the U.K. university sector and the need for long term funding for blue skies research. Going forward, we will be placing even greater emphasis on providing support to the new generation of talented scholars who will be the foundation of the UK's higher education sector. Their ideas, enthusiasm and sheer talent will be key in helping us address some of today's most pressing challenges.

Over the past year, I have had the privilege of visiting universities and other wonderful institutions across the country and meeting many of the researchers we fund. I have been deeply impressed by the breadth and ambition of their work, from groundbreaking scientific discoveries to pioneering insights in the humanities and social sciences. Their passion, originality and intellectual curiosity are inspiring.

The Trust has always recognised that major intellectual advances often come from unexpected directions. Our approach to funding reflects this: we believe that giving researchers the freedom to pursue their best ideas leads to the most profound discoveries. This philosophy has underpinned our work for the past century and will continue to do so. I would also say that in a world facing complex and urgent challenges – climate change, technological transformation, global health threats and deep social shifts – the need for fundamental research has never been greater.

While applied research plays a crucial role in addressing immediate problems, it is often underpinned by fundamental work undertaken decades earlier, driven by curiosity rather than immediate application. It is this long-term perspective that the Leverhulme Trust will continue to champion. Our Leverhulme Research Centres, funded over a decade, exemplify just this. An additional milestone in our centenary year will be the launch of three new Leverhulme Research Centres, awarded in early 2025, focusing on how humanity can adapt and thrive in space, slavery in war, and interactions between human life and artificial intelligence.

Another feature of the Trust's funding model is that it supports research across a broad range of disciplines. We continue to believe that this is vital for advancing knowledge. Each field brings distinct perspectives and methods, and meaningful progress often happens when ideas intersect. Interdisciplinary research is especially powerful, enabling scholars to tackle complex questions that no single discipline could address alone. For example, the field of artificial intelligence (AI) has been shaped not only by computer science but also by philosophy, linguistics and psychology – leading to more sophisticated and ethical AI systems. Looking forward, debates about how society can adapt and learn to live with an AI-based world surely need to consider perspectives from politics, sociology, economics and law. In their different ways, all of the Trust's fourteen grant schemes enable interdisciplinary discovery research. With this approach to our funding, we hope to help create the conditions

for breakthroughs and ensure that insights from one area can produce transformative advances in another.

As we mark this milestone in the Trust's history, I would like to express my heartfelt gratitude to our former Chair, Dr Niall FitzGerald KBE DSA, to my fellow Trustees and to the exceptional team at the Leverhulme Trust. Their insight, dedication and unwavering commitment have been instrumental in enabling us to continue supporting outstanding research across all disciplines.

Niall's contribution to the Trust has been exceptional – spanning a remarkable twenty-five years, including twelve years as Chair – and it was a privilege to succeed him as Chair in 2024. Under his stewardship, the Trust not only flourished but also adapted to an evolving research landscape, all while remaining steadfast in its mission to fund research that benefits society. His legacy leaves an indelible mark on the Trust.

We also bid farewell in 2024 to two long- serving and deeply committed Trustees, Steve Williams and Rudy Markham, who retired this year. Their contributions have been immense, and the Trust owes them a profound debt of gratitude.

Most importantly, I want to thank the researchers whose curiosity, creativity and perseverance drive the discoveries that shape our understanding of the world. Their work is the very essence of what the Trust stands for, and it is a privilege to support them. One of the joys of my role is that I am constantly excited and inspired by their ideas and achievements, and I look forward to seeing where their research takes them – and all of us – in the years ahead.



Alan Jope CBE
Chairman of the Leverhulme Trust Board

Director's report

As the Trust celebrates its centenary, I would like to thank the dedicated staff team for their impressive efforts. In 2024 alone, this team of nineteen people – many of whom will be familiar to our grant holders – processed nearly 4,000 applications, awarded 661 grants and committed £120 million in grant funding. Their hard work and support for our grantees are what enable the Trust to fund so much excellent research.

I am also mindful that the financial challenges facing the UK higher education sector have become acute. Budget constraints, rising costs and economic pressures continue to place universities, researchers and support staff under great strain. Against this backdrop, we are particularly grateful to the hundreds of academic reviewers and panel members who have helped the Trust in our work over the last year. Without our wonderful peer review community, the Trust could not be sure of supporting such excellent research and scholarship.

We understand the value of long-term, stable funding streams that provide vital support to researchers and institutions across all fields of study, and we are committed to continuing our regular schemes, sustaining the ambitious blue skies research that our universities are so renowned for. We are doing our bit to ensure that outstanding research in the UK continues to thrive, with an additional £100m of investment going into our schemes to mark our Centenary.

The Trust is placing greater emphasis on showcasing the remarkable projects and individuals it funds. Our communication efforts aim to highlight the extraordinary institutions we support and underscore the broader significance of their work. By sharing their stories and achievements, we strive to help those beyond the academic and research sectors fully appreciate the transformative impact of this research – on society, the economy and the environment. Fundamental research is vital because it lays the groundwork for addressing the many pressing challenges of today, and it is clear that we need to do far more to foster a greater understanding of this value among policymakers and the public.

We also recognise that early career researchers are the lifeblood of the research sector and that they are critically important for building a more inclusive research community. We have increased the investment in our Early Career Fellowship scheme to reduce costs to universities, as part of our efforts to widen the range of departments and scholars who can apply and thereby help to improve sector diversity. More details will follow later this year.

The Trust has also supported the arts for a hundred years. In 2024, we funded a wide array of arts institutions, providing scholarships for undergraduate and postgraduate students. We established a new scheme for under 18s, ensuring gifted young artists can pursue their passions regardless of financial background. Investing in the arts is essential to sustaining a vibrant and creative society, and we will continue to champion access and excellence in this field.

Looking ahead, along with more significant investments, we will also ensure that we shout a little louder about the sheer quality of research being conducted in UK universities – a message that needs to resonate beyond the sector.

Professor Anna Vignoles CBE FBA
Director

TRUSTEES' ANNUAL REPORT – 2024

LEGAL AND ADMINISTRATIVE DETAILS

Established under the Will of the First Viscount Leverhulme.

Trustees	Alan Jope CBE (Chairman from 6 August 2024) Dr Niall FitzGerald KBE DSA (Trustee and Chairman until 6 August 2024) Doug Baillie Professor Keith Gull CBE FRS Rudy Markham CMG - until 5 March 2025 Mhairi McEwan Leena Nair – until 26 November 2024 Graeme Pitkethly – from 6 March 2024 Quintin Price – from 26 June 2024 Christopher Saul Keith Weed CBE Dame Sharon White – from 1 December 2024 to 25 June 2025 Steve Williams - until 5 March 2025
Director	Professor Anna Vignoles CBE FBA
Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Legal Advisors	Maurice Turnor Gardner LLP Milton House, Milton Street, London, EC2Y 9BH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH
Custodian	Northern Trust 50 Bank Street, Canary Wharf, London, E14 5NT
Investment Advisor	Partners Capital LLP 5 Young Street, London, W8 5EH
Office Address	1 Pemberton Row, London, EC4A 3BG Tel. 020 7042 9888
Website	www.leverhulme.ac.uk
Registered Charity Number	1159154

TRUSTEES' ANNUAL REPORT – 2024

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 December 2024.

History

The Leverhulme Trust is a Registered Charity, Number 1159154, and was constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom on 11 November 2014. It derives from the Will of the First Viscount Leverhulme (the “Founder”), who died in 1925. He left a proportion of his shares in Lever Brothers Limited upon trust and specified that the beneficiaries of the resulting income should include certain trade charities and the provision of scholarships for such purposes of research and education, being valid charitable purposes, as the Trustees might decide. The shareholding subsequently became one with Unilever plc.

In November 1983, the High Court approved a declaration of Charitable Trust from the Will which gave each of its two charitable objects an independent existence including its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust. The Leverhulme Trust, (“the Trust”), from that date, was solely concerned with research and education.

At the conclusion of 2014, the Trustees transferred all the assets, liabilities and undertakings of the previous established Trust to this newly formed CIO, Number 1159154. The objects of the CIO are substantially the same, and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities

The objective of the Trust is the provision of scholarships and other similar support for education and research in order to fulfil the Founder’s objectives.

The Trustees have set in place a range of activities to meet this objective. The constitution of the Trust places no restriction on the disciplines that are to provide the scholarships for research or education; however, in recognition of the substantial sums provided by other funders of research and scholarship in medicine and related clinical activities, the Trust does not fund in this area. The Trust operates in responsive mode, with the choice of research topic determined by individual applicants.

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trust Board meets annually to review its grant-making activities, and to make modifications to the portfolio, where appropriate.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust, which consists of making grants across a broad range of schemes, by identifying a broad and inclusive range of individuals who can demonstrate high-quality scholarship, originality, and excellence in their chosen research proposal.

The grant-making policies of the Trust are set out on the Trust’s website. This provides detailed information on how to apply for a grant and explains how awards are administered.

In assessing grant applications for funding, the Trustees use the following criteria to prioritise work of outstanding scholarship:

- Originality—the research achieves more than the incremental development of a single discipline;
- Importance—the work will enable further research or enquiry;
- Significance—the proposed research has relevance outside a single field, and is able to excite those working in other disciplines; and

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Objectives and Activities (continued)

- Merit—the quality of the research design and methodology, and the suitability of the researchers and institution for the realisation of the proposed research objectives.

A second set of criteria reflect the particular values of the Trust and express the Trust Board's aspiration that the Trust's funding maintains a distinctive role within the current research funding landscape. Applications are particularly welcomed when they:

- Reflect an individual's personal vision, aspiration, or intellectual curiosity;
- Take appropriate risks in setting and pursuing research objectives;
- Enable a refreshing departure from established patterns of working – either for the individual, or for the discipline; and
- Transcend disciplinary boundaries.

All applications to the Trust are subject to the established and robust peer review mechanisms of the academy and higher education sector to identify innovative, original research which meets the Trust's criteria, as stated above. All decisions are taken in light of the peer review comments received.

Details of the main schemes can be seen in the section 'Achievements and Performance' below.

Public Benefit

The benefits provided by fulfilling the Founder's wishes of funding scholarships for education and research are primarily associated with the skills developed by the research, teaching and student communities, as a consequence of the Trust's awards. This outcome is believed to be well in keeping with the Founder's intent, namely of public benefit.

Achievements and Performance

The Trust makes grants across a range of regular schemes, providing support for individuals at a range of career stages, for groups and teams of researchers, and for international collaborations. The majority of these schemes operate annually, while others run triennially or as announced as noted below:

Arts Scholarships – Triennial Schemes

Open to specialist arts training organisations to develop innovative teaching and to provide bursaries for individuals of exceptional talent to develop their skills in the fine and performing arts. Awards range from £40,000 to £695,000

The Arts Studentship scheme changed in 2024 and now consists of two distinct schemes. These are the Art Scholarship Under 18s (2024: £7.3m, 2023: £nil) and the Art Scholarship Under/Postgraduate (2024: £7.7m, 2023: £nil).

Doctoral Scholarships – Triennial Scheme

This Scheme aims to support doctoral studies in UK universities at a time of growing undergraduate debt. In 2023, the Trust awarded eleven awards of each up to £2.215m to UK Universities. Each award funds fifteen fully funded Leverhulme Doctoral Scholarships (five to be offered in each of the first three years of the grant)). Up to three of the fifteen places can be allocated to international students. Grants for UK students covers maintenance and tuition at UKRI (UK Research and Innovation) rates and £10,000 for research and training. For international students fees at the university's standard international fee up to a maximum of £25,000 are funded. To provide targeted support to ensure better progression of low income and Black students, the Scheme was extended in 2023, universities could apply for additional funding, for up to three students, from these underrepresented groups to undertake a master's degree before progressing to a PhD. Each scholarship provides for up to £130,000 for 5 years of full-time study. (2024: £nil, 2023: £24.4m).

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Achievements and Performance (continued)

Early Career Fellowships

Providing a bridge into an academic career for researchers with a proven research record who have not yet held an established academic post. The scheme provides 50% of the salary costs of a 3-year academic appointment, with the host institution providing the balance, plus some research costs. (2024: £14.1m, 2023: £14.4m).

Emeritus Fellowships

Providing funding for 3-24 months for senior researchers who have retired from an academic post to enable them to complete a research project and publish the results. Awards are for up to £24,000. (2024: £0.4m, 2023: £0.4m).

International Fellowships

Enabling established researchers in UK higher education institutions to spend 3-12 months in overseas research centres, to develop new knowledge, skills and ideas. Up to £50,000 available. (2024: £0.4m, 2023: £0.5m).

International Professorships – as announced

To recruit excellent research leaders of any nationality, currently working outside the UK, in order to fill strategically important positions in this country. This competition was first held in 2020 with 4 awards being made, a further round was held in 2021 with 5 awards being made, another round in 2022 with 3 awards and a final round were awarded in 2024 of 7 awards totalling £25.1m (although one candidate withdrew after the award was made). These awards are not included in the expenditure on charitable activities in the year of award as they are still subject to the completion of certain formalities and the professorial appointment.

Year of award	Number of awards	Accounted for in			
		2021	2022	2023	2024
2020	4	£8.7m (2 grants)	£9.0m (2 grants)	-	-
2021	5	-	£7.1m (2 grants)	£9.2m (2 grants)	£5.0m (1 grant)
2022	3	-	-	£10.6m (3 grants)	-
2024	7 (of which 1 later withdrew)	-	-	-	£15.4m (4 grants)
Value accrued in year		£8.7m	£16.1m	£19.8m	£20.4m

Major Research Fellowships

Supporting well-established academics in the humanities and social sciences to focus for 2 or 3 years on a specific piece of significant, original research. The scheme is particularly aimed at those whose day-to-day duties have prevented them from completing a programme of research. Annual replacement costs plus research expenses are in the region of £50,000. (2024: £4.7m, 2023: £5.3m).

Philip Leverhulme Prizes

To recognise researchers at an early stage of their career, whose work has already had a significant international impact, and whose future research career is exceptionally promising. £100,000 is provided over two or three years for any research purpose. (2024: £3.0m, 2023: £3.0m).

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Achievements and Performance (continued)

Research Centres - as announced

To support fundamental cross-disciplinary research across the sciences, humanities and social sciences. This competition is designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies. Awards of up to £10,000,000 over 10 years. (2024: £nil, 2023: £nil)

A further round of applications was invited in 2024 and the decisions were made on these awards in March 2025 and will be included in the 2025 Report.

Research Fellowships

Supporting experienced researchers, particularly those whose day-to-day responsibilities have prevented them from completing a programme of research, and open to independent scholars as well as those holding posts in universities. Replacement costs/loss of earnings and research expenses available over 3-24 months. Maximum award £60,000. (2024: £6.6m, 2023: £5.8m).

Research Leadership Awards - Triennial Scheme

Supporting researchers with an established university career to build a research team to address a distinct research problem. Between £800,000 and £1million over 5 years is available to fund research assistants and research students working under the leadership of the award holder, plus associated costs. (2024: £nil, 2023: £nil). This Scheme is running again in 2025.

Research Project Grants

Available for any research topic, with the choice of theme and research approach left to applicants. Up to £500,000 over 5 years is available to cover salaries for research and associated costs. This is the Trust's core funding stream and its popularity saw the allocation to grants at £49.6m in 2024 (2023: £42.8m).

Study Abroad Studentships

Supporting a period of postgraduate study or research in any overseas country except the USA. Awards offer maintenance, travel and essential research/study costs for between 12 and 24 months. Annual award values average £48,000. (2024: £1.6m, 2023: £1.4m).

Visiting Professorships

To enable UK institutions to invite an eminent researcher from overseas to enhance the knowledge and skills of academics and students in the host institution. Awards cover maintenance, travel expenses and research costs and last for between 3 and 12 months. Given the variety of individual circumstances, the value of an award can range from under £10,000 to over £125,000, depending on duration. (2024: £1.8m, 2023: £2.2m).

Academy Fellowships/Scholarships

This category includes various schemes. These include Senior Research Fellowships that the Trust funds that are run by the British Academy, the Royal Society and the Royal Academy of Engineering and the Small Research Grants scheme run by the British Academy. It also includes the APEX interdisciplinary research grants scheme run jointly by the three academies for three years. The Trust has previously funded scholarships administered by the Mandela Rhodes Foundation for African scholars to pursue doctoral scholarships in the UK. In 2023, the Trust agreed to fund two scholarships for a further five years from 2025 to 2029. The total of these schemes was £2.7m in 2024 (2023: £8.5m).

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Achievements and Performance (continued)

A summary of the value of grants made during the year can be seen in the following table.

Types of schemes	2024 £000	%	2023 £000	%
Research Project Grants	49,587	41	42,826	33
Doctoral Scholarships	-	-	24,369	19
International Professorships	20,384	17	19,817	15
Early Career Fellowships	14,112	12	14,368	11
Arts Scholarship - undergraduate and postgraduate	7,716	7	-	-
Arts Scholarship - under 18	7,297	6	-	-
Research Fellowships	6,576	6	5,801	4
Major Research Fellowships	4,688	4	5,283	4
Leverhulme Prizes	3,000	2	3,000	2
Academy Fellowships/Scholarships	2,652	2	8,518	7
Visiting Professorships	1,818	1	2,197	2
Study Abroad Studentships	1,571	1	1,433	1
International Fellowships	447	0.5	451	1
Emeritus Fellowships	406	0.5	387	1
Grants Awarded in Year	120,254	100	128,450	100

The number of applications received for consideration for all schemes amounted to 3,858 in 2024 (2023: 3,737). The number of grants which were subsequently made amounted to 661 (2023: 590).

The Trust maintains a portfolio of diverse awards (see above) which are attractive to the research community. This is demonstrated by the numbers of applications, which remain consistently high across the schemes (e.g. 2024: Research Project Grants 1,018, Early Career Fellowships 697, Research Fellowships 693). The selection of successful applications generally involves peer review and most schemes have success rates between 15% and 35%. The Trust is able to disburse its available income without any sacrifice of quality.

Applications: success rates

	Applications received	Success rate %
Research Project Grants (Outline)	1018	42
Research Project Grants (Detailed)	424	40
Early Career Fellowships	697	21
Research Fellowships	693	16
Philip Leverhulme Prizes	389	8
Major Research Fellowships	185	15
Study Abroad Studentships	96	34
Emeritus Fellowships	81	31
International Fellowships	48	29

The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

All grant recipients are required to report both annually (for multi-year awards) and on completion. Final grant reports are reviewed by the Director (some 80% of directly funded grants) and submitted for Trust Board scrutiny or are assessed and reviewed by the appropriate committees or panels to which authority has been delegated. All reports are graded, although it is not appropriate to set numerical targets for grades (nor to normalise these) due to the range, diversity and nature of the activities being reported on. Research outcomes are described, in the context of the ambitions presented in the original bid, and the outputs listed; particular attention is therefore given to the broad findings and to publications or other forms of dissemination resulting from the award. Academic papers and publications arising from the Trust's funding are subject to the usual relevant academic peer review process for such publications. Acknowledgment of Leverhulme support in outputs (journal articles, monographs etc) is a formal requirement of the Trust. Publications arising from Leverhulme grants are also subject to external peer review through the Government's mechanism (Research Excellence Framework, Research Assessment Exercise prior to this) to assess the research of British higher education institutions, see <http://www.ref.ac.uk/>. The Trust monitors the impact of its support on the careers of grant recipients via case studies in its Annual Review.

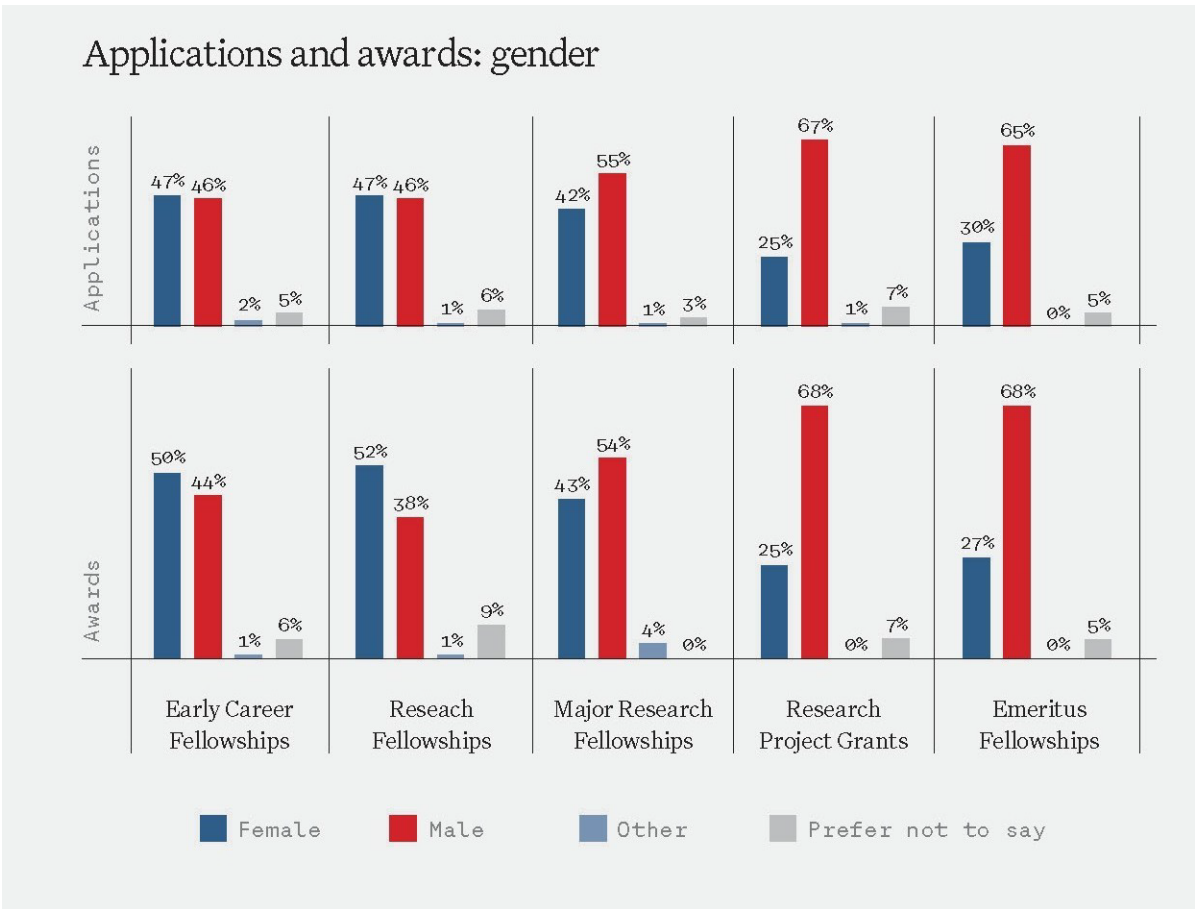
The excellence of UK scholarship is recognised, for example, in the various league tables of the World's top universities and the standard research metrics (such as citation statistics) which are available for each country. Despite the high volume of applications to the Trust (around 3,500 to 4,000 per annum), the Trust has consistently secured appropriate levels of peer review to allow it to meet its objectives. The value of the Trust's activities is enhanced by the funds provided by the Government via the Research Charities Support Fund, which provides a contribution towards university overhead costs.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Diversity and inclusion

The Trust is conscious of inequalities in the research ecosystem and is aware that our grantees also reflect these inequalities. The Trust convened an Inclusivity Sub-Committee to the Trust Board in 2024 to drive progress and deliver improvements. Monitoring the demographic characteristics of our applicants and awardees is an essential part of our efforts on this issue.

We have been collecting information on gender for some time. Here is the most recent data for the main grant schemes for both applicants and awards.



We do, however, remain at an early stage in terms of collecting data on ethnicity and being able to analyse it, and we do not yet have sufficient data to disaggregate by scheme. It will be some years before we can report on individual Trust schemes as some only run triennially and others are limited to one application per university.

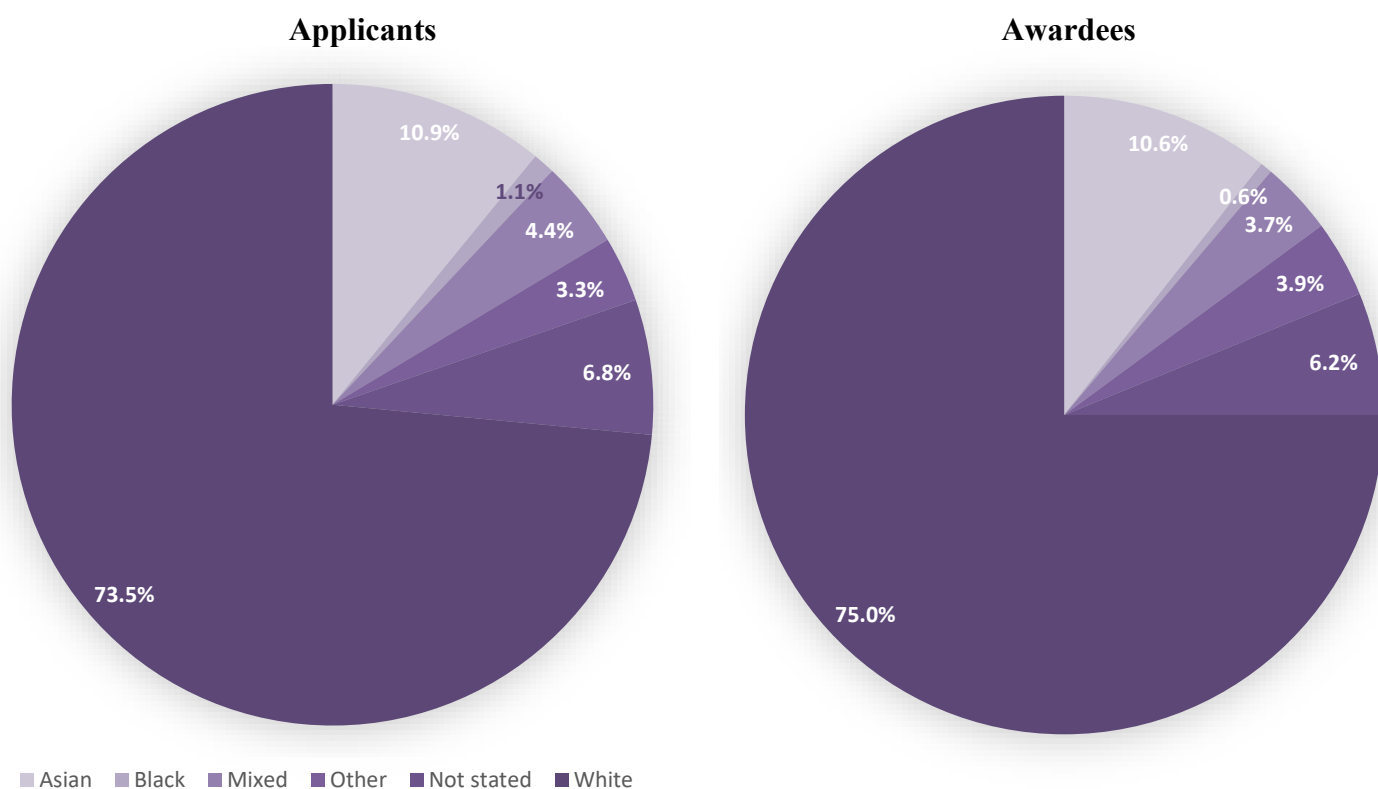
The aggregate ethnicity data presented below are for applications and awards across ten of our schemes. These are consistent with the data presented in 2023 and, while there has been an improvement in the numbers of Asian academics obtaining awards, the data still show underrepresentation of some minority ethnic groups, particularly Black academics, in terms of application numbers. It is worth noting that around 6% of applicants prefer not to disclose this information.

This underlines the need for the Trust to continue focusing on ways to encourage and support applicants from underrepresented groups and to continue to monitor its grant-making processes.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Diversity and inclusion (continued)

Applicants and awardees by ethnic group across ten schemes in 2024



TRUSTEES' ANNUAL REPORT – 2024 (continued)

Financial Review

The income of the Trust, comprising investment income, amounted to £103.7m in 2024 (2023: £98.9m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

Grants awarded in the year were £120.3m in line with expectations (2023: £128.5m). A summary by scheme can be seen in Note 3b to the financial statements.

The value of the Trust's funds at the end of 2024 was £4,006m (2023: £3,438m).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investment portfolio.

Investment policy and performance

The Trust's investment advisor was appointed in November 2019 and an updated investment policy statement and strategic asset allocation was agreed by the Trust Board's Investment Committee and the Trustees.

At 31 December 2024, the Trust's total investments of £4,332m (2023: £3,756m) comprised:

- investment in shares in Unilever plc of £2,134m (2023: £1,783m); and
- other investments held under a discretionary management agreement with Partners Capital LLP of £2,198m (2023: £1,973m).

The Trust targets a minimum total return over the longer-term net of fees, currently 7%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. Over the three years to 31 December 2024, the total return on the Trust's investments was 6.6% (Unilever 8.7%, other investments 4.6%). (Over the three years to 31 December 2023, the total return on the Trust's investments was 1.9% (Unilever -1.1%, other investments 5.1%)).

In 2024 the Trust's investments (net of fees) returned 18.3% (2023:0.2%).

	2024 - £m	2023 - £m	Total return	Change in value on balance sheet £m
Unilever shareholding	2,134	1,783	23.7%	351
Partners Capital managed portfolio	2,198	1,973	13.4%	225
Total	4,332	3,756	18.3%	576

The Trust incorporates responsible investment best practices into investment decision making. It believes that by engaging in a broad set of extra-financial considerations – including environmental, social and governance (ESG) issues – the long-term financial performance of the portfolio can be sustained with potential for improvement. The Trust's approach is to operate a set of principles that reflect its values and to apply them with common sense and a measure of pragmatism and to ensure it remains cognisant of changes and trends in investment markets and in society at large. It seeks impact through its grant giving for academic scholarship. The investment of its funds to provide these scholarships means that investment decisions are predominately driven by economic return.

Risk management

During the year, the Trust Board's Risk Committee continued to monitor both operational and strategic risks and ensured that the risk register was kept up to date. The Risk Committee will continue to

TRUSTEES' ANNUAL REPORT – 2024 (continued)

review all risks and make recommendations to the Trust Board which reviews the key risks on an annual basis.

The Trustees consider that sustained underperformance in the Trust's Unilever shareholding and/or the portfolio managed by Partners Capital would lead to a significant reduction in funds available in the medium term for distribution by the Trust. Steps taken to mitigate this risk include ongoing review of Unilever performance and, in relation to the portfolio managed by Partners Capital, the adoption of a risk-based Investment Policy Statement by the Trust with a focus on asset class diversification and total return and regular monitoring by the Trust's Investment Committee.

Other principal risks to the implementation of the Trust's strategy concern cyber security and the relationships with its applicant and peer review communities.

There is a risk that the Trust suffers a significant data breach or operational disruption due to a malicious cyber-attack. To mitigate this risk, the Trust has implemented a comprehensive suite of technical controls. These include Firewall, Secure Configuration, User Access Control, Malware Protection, and Patch Management. Additionally, the Trust has deployed software for mobile device management and application control, ensuring that all devices comply with security policies. Encryption has been implemented to protect data on all devices, providing an additional layer of security against unauthorised access. These measures have been assured by an external party, enabling the Trust to achieve Cyber Essentials Plus certification.

The success of the strategy of the Trust is also dependent on the ability to attract sufficient numbers and quality of applicants, and to be able to rely on the goodwill of its peer reviewers. Steps to mitigate these risks include the regular review and refreshing of the Trust's portfolio of grant schemes (undertaken at the annual Strategy Meeting). The Trust Board also engages in regular horizon-scanning of the academic landscape, while continuing to engage and maintain relationships with the academic community through regular formal and informal meetings and activities, both with its committees and panels and with the broader academic community.

Reserves Policy

It is Trust policy to, at least, maintain the real value of the level of reserves over the long term and to maintain sufficient liquidity to meet its commitments. The Trust's target return for its investments of 7% over the longer-term with a planned 3% annual withdrawal has been set to with a view to achieving this policy target. The free reserve balance (which excludes the Trust's tangible assets) at 31 December 2024 was £4,006m (2023: £3,438m) in line with the target.

Plans for Future Periods

The Trustees have agreed that annual withdrawals will be made from the Trust's investments at a rate of 3% of the five-year rolling average value each year. During the transition period to the adoption of a total return investment objective, the Trustees had agreed that the Trust would aim to spend £100m per annum for the five-year period (2020- 2024) in order to ensure that it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. Over the five years ending in 2024, the Trust spent £569m, with the annual spend varying between £92m in 2020 and £138m in 2021 when the last Research Centre Grants were awarded. The five-year average value of the Trust's investments at 31 December 2024 was £3,938m and the Trustees have agreed to spend £120m per annum on average over the next five years but again the annual spend will vary. The Trustees will continue to monitor the demand for existing programmes and to develop new programmes and schemes.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

The Trust Board also decided to mark the Centenary of the Trust with an additional £100m investment in our existing schemes, with the majority of the additional funding to be invested in doctoral scholarships, research centres and mid-career grants. This investment will help ensure a strong pool of early and mid career researchers, as well as enable decade-long investments in blue skies risky research at the frontier of academic fields. The Board has also committed to reducing the costs of its Early Career Fellowship scheme for universities. It is currently a co funded scheme and given the financial challenges in the sector, some reduction in the burden on institutions was felt to be needed. The additional investment in our ECF scheme has partly been enabled by ceasing two of our less popular schemes, the International Fellowships and the Study Abroad Studentships. In summary, it is anticipated that the additional investments and changes to the Trust schemes will sustain the strong quality and quantity of applications to the Trust, even in a time of difficulty for universities.

Structure, Governance and Management

The Trustees who served during the year and up to the date of the approval of the Annual Report, are listed on page 4.

The Trustees, who receive no remuneration for their services, meet four times annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 8).

Full information on the scope of The Leverhulme Trust and the policies of the Trustees is given on the website <http://www.leverhulme.ac.uk>.

The Trust's induction for new trustees aims to cover understanding the Trust and its grant schemes, learning about the higher education sector and the research funding landscape and understanding of the role of a charity trustee. Trustee induction includes discussions with existing trustees and Trust senior management, meetings with senior academics from the Trust's peer review panels, visits to universities as well as the provision of key documents from the Trust and Charity Commission and some online training.

The Director of the Trust is Professor Anna Vignoles. The Trustees consider the Board of Trustees together with the Director, Director of Finance, and Assistant Director of the Trust comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a daily basis. As at 31 December 2024 the Trust had 19 other staff who are accountable to the Director. All staff members are involved in the delivery of the Trust's grant-making activities.

The pay of the key management personnel and of the Trust's staff generally is reviewed annually by the Trust Board's Nominations and Remuneration Committee in light of changes to prices and average earnings. Remuneration levels are also periodically benchmarked against other similar organisations.

The remuneration of the key management personnel consists of fixed salary, variable pay and pension payments. The variable pay is determined on performance against agreed objectives. Remuneration levels are set in relation to that required to attract and retain the quality of executive needed to run effectively and efficiently a Foundation of this size and complexity.

The Trust Board has five committees and an advisory panel:

- The Research Awards Advisory Committee. This consists of twelve eminent scholars attached to various academic institutions in the UK, covering a wide range of fields of study. The Trustees have delegated authority to them to make research awards to individual applicants within a number of Trustee-approved schemes.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Structure, Governance and Management (continued)

- The Investment Committee. The membership of the Investment Committee consists of Trustee Board members and external investment specialists. Those who served on the committee during 2024 and up to the signing of this report were:

- Rudy Markham –trustee member until 5 March 2025 - (Chairman of the Committee to 26 November 2024),
- Dr Niall FitzGerald - trustee member until 6 August 2024
- Professor Keith Gull - trustee member
- Christopher Saul – trustee member
- Alan Jope – trustee member
- Quintin Price – external member who became a trustee member from 26 June 2024 (Chairman of the Committee from 26 November 2024)
- Dame Elizabeth Corley – external member
- Angela Docherty – external member

The Committee's remit is to make recommendations to the Trustees regarding the non-Unilever investments of the Trust. The external member positions are remunerated.

- The Nominations and Remuneration Committee. The membership of this committee includes the Chairman and other Trustees (Rudy Markham until 5 March 2025, Doug Ballie, Steve Williams until 5 March 2025 and Sharon White from 1 December 2024 until 25 June 2025) and its remit is to advise the Board of Trustees in respect of Trustee succession and remuneration of Trust staff.

- The Risk Committee is made up of three Trustees (Doug Baillie, Mhairi McEwan and Christopher Saul), the Director of the Trust and the Director of Finance. Its remit is to consider the risks to which the Trust may be exposed, prepare an appropriate Risk Register, and present this to the Trust Board for consideration on a regular basis.

- The Inclusivity Committee is made up of three Trustees (Doug Baillie, Mhairi McEwan and Graeme Pitkethly), the Director of the Trust and two independent members. Its purpose is to develop the Trust's Equality, Diversity and Inclusion strategy in order to ensure the Trust's grant making practices are equitable, diverse and inclusive. It submits recommendations to the Trust Board.

- The Leverhulme Advisory Panel. This consists of some 40 UK-based academic specialists who provide a range of advice to the Trust, primarily relating to initial requests (outline applications) for financial support. These positions are remunerated.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charitable foundations, and acts as an authoritative lobby on behalf of its members with Government and regulators.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Statement of Trustees' Responsibilities (continued)

- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and The Charities (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. www.leverhulme.ac.uk Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Annual Report is approved: so far as the Trustee is aware, (a) there is no relevant audit information of which the Trust's auditors are unaware; and (b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' Annual Report on pages 4 to 17 was approved by the Trustees and signed on their behalf by:



Alan Jope CBE
(Trustee Chairman)

29 July 2025

1 Pemberton Row
London EC4A 3BG

Registered charity number: 1159154

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LEVERHULME TRUST

Report on the audit of the financial statements

Opinion

In our opinion, The Leverhulme Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2024; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us to also report certain opinions and matters as described below.

Trustees' Annual Report

In our opinion, based on work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Annual Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.

- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 July 2025

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Income and endowments from:			
- Investment income	2	103,690	98,928
Total income and endowments		<u>103,690</u>	<u>98,928</u>
Expenditure on:			
Raising funds			
- Investment management costs		3,454	3,219
Charitable activities	3b	114,455	124,277
Total expenditure		<u>117,909</u>	<u>127,496</u>
Net Expenditure before			
Net gains / (losses) on investments		(14,219)	(28,568)
Net gains/(losses) on investments	5c	582,053	(98,917)
Net income / (expenditure) and net movement in funds		<u>567,834</u>	<u>(127,485)</u>
Reconciliation of funds:			
Total funds brought forward		3,438,521	3,566,006
Total funds carried forward		<u>4,006,355</u>	<u>3,438,521</u>

The notes on pages 24 to 40 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2024

Fixed assets:	Note	2024 £000	2023 £000 (Reclassified)
Tangible assets	4	822	916
Investments			
- Investment in shares in Unilever plc	5a	2,134,430	1,783,385
- Other investments	5b	<u>2,198,159</u>	<u>1,973,074</u>
		<u>4,332,589</u>	<u>3,756,459</u>
Total fixed assets		4,333,411	3,757,375
Current assets:			
Debtors	6	1,017	1,289
Cash at bank and in hand		1,939	2,848
		<u>2,956</u>	<u>4,137</u>
Total current assets			
Liabilities:			
Creditors: amounts falling due within one year	7	<u>(200,429)</u>	<u>(195,644)</u>
Net current liabilities		<u>(197,473)</u>	<u>(191,507)</u>
Total assets less current liabilities		4,135,938	3,565,868
Creditors: amounts falling due after one year	7	(129,583)	(127,347)
Total net assets		<u>4,006,355</u>	<u>3,438,521</u>
The funds of the Charity			
Unrestricted funds		4,006,355	3,438,521
Total Charity funds		4,006,355	3,438,521

The notes on pages 24 to 40 form part of these financial statements.

The financial statements on pages 21 to 40 were approved by the Trustees and signed on their behalf by:



Alan Jope CBE
Trustee Chairman
29 July 2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023
	£000	£000	£000
			£000
Cash flows from operating activities:			
Net cash used in operating activities (a)	(107,692)		(111,995)
Cash flows from investing activities:			
Acquisition of tangible fixed assets	(22)		(916)
Dividends and interest	103,874		98,863
Investment management costs – cash element	(451)		(1,525)
Purchase of investments	(598,903)		(519,893)
Proceeds from sale of investments	674,942		569,858
Cash (outflow)/inflow from foreign exchange hedging	(3,657)		7,959
(Increase) in cash held by investment managers	(69,000)		(43,821)
Net cash provided by investing activities	<u>106,783</u>		<u>110,525</u>
Change in cash and cash equivalents in the year	<u>(909)</u>		<u>(1,470)</u>
	2024		2023
	£000		£000
Cash and cash equivalents brought forward	<u>2,848</u>		<u>4,318</u>
Cash and cash equivalents carried forward	<u>1,939</u>		<u>2,848</u>
a) Reconciliation of net expenditure to net cash flow used in operating activities			
Net income /(expenditure) and movement in funds for the reporting year (as per the statement of financial activities)	567,834		(127,485)
Adjustments for:			
Dividends and interest	(103,690)		(98,928)
Net (gains) /losses on investments	(582,053)		98,917
Investment management costs	3,238		3,123
Increase in creditors	6,775		12,602
Decrease /(Increase) in prepayments	88		(224)
Depreciation	<u>116</u>		<u>-</u>
Net cash used in operating activities	<u>(107,692)</u>		<u>(111,995)</u>
b) Analysis of changes in net cash/(debt)			
Net cash at 1 January	2,848		4,318
Net cash (outflow)	(909)		(1,470)
Net cash at 31 December	1,939		2,848

The notes on pages 24 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements of The Leverhulme Trust (the "Trust") have been prepared in accordance with applicable accounting standards in the United Kingdom (FRS102), the Charities SORP (FRS 102) second edition October 2019 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The Trust's functional currency and presentational currency is Pounds Sterling (GBP).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments.

The financial statements have been prepared to give a 'true and fair' view and have departed from The Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) second edition October 2019.

The creditor balance at 31 December 2023 has been reclassified as between amounts falling due within one year and amounts falling due after one year. This is due to a reclassification of £22,256k of grants payable which decreases the amount due within one year and increases the amount due after more than one year. There is no effect on total net assets.

The Trust constitutes a public benefit entity as defined by FRS102.

Significant judgements and estimates

In preparing the financial statements, accounting estimates and judgements are made. The most significant area of judgement is that the liability from multi-year grant commitments is recognised in full at the point of the grant award as there is not deemed to be performance related conditions that prevent recognition of the expenditure.

All Leverhulme Research centres are subject to a 5-year review. The Trustees do not deem this to be a performance related condition that prevents recognition of the expenditure.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Trust's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy below and within note 5d.

The Trust also estimates the allocation of support costs between expenditure on charitable activities and raising funds and estimates the allocation to each grant activity. This estimate is apportioned on the basis of staff time spent on activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included within note 3.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees.

Incoming resources

Incoming resources are recognised when the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Dividends are

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

recognised when declared. Where investment income from pooled investment vehicles is re-invested it is accounted for in the unit price and recognised within net gains / (losses) on investments in the period.

Expenditure

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Trust to the expenditure. At the end of a grant, a liability is recognised until after a final report is received from the grant recipient and is accepted by the Trust. At which point any balance can be written off and credited to grant funding activity within charitable expenditure disclosed in note 3b.

Raising funds

The cost of raising funds consists of investment management fees and investment governance costs. The apportionment of support costs to investment governance costs is shown in note 3.

Charitable activities

The cost of charitable activities consists of grants awarded, governance costs and an apportionment of support costs as shown in note 3.

Financial liabilities

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Trust. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Grants greater than one year are not amortised due to the impact not being material.

Grants amounts that have been approved by the Trustees for specific purposes in future years, but have not been allocated to, or agreed by, specific recipients at year-end are disclosed as commitments.

Tangible fixed assets

Tangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Depreciation is applied to fixed assets on a straight-line basis over their expected useful life, less estimated residual value, at the following annual rates:

Leasehold improvements	Over remaining length of the lease
Furniture, fittings and equipment	10%
Audiovisual equipment and computers	33 ⅓%

Depreciation is provided to recognise the useful economic life of the assets. Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Intangible assets

Intangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software development 33 1/3% pa

Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Trust are recognised as intangible assets when the relevant criteria are met. Costs associated with maintaining computer software are recognised as an expense as incurred.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Investments

The Trust has elected to apply the provisions of Section 11 and Section 12 of FRS102 in full.

All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses appropriate fair value principles and techniques determined by the Trustees on the advice of the Investment Advisor, Partners Capital. These valuations are based on the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Gains and losses arising from changes in the unrealised fair value and on the sale of investments are shown as Net gains/(losses) on investments within the Statement of Financial Activities and shown within the unrestricted funds of the Trust on the Balance Sheet.

Forward Contracts

Forward contracts are recognised at fair value, being marked to market value at the closing foreign exchange rates at the year end.

Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks with a maturity of less than three months. Cash held by investment managers is included within investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Pension scheme

All staff are employed jointly by Unilever U.K. Central Resources Limited and the Trust. Many of the Trust staff participate in the Unilever U.K. Central Resources Limited defined benefit pension scheme, the Unilever UK Pension Fund. More recent staff participate in the Unilever defined contribution scheme. Although the main pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order to make the appropriate disclosures as required by Section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme. Contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

Share based payments

The Trust staff are jointly employed by Unilever U.K. Central Resources Limited and the Trust. The Trust provides senior staff with a long-term employee benefit, covered under Unilever's share-based payments schemes. These are 'conditional shares' issued in Unilever plc. The conditionality relates to the financial performance of Unilever over a 3-year period; and the conditional shares vest at the end of that period, either in whole or in part, depending on the conditions being met. One condition is that the employee is still in employment with Trust and Unilever at the end of the 3-year period. Given the uncertainty over the conditionality and the scale of the value of the benefit, the Trust accounts for this benefit in the year in which the shares vest and the amount, as recharged by Unilever to the Trust, is included in staff costs.

Taxation

The Trust carries on activities which are exempt from corporation tax and income tax. Irrecoverable Value Added Tax is included with the expenditure to which it relates.

Operating lease

Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

2 Investment income

	2024	2023
	£000	£000
Dividends from Unilever plc	68,895	70,444
Managed pooled investments		
Gilt Fund	564	222
Index-linked Gilt Fund	1,674	143
Global Equities	7,311	8,043
Private Debt	21,410	16,553
Property	2,838	2,781
Cash	941	717
	103,633	98,903
Bank interest	57	25
Total investment income	103,690	98,928

Dividend income from Unilever plc is in respect of ordinary equity shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a (i) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between investment, governance and other support costs is shown in the table below:

Cost Type	2024 Total allocated £000	2024 Invest- ment Costs £000	2024 Gover- nance Costs £000	2024 Support Costs £000	2023 Total allocated £000	2023 Invest- ment Costs £000	2023 Gover- nance Costs £000	2023 Support Costs £000
Staff costs	1,912	132	75	1,705	1,739	118	61	1,560
Accommodation	364	25	14	325	455	31	16	408
Other	971	67	38	866	665	45	23	597
	3,247	224	127	2,896	2,859	194	100	2,565

Support costs (net of £75,190 (2023: £73,000) recharge to the Leverhulme Trade Charities Trust – see Note 8) are apportioned based on staff time spent on activities. The allocation to Investment Costs is included within Investment management costs on the SOFA.

3a (ii) Governance costs

	2024 £000	2023 £000
Audit & Legal	123	110
Trustee expenses	4	3
Venue hire	1	-
Support costs (based on apportioned staff time per note 3a (i))	127	100
Total Governance Costs	255	213

3a (iii) Total Governance and Support Costs

	2024 £000	2023 £000
Support Costs (note 3a (i))	2,896	2,565
Governance Costs (note 3a (ii))	255	213
	3,151	2,778

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b Analysis of charitable expenditure

Grant funding during the year plus apportioned support costs are as follows:

Activity	Grant funded activity	Support and governance costs	Total	Grant funded activity	Support and governance costs	Total
	2024 £000	2024 £000	2024 £000	2023 £000	2023 £000	2023 £000
Research Awards Advisory Committee#	23,112	582	23,694	22,440	497	22,937
Research Projects Grant	49,587	1,238	50,825	42,826	1,069	43,895
Doctoral Scholarships	-	-	-	24,369	307	24,676
International Professorships	20,384	109	20,493	19,817	158	19,975
Arts scholarship (UG/PG and under 18)	15,013	338	15,351	-	-	-
Major Research Fellowships	4,688	409	5,097	5,283	313	5,596
Academy Fellowships/ Scholarships	2,652	26	2,678	8,518	22	8,540
Visiting Professors	1,818	244	2,062	2,197	237	2,434
Prizes	3,000	205	3,205	3,000	175	3,175
Grants awarded	120,254	3,151	123,405	128,450	2,778	131,228
Adjustment on prior year grant awards	(8,950)	-	(8,950)	(6,951)	-	(6,951)
Total Costs	111,304	3,151	114,455	121,499	2,778	124,277

Research Awards Advisory Committee include the following grants: Early Career Fellowships, Research Fellowships, the Study Abroad Scheme, Emeritus Fellowships and International Fellowships.

The adjustments on prior year grant awards represents supplements to grants previously awarded, the write back of amounts on closed grants or grants that have been awarded and will not be taken up.

Support and governance costs are apportioned based on staff time spent on activities. (Note 3a).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3c Staff costs

	2024 £000	2023 £000
Wages and salaries	1,450	1,305
Social security costs	178	177
Pension costs	184	198
Contractors	26	59
Other	74	-
	1,912	1,739

The monthly average number of full-time equivalent staff during the year was 17.5 (2023:17.3). All staff are involved in grant making and are employed jointly by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. At 31 December 2024, an amount of £35,321 (2023: £17,919) relating to pension contributions remained outstanding. The number of staff who received salaries and other emoluments (excluding pension contributions) over £60,000 was:

	2024 Number	2023 Number
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2
£120,001 - £130,000	-	1
£130,001 - £140,000	2	-
£140,001 - £150,000	-	1
£290,001 - £300,000	1	-
£340,001 - £350,000	-	1

Unilever U.K. Central Resources Limited operates a defined benefit pension scheme and a defined contribution pension scheme to which £94,500 (2023: £61,756) was contributed by the Trust in relation to higher paid employees.

The defined benefit pension scheme reported an estimated funding level on a technical provisions basis at 31 March 2023 of 95%.

The Trust consider the Board of Trustees, the Director, Director of Finance and Assistant Director of the Trust comprise the key management personnel of the charity. The total employment benefits including employer pension contributions of the key management personnel was £809,872 (2023: £843,709). The Director is the highest paid member of staff.

3d Trustee costs

Trustees did not receive any remuneration during the year (2023: nil). Four Trustees (2023: Five Trustees) received travelling and subsistence expenses of £4,255 (2023: £2,873).

3e Net incoming/(outgoing) resources after charging

	2024 £000	2023 £000
Auditors' remuneration (excluding non-recoverable VAT)	92	88
Depreciation	116	-
Operating lease rentals	244	244

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tangible assets

	Leasehold Improvements	Audiovisual equipment and computers	Total	Total
	2024 £000	2024 £000	2024 £000	2023 £000
Cost				
At 1 January	876	40	916	-
Additions	22	-	22	916
At 31 December	898	40	938	916
Accumulated depreciation				
Charge for year	103	13	116	-
At 31 December	103	13	116	-
Net book value At 31 December	795	27	822	916

5 Investments

a) Investment in shares in Unilever plc

	2024 £000	2023 £000
As at 1 January	1,783,385	1,962,662
Net Investment gains / (losses)	351,045	(179,277)
As at 31 December	2,134,430	1,783,385

The fair value of investments held in Unilever plc shares reflects the market year end share prices. These shares are Level 1 in the fair value hierarchy (as defined in note 5d).

There were no purchases or disposals of shares in the year (2023: none).

b) Other Investments

Other investments represent amounts advised and managed by Partners Capital LLP under a Discretionary Management Agreement signed in 2019 and primarily comprise pooled investment vehicles.

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Other Investments (continued)

Other Investments at fair value	2024 £000	2023 £000
Gilt Fund	33,739	-
Inflation Linked Gilt Fund	28,925	33,479
Credit	54,565	38,780
Global Equities	972,487	835,910
Hedged Equities	159,239	270,818
Absolute Return	113,847	104,561
Property	70,540	110,642
Private Debt	401,674	331,743
Private Equity	270,834	223,832
Cash	95,527	24,706
Forward Foreign Exchange Contracts	(3,218)	(1,397)

Investments	<u>2,198,159</u>	<u>1,973,074</u>
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Movement in Other Investments	2024 £000	2023 £000
As at 1 January	1,973,074	1,908,553
Purchases	598,903	519,893
Disposals	(674,942)	(569,858)
Net Investment gains	232,124	70,665
Increase in cash held in investments	69,000	43,821
As at 31 December	<u>2,198,159</u>	<u>1,973,074</u>

The 2024 cash figure includes cash adjustments for pending purchases of £20.1m and pending sales of £52.2m. The 2023 cash figure does not include any adjustment for pending purchases or sales.

The forward foreign exchange contracts balance of £3.2m (2023: £1.4m) is the net of pending foreign exchange purchases of £177.0m (2023: £279.1m) and pending foreign exchange sales of £180.2m (2023: £280.5m).

There are no equity holdings in one company greater than 5% of the total of investments in Other Investments. The Trust has entered into commitments to invest in private equity funds. At the balance sheet date outstanding commitments totalled £88.3m (2023: £112.6m).

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Net gains / (losses) on investments

	2024	2023
	£000	£000
Net gains / (losses) on Unilever shares	351,045	(179,277)
Net gains on Other Investments	232,124	70,665
	583,169	(108,612)
Cash (loss) / gain from FX hedging	(3,657)	7,959
Investment management fees in units	2,541	1,736
Net gains / (losses) in Statement of Financial Activities	582,053	(98,917)

(d) Recognised fair value measurements

The following table categorises the fair values of the Trust's investment assets based on the inputs to the fair value. Categorisation within the hierarchy has been determined based on the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- **Level 1** – valued using quoted prices in active markets for identical assets.
- **Level 2** – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
- **Level 3** – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

2024	Level 1	Level 2	Level 3	Total 2024
Investments	£000	£000	£000	£000
Gilt Fund	33,739	-	-	33,739
Inflation linked Gilt Fund	28,925	-	-	28,925
Credit	-	54,565	-	54,565
Global Equities	176,730	795,757	-	972,487
Hedged Equities	-	159,239	-	159,239
Absolute Return	-	113,847	-	113,847
Property	-	-	70,540	70,540
Private Debt	-	365,061	36,613	401,674
Private Equity	-	-	270,834	270,834
Cash	95,527	-	-	95,527
Forward Foreign Exchange Contracts	-	(3,218)	-	(3,218)
Investments	334,921	1,485,251	377,987	2,198,159

2023	Level 1	Level 2	Level 3	Total 2023
Investments	£000	£000	£000	£000
Inflation linked Gilt Fund	33,479	-	-	33,479
Credit	16,371	22,409	-	38,780
Global Equities	135,917	699,993	-	835,910
Hedged Equities	-	270,818	-	270,818
Absolute Return	-	104,561	-	104,561
Property	-	33,189	77,453	110,642
Private Debt	-	313,802	17,941	331,743
Private Equity	-	-	223,832	223,832
Cash	24,706	-	-	24,706
Forward Foreign Exchange Contracts	-	(1,397)	-	(1,397)
Investments	210,473	1,443,375	319,226	1,973,074

NOTES TO THE FINANCIAL STATEMENTS (continued)

(e) Financial Risk Management

Credit Risk: The carrying amounts stated above represents the Trust's maximum exposure to credit risk therefore further disclosure is not required.

Market Risk:

The Trust is exposed to movements in the share price of Unilever plc. For every 1% reduction in the 31 December 2024 share price of Unilever plc, the value of the Trust's shareholding would reduce by £21.3m (2023: £17.8m).

In the remaining portion of its investment portfolio, the Trust's exposure to movements in equity prices arising is mitigated by diversification. The Trust invests in multiple asset classes with a variety of underlying investment managers.

The Trust monitors its equity risk using a risk framework based on beta to equity markets. Exposures to core market risks are converted into one single "equity equivalent" portfolio risk metric. The equity beta at 31 December 2024 was 0.70 (2023: 0.70). Therefore, for a 1% reduction in equity prices the value of the Trust's other investments would be expected to fall by 0.7% and every 1% reduction in global equity prices would be expected to lead to a reduction of £15.4m (2023: £13.8m) in Charity Funds.

The Trust's objectives, policies and processes for managing the risk arising from financial instruments are further explained in the Trustees' Annual Report.

Currency Risk: The Trust takes a long-term view of the currency risk inherent within a global investment portfolio.

The largest non-sterling exposure is to the US Dollar and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £12.7m in Charity Funds (2023: £11.3m) although an indirect impact of currency rate movements on the value of non-US Dollar denominated investments would also be expected.

At 31 December 2024, the Trust had the following open foreign currency forward contracts maturing in February, May and August 2025. The sterling equivalent of the nominal values are given at the relevant exchange rate on 31 December 2024:

- GBP/USD: \$134.98M (£107.82m)
- EUR/USD: \$7.52M (£6.00m)
- EUR/GBP: €45.51M (£37.62m)

The aggregate loss associated with these contracts was £3.22m as of 31 December 2024. The purpose of these derivative contracts is to hedge any unwanted currency exposure within the investment portfolio, to maintain the exposure at the agreed target of 27% GBP.

6 Debtors

	2024	2023
	£000	£000
Amounts falling due within one year:		
Accrued investment income	826	1,010
Prepaid administrative expenses	191	279
Total	<u>1,017</u>	<u>1,289</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Creditors

	2024	2023
	£000	£000
Grants payable	329,196	322,000
Accrued Investment management fees	515	269
Accrued administrative expenses	301	722
Total	<u>330,012</u>	<u>322,991</u>
		(reclassified)
Amounts falling due within one year	200,429	195,644
Amounts falling due after more than one year (all grants payable)	129,583	127,347

Movement in Grant Payable Creditor

	2024	2023
	£000	£000
As at 1 January	322,000	309,712
Grants awarded in year	120,254	128,450
Adjustment to awards in previous years	(8,950)	(6,951)
Cash paid	(104,108)	(109,211)
As at 31 December	<u>329,196</u>	<u>322,000</u>

8 Related parties

The Trustees' Annual Report explains the relationship between the Trustees of this Trust and those of the Leverhulme Trade Charities Trust.

In 2024, the Trust received dividend income of £68,894,975 from Unilever plc (2023: £70,443,711). Unilever plc is a company with a director in common with the Trust's Trustees. Graeme Pitkethly, who became a Trustee in March 2024, was Chief Financial Officer at Unilever plc until 31 December 2023.

The Trust's investments include £2,134,430,157 of ordinary shares held in Unilever plc (2023: £1,783,384,916).

Staff are jointly employed by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. Unilever U.K. Central Resources Limited is a subsidiary of Unilever plc.

The Leverhulme Trade Charities Trust does not have any employees but a charge of £75,190 (2023: £73,000) is made by The Leverhulme Trust, whose Assistant Director of Finance, is responsible for the day-to-day administration of the Leverhulme Trade Charities Trust. This charge included an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Commitments

At 31 December 2024, the Trust had annual commitments under an operating lease for its office which was renewed in 2022 for a term ending 24 July 2032. Currently it amounts to £241,434 plus Value Added Tax per annum with a rent-free period in 2022/23 and 2027/28. As at 31 December 2024:

- The amount payable within one year is £289,721 (including VAT)
- The amount payable after more than one year is £1,616,285 (including VAT)

At 31 December 2024, The Trust had outstanding commitments under a contract to implement a new finance system that totalled £57,000.

The only grant commitments as at 31 December 2024 was £7.0m related to two Leverhulme International Professorships awarded in 2024 that had not satisfy the conditions to be recognised at the end of 2024 but where this was expected to happen in 2025. (The commitments in respect of this scheme as at 31 December 2023 were £5.2m relating to an award from an earlier year).

In addition, the Trustees had approved the spending levels for various schemes for 2025 amounting to £68.0m (at the end of 2023 in respect of 2024: £87.6m). Individual grants will be awarded under these schemes in 2025.

10 The Trust

The Trust is a registered charity (number 1159154) and is constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom.

The objects of the CIO are to promote any purpose being exclusively charitable according to the law of England and Wales through the provision of scholarships and other similar support for education and research.

The registered office of the Trust is 1 Pemberton Row, London, EC4A 3BG.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11

2024 Grants awarded by institution

Institution

	Number of awards	Amount £'000
University College London	28	9,888
University of Warwick	21	8,081
University of Cambridge	43	5,249
University of Huddersfield	2	4,969
University of Edinburgh	30	4,396
University of Oxford	39	4,239
University of Stirling	1	3,981
Durham University	29	3,846
University of Birmingham	23	3,554
University of Liverpool	10	3,283
King's College London	21	3,056
University of St Andrews	14	2,757
University of Manchester	23	2,677
Queen Mary University of London	18	2,561
University of Glasgow	17	2,512
Imperial College London	9	2,414
Royal Academy of Engineering / Royal Society/ British Academy	4	2,316
University of East Anglia	9	2,262
University of Southampton	11	2,199
University of Exeter	12	2,126
University of Nottingham	15	2,024
University of York	14	2,002
University of Sheffield	13	1,976
University of Leicester	7	1,644
University of Leeds	8	1,366
University of Sussex	9	1,363
University of Bristol	11	1,330
Cardiff University	9	1,162
Lancaster University	3	877
Nottingham Trent University	5	871
Swansea University	5	847
Trinity Laban Conservatoire of Music and Dance	2	682
Royal Academy of Music	2	670
Royal Northern College of Music	2	649
University of Lincoln	5	624
Guildhall School of Music and Drama	2	614
Central School of Ballet	2	604
Glasgow School of Art	2	597
University of Reading	5	589
University of Keele	2	564

The Leverhulme Trust Registered Charity Number 1159154

Royal Central School of Speech and Drama	2	562
Queen's University Belfast	5	561
University of Kent	5	559
Birkbeck, University of London	3	554
Royal College of Music	2	538
Loughborough University	6	507
Open University	1	500
	511	101,202
Institutions below £500,000	116	17,457
Individuals below £500,000	34	1,595
	661	120,254

2023 Grants awarded by institution

Institution	Number of awards	Amount £'000
Durham University	21	8,242
University of Nottingham	27	8,215
University of Oxford	45	6,073
University of Liverpool	9	5,474
University of Manchester	26	5,307
Royal Academy of Engineering / Royal Society/ British Academy	5	5,259
Royal Holloway, University of London	5	4,870
University of Cambridge	34	4,774
University College London	25	4,076
University of Kent	6	3,839
University of Glasgow	18	3,609
University of Surrey	7	3,280
The Mandela Rhodes Foundation	1	2,877
University of Sheffield	20	2,825
University of Strathclyde	5	2,810
University of Essex	4	2,669
University of Edinburgh	25	2,526
University of Keele	4	2,493
University of Dundee	2	2,443
University of Warwick	19	2,434
University of Southampton	5	2,432
Queen Mary University of London	18	2,209
University of Bristol	19	2,169
Newcastle University	10	2,133
University of St Andrews	12	2,037
Cardiff University	11	1,848
Lancaster University	9	1,713
King's College London	10	1,701
University of Exeter	11	1,672
University of Birmingham	13	1,556
Goldsmiths, University of London	3	1,440
University of Leeds	9	1,430
University of Leicester	12	1,425
University of York	9	1,350
University of East Anglia	8	1,170
University of Salford	2	1,122
Cranfield University	1	1,107
University of Roehampton	1	1,107
University of Bath	6	1,018
Imperial College London	4	933
University of Sussex	5	914
University of Reading	4	824
Loughborough University	6	610
London School of Economics and Political Science	6	600
Swansea University	2	597
	504	119,212

The Leverhulme Trust Registered Charity Number 1159154

42 institutions below £500,000

Individuals below £500,000

2023 Total grants awarded

55	7,799
31	1,439
590	128,450

THE LEVERHULME TRUST

England & Wales - Charity number 1159154

Accounts

LEVERHULME
TRUST _____

**Trustees' Annual Report
and Financial Statements 2023**

Chairman's foreword

As I retire as Chairman of the Leverhulme Trust Board this year, I want to reflect on what distinguishes the Trust in its contribution to the research funding landscape.

For nearly a century, the Trust has consistently supported academic research in the UK, adhering to key guiding principles. These include independence, a commitment to fundamental research, a belief in the power of blue skies exploration, and the conviction that academics are best placed to identify the most intriguing frontiers of knowledge. The Trust believes in the importance of 'responsive' mode funding. Moreover, the Trust is willing to take considerable risks by funding research that is long-term in nature and has unpredictable outcomes.

The Trust also takes great pride in playing its role in the UK higher education sector, which continues to be world-class. It requires exceptional individuals, a broad array of research institutions and the stimulation of great ideas to sustain excellence. The Trust plays a modest, but important, part in this system, supporting, as it does, outstanding fundamental research across the arts, humanities, social sciences and sciences, while also seeking to nurture a pipeline of talented and ever more diverse researchers.

Since my initial involvement with the Trust, both the research landscape and the Trust itself have seen considerable change. When I became a Trustee in 1996, the Trust awarded approximately 337 grants per year, totalling around £12.6m. By 2013, when I became Chair, our annual expenditure had increased to just over £50m, supporting about 500 grants. Today, the Trust's annual spend has more than doubled to around £120m, distributed across around 600 grants. Indeed, since 1996, we have committed £1.7bn to funding exceptional research founded on truly original ideas. The substantial increase in funding has allowed the Trust to develop a range of new initiatives to support groundbreaking research.

We have introduced schemes offering larger, longer grants to facilitate transformative research. Notable among these are ten Leverhulme Research Centres, each receiving decade-long grants of £10m to support interdisciplinary research relevant to contemporary society. The academics leading these centres have appreciated the opportunity to undertake research that may take a long time to come to fruition and from which impact may be many years in the future. These awards are also a catalyst for leveraging funding from other bodies.

The Trust has also invested in a Leverhulme Doctoral Scholarship programme to ensure a continuous pipeline of talented doctoral scholars, which is vital if UK universities are to maintain their world-leading research status. So far, we have funded 360 PhDs on 47 different programmes across 34 universities. These programmes also enable students to come together in cohorts to undertake wide-ranging interdisciplinary work in topic areas of real significance. Students often tell us of the career-defining impact of cross-disciplinary work.

In the last decade or so, we have become increasingly concerned about how we continue attracting talented researchers to the UK. We took several steps to try to counteract the negative impact of Brexit on the flow of talent to the UK, one of which was to allocate £100m to fund Leverhulme International Professorships. We hoped these Professorships would signal the Trust's ongoing commitment to international collaboration. So far, we have agreed to fund 19 of these global leaders to move to the UK with their talented teams. I am confident that the UK's long-awaited association with the EU Horizon research programme will also lead to rebuilding research collaborations across Europe and, indeed, beyond.

Alongside these larger initiatives, the Trust has maintained its long-standing support for project and fellowship grants. These are designed to assist academics throughout their careers and provide space for fundamental research. Here, the Trust plays an important role in supporting a full range of academic disciplines, increasingly so in some humanities subjects where external research funding has become scarce. The Trust also seeks to play its part by offering targeted routes into academia for underrepresented groups.

I am passionate about all our schemes but particularly proud of the Early Career Fellows, now a community of over 2,000, and also the £51.8m we have committed to 649 Philip Leverhulme Prize winners over the last 22 years. Both schemes help outstanding young researchers at pivotal points in their early and mid-careers, and many exceptional recipients have become international leaders.

While I am confident in the future of both the Trust and UK higher education, we must also recognise the considerable challenges, which include maintaining an openness to scholars worldwide and financial sustainability. Encouragingly, the sector has already proven its resilience through Brexit, COVID-19, inflation and recent economic pressures. However, there is concern that political engagement with universities has been weakened, and there is a lot of hard work to be done to rebuild relationships across government, universities and other institutions supporting the world-class research accomplished in the UK. The Trust will do its bit by continuing its support for the excellence and scholarship represented by its grantees.

It has been a huge privilege and pleasure to work with two remarkable personalities as Directors of the Leverhulme Trust: Gordon Marshall and Anna Vignoles. Not only do they bring their singular leadership skills and academic abilities but each embodies the ethos and values that make the Trust so unique. It would not have been possible to ask for or receive more unselfish and unstinting support. We have also benefited from the commitment and dedication of wonderful Trustees, who have my deep gratitude on behalf of all who benefit from the work of the Trust. As I pass the responsibility of leading this extraordinary organisation, built on the vision and generosity of William Lever, to my successor, Alan Jope, I am confident that I leave the Leverhulme Trust in the most capable hands and in rude health.

A handwritten signature in black ink, appearing to read 'Niall FitzGerald', with a small dot at the end.

Dr Niall FitzGerald KBE DSA
Chairman of the Leverhulme Trust Board

Director's report

With a mix of gratitude and sorrow, we mark Niall FitzGerald's decision to step down as Chairman of the Leverhulme Trust Board after an incredible 28 years of dedicated service as a Trustee and more than a decade at the helm as Chair. It is the end of an era, and there is no doubt about the profound impact that Niall has had on the Trust. He leaves a legacy that will resonate for years to come.

Niall's visionary leadership has been instrumental in shaping the Trust's offering and ensuring that we are an institution that truly values and celebrates outstanding fundamental research and scholarship. Given the importance of this kind of blue-skies discovery research for wider society and, indeed, the future of humankind, this is no trivial legacy.

Under Niall's stewardship, the Trust experienced transformative growth, introducing major new initiatives like the Leverhulme International Professorships and the Leverhulme Research Centres. These endeavours have not only expanded the Trust's reach and ambition but have also left an indelible mark on the research landscape and supported a great many academics along the way.

As we bid farewell to Niall, I would like to extend my thanks and heartfelt appreciation for his unwavering support, dedication and passion for the Trust. While his departure marks a loss, it also heralds a new chapter under the leadership of our incoming Chair, Alan Jope, former CEO of Unilever. We warmly welcome Alan and anticipate the invaluable insights he brings as he leads the Trust in the years to come.

This past year, we have celebrated some significant milestones, welcoming two new colleagues to our small team, processing 3,737 applications and awarding 590 grants. I am particularly proud that the Trust was able to fund no fewer than eleven new Leverhulme Doctoral Scholarship grants, making a vital contribution to PhD capacity in the sector. The Trust is also trying to play its part in increasing the diversity of people who become academics, and our doctoral programmes now include additional funding for a Master's to PhD route for the groups currently most underrepresented in the sector: Black and low-income students. These interdisciplinary programmes are also awe-inspiring in their breadth, spanning many institutions and topics from AI to ecology, from history to oceanography.

As we embark on 2024 with more major grant awards on the horizon, I want to express my deep gratitude to the entire Trust team for their tireless efforts. I would also like to thank the many peer reviewers who support the work of the Trust in different ways and without whom we could not do what we do.

Professor Anna Vignoles CBE FBA
Director

TRUSTEES' ANNUAL REPORT – 2023

LEGAL AND ADMINISTRATIVE DETAILS

Established under the Will of the First Viscount Leverhulme.

Trustees	Dr Niall FitzGerald KBE DSA (Chairman) Doug Baillie Professor Keith Gull CBE FRS Alan Jope Sir David Lewis – to 22 November 2023 Rudy Markham CMG Mhairi McEwan Leena Nair Christopher Saul Keith Weed CBE Steve Williams Graeme Pitkethly – from 6 March 2024 Quintin Price – from 26 June 2024
Director	Professor Anna Vignoles CBE FBA
Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Legal Advisors	Maurice Turnor Gardner LLP Milton House, Milton Street, London, EC2Y 9BH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH
Custodian	Northern Trust 50 Bank Street, Canary Wharf, London, E14 5NT
Investment Advisor	Partners Capital LLP 5 Young Street, London, W8 5EH
Office Address	1 Pemberton Row, London, EC4A 3BG Tel. 020 7042 9888
Website	www.leverhulme.ac.uk
Registered Charity Number	1159154

TRUSTEES' ANNUAL REPORT – 2023

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 December 2023.

History

The Leverhulme Trust is a Registered Charity, Number 1159154, and was constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom on 11 November 2014. It derives from the Will of the First Viscount Leverhulme (the “Founder”), who died in 1925. He left a proportion of his shares in Lever Brothers Limited upon trust and specified that the beneficiaries of the resulting income should include certain trade charities and the provision of scholarships for such purposes of research and education, being valid charitable purposes, as the Trustees might decide. The shareholding subsequently became one with Unilever plc.

In November 1983, the High Court approved a declaration of Charitable Trust from the Will which gave each of its two charitable objects an independent existence including its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust. The Leverhulme Trust, (“the Trust”), from that date, was solely concerned with research and education.

At the conclusion of 2014, the Trustees transferred all the assets, liabilities and undertakings of the previous established Trust to this newly formed CIO, Number 1159154. The objects of the CIO are substantially the same, and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities

The objective of the Trust is the provision of scholarships and other similar support for education and research in order to fulfil the Founder’s objectives.

The Trustees have set in place a range of activities to meet this objective. The constitution of the Trust places no restriction on the disciplines that are to provide the scholarships for research or education; however, in recognition of the substantial sums provided by other funders of research and scholarship in medicine and related clinical activities, the Trust does not fund in this area. The Trust operates in responsive mode, with the choice of research topic determined by individual applicants.

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trust Board meets annually to review its grant-making activities, and to make modifications to the portfolio, where appropriate.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust, which consists of making grants across a broad range of schemes, by identifying a broad and inclusive range of individuals who can demonstrate high-quality scholarship, originality, and excellence in their chosen research proposal.

The grant-making policies of the Trust are set out on the Trust’s website. This provides detailed information on how to apply for a grant and explains how awards are administered.

In assessing grant applications for funding, the Trustees use the following criteria to prioritise work of outstanding scholarship:

- Originality—the research achieves more than the incremental development of a single discipline;
- Importance—the work will enable further research or enquiry;
- Significance—the proposed research has relevance outside a single field, and is able to excite those working in other disciplines; and
- Merit—the quality of the research design and methodology, and the suitability of the researchers and institution for the realisation of the proposed research objectives.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Objectives and Activities (continued)

A second set of criteria reflect the particular values of the Trust and express the Trust Board's aspiration that the Trust's funding maintains a distinctive role within the current research funding landscape. Applications are particularly welcomed when they:

- Reflect an individual's personal vision, aspiration, or intellectual curiosity;
- Take appropriate risks in setting and pursuing research objectives;
- Enable a refreshing departure from established patterns of working – either for the individual, or for the discipline; and
- Transcend disciplinary boundaries.

All applications to the Trust are subject to the established and robust peer review mechanisms of the academy and higher education sector to identify innovative, original research which meets the Trust's criteria, as stated above. All decisions are taken in light of the peer review comments received.

Details of the main schemes can be seen in the section 'Achievements and Performance' below.

Public Benefit

The benefits provided by fulfilling the Founder's wishes of funding scholarships for education and research are primarily associated with the skills developed by the research, teaching and student communities, as a consequence of the Trust's awards. This outcome is believed to be well in keeping with the Founder's intent, namely of public benefit.

Achievements and Performance

The Trust makes grants across a range of regular schemes, providing support for individuals at a range of career stages, for groups and teams of researchers, and for international collaborations. The majority of these schemes operate annually, while others run triennially or as announced as noted below:

Arts Scholarships – Triennial Scheme

Open to specialist arts training organisations to develop innovative teaching and to provide bursaries for individuals of exceptional talent to develop their skills in the fine and performing arts. Awards range from £40,000 to £695,000 (2023: £nil, 2022: £nil).

The Arts Studentship scheme will be changing in 2024 and consist of two distinct schemes – see details under "Plans for Future Periods".

Doctoral Scholarships – Triennial Scheme

This Scheme aims to support doctoral studies in UK universities at a time of growing undergraduate debt. In 2023, the Trust awarded eleven awards of each up to £2.215m to UK Universities. Each award will fund fifteen fully funded Leverhulme Doctoral Scholarships (five to be offered in each of the first three years of the grant)). Up to three of the fifteen places can be allocated to international students. Grants for UK students covers maintenance and tuition at UKRI rates and £10,000 for research and training. For international students fees at the university's standard international fee up to a maximum of £25,000 will be funded. To provide targeted support to ensure better progression of low income and Black students, the Scheme was extended in 2023, universities could apply for additional funding, for up to three students, from these underrepresented groups to undertake a master's degree before progressing to a PhD. Each scholarship provides for up to £130,000 for 5 years of full-time study. (2023: £24.4m, 2022: nil).

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Achievements and Performance (continued)

Early Career Fellowships

Providing a bridge into an academic career for researchers with a proven research record who have not yet held an established academic post. The scheme provides 50% of the salary costs of a 3-year academic appointment, with the host institution providing the balance, plus some research costs. (2023: £14.4m, 2022: £17.5m).

Emeritus Fellowships

Providing funding for 3-24 months for senior researchers who have retired from an academic post to enable them to complete a research project and publish the results. Awards are for up to £24,000. (2023: £0.4m, 2022: £0.5m).

International Fellowships

Enabling established researchers in UK higher education institutions to spend 3-12 months in overseas research centres, to develop new knowledge, skills and ideas. Up to £50,000 available. (2023: £0.5m, 2022: £0.4m).

International Professorships – as announced

To recruit excellent research leaders of any nationality, currently working outside the UK, in order to fill strategically important positions in this country. This competition was first held in 2020 with 4 awards totalling £17.7m being made, a further round was held in 2021 with 5 awards totalling £21.5m being made and in 2022 3 awards totalling £10.6m were made. These awards are not included in the expenditure on charitable activities in the year of award as they are still subject to the completion of certain formalities and the professorial appointment.

Year of award	Number of awards	Accounted for in 2021	Accounted for in 2022	Accounted for in 2023
2020	4	£8.7m (2 grants)	£9.0m (2 grants)	-
2021	5	-	£7.1m (2 grants)	£9.2m (2 grants)
2022	3	-	-	£10.6m (3 grants)
Value accrued in year		£8.7m	£16.1m	£19.8m

Applications for a final round took place in 2023 with the decisions made in March 2024 when 7 awards totalling £25.1m were made.

Major Research Fellowships

Supporting well-established academics in the humanities and social sciences to focus for 2 or 3 years on a specific piece of significant, original research. The scheme is particularly aimed at those whose day-to-day duties have prevented them from completing a programme of research. Annual replacement costs plus research expenses are in the region of £50,000. (2023: £5.3m, 2022: £4.4m).

Philip Leverhulme Prizes

To recognise researchers at an early stage of their career, whose work has already had a significant international impact, and whose future research career is exceptionally promising. £100,000 is provided over two or three years for any research purpose. (2023 £3.0m, 2022: £3.0m).

Research Centres- as announced

To support fundamental cross-disciplinary research across the sciences, humanities and social sciences. This competition is designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies. Awards of up to £10,000,000 over 10 years. (2023: nil, 2022: £nil)

Plans for a further round of research centres in 2024 are set out under “Plans for Future Periods”.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Achievements and Performance (continued)

Research Fellowships

Supporting experienced researchers, particularly those whose day-to-day responsibilities have prevented them from completing a programme of research, and open to independent scholars as well as those holding posts in universities. Replacement costs/loss of earnings and research expenses available over 3-24 months. Maximum award £60,000. (2023 £5.8m, 2022: £5.6m).

Research Leadership Awards- Triennial Scheme

Supporting researchers with an established university career to build a research team to address a distinct research problem. Between £800,000 and £1million over 5 years is available to fund research assistants and research students working under the leadership of the award holder, plus associated costs. (2023: nil, 2022: £10.6m).

Research Project Grants

Available for any research topic, with the choice of theme and research approach left to applicants. Up to £500,000 over 5 years is available to cover salaries for research and associated costs. This is the Trust's core funding stream and its popularity saw the allocation to grants at £42.8m in 2023 (2022: £38.5m).

Study Abroad Studentships

Supporting a period of postgraduate study or research in any overseas country except the USA. Awards offer maintenance, travel and essential research/study costs for between 12 and 24 months. Annual award values average £48,000. (2023: £1.4m, 2022: £1.3m).

Visiting Professorships

To enable UK institutions to invite an eminent researcher from overseas to enhance the knowledge and skills of academics and students in the host institution. Awards cover maintenance, travel expenses and research costs and last for between 3 and 12 months. Given the variety of individual circumstances, the value of an award can range from under £10,000 to over £125,000, depending on duration. (2023: £2.2m, 2022: £2.5m).

Academy Fellowships/Scholarships

This category includes various schemes. These include Senior Research Fellowships that the Trust funds that are run by the British Academy, the Royal Society and the Royal Academy of Engineering and the Small Research Grants scheme run by the British Academy. In 2023, the Trust agreed to extend the APEX interdisciplinary research grants scheme run jointly by the three academies for three years from 2025 at a cost of £3.6m. The Trust has previously funded scholarships administered by the Mandela Rhodes Foundation for African scholars to pursue doctoral scholarships in the UK. In 2023, the Trust agreed to fund two scholarships for a further five years from 2025 to 2029. (2023 £8.5m, 2022: £3.2m).

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Achievements and Performance (continued)

A summary of the value of grants made during the year can be seen in the following table.

Types of schemes	2023		2022	
	£000	%	£000	%
Research Project Grants	42,826	33	38,498	37
Doctoral Scholarships	24,369	19	-	-
International Professorships	19,817	15	16,110	16
Early Career Fellowships	14,368	11	17,464	17
Research Leadership	-	-	10,635	10
Academy Fellowships/Scholarships	8,518	7	3,218	3
Research Fellowships	5,801	4	5,568	5
Major Research Fellowships	5,283	4	4,405	4
Leverhulme Prizes	3,000	2	3,000	3
Visiting Professorships	2,197	2	2,481	2
Study Abroad Studentships	1,433	1	1,281	1
International Fellowships	451	1	380	1
Emeritus Fellowships	387	1	499	1
Grants Awarded in Year	128,450	100	103,539	100

The number of applications received for consideration for all schemes amounted to 3,737 in 2023 (2022: 3,483). The number of grants which were subsequently made amounted to 590 (2022: 604).

The Trust maintains a portfolio of diverse awards (see above) which are attractive to the research community. This is demonstrated by the numbers of applications, which remain consistently high across the schemes (e.g. 2023: Research Project Grants over 350, Early Career Fellowships over 750, Research Fellowships around 700). The selection of successful applications, based on peer review, involves success rates across the schemes ranging from c. 8% to 41%. The Trust is able to disburse its available income without any sacrifice of quality.

The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

All grant recipients are required to report both annually (for multi-year awards) and on completion. Final grant reports are reviewed by the Director (some 80% of directly funded grants) and submitted for Trust Board scrutiny or are assessed and reviewed by the appropriate committees or panels to which authority has been delegated. All reports are graded, although it is not appropriate to set numerical targets for grades (nor to normalise these) due to the range, diversity and nature of the activities being reported on. Research outcomes are described, in the context of the ambitions presented in the original bid, and the outputs listed; particular attention is therefore given to the broad findings and to publications or other forms of dissemination resulting from the award. Academic papers and publications arising from the Trust's funding are subject to the usual relevant academic peer review process for such publications. Acknowledgment of Leverhulme support in outputs (journal articles, monographs etc) is a formal requirement of the Trust. Publications arising from Leverhulme grants are also subject to external peer review through the Government's mechanism (Research Excellence Framework, Research Assessment Exercise prior to this) to assess the research of British higher education institutions, see <http://www.ref.ac.uk/>. The Trust monitors the impact of its support on the careers of grant recipients via case studies in its Annual Review.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Achievements and Performance (continued)

The excellence of UK scholarship is recognised, for example, in the various league tables of the World's top universities and the standard research metrics (such as citation statistics) which are available for each country. Despite the high volume of applications to the Trust (around 3,500 to 4,000 per annum), the Trust has consistently secured appropriate levels of peer review to allow it to meet its objectives. The value of the Trust's activities is enhanced by the funds provided by the Government via the Research Charities Support Fund, which provides a contribution towards university overhead costs.

The Trust also continues to place importance on international collaborations, by assisting Study Abroad Students to expand their horizons through postgraduate study or research overseas, supporting academics to develop new collaborations and lines of research with colleagues around the world via our International Academic Fellowships, and enabling UK universities to employ globally leading scholars through our Leverhulme International Professorships and host distinguished academic visitors from overseas through our Visiting Professorships. It is also noteworthy that so many of our other grant holders choose to spend at least part of their time working with colleagues in other countries and in ways that invariably prove to be immensely rewarding. The Trust Board is delighted to be able to help foster these collaborative research relationships. British academic and cultural institutions are world leaders because of their ability to attract the finest talent from around the world; we should be robust in safeguarding this unique competitive advantage.

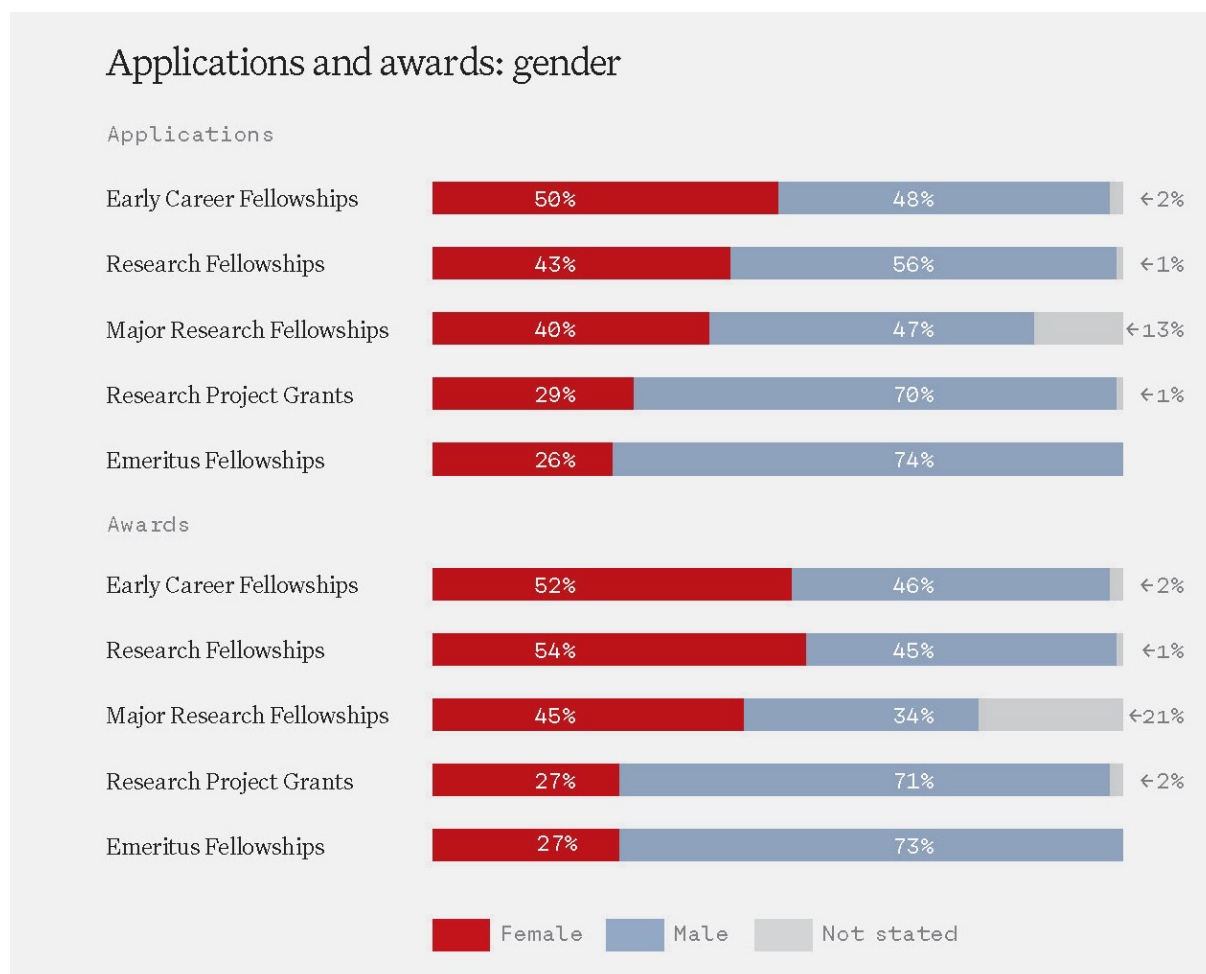
Although our grantees were impacted by the pandemic, the Trustees reported that the operations and finances of the Trust were materially unaffected by the COVID-19 virus. The Trust has continued to have active conversations with its beneficiaries where their activities were adversely affected by the direct or indirect impact of the pandemic. The Trustees created a contingency fund of up to £10m in 2020 to help grant holders where additional costs were required as a result of the pandemic. The Trust has said that no requests for costed extensions are being considered for awards that arise from applications made in 2021 or later. As at 31 December 2023, an amount of £7.6m (2022: £6.6m) had been committed from this fund.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Diversity and inclusion

The Trust is conscious of inequalities in the research ecosystem and aware that our grantees also reflect these inequalities. The Trust is taking various steps to increase the diversity of applications it receives and its awards, such as the introduction in 2023 of new grants to support a master's-to-PhD route for Black scholars or students from a low-income background. Monitoring the demographic characteristics of our applicants and awardees is also essential to our efforts on this issue.

We have been collecting information on gender for some time. Here is the most recent data for the main grants schemes for both applicants and awards.



We are at an early stage in terms of collecting data on ethnicity and being able to analyse it. We do not yet have sufficient data to disaggregate by scheme, and it will be some years before we can report on some of the Trust's major schemes as these only run triennially.

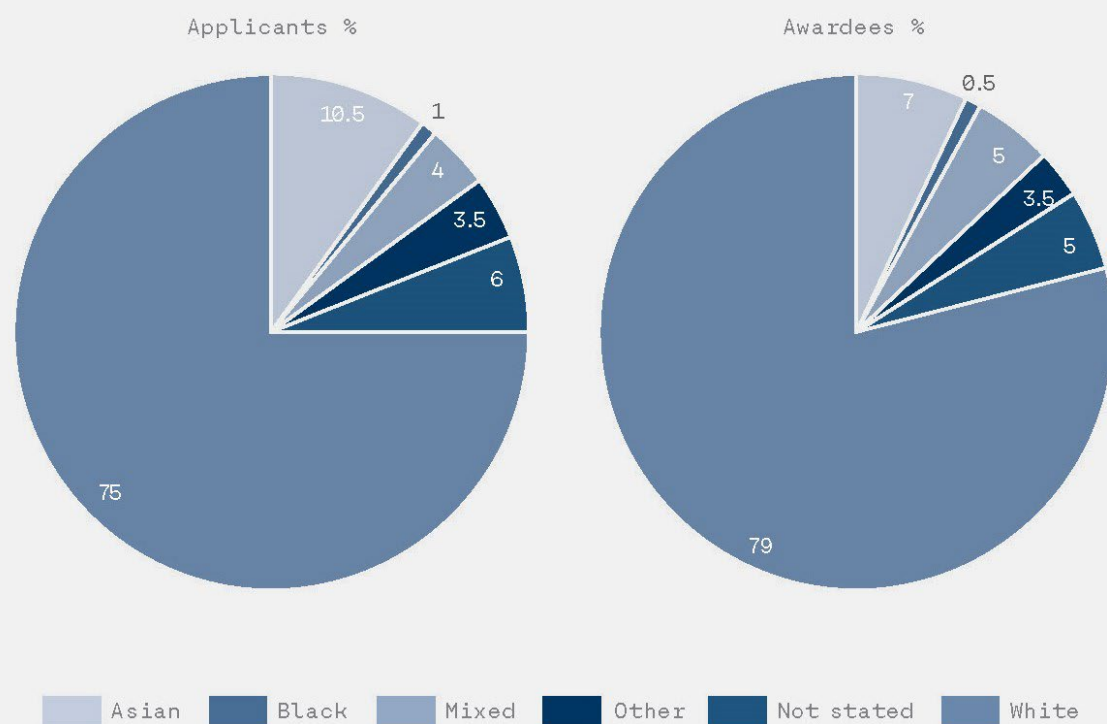
The aggregate data presented below are consistent with those from 2022 and confirm the underrepresentation of some minority ethnic groups – particularly Black academics, both in the applications we receive and in the awards we make. It is worth noting that 6% of applicants prefer not to disclose this information when applying to the Trust.

This underlines the need for the Trust to continue focusing on ways to encourage and support applicants from underrepresented groups and continue to monitor its grant-making processes.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Diversity and inclusion (continued)

Applicants and awardees by ethnic group across schemes in 2023



TRUSTEES' ANNUAL REPORT – 2023 (continued)

Financial Review

The income of the Trust, comprising investment income, amounted to £98.9m in 2023 (2022: £92.2m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

Grants awarded in the year were £128.5m in line with expectations (2022: £103.5m). A summary by scheme can be seen in Note 3b to the financial statements.

The value of the Trust's funds at the end of 2023 was £3,438m (2022: £3,566m).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investment portfolio.

Investment policy and performance

The Trust's investment advisor was appointed in November 2019 and an updated investment policy statement and strategic asset allocation was agreed by the Trust Board's Investment Committee and the Trustees.

At 31 December 2023, the Trust's total investments of £3,756m (2022: £3,871m) comprised:

- investment in shares in Unilever plc of £1,783m (2022: £1,962m); and
- other investments held under a discretionary management agreement with Partners Capital LLP of £1,973m (2022: £1,909m).

The Trust targets a minimum total return over the longer-term net of fees, currently 7%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. Over the three years to 31 December 2023, the total return on the Trust's investments was 1.9% (Unilever -1.1%, other investments 5.1%). (Over the three years to 31 December 2022, the total return on the Trust's investments was 3.4% (Unilever 2.3%, other investments 4.7%)).

In 2023 the Trust's investments (net of fees) returned 0.2% (2022:2.2%).

	2023 - £m	2022 - £m	Total return	Change in value on balance sheet £m
Unilever shareholding	1,783	1,962	-5.7%	-179
Partners Capital managed portfolio	1,973	1,909	6.2%	64
Total	3,756	3,871	0.2%	-115

The Trust incorporates responsible investment best practices into investment decision making. It believes that by engaging in a broad set of extra-financial considerations – including environmental, social and governance (ESG) issues – the long-term financial performance of the portfolio can be sustained with potential for improvement. The Trust's approach is to operate a set of principles that reflect its values and to apply them with common sense and a measure of pragmatism and to ensure it remains cognisant of changes and trends in investment markets and in society at large. It seeks impact through its grant giving for academic scholarship. The investment of its funds to provide these scholarships means that investment decisions are predominately driven by economic return.

Risk management

During the year, the Trust Board's Risk Committee continued to monitor both operational and strategic risks and ensured that the risk register was kept up to date. The Risk Committee will continue to

TRUSTEES' ANNUAL REPORT – 2023 (continued)

review all risks and make recommendations to the Trust Board which reviews the key risks on an annual basis.

The Trustees consider that sustained underperformance in the Trust's Unilever shareholding and/or the portfolio managed by Partners Capital would lead to a significant reduction in funds available in the medium term for distribution by the Trust. Steps taken to mitigate this risk include ongoing review of

Unilever performance and, in relation to the portfolio managed by Partners Capital, the adoption of a risk-based Investment Policy Statement by the Trust with a focus on asset class diversification and total return and regular monitoring by the Trust's Investment Committee

Other principal risks to the implementation of the Trust's strategy concern the relationships with its applicant and peer review communities. The success of the strategy of the Trust is dependent on the ability to attract sufficient numbers and quality of applicants, and to be able to rely on the goodwill of its peer reviewers. Steps to mitigate these risks include the regular review and refreshing of the Trust's portfolio of grant schemes (undertaken at the annual Strategy Meeting). The Trust Board also engages in regular horizon-scanning of the academic landscape, while continuing to engage and maintain relationships with the academic community through regular formal and informal meetings and activities, both with its committees and panels and with the broader academic community.

Another key risk is that the Trust suffers a significant data breach or operational disruption due to a malicious cyber-attack. To mitigate this risk, the Trust has implemented technical controls (for example covering Firewall, Secure Configuration, User Access Control, Malware Protection, Patch Management) and had these assured by an external party in order to receive Cyber Essentials Plus certification.

Reserves Policy

It is Trust policy to, at least, maintain the real value of the level of reserves over the long term and to maintain sufficient liquidity to meet its commitments. The Trust's target return for its investments of 7% over the longer-term with a planned 3% annual withdrawal has been set to with a view to achieving this policy target. The free reserve balance (which excludes the Trust's tangible assets) at 31 December 2023 was £3,438m (2022: £3,566m) in line with the target.

Plans for Future Periods

The Trustees have agreed that annual withdrawals will be made from the Trust's investments at a rate of 3% of the five-year rolling average value each year. During the transition period to the adoption of a total return investment objective, the Trustees had agreed that the Trust would aim to spend £100m per annum for the five-year period (2020- 2024) in order to ensure that it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. This remains the plan and the Trust looks likely to achieve this. The Trustees will continue to monitor the demand for existing programmes and to develop new programmes and schemes.

In 2024, The Trust announced its attention to award a number of further Research Centres for outstanding multidisciplinary research aspiring to achieve a step-change in scholarship. In this round, the Board is looking for applications strongly led by the Arts, Humanities and Social Sciences. Within this, the choice of topic is left open, in line with the Trust's responsive mode of working. The chosen topic should be sufficiently large-scale to support an ambitious but realistic research agenda for up to ten years. Each centre would be funded for up to £10m for up to 10 years.

Following an extensive review of the Arts Studentships scheme in 2022/23, and consultation with experts in the field, the Trust Board has decided to divide the 2024 competition into two distinct schemes. One will focus on activities for Under 18's (ARTS1) and the second will focus on undergraduate (UG) and postgraduate (PG) bursaries (ARTS2). The changes to the scheme reflect

TRUSTEES' ANNUAL REPORT – 2023 (continued)

the desire of the Trust Board to provide a meaningful level of financial assistance to students for the duration of their course or activity and to ensure that the competition is fair, with the selection panel choosing between proposals for similar activities.

In recognition of its commitment to the sector, the Board is committing up to £15m for these two schemes. This represents a 20% increase on funds available in the 2021/22 round.

The Board made its final awards under its Leverhulme International Professorship Scheme in March 2024 of £25.1m.

In addition to the Research Centres, the Arts Scheme and the Leverhulme International Professorships, the Trust Board has identified funds for the following schemes £2.0m for Visiting Professorships; £5.0m for Major Research Fellowships; £3.0m for Prizes; £2.6m for Fellowships/Scholarships, £20.0m for the RAAC (Research Awards Advisory Committee).

Structure, Governance and Management

The Trustees who served during the year and up to the date of the approval of the Annual Report, are listed on page 4.

The Trustees, who receive no remuneration for their services, meet four times annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 8).

Full information on the scope of The Leverhulme Trust and the policies of the Trustees is given on the website <http://www.leverhulme.ac.uk>.

The Trust's induction for new trustees aims to cover understanding the Trust and its grant schemes, learning about the higher education sector and the research funding landscape and understanding of the role of a charity trustee. Trustee induction includes discussions with existing trustees and Trust senior management, meetings with senior academics from the Trust's peer review panels, visits to universities as well as the provision of key documents from the Trust and Charity Commission and some online training.

The Director of the Trust is Professor Anna Vignoles. The Trustees consider the Board of Trustees together with the Director, Director of Finance, Director of Investments and Assistant Director of the Trust comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a daily basis. As at 31 December 2023 the Trust had 18 other staff who are accountable to the Director. All staff members are involved in the delivery of the Trust's grant-making activities.

The pay of the key management personnel and of the Trust's staff generally is reviewed annually by the Trust Board's Nominations and Remuneration Committee in light of changes to prices and average earnings. Remuneration levels are also periodically benchmarked against other similar organisations.

The remuneration of the key management personnel consists of fixed salary, variable pay and pension payments. The variable pay is determined on performance against agreed objectives. Remuneration levels are set in relation to that required to attract and retain the quality of executive needed to run effectively and efficiently a Foundation of this size and complexity.

The Trust Board has four committees and an advisory panel:

- The Research Awards Advisory Committee. This consists of twelve eminent scholars attached to various academic institutions in the UK, covering a wide range of fields of study. The Trustees have

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Structure, Governance and Management (continued)

delegated authority to them to make research awards to individual applicants within a number of Trustee-approved schemes.

- The Investment Committee. The membership of the Investment Committee consists of Trustee Board members (Rudi Markham (Chairman), Dr Niall FitzGerald, Professor Keith Gull, Christopher Saul and (from November 2023) Alan Jope), the Director of Investments of the Trust and three external investment specialists (Dame Elizabeth Corley, Angela Docherty and Quintin Price). Its remit is to make recommendations to the Trustees regarding the non-Unilever investments of the Trust. The external member positions are remunerated. (After the year end, but before the annual report was signed, Quintin Price became a Trustee.)
- The Nominations and Remuneration Committee. The membership of this committee includes the Chairman and three other Trustees (Rudy Markham, Doug Ballie and Steve Williams) and its remit is to advise the Board of Trustees in respect of Trustee succession and remuneration of Trust staff.
- The Risk Committee is made up of three Trustees (Doug Baillie, Mhairi McEwan and Christopher Saul), the Director of the Trust and the Director of Finance. Its remit is to consider the risks to which the Trust may be exposed, prepare an appropriate Risk Register, and present this to the Trust Board for consideration on a regular basis.
- The Leverhulme Advisory Panel. This consists of some 41 UK-based academic specialists who provide a range of advice to the Trust, primarily relating to initial requests (outline applications) for financial support. These positions are remunerated.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charitable foundations, and acts as an authoritative lobby on behalf of its members with Government and regulators.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with The Charities Act 2011 and the Charities (Accounts and Reports) Regulations

TRUSTEES' ANNUAL REPORT – 2023 (continued)

2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. www.leverhulme.ac.uk Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Annual Report is approved: so far as the Trustee is aware, (a) there is no relevant audit information of which the Trust's auditors are unaware; and (b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' Annual Report on pages 4 to 17 was approved by the Trustees and signed on their behalf by:



Dr Niall W A FitzGerald
(Chairman)

24 July 2024

1 Pemberton Row
London EC4A 3BG

Registered charity number: 1159154

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LEVERHULME TRUST

Report on the audit of the financial statements

Opinion

In our opinion, The Leverhulme Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2023; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us to also report certain opinions and matters as described below

Trustees' Annual Report

In our opinion, based on work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Annual Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.

- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 July 2024

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Income and endowments from:			
- Investment income	2	98,928	92,219
Total income and endowments		<u>98,928</u>	<u>92,219</u>
Expenditure on:			
Raising funds			
- Investment management costs		3,219	3,320
Charitable activities	3b	124,277	100,895
Total expenditure		<u>127,496</u>	<u>104,215</u>
Net Expenditure before Net losses on investments		(28,568)	(11,996)
Net (losses) on investments	5c	(98,917)	(1,782)
Net expenditure and net movement in funds		<u>(127,485)</u>	<u>(13,778)</u>
Reconciliation of funds:			
Total funds brought forward		3,566,006	3,579,784
Total funds carried forward		<u>3,438,521</u>	<u>3,566,006</u>

The notes on pages 24 to 38 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2023

Fixed assets:	Note	2023 £000	2022 £000
Tangible assets	4	916	-
Investments			
- Investment in shares in Unilever plc	5a	1,783,385	1,962,662
- Other investments	5b	<u>1,973,074</u>	<u>1,908,553</u>
		<u>3,756,459</u>	<u>3,871,215</u>
Total fixed assets		3,757,375	3,871,215
Current assets:			
Debtors	6	1,289	1,000
Cash at bank and in hand		2,848	4,318
		<u>4,137</u>	<u>5,318</u>
Total current assets			
Liabilities:			
Creditors: amounts falling due within one year	7	<u>(217,900)</u>	<u>(189,073)</u>
Net current liabilities		<u>(213,763)</u>	<u>(183,755)</u>
Total assets less current liabilities		3,543,612	3,687,460
Creditors: amounts falling due after one year	7	(105,091)	(121,454)
Total net assets		<u>3,438,521</u>	<u>3,566,006</u>
The funds of the Charity			
Unrestricted funds		3,438,521	3,566,006
Total Charity funds		3,438,521	3,566,006

The notes on pages 24 to 38 form part of these financial statements.

The financial statements on pages 21 to 38 were approved by the Trustees and signed on their behalf by:



Dr Niall W A FitzGerald
24 July 2024 **Trustee**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000	2022 £000
Cash flows from operating activities:		
Net cash used in operating activities (a)	(111,995)	(104,262)
Cash flows from investing activities:		
Acquisition of tangible fixed assets	(916)	-
Dividends and interest	98,863	92,178
Investment management costs – cash element	(1,525)	(1,945)
Purchase of investments	(519,893)	(476,618)
Proceeds from sale of investments	569,858	439,799
Cash inflow / (outflow) from foreign exchange hedging	7,959	(36,407)
(Increase) / decrease in cash held by investment managers	<u>(43,821)</u>	<u>89,924</u>
Net cash provided by investing activities	110,525	106,931
Change in cash and cash equivalents in the year	<u>(1,470)</u>	<u>2,669</u>
	2023 £000	2022 £000
Cash and cash equivalents brought forward	<u>4,318</u>	<u>1,649</u>
Cash and cash equivalents carried forward	<u>2,848</u>	<u>4,318</u>
a) Reconciliation of net expenditure to net cash flow used in operating activities		
Net expenditure for the reporting year (as per the statement of financial activities)	(127,485)	(13,778)
Adjustments for:		
Dividends and interest	(98,928)	(92,219)
Net losses on investments	98,917	1,782
Investment management costs	3,123	3,168
Increase / (decrease) in creditors	12,602	(3,294)
(Increase)/ decrease in prepayments	(224)	49
Depreciation	<u>-</u>	<u>30</u>
Net cash used in operating activities	<u>(111,995)</u>	<u>(104,262)</u>
b) Analysis of changes in net cash/(debt)		
Net cash at 1 January	4,318	1,649
Net cash (outflow)/ inflow	(1,470)	2,669
Net cash at 31 December	2,848	4,318

The notes on pages 24 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements of The Leverhulme Trust (the "Trust") have been prepared in accordance with applicable accounting standards in the United Kingdom (FRS102), the Charities SORP (FRS 102) second edition October 2019 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The Trust's functional currency and presentational currency is Pounds Sterling (GBP).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments.

The financial statements have been prepared to give a 'true and fair' view and have departed from The Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) second edition October 2019.

The Trust constitutes a public benefit entity as defined by FRS102.

Significant judgements and estimates

In preparing the financial statements, accounting estimates and judgements are made. The most significant area of judgement is that the liability from multi-year grant commitments is recognised in full at the point of the grant award as there is not deemed to be performance related conditions that prevent recognition of the expenditure.

All Leverhulme Research centres are subject to a 5-year review. The Trustees do not deem this to be a performance related condition that prevents recognition of the expenditure.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Trust's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy below and within note 5d.

The Trust also estimates the allocation of support costs between expenditure on charitable activities and raising funds and estimates the allocation to each grant activity. This estimate is apportioned on the basis of staff time spent on activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included within note 3.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees.

Incoming resources

Incoming resources are recognised when the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Dividends are recognised when declared. Where investment income from pooled investment vehicles is re-invested it is accounted for in the unit price and recognised within net gains / (losses) on investments in the period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Trust to the expenditure. At the end of a grant, a liability is recognised until after a final report is received from the grant recipient and is accepted by the Trust. At which point any balance can be written off and credited to grant funding activity within charitable expenditure disclosed in note 3b.

Raising funds

The cost of raising funds consists of investment management fees and investment governance costs. The apportionment of support costs to investment governance costs is shown in note 3.

Charitable activities

The cost of charitable activities consists of grants awarded, governance costs and an apportionment of support costs as shown in note 3.

Financial liabilities

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Trust. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Grants greater than one year are not amortised due to the impact not being material.

Grants amounts that have been approved by the Trustees for specific purposes in future years, but have not been allocated to, or agreed by, specific recipients at year-end are disclosed as commitments.

Tangible fixed assets

Tangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Depreciation is applied to fixed assets on a straight-line basis over their expected useful life, less estimated residual value, at the following annual rates:

Leasehold improvements	Over remaining length of the lease
Furniture, fittings and equipment	10%
Audiovisual equipment and computers	33 ⅓%

Depreciation is provided to recognise the useful economic life of the assets. Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Investments

The Trust has elected to apply the provisions of Section 11 and Section 12 of FRS102 in full. All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses appropriate fair value principles and techniques determined by the Trustees on the advice of the Investment Advisor, Partners Capital. These valuations are based on the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Gains and losses arising from changes in the unrealised fair value and on the sale of investments are shown as Net gains/(losses) on investments within the Statement of Financial Activities and shown within the unrestricted funds of the Trust on the Balance Sheet.

Forward Contracts

Forward contracts are recognised at fair value, being marked to market value at the closing foreign exchange rates at the year end.

Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks with a maturity of less than three months. Cash held by investment managers is included within investments.

Pension scheme

All staff are employed jointly by Unilever U.K. Central Resources Limited and the Trust. Many of the Trust staff participate in the Unilever U.K. Central Resources Limited defined benefit pension scheme, the Unilever UK Pension Fund. More recent staff participate in the Unilever defined contribution scheme. Although the main pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order to make the appropriate disclosures as required by section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme. Contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

Taxation

The Trust carries on activities which are exempt from corporation tax and income tax. Irrecoverable Value Added Tax is included with the expenditure to which it relates.

Operating lease

Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

2 Investment income

	2023 £000	2022 £000
Dividends from Unilever plc	70,444	68,271
Managed pooled investments		
Index-linked Bonds	365	-
Global Equities	8,043	7,078
Private Debt	16,553	14,633
Property	2,781	2,074
Cash	717	154
	98,903	92,210
Bank interest	25	9
Total investment income	98,928	92,219

Dividend income from Unilever plc is in respect of ordinary equity shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a (i) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost Type	2023 Total allocated £000	2023 Invest- ment Costs £000	2023 Gover- nance Costs £000	2023 Support Costs £000	2022 Total allocated £000	2022 Invest- ment Costs £000	2022 Gover- nance Costs £000	2022 Support Costs £000
Staff costs	1,739	118	61	1,560	1,625	91	53	1,481
Accommodation	455	31	16	408	476	27	15	434
Other	665	45	23	597	609	34	20	555
	2,859	194	100	2,565	2,710	152	88	2,470

Support costs (net of £73,000 (2022: £69,000) recharge to the Trade Charities Trust – see Note 8) are apportioned based on staff time spent on activities. The allocation to Investment Costs is included within Investment management costs on the SOFA.

3a (ii) Governance costs

	2023 £000	2022 £000
Audit & Legal	110	98
Secretarial	-	6
Trustee expenses	3	2
Support costs (based on apportioned staff time per note 3a (i))	100	88
Total Governance Costs	213	194

3a (iii) Total Governance and Support Costs

	2023 £000	2022 £000
Support Costs (note 3a (i))	2,565	2,470
Governance Costs (note 3a (ii))	213	194
	2,778	2,664

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b Analysis of charitable expenditure

Grant funding during the year plus apportioned support costs are as follows:

Activity	Grant funded activity	Support and governance costs	Total	Grant funded activity	Support and governance costs	Total
	2023 £000	2023 £000	2023 £000	2022 £000	2022 £000	2022 £000
Research Awards Advisory Committee#	22,440	497	22,937	25,192	497	25,689
Research Projects Grant	42,826	1,069	43,895	38,498	1,107	39,605
Doctoral Scholarships	24,369	307	24,676	-	-	-
International Professorships	19,817	158	19,975	16,110	88	16,198
Research Leadership	-	-	-	10,635	356	10,991
Major Research Fellowships	5,283	313	5,596	4,405	261	4,666
Academy Fellowships/ Scholarships	8,518	22	8,540	3,218	8	3,226
Visiting Professors	2,197	237	2,434	2,481	181	2,662
Prizes	3,000	175	3,175	3,000	166	3,166
Grants awarded	128,450	2,778	131,228	103,539	2,664	106,203
Adjustment on prior year grant awards	(6,951)	-	(6,951)	(5,308)	-	(5,308)
Total Costs	121,499	2,778	124,277	98,231	2,664	100,895

Research Awards Advisory Committee include the following grants: Early Career Fellowships, Research Fellowships, the Study Abroad Scheme, Emeritus Fellowships and International Academic Fellowships.

The adjustments on prior year grant awards represents supplements to grants previously awarded, the write back of amounts on closed grants or grants that have been awarded and will not be taken up.

Support and governance costs are apportioned based on staff time spent on activities. (Note 3a).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3c Staff costs

	2023	2022
	£000	£000
Wages and salaries	1,305	1,077
Social security costs	177	155
Pension costs	198	299
Contractors	59	65
Other	-	29
	1,739	1,625

The monthly average number of full-time equivalent staff during the year was 17.3 (2022:16.5). All staff are involved in grant making and are employed jointly by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. At 31 December 2023, an amount of £11,009 (2022: £23,262) relating to pension contributions remained outstanding. The number of staff who received salaries and other emoluments (excluding pension contributions) over £60,000 was:

	2023	2022
	Number	Number
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£120,001 - £130,000	1	2
£140,001 - £150,000	1	-
£290,001 - £300,000	-	1
£340,001 - £350,000	1	-

Unilever U.K. Central Resources Limited operates a defined benefit pension scheme and a defined contribution pension scheme to which £61,756 (2022: £77,034) was contributed by the Trust in relation to higher paid employees.

The defined benefit pension scheme reported an estimated funding level on a technical provisions basis at 31 March 2022 of 113%.

The Trust consider the Board of Trustees, the Director, Director of Finance, Director of Investments and Assistant Director of the Trust comprise the key management personnel of the charity. The total employment benefits including employer pension contributions of the key management personnel was £843,709 (2022: £739,082).

The Director is the highest paid member of staff.

3d Trustee costs

Trustees did not receive any remuneration during the year (2022: nil). Five Trustees (2022: four Trustees) received travelling and subsistence expenses of £2,873 (2022: £1,998).

3e Net incoming/(outgoing) resources after charging

	2023	2022
	£000	£000
Auditors' remuneration (excluding non-recoverable VAT)	88	67
Depreciation	-	30
Operating lease rentals	244	267

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tangible assets

	Leasehold Improvements	Audiovisual equipment and computers	Total	Total
	2023 £000	2023 £000	2023 £000	2022 £000
Cost				
At 1 January	-	-	-	301
Additions	876	40	916	-
Disposals	-	-	-	(301)
At 31 December	876	40	916	-
Accumulated depreciation				
At 1 January	-	-	-	271
Charge for year	-	-	-	30
Disposals	-	-	-	(301)
At 31 December	-	-	-	-
Net book value				
At 31 December	876	40	916	-

All the tangible assets during 2022 were Furniture, fittings and equipment.

5 Investments

a) Investment in shares in Unilever plc

	2023 £000	2022 £000
As at 1 January	1,962,662	1,851,670
Net Investment (losses) / gains	(179,277)	110,992
As at 31 December	1,783,385	1,962,662

The fair value of investments held in Unilever plc shares reflects the market year end share prices. These shares are Level 1 in the fair value hierarchy.

For cost purposes the shares are valued at the market price of £9,308,018 on Budget Day 1965. There were no purchases or disposals of shares in the year (2022: none).

b) Other Investments

Other investments represent amounts advised and managed by Partners Capital LLP under a Discretionary Management Agreement signed in 2019 and primarily comprise pooled investment vehicles. The historical cost at 31 December 2023 was £1,733million (2022: £1,643.1 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Other Investments (continued)

Other Investments at fair value	2023 £000	2022 £000
Inflation Linked Bonds	33,479	35,134
Credit	38,780	29,604
Global Equities	835,910	939,904
Hedged Equities	270,818	356,345
Absolute Return	104,561	-
Property	110,642	138,355
Private Debt	331,743	243,342
Private Equity	223,832	186,381
Cash	24,706	(23,718)
Forward Foreign Exchange Contracts	(1,397)	3,206
Investments	<u>1,973,074</u>	<u>1,908,553</u>
Movement in Other Investments	2023 £000	2022 £000
As at 1 January	1,908,553	2,039,605
Purchases	519,893	476,618
Disposals	(569,858)	(439,799)
Net Investment gains / (losses)	70,665	(77,947)
Increase / (decrease) in cash held in investments	43,821	(89,924)
As at 31 December	<u>1,973,074</u>	<u>1,908,553</u>

Included within Net investment gains / (losses) is £54k of realised foreign exchange losses (2022: £29.7m gains) in relation to sales during the year.

The 2023 cash figure does not include any adjustment for pending purchases or sales. The 2022 cash figure included cash adjustments for pending purchases of £39.1m and pending sales of £1.0m. The 2022 cash balance was negative on account of the significant pending purchases. The forward foreign exchange contracts balance of £1.4m (2022: £3.2m) is the net of pending foreign exchange purchases of £279.1m (2022: £382.2m) and pending foreign exchange sales of £280.5m (2022: £379.0m).

There are no equity holdings in one company greater than 5% of the total of investments in Other Investments. The Trust has entered into commitments to invest in private equity funds. At the balance sheet date outstanding commitments totalled £112.6m (2022: £165.6m).

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Net (losses) / gains on investments

	2023	2022
	£000	£000
Net (losses)/ gains on Unilever shares	(179,277)	110,992
Net gains / (losses) on Other Investments	70,665	(77,947)
	(108,612)	33,045
Cash gain/(loss) from FX hedging	7,959	(36,407)
Investment management fees in units	1,736	1,580
Net (losses) in Statement of Financial Activities	(98,917)	(1,782)

(d) Recognised fair value measurements

The following table categorises the fair values of the Trust's investment assets based on the inputs to the fair value. Categorisation within the hierarchy has been determined based on the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- **Level 1** – valued using quoted prices in active markets for identical assets.
- **Level 2** – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
- **Level 3** – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

2023	Level 1	Level 2	Level 3	Total 2023
Investments	£000	£000	£000	£000
Inflation linked Bonds	33,479	-	-	33,479
Credit	16,371	22,409	-	38,780
Global Equities	135,917	699,993	-	835,910
Hedged Equities	-	270,818	-	270,818
Absolute Return	-	104,561	-	104,561
Property	-	33,189	77,453	110,642
Private Debt	-	313,802	17,941	331,743
Private Equity	-	-	223,832	223,832
Cash	24,706	-	-	24,706
Forward Foreign	-	(1,397)	-	(1,397)
Exchange Contracts				
Investments	210,473	1,443,375	319,226	1,973,074

2022	Level 1	Level 2	Level 3	Total 2022
Investments	£000	£000	£000	£000
Inflation linked Bonds	35,134	-	-	35,134
Credit	-	29,604	-	29,604
Global Equities	114,664	825,240	-	939,904
Hedged Equities	-	356,345	-	356,345
Property	-	50,675	87,680	138,355
Private Debt	-	243,342	-	243,342
Private Equity	-	-	186,381	186,381
Cash – see note in 5b above	(23,718)	-	-	(23,718)
Forward Foreign	-	3,206	-	3,206
Exchange Contracts				
Investments	126,080	1,508,412	274,061	1,908,553

NOTES TO THE FINANCIAL STATEMENTS (continued)

(e) Financial Risk Management

Credit Risk: The carrying amounts stated above represents the Trust's maximum exposure to credit risk therefore further disclosure is not required.

Market Risk:

The Trust is exposed to movements in the share price of Unilever plc. For every 1% reduction in the 31 December 2023 share price of Unilever plc, the value of the Trust's shareholding would reduce by £17.8m (2022: £19.6m).

In the remaining portion of its investment portfolio, the Trust's exposure to movements in equity prices arising is mitigated by diversification. The Trust invests in multiple asset classes with a variety of underlying investment managers.

The Trust monitors its equity risk using a risk framework based on beta to equity markets. Exposures to core market risks are converted into one single "equity equivalent" portfolio risk metric. The equity beta at 31 December 2023 was 0.70 (2022: 0.75) compared with a long-term target of 0.75. Therefore, for a 1% reduction in equity prices the value of the Trust's other investments would be expected to fall by 0.70% and every 1% reduction in global equity prices would be expected to lead to a reduction of £13.8m (2022: £13.4m) in Charity Funds.

The Trust's objectives, policies and processes for managing the risk arising from financial instruments are further explained in the Trustees' Annual Report.

Currency Risk: The Trust takes a long-term view of the currency risk inherent within a global investment portfolio.

The largest non-sterling exposure is to the US Dollar and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £11.3m in Charity Funds (2022: £10.6m) although an indirect impact of currency rate movements on the value of non-US Dollar denominated investments would also be expected.

At 31 December 2023, the Trust had open USD/GBP forward exchange contracts for a nominal value of £280,494,904 for settlement between February and August 2024 (2022: £378,985,000).

6 Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Accrued investment income	1,010	945
Prepaid administrative expenses	279	55
Total	1,289	1,000

7 Creditors

	2023 £000	2022 £000
Grants payable	322,000	309,712
Accrued Investment management fees	269	407
Accrued administrative expenses	722	408
Total	322,991	310,527
Amounts falling due within one year	217,900	189,073
Amounts falling due after more than one year (all grants payable)	105,091	121,454

NOTES TO THE FINANCIAL STATEMENTS (continued)

Movement in Grant Payable Creditor	2023 £000	2022 £000
As at 1 January	309,712	313,217
Grants awarded in year	128,450	103,539
Adjustment to awards in previous years	(6,951)	(5,308)
Cash paid	(109,211)	(101,736)
As at 31 December	<u>322,000</u>	<u>309,712</u>

8 Related parties

The Trustees' Annual Report explains the relationship between the Trustees of this Trust and those of the Leverhulme Trade Charities Trust.

In 2023, the Trust received dividend income of £70,443,711 from Unilever plc (2022: £68,270,790). Unilever plc is a company which during the year had a director in common with the Trust's Trustees. Alan Jope was Chief Executive of Unilever plc until 30 June 2023. Graeme Pitkethly, who became a Trustee in March 2024, was Chief Financial Officer at Unilever plc until 31 December 2023.

The Trust's investments include £1,783,384,916 of ordinary shares held in Unilever plc (2022: £1,962,662,031).

Staff are jointly employed by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. Unilever U.K. Central Resources Limited is a subsidiary of Unilever plc.

In 2023, the Trust used office space provided by Unilever U.K. Central Resources Limited with a value of £60,000 in rent (2022 - £15,000).

Certain Trustees are also Trustees or Directors of other organisations which are recipients of grants from the Trust. In these instances, the Trustees have declared their interest at the time of the grant approval. Professor Gull is a professor of Molecular Microbiology at the Sir William Dunn School of Pathology in Oxford. No award was made to the Sir William Dunn School of Pathology in the year (2022: nil). The total amount outstanding as at 31 December 2023 was £nil (2022: £50,000). Professor Gull had no influence over this transaction. Christopher Saul was a Trustee of English National Ballet until February 2023. No award was made to English National Ballet in the year (2022: nil). The total amount outstanding as at 31 December 2023 was £165,380 (2022: £188,538). Mr Saul took no part in this decision.

The Leverhulme Trade Charities Trust does not have any employees but a charge of £73,000 (2022: £69,000) is made by The Leverhulme Trust, whose Assistant Director of Finance, is responsible for the day-to-day administration of the Leverhulme Trade Charities Trust. This charge included an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Commitments

At 31 December 2023, the Trust had annual commitments under an operating lease for its office which was renewed in 2022 for a term ending 24 July 2032. Currently it amounts to £241,434 plus Value Added Tax per annum with a rent-free period in 2022/23 and 2027/28. As at 31 December 2023:

- The amount payable within one year is £289,720 (including VAT)
- The amount payable after more than one year is £1,906,006 (including VAT)

The only grant commitment as at 31 December 2023 was £5.2m related to a Leverhulme International Professorships awarded in 2021 that did not satisfy the conditions to be recognised until 2024. (The commitments in respect of this scheme as at 31 December 2022 were £24.7m).

In addition, the Trustees had approved the spending levels for various schemes for 2024 amounting to £87.6m (at the end of 2022 in respect of 2023: £55.0m). Individual grants will be awarded under these schemes in 2024.

10 The Trust

The Trust is a registered charity (number 1159154) and is constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom.

The objects of the CIO are to promote any purpose being exclusively charitable according to the law of England and Wales through the provision of scholarships and other similar support for education and research.

The registered office of the Trust is 1 Pemberton Row, London, EC4A 3BG.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 2023 Grants awarded by institution

Institution	Number of awards	Amount £'000
Durham University	21	8,242
University of Nottingham	27	8,215
University of Oxford	45	6,073
University of Liverpool	9	5,474
University of Manchester	26	5,307
Royal Academy of Engineering / Royal Society/ British Academy	5	5,259
Royal Holloway, University of London	5	4,870
University of Cambridge	34	4,774
University College London	25	4,076
University of Kent	6	3,839
University of Glasgow	18	3,609
University of Surrey	7	3,280
The Mandela Rhodes Foundation	1	2,877
University of Sheffield	20	2,825
University of Strathclyde	5	2,810
University of Essex	4	2,669
University of Edinburgh	25	2,526
University of Keele	4	2,493
University of Dundee	2	2,443
University of Warwick	19	2,434
University of Southampton	5	2,432
Queen Mary University of London	18	2,209
University of Bristol	19	2,169
Newcastle University	10	2,133
University of St Andrews	12	2,037
Cardiff University	11	1,848
Lancaster University	9	1,713
King's College London	10	1,701
University of Exeter	11	1,672
University of Birmingham	13	1,556
Goldsmiths, University of London	3	1,440
University of Leeds	9	1,430
University of Leicester	12	1,425
University of York	9	1,350
University of East Anglia	8	1,170
University of Salford	2	1,122
Cranfield University	1	1,107
University of Roehampton	1	1,107
University of Bath	6	1,018
Imperial College London	4	933
University of Sussex	5	914
University of Reading	4	824
Loughborough University	6	610
London School of Economics and Political Science	6	600
Swansea University	2	597

42 institutions below £500,000
 Individuals below £500,000
 2023 Total grants awarded

504	119,212
55	7,799
31	1,439
590	128,450

NOTES TO THE FINANCIAL STATEMENTS (continued)

2022 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Oxford	49	11,295
University of Birmingham	18	7,216
Imperial College London	11	6,308
University of Cambridge	36	5,576
University of Edinburgh	30	4,508
University of Warwick	22	3,624
University of York	12	3,581
University of Bristol	21	3,418
University College London	20	3,007
University of St Andrews	16	2,942
University of Nottingham	13	2,549
King's College London	16	2,452
University of Leicester	10	2,431
Royal Society/British Academy/Royal Academy of Engineering	5	2,416
University of Manchester	18	2,245
Newcastle University	13	2,182
University of Sheffield	20	2,144
University of Southampton	8	2,020
London School of Economics and Political Science	8	1,691
Durham University	14	1,588
University of Essex	9	1,567
University of Exeter	14	1,527
Birkbeck, University of London	10	1,444
University of Leeds	9	1,344
SOAS University of London	3	1,285
University of Glasgow	10	1,225
University of Liverpool	8	1,181
University of Aberdeen	9	1,125
University of Bath	7	1,092
Queen's University Belfast	6	1,013
University of Kent	6	1,010
Cranfield University	1	992
Queen Mary University of London	12	955
Lancaster University	5	931
Heriot-Watt University	2	846
Loughborough University	5	826
Royal Holloway, University of London	5	745
University of Sussex	9	739
University of Strathclyde	5	737
Cardiff University	7	702
University of Lincoln	4	692
	506	95,171
36 institutions below £500,000	66	7,094
Individuals below £500,000	32	1,274
2022 Total grants awarded	604	103,539

THE LEVERHULME TRUST

England & Wales - Charity number 1159154

Accounts

LEVERHULME
TRUST _____

**Trustees' Annual Report
and Financial Statements 2022**

Chairman's foreword

The Trust has had another busy year, investing £103.5 million in fundamental research in 2022 across more than 75 institutions. Grant applications remained high, with 3,483 received, of which we funded 17.3%, and we have once again been able to support a rich array of research projects. Further, I was delighted that the Trust was able to resume its normal busy programme of university visits this year. Trustees and staff visited 26 institutions in 2022 and enjoyed meeting a wide range of academics in person and hearing more about the research we support. As well as our visits, our other Trust events also resumed in earnest. The Philip Leverhulme Prize dinner was held in March 2022, where thirty awards to a value of £3 million were presented to our 2021 prize winners in the areas of classics, earth sciences, physics, politics and international relations, psychology and visual and performing arts. The 2022 Leverhulme Lecture was also a major event, drawing a large audience to listen to Jamie Susskind give a fascinating and topical talk on how new technologies are blurring the boundaries between the public and private spheres.

Of course, our grants are the core work of the Trust. Our schemes are specifically designed to support researchers through every stage of their careers. In 2022 we supported more than 250 students at the beginning of their academic careers via our Leverhulme Doctoral Scholarships scheme and eleven research leaders in the making via our Research Leadership Awards. New awards were made to 147 Early Career Fellows undertaking their first independent research project, and, at the other end of their careers, thirty-two Emeritus Fellowships were awarded. These awards nicely showcase the Trust's mission to fund true scholarship and to provide academics with the means to undertake innovative and risky fundamental research throughout their careers. The range of topics is remarkable, from projects on music, race and urban youth culture to research into medieval sieges, from work that might reduce soil erosion to a project seeking to understand the public and political life of history in colonised and coloniser countries. More information on research funded by the Trust is published annually in an Annual Review which is available on the Trust's website.

The Leverhulme Trust's support is also designed to ensure that UK higher education research remains globally relevant by attracting the very best talent. To this end, the Trust has invested in our Leverhulme International Professorships awards. These are grants of up to £5 million to help universities attract a world-leading scholar to take up a permanent professorial post in the UK. This scheme has now supported eleven such eminent scholars to come to the UK. In 2022 we announced that Professor David Levine, an expert in game theory, will join Royal Holloway, University of London. Professor Jonathan Heddle will join the University of Durham to work on bionanoscience and nanotechnology, and Professor Malwina Luczak, who works on probability theory, will join the University of Manchester.

In 2020, the Trust also made an additional £10 million available to support academics to complete projects negatively impacted by the pandemic. To date, more than 600 academics have been provided with much-needed support from this fund, and nearly £7 million has been spent. This support has proved particularly valuable for Leverhulme Doctoral Scholars and Early Career Fellows, whose embryonic careers have been so badly impacted.

2022 was yet another year of challenges, with growing economic uncertainty and hardship for many. This has undoubtedly impacted morale in the university sector. Against this backdrop, I am even more grateful to all the peer reviewers and panel members who continue to do so much for the Trust. Without their efforts, the Trust could not continue to fund such a fabulous array of talented people and remarkable projects, and the Board is most grateful.

I end by thanking the team at the Trust for their continued efforts this year. After several difficult years navigating the effects of the pandemic, a great deal has been accomplished in 2022, and that is down to their hard work. They are truly The A Team.



Dr Niall FitzGerald KBE DSA
Chairman of the Leverhulme Trust Board

Director's report

For many, 2022 was a difficult year, with the effects of the war, the ongoing impact of the pandemic and the cost-of-living crisis. Yet despite these challenges, our grantees have continued to produce a stunning range of important and impactful research.

I am also pleased to report that a number of important initiatives came to fruition this year. First, we launched a new grant scheme. Many academics are at risk from war and conflict; indeed, they are often targeted because of their scholarship. The Trust is proud to be working with the learned academies and Cara (the Council for At-Risk Academics) to provide research funding for academics forced into exile here in the UK. The British Academy/ Cara/ Leverhulme Researchers at Risk Support Grant is a new £1 million scheme launched in Autumn 2022 to supply much-needed financial support to help these academics undertake research whilst they are here in the UK. We are grateful to the British Academy for administering the scheme on our behalf.

Working with others to help make the higher education research sector more inclusive is one of our top priorities. We are making additional investments where we can best make a difference, as well as collecting better data to hold ourselves to account. We are learning as we go, but certainly, a world-class research system needs to be inclusive of people and ideas, and we are seeking to play our part.

To that end, we launched our newly revised Leverhulme Doctoral Scholarships scheme. The Trust has long supported PhD training, which is so vital to maintain the health of our disciplines and to ensure that a new generation of researchers is supported. The Trust Board increased its investment in this scheme over the next 5–10 years as one way to help the sector become more inclusive. We are allocating additional funding for scholarships for students from underrepresented groups, providing them with the means to undertake a master's degree before going on to doctoral studies. Financing a master's is particularly significant as that is a point at which many promising scholars are thwarted due to a lack of funds. The Trust has also recognised that the flow of EU students, who historically came to the UK to do doctoral studies and stayed, has slowed. Ensuring the UK continues attracting talented researchers is vital, and the Trust has also put in additional funding to support a number of international students on our doctoral scholarship programmes. We look forward to receiving applications for this scheme in 2023.

All this was only possible due to the efforts of the Trust's own amazing team and, of course, the contributions of the many academics who support our work. I would like to add my heartfelt thanks to those of the Chair.

Professor Anna Vignoles CBE FBA
Director

TRUSTEES' ANNUAL REPORT – 2022

LEGAL AND ADMINISTRATIVE DETAILS

Established under the Will of the First Viscount Leverhulme.

Trustees	Dr Niall FitzGerald KBE DSA (Chairman) Doug Baillie Professor Keith Gull CBE FRS Alan Jope Sir David Lewis Rudy Markham CMG Mhairi McEwan Leena Nair Christopher Saul Keith Weed CBE Steve Williams
Director	Professor Anna Vignoles CBE FBA
Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Legal Advisors	Maurice Turnor Gardner LLP Milton House, Milton Street, London, EC2Y 9BH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH
Custodian	Northern Trust 50 Bank Street, Canary Wharf, London, E14 5NT
Investment Advisor	Partners Capital LLP 5 Young Street, London, W8 5EH
Office Address	1 Pemberton Row, London, EC4A 3BG Tel. 020 7042 9888
Website	www.leverhulme.ac.uk
Registered Charity Number	1159154

TRUSTEES' ANNUAL REPORT – 2022

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 December 2022.

History

The Leverhulme Trust is a Registered Charity, Number 1159154, and was constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom on 11 November 2014. It derives from the Will of the First Viscount Leverhulme (the “Founder”), who died in 1925. He left a proportion of his shares in Lever Brothers Limited upon trust and specified that the beneficiaries of the resulting income should include certain trade charities and the provision of scholarships for such purposes of research and education, being valid charitable purposes, as the Trustees might decide. The shareholding subsequently became one with Unilever plc.

In November 1983, the High Court approved a declaration of Charitable Trust from the Will which gave each of its two charitable objects an independent existence including its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust. The Leverhulme Trust, (“the Trust”), from that date, was solely concerned with research and education.

At the conclusion of 2014, the Trustees transferred all the assets, liabilities and undertakings of the previous established Trust to this newly formed CIO, Number 1159154. The objects of the CIO are substantially the same, and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities

The objective of the Trust is the provision of scholarships and other similar support for education and research in order to fulfil the Founder’s objectives.

The Trustees have set in place a range of activities to meet this objective. The constitution of the Trust places no restriction on the disciplines that are to provide the scholarships for research or education; however, in recognition of the substantial sums provided by other funders of research and scholarship in medicine and related clinical activities, the Trust does not fund in this area. The Trust operates in responsive mode, with the choice of research topic determined by individual applicants.

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trust Board meets annually to review its grant-making activities, and to make modifications to the portfolio, where appropriate.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust, which consists of making grants across a broad range of schemes, by identifying a broad and inclusive range of individuals who can demonstrate high-quality scholarship, originality, and excellence in their chosen research proposal.

The grant-making policies of the Trust are set out on the Trust’s website. This provides detailed information on how to apply for a grant and explains how awards are administered.

In assessing grant applications for funding, the Trustees use the following criteria to prioritise work of outstanding scholarship:

- Originality—the research achieves more than the incremental development of a single discipline;
- Importance—the work will enable further research or enquiry;
- Significance—the proposed research has relevance outside a single field, and is able to excite those working in other disciplines; and
- Merit—the quality of the research design and methodology, and the suitability of the researchers and institution for the realisation of the proposed research objectives.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Objectives and Activities (continued)

A second set of criteria reflect the particular values of the Trust, and express the Trust Board's aspiration that the Trust's funding maintains a distinctive role within the current research funding landscape. Applications are particularly welcomed when they:

- Reflect an individual's personal vision, aspiration, or intellectual curiosity;
- Take appropriate risks in setting and pursuing research objectives;
- Enable a refreshing departure from established patterns of working – either for the individual, or for the discipline; and
- Transcend disciplinary boundaries.

All applications to the Trust are subject to the established and robust peer review mechanisms of the academy and higher education sector to identify innovative, original research which meets the Trust's criteria, as stated above. All decisions are taken in light of the peer review comments received.

Details of the main schemes can be seen in the section 'Achievements and Performance' below.

Public Benefit

The benefits provided by fulfilling the Founder's wishes of funding scholarships for education and research are primarily associated with the skills developed by the research, teaching and student communities, as a consequence of the Trust's awards. This outcome is believed to be well in keeping with the Founder's intent, namely of public benefit.

Achievements and Performance

The Trust makes grants across a range of regular schemes, providing support for individuals at a range of career stages, for groups and teams of researchers, and for international collaborations. The majority of these schemes operate annually, while others run triennially as noted below:

Arts Scholarships – Triennial Scheme

Open to specialist arts training organisations to develop innovative teaching and to provide bursaries for individuals of exceptional talent to develop their skills in the fine and performing arts. Awards range from £40,000 to £695,000 (2022: £nil, 2021: £15.1m).

Doctoral Scholarships – Triennial Scheme

To support doctoral studies in UK universities at a time of growing undergraduate debt. In 2023, ten awards of each up to £2.15m will be made to UK Universities. Each award will fund fifteen fully funded Leverhulme Doctoral Scholarships (five to be offered in each of the first three years of the grant)). Up to three of the fifteen places can be allocated to international students. Grants for UK students covers maintenance and tuition at UKRI rates and £10,000 for research and training. For international students fees at the university's standard international fee up to a maximum of £25,000 will be funded (2022: nil, 2021: nil).

To provide targeted support to ensure better progression of low income and Black students, the Scheme is being extended and in 2023, universities can apply for additional funding, for up to three students, from these underrepresented groups to undertake a master's degree before progressing to a PhD. Each scholarship provides for up to £130,000 for 5 years of full-time study.

Early Career Fellowships

Providing a bridge into an academic career for researchers with a proven research record who have not yet held an established academic post. The scheme traditionally provides 50% of the salary costs of a 3-year academic appointment, with the host institution providing the balance, plus some research costs. In 2021, the Trustees exceptionally agreed to fund 100% of the salary costs for the first year of the fellowships in response to the COVID-19 pandemic (2022: £17.5m, 2021: £17.4m).

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Achievements and Performance (continued)

Emeritus Fellowships

Providing funding for 3-24 months for senior researchers who have retired from an academic post to enable them to complete a research project and publish the results. Awards are for up to £24,000. (2022: £0.5m, 2021: £0.6m).

International Fellowships

Enabling established researchers in UK higher education institutions to spend 3-12 months in overseas research centres, to develop new knowledge, skills and ideas. Up to £50,000 available. (2022: £0.4m, 2021: £0.7m).

International Professorships

To recruit excellent research leaders of any nationality, currently working outside the UK, in order to fill strategically important positions in this country. This competition was first held in 2020 with 4 awards totalling £17.7m being made, a further round was held in 2021 with 5 awards totalling £21.5m being made and in 2022 3 awards totalling £10.6m were made. These awards are not included in the expenditure on charitable activities in the year of award as they are still subject to the completion of certain formalities and the professorial appointment. In 2022 an amount of £16.1m was accounted for in respect of 2020 and 2021 awards. (In 2021 an amount of £8.7m was accounted for in respect of three of the 2020 awards.)

Major Research Fellowships

Supporting well-established academics in the humanities and social sciences to focus for 2 or 3 years on a specific piece of significant, original research. The scheme is particularly aimed at those whose day-to-day duties have prevented them from completing a programme of research. Annual replacement costs plus research expenses are in the region of £50,000. (2022: £4.4m, 2021: £4.6m).

Philip Leverhulme Prizes

To recognise researchers at an early stage of their career, whose work has already had a significant international impact, and whose future research career is exceptionally promising. £100,000 is provided over two or three years for any research purpose. (2022 £3.0m, 2021: £3.0m).

Research Centres

To support fundamental cross-disciplinary research across the sciences, humanities and social sciences. This competition is designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies. Awards of up to £10,000,000 over 10 years. (2022: nil, 2021: £30m).

Research Fellowships

Supporting experienced researchers, particularly those whose day-to-day responsibilities have prevented them from completing a programme of research, and open to independent scholars as well as those holding posts in universities. Replacement costs/loss of earnings and research expenses available over 3-24 months. Maximum award £60,000. (2022 £5.6m, 2021: £5.8m).

Research Leadership Awards- Triennial Scheme

Supporting researchers with an established university career to build a research team to address a distinct research problem. Between £800,000 and £1million over 5 years is available to fund research assistants and research students working under the leadership of the award holder, plus associated costs. (2022: £10.6m, 2021: nil).

Research Project Grants

Available for any research topic, with the choice of theme and research approach left to applicants. Up to £500,000 over 5 years is available to cover salaries for research and associated costs. This is the Trust's core funding stream and its popularity saw the allocation to grants at £38.5m in 2022 (2021: £44.6m).

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Achievements and Performance (continued)

Study Abroad Studentships

Supporting a period of postgraduate study or research in any overseas country except the USA. Awards offer maintenance, travel and essential research/study costs for between 12 and 24 months. Annual award values average £41,000. (2022: £1.3m, 2021: £1.5m).

Visiting Professorships

To enable UK institutions to invite an eminent researcher from overseas to enhance the knowledge and skills of academics and students in the host institution. Awards cover maintenance, travel expenses and research costs and last for between 3 and 12 months. Given the variety of individual circumstances, the value of an award can range from under £10,000 to over £125,000, depending on duration. (2022: £2.5m, 2021: £0.7m).

Academy Fellowships/Scholarships

This category includes various schemes. These Senior Research Fellowships that the Trust funds that are run by the British Academy, the Royal Academy of Engineering and the Small Research Grants scheme run by the British Academy. In 2022, the Trust also committed £1m over five years to the Researchers at Risk scheme being run by the British Academy (2022 £3.2m, 2021: £4.7m).

A summary of the value of grants made during the year can be seen in the following table.

Types of schemes	2022	%	2021	%
	£000		£000	
Research Project Grants	38,498	37	44,606	32
Research Centres	-	-	30,000	22
Early Career Fellowships	17,464	17	17,414	13
Arts Scholarships	-	-	15,068	11
International Professorships	16,110	16	8,742	6
Research Leadership	10,635	10	-	-
Research Fellowships	5,568	5	5,840	4
Major Research Fellowships	4,405	4	4,588	3
Academy Fellowships/Scholarships	3,218	3	4,681	3
Leverhulme Prizes	3,000	3	3,000	2
Visiting Professors	2,481	2	709	1
Study Abroad Studentships	1,281	1	1,523	1
Emeritus Fellowships	499	1	630	1
International Fellowships	380	1	656	1
Grants Awarded in Year	103,539	100	137,457	100

The number of applications received for consideration for all schemes amounted to 3,483 in 2022 (2021: 3,640). The number of grants which were subsequently made amounted to 604 (2021: 664).

The Trust maintains a portfolio of diverse awards (see above) which are attractive to the research community. This is demonstrated by the numbers of applications, which remain consistently high across the schemes (e.g. 2022: Research Project Grants over 350, Early Career Fellowships almost 800, Research Fellowships over 650). The selection of successful applications, based on peer review, involves success rates across the schemes ranging from c. 3.5% to 46%. The Trust is able to disburse its available income without any sacrifice of quality.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Achievements and Performance (continued)

The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

All grant recipients are required to report both annually (for multi-year awards) and on completion. Final grant reports are reviewed by the Director (some 80% of directly-funded grants) and submitted for Trust Board scrutiny, or are assessed and reviewed by the appropriate committees or panels to which authority has been delegated. All reports are graded, although it is not appropriate to set numerical targets for grades (nor to normalise these) due to the range, diversity and nature of the activities being reported on. Research outcomes are described, in the context of the ambitions presented in the original bid, and the outputs listed; particular attention is therefore given to the broad findings and to publications or other forms of dissemination resulting from the award. Academic papers and publications arising from the Trust's funding are subject to the usual relevant academic peer review process for such publications. Acknowledgment of Leverhulme support in outputs (journal articles, monographs etc) is a formal requirement of the Trust. Publications arising from Leverhulme grants are also subject to external peer review through the Government's mechanism (Research Excellence Framework, Research Assessment Exercise prior to this) to assess the research of British higher education institutions, see <http://www.ref.ac.uk/>. The Trust monitors the impact of its support on the careers of grant recipients via case studies in its Annual Review.

The excellence of UK scholarship is recognised for example in the various league tables of the World's top universities and the standard research metrics (such as citation statistics) which are available for each country. Despite the high volume of applications to the Trust (around 3,500 to 4,000 per annum), the Trust has consistently secured appropriate levels of peer review to allow it to meet its objectives. The value of the Trust's activities is enhanced by the funds provided by the Government via the Research Charities Support Fund, which provides a contribution towards university overhead costs.

The Trust also continues to place importance on international collaborations, by assisting Study Abroad Students to expand their horizons through postgraduate study or research overseas, supporting academics to develop new collaborations and lines of research with colleagues around the world via our International Academic Fellowships, and enabling UK universities to employ globally leading scholars through our Leverhulme International Professorships and host distinguished academic visitors from overseas through our Visiting Professorships. It is also noteworthy that so many of our other grant holders choose to spend at least part of their time working with colleagues in other countries and in ways that invariably prove to be immensely rewarding. The Trust Board is delighted to be able to help foster these collaborative research relationships. British academic and cultural institutions are world leaders because of their ability to attract the finest talent from around the world; we should be robust in safeguarding this unique competitive advantage.

Although our grantees were impacted by the pandemic, the Trustees reported that the operations and finances of the Trust were materially unaffected by the COVID-19 virus. The Trust has continued to have active conversations with its beneficiaries where their activities were adversely affected by the direct or indirect impact of the pandemic. The Trustees created a contingency fund of up to £10m in 2020 to help grant holders where additional costs were required as a result of the pandemic. As at 31 December 2022, an amount of £6.6m (2021: £5.3m) had been committed from this fund.

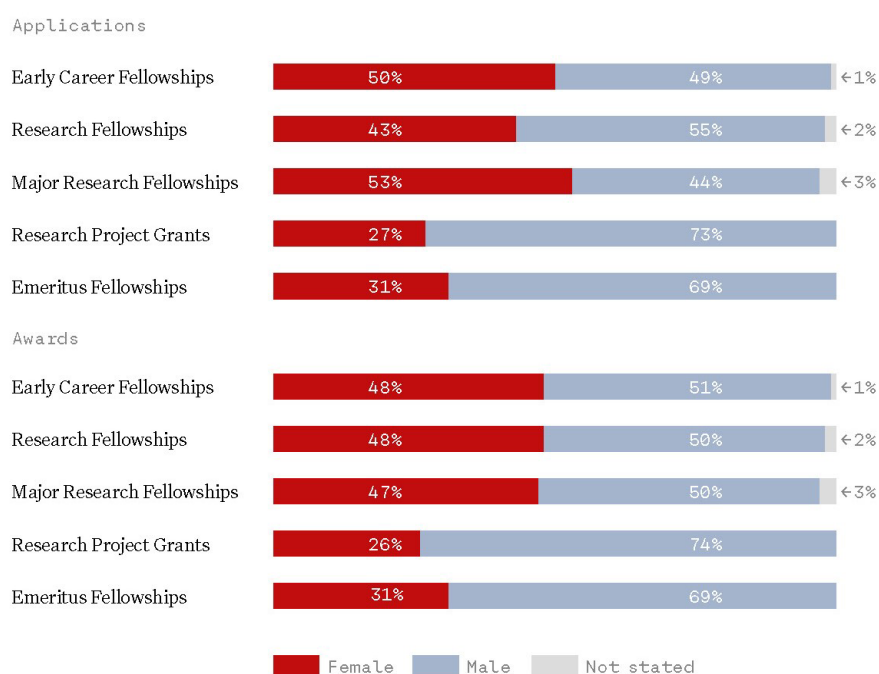
TRUSTEES' ANNUAL REPORT – 2022 (continued)

Diversity and inclusion

The Trust is conscious of inequalities in the research ecosystem and aware that our grantees also reflect these inequalities. The Trust is taking various steps to increase the diversity of applications it receives and its awards, such as the recent introduction of new grants to support a master's-to-PhD route for Black scholars or students from a low-income background.

We have been collecting information on gender for some time. Here is the most recent data for the main grant schemes for both applicants and awards.

Applications and awards: gender



Monitoring the demographic characteristics of our applicants and awardees is also an essential part of our efforts on this issue. We are at an early stage in terms of collecting data on ethnicity and being able to analyse it, and we do not yet have sufficient data to disaggregate by scheme.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

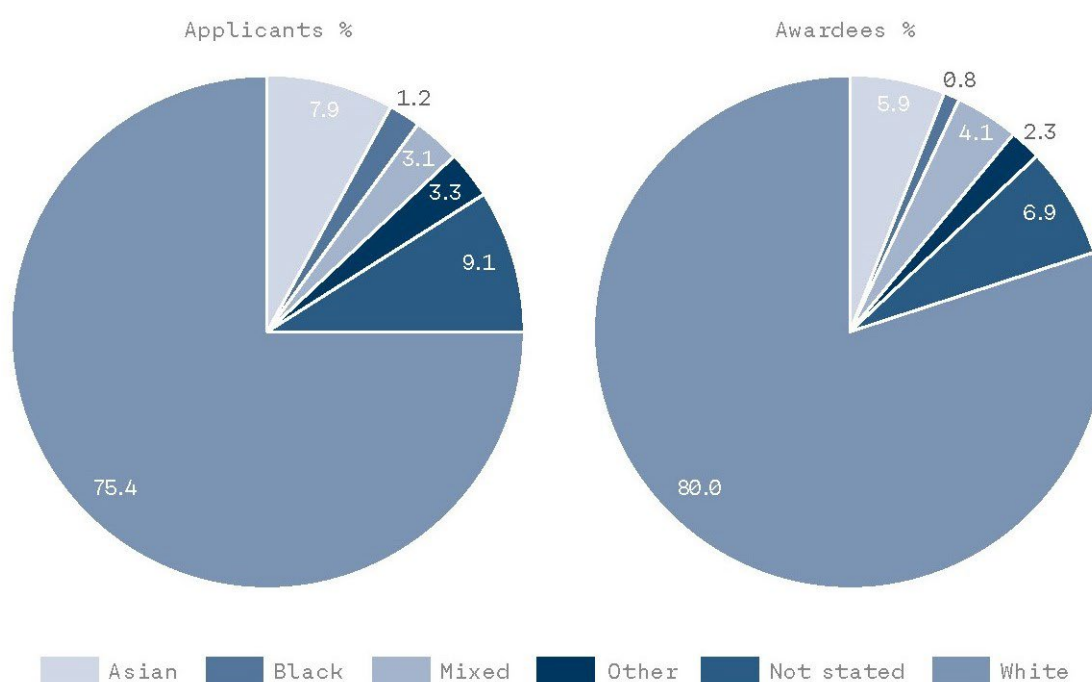
Diversity and inclusion (continued)

Below are some aggregate ethnicity data for applications and awards across our major schemes.

The data confirm the underrepresentation of some ethnic minority groups both in the applications we receive and in the awards we make. The Trust receives fewer applications from Black applicants than one would expect, given the proportion of Black people in the general population. ONS reports that, in the general population, 8% identify as Asian, just under 3.5% as Black and 1.8% as being of mixed ethnicity. The data also suggest that a lower percentage of Asian and Black applicants are then awarded grants as compared to White applicants. This underlines the need for the Trust to consider ways to support applicants from underrepresented groups and review its peer review processes.

It is also worth noting that 10% of applicants prefer not to disclose this information when making an application to the Trust.

Applicants and awardees by ethnic group across schemes in 2022



TRUSTEES' ANNUAL REPORT – 2022 (continued)

Financial Review

The income of the Trust amounted to £92.2m in 2022 (2021: £95.1m). The Trust moved to a total return target in 2021 to replace the previous income target. The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

Grants awarded in the year were £103.5m in line with expectations (2021 : £137.5m). A summary by scheme can be seen in Note 3b to the financial statements.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments. The value of the Trust's funds at the end of 2022 was £3,566m (2021: £3,580m).

Investment policy and performance

The Trust's investment advisor was appointed in November 2019 and an updated investment policy statement and strategic asset allocation was agreed by the Trust Board's Investment Committee and the Trustees.

The Trust targets a minimum total return over the longer-term net of fees, currently 7%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. In 2022 the Trust's investments (net of fees) returned 2.2% (2021:3.3%).

The Trust incorporates responsible investment best practices into investment decision making. It believes that by engaging in a broad set of extra-financial considerations – including environmental, social and governance (ESG) issues – the long-term financial performance of the portfolio can be sustained with potential for improvement. The Trust's approach is to operate a set of principles that reflect its values and to apply them with common sense and a measure of pragmatism and to ensure it remains cognisant of changes and trends in investment markets and in society at large. It seeks impact through its grant giving for academic scholarship. The investment of its funds to provide these scholarships means that investment decisions are predominately driven by economic return.

Risk management

During the year, the Trust Board's Risk Committee continued to monitor both operational and strategic risks and ensured that the risk register was kept up to date. The Risk Committee will continue to review all risks and make recommendations to the Trust Board who reviews the key risks on an annual basis.

The Trustees consider that significant disruption to, or underperformance in, the Trust's Unilever shareholding and/or the portfolio managed by Partners Capital would lead to a significant reduction in funds available for distribution by the Trust. Steps taken to mitigate this risk include ongoing review of Unilever performance and, in relation to the portfolio managed by Partners Capital, the adoption of a risk-based Investment Policy Statement by the Trust with a focus on asset class diversification and total return.

Other principal risks to the implementation of the Trust's strategy concern the relationships with its applicant and peer review communities. The success of the strategy of the Trust is dependent on the ability to attract sufficient numbers and quality of applicants, and to be able to rely on the goodwill of its peer reviewers. Steps to mitigate these risks include the regular review and refreshing of the Trust's portfolio of grant schemes (undertaken at the annual Strategy Meeting). The Trust Board also engages in regular horizon-scanning of the academic landscape, while continuing to engage and maintain relationships with the academic community through regular formal and informal meetings and activities, both with its committees and panels and with the broader academic community.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Reserves policy

It is Trust policy to at least maintain the real value of the level of reserves over the long term and to maintain sufficient liquidity to meet its commitments. It has set a target real growth of 1% per annum in investment returns, after a 3% annual withdrawal, with a view to increasing the probability of achieving this policy target. The reserve balance at 31 December 2022 was £3,566m (2021: £3,580m) in line with the target.

Plans for future periods

The Trustees have agreed that annual withdrawals will be made from the Trust's investments at a rate of 3% of the five-year rolling average value each year. During the transition period to the adoption of a total return investment objective, the Trustees have agreed that the Trust will aim to spend £100m per annum for the five-year period (2020- 2024) in order to ensure it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. They will continue to monitor the demand for existing programmes and to develop new programmes and schemes.

The Leverhulme International Professorships competition was first launched in 2019 with the results of the first competition in 2020 being four awards totalling £17.7m which were made subject to the completion of certain formalities and the professorial appointments. In 2021, two of these awards, totalling £8.7m were finalised and the remaining two commenced in 2022. In 2021, five International Professorships were awarded totalling £21.5m, two of these commenced in 2022. In 2022, a further three were awarded totalling £10.6m subject to the same formalities.

The Trust Board has identified funds for schemes in addition to the International Professorships where the grants will not be committed until 2023 or beyond: £2.0m for Visiting Professorships; £5.0m for Major Research Fellowships; £3.3m for Prizes; c£22.5m for Doctoral Scholarships; £2.5m for Fellowships/Scholarships and £20.0m for the RAAC (Research Awards Advisory Committee).

Structure, Governance and Management

The Trustees who served during the year and up to the date of the approval of the Annual Report, are listed on page 3.

The Trustees, who receive no remuneration for their services, meet four times annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 9).

Full information on the scope of The Leverhulme Trust and the policies of the Trustees is given on the website <http://www.leverhulme.ac.uk>.

Trustees' induction and training consists of briefings from the Chairman and the Director of the Trust; those appointed receive copies of relevant Charity Commission publications.

The Director of the Trust is Professor Anna Vignoles. The Trustees consider the Board of Trustees together with the Director, Director of Finance, Director of Investments and Assistant Director of the Trust as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a daily basis. The Trust has 17 staff who are accountable to the Director. All staff members are involved in the delivery of the Trust's grant-making activities.

The pay of the key management personnel and of the Trust's staff generally is reviewed annually by the Trust Board's Nominations and Remuneration Committee in light of changes to prices and average earnings. Remuneration levels are also periodically benchmarked against other similar organisations.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Structure, Governance and Management (continued)

The remuneration of the key management personnel consists of fixed salary, variable pay and pension payments. The variable pay is determined on performance against agreed objectives. Remuneration levels are set in relation to that required to attract and retain the quality of executive needed to run effectively and efficiently a Foundation of this size and complexity.

The Trust Board has four committees and an advisory panel:

- The Research Awards Advisory Committee. This consists of ten eminent scholars attached to various academic institutions in the UK, covering a wide range of fields of study. The Trustees have delegated authority to them to make research awards to individual applicants within a number of Trustee-approved schemes.
- The Investment Committee. The membership of the Investment Committee consists of four Trustee Board members (Rudi Markham (Chairman), Dr Niall FitzGerald, Professor Keith Gull and Christopher Saul), the Director of Investments of the Trust and three external investment specialists (Dame Elizabeth Corley, Angela Docherty and Quintin Price). Its remit is to make recommendations to the Trustees regarding the non-Unilever investments of the Trust. The external member positions are remunerated.
- The Nominations and Remuneration Committee. The membership of this committee includes the Chairman and three other Trustees (Rudy Markham, Doug Ballie and Steve Williams) and its remit is to advise the Board of Trustees in respect of Trustee succession and remuneration of Trust staff.
- The Risk Committee is made up of three Trustees (Doug Baillie, Mhairi McEwan and Christopher Saul), the Director of the Trust and the Director of Finance. Its remit is to consider the risks to which the Trust may be exposed, prepare an appropriate Risk Register, and present this to the Trust Board for consideration on a regular basis.
- The Leverhulme Advisory Panel. This consists of some 38 UK-based academic specialists who provide a range of advice to the Trust, primarily relating to initial requests (outline applications) for financial support.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charitable foundations, and acts as an authoritative lobby on behalf of its members with Government and regulators.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. www.leverhulme.ac.uk Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Trustee in office at the date the Trustees' Annual Report is approved: so far as the Trustee is aware, (a) there is no relevant audit information of which the Trust's auditors are unaware; and (b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' Annual Report on pages 3 to 14 was approved by the Trustees and signed on its behalf by:



Dr Niall W A FitzGerald
(Chairman)
6 September 2023

1 Pemberton Row
London EC4A 3BG

Registered charity number: 1159154

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE LEVERHULME TRUST

Report on the audit of the financial statements

Opinion

In our opinion, The Leverhulme Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by Charities Act 2011 have been included.

Trustees' Report

In our opinion, based on work undertaken in the course of the audit, the information given in the Trustees' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining confirmations of investments and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.

material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining confirmations of investments and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

6 September 2023

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Income and endowments from:			
- Investment income	2	92,219	95,085
Total income and endowments		<u>92,219</u>	<u>95,085</u>
Expenditure on:			
Raising funds			
- Investment management costs		3,320	2,743
Charitable activities	3b	100,895	138,194
Total expenditure		<u>104,215</u>	<u>140,937</u>
Net Expenditure before Net gains on investments		(11,996)	(45,852)
Net (losses) / gains on investments	5c	(1,782)	35,323
Net expenditure and net movement in funds		<u>(13,778)</u>	<u>(10,529)</u>
Reconciliation of funds:			
Total funds brought forward		3,579,784	3,590,313
Total funds carried forward		<u>3,566,006</u>	<u>3,579,784</u>

The notes on pages 21 to 34 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2022

Fixed assets:	Note	2022 £000	2021 £000
Tangible assets	4	-	30
Investments			
- Investment in shares in Unilever plc	5a	1,962,662	1,851,670
- Other investments	5b	<u>1,908,553</u>	<u>2,039,605</u>
		<u>3,871,215</u>	<u>3,891,275</u>
Total fixed assets		3,871,215	3,891,305
Current assets:			
Debtors	6	1,000	1,008
Cash at bank and in hand		4,318	1,649
		<u>5,318</u>	<u>2,657</u>
Total current assets			
Liabilities:			
Creditors: amounts falling due within one year	7	<u>(189,073)</u>	<u>(177,666)</u>
Net current liabilities		<u>(183,755)</u>	<u>(175,009)</u>
Total assets less current liabilities		3,687,460	3,716,296
Creditors: amounts falling due after one year	7	<u>(121,454)</u>	<u>(136,512)</u>
Total net assets		<u>3,566,006</u>	<u>3,579,784</u>
The funds of the Charity			
Unrestricted funds		3,566,006	3,579,784
Total Charity funds		3,566,006	3,579,784

The notes on pages 21 to 34 form part of these financial statements.

The financial statements on pages 18 to 34 were approved by the Trustees and signed on their behalf by:



Dr Niall W A FitzGerald
Trustee

6 September 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from operating activities:	(104,262)	(78,922)
Net cash used in operating activities (a)		
Cash flows from investing activities:		
Dividends and interest	92,178	95,216
Investment management costs – cash element	(1,945)	(2,743)
Purchase of investments	(476,618)	(642,807)
Proceeds from sale of investments	439,799	595,399
Cash outflow from foreign exchange hedging	(36,407)	(9,415)
Decrease in cash held by investment managers	89,924	42,262
Net cash provided by investing activities	106,931	77,912
Change in cash and cash equivalents in the year	<u>2,669</u>	<u>(1,010)</u>
	2022 £000	2021 £000
Cash and cash equivalents brought forward	<u>1,649</u>	<u>2,659</u>
Cash and cash equivalents carried forward	<u>4,318</u>	<u>1,649</u>
a) Reconciliation of net expenditure to net cash flow used in operating activities		
Net expenditure for the reporting year (as per the statement of financial activities)	(13,778)	(10,529)
Adjustments for:		
Dividends and interest	(92,219)	(95,085)
Net losses / (gains) on investments	1,782	(35,323)
Investment management costs	3,168	2,743
(Decrease) / increase in creditors	(3,294)	59,242
Decrease in prepayments	49	-
Depreciation	30	30
Net cash used in operating activities	<u>(104,262)</u>	<u>(78,922)</u>
b) Analysis of changes in net cash/(debt)		
Net cash at 1 January	1,649	2,659
Net cash inflow / (outflow)	2,669	(1,010)
Net cash at 31 December	4,318	1,649

The notes on pages 21 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements of The Leverhulme Trust (the "Trust") have been prepared in accordance with applicable accounting standards in the United Kingdom (FRS102), the Charities SORP (FRS 102) second edition October 2019 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The Trust's functional currency and presentational currency is Pounds Sterling (GBP).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) second edition October 2019.

The Trust constitutes a public benefit entity as defined by FRS102.

Significant judgements and estimates

In preparing the financial statements, accounting estimates and judgements are made. The most significant area of judgement is that the liability from multi-year grant commitments is recognised in full at the point of the grant award as there is not deemed to be performance related conditions that prevent recognition of the expenditure.

All Leverhulme Research centres are subject to a 5-year review. The Trustees do not deem this to be a performance related condition that prevents recognition of the expenditure.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Trust's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy below and within note 5.

The Trust also estimates the allocation of support costs between expenditure on charitable activities and raising funds and estimates the allocation to each grant activity. This estimate is apportioned on the basis of staff time spent on activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included within note 3.

A summary of the principal accounting policies, which have been applied consistently is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees.

Incoming resources

Incoming resources are recognised when the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Dividends are recognised when declared. Where investment income from pooled investment vehicles is re-invested it is accounted for in the unit price.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Trust to the expenditure. At the end of a grant, a liability is recognised until after a final report is received from the grant recipient and is accepted by the Trust. At which point the balance can be written off and credited to grant funding activity within charitable expenditure disclosed in note 3b.

Raising funds

The cost of raising funds consists of investment management fees and investment governance costs. The apportionment of support costs to investment governance costs is shown in note 3.

Charitable activities

The cost of charitable activities consists of grants awarded, governance costs and an apportionment of support costs as shown in note 3.

Financial liabilities

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Trust. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Grants greater than one year are not amortised due to the impact not being material.

Grants amounts that have been approved by the Trustees for specific purposes in future years, but have not been allocated to, or agreed by, specific recipients at year-end are disclosed as commitments.

Tangible fixed assets

Tangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Depreciation is applied to fixed assets on a straight-line basis over their expected useful life, less estimated residual value, at the following annual rates:

Furniture, fittings and equipment	10%
Computers and software	33 ⅓%

Depreciation is provided to recognise the useful economic life of the assets. Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Investments

The Trust has elected to apply the provisions of Section 11 and Section 12 of FRS102 in full. All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the Trustees on the advice of the Investment Advisor, Partners Capital. These valuations are based on the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Gains and losses arising from changes in the unrealised fair value and on the sale of investments are shown as Net gains/(losses) on investments within the Statement of Financial Activities and shown within the unrestricted funds of the Trust on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Forward Contracts

Forward contracts are recognised at fair value, being marked to market value at the closing foreign exchange rates at the year end.

Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks with a maturity of less than three months. Cash held by investment managers is included within investments.

Pension scheme

All staff are employed jointly by Unilever U.K. Central Resources Limited and the Trust. Most of the Trust staff participate in the Unilever U.K. Central Resources Limited defined benefit pension scheme, the Unilever UK Pension Fund (although more recent staff participate in the Unilever defined contribution scheme). Although the main pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order to make the appropriate disclosures as required by section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme. Contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

Taxation

The Trust carries on activities which are exempt from corporation tax and income tax. Irrecoverable Value Added Tax is included with the expenditure to which it relates.

Operating lease

Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

2 Investment income

	2022 £000	2021 £000
Dividends from Unilever plc	68,271	69,275
Managed pooled investments		
Fixed interest Bonds	-	158
Global Equities	7,078	6,605
Private Debt	14,633	17,555
Property	2,074	1,534
Cash	154	(42)
	92,210	95,085
Bank interest	9	-
Total investment income	92,219	95,085

Dividend income from Unilever plc is in respect of ordinary equity shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a (i) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost Type	2022 Total allocated £000	2022 Invest- ment Costs £000	2022 Gover- nance Costs £000	2022 Support Costs £000	2021 Total allocated £000	2021 Invest- ment Costs £000	2021 Gover- nance Costs £000	2021 Support Costs £000
Staff costs	1,625	91	53	1,481	1,493	55	46	1,392
Accommodation	476	27	15	434	371	14	11	346
Other	609	34	20	555	527	20	16	491
	2,710	152	88	2,470	2,391	89	73	2,229

Support costs (net of £69,000 (2021:£80,000) recharge to the Trade Charities Trust – see Note 9) are apportioned based on staff time spent on activities. The allocation to Investment Costs is included within Investment management costs on the SOFA.

3a (ii) Governance costs

	2022 £000	2021 £000
Audit & Legal	98	71
Secretarial	6	4
Trustee expenses	2	-
Support costs (based on apportioned staff time per note 3a (i))	88	73
Total Governance Costs	194	148

3a (iii) Total Governance and Support Costs

	2022 £000	2021 £000
Support Costs (note 3a (i))	2,470	2,229
Governance Costs (note 3a (ii))	194	148
	2,664	2,377

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b Analysis of charitable expenditure

Grant funding during the year plus apportioned support costs are as follows:

Activity	Grant funded activity	Support and governance costs	Total	Grant funded activity	Support and governance costs	Total
	2022 £000	2022 £000	2022 £000	2021 £000	2021 £000	2021 £000
Research Awards Advisory Committee#	25,192	497	25,689	26,063	473	26,536
Research Projects Grant	38,498	1,107	39,605	44,606	1,043	45,649
Arts Scholarships	-	-	-	15,068	244	15,312
Research Centres	-	-	-	30,000	18	30,018
International Professorships	16,110	88	16,198	8,742	18	8,760
Research Leadership	10,635	356	10,991	-	-	-
Major Research Fellowships	4,405	261	4,666	4,588	247	4,835
Academy Fellowships/ Scholarships	3,218	8	3,226	4,681	6	4,687
Visiting Professors	2,481	181	2,662	709	171	880
Prizes	3,000	166	3,166	3,000	157	3,157
Grants awarded	103,539	2,664	106,203	137,457	2,377	139,834
Adjustment on prior year grant awards	(5,308)	-	(5,308)	(1,640)	-	(1,640)
Total Costs	98,231	2,664	100,895	135,817	2,377	138,194

Research Awards Advisory Committee include the following grants: Early Career Fellowships, Research Fellowships, the Study Abroad Scheme, Emeritus Fellowships and International Academic Fellowships.

The adjustments on prior year grant awards include the write back of amounts on closed grants.

Support and governance costs are apportioned based on staff time spent on activities. (Note 3a (iii)).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3c Staff costs

	2022 £000	2021 £000
Wages and salaries	1,077	980
Social security costs	155	129
Pension costs	299	324
Contractors	65	40
Other	29	20
	1,625	1,493

The monthly average number of full-time equivalent staff during the year was 16.5 (2021:15). All staff are involved in grant making and are employed jointly by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. At 31 December 2022, an amount of £23,262 (2021: £25,618) relating to pension contributions remained outstanding. The number of staff who received salaries and other emoluments (excluding pension contributions) over £60,000 was:

	2022 Number	2021 Number
£70,001-£80,000	1	-
£100,001 - £110,000	-	2
£120,001 - £130,000	2	-
£140,001 - £150,000	-	1
£210,001 - £220,000	-	1
£290,001 - £300,000	1	-

Unilever U.K. Central Resources Limited operates a defined benefit pension scheme and a defined contribution pension scheme to which £77,034 (2021: £90,200) was contributed by the Trust in relation to higher paid employees.

The defined benefit pension scheme reported an estimated funding level on a technical provisions basis at 31 March 2021 of 111%.

The Trust consider the Board of Trustees, the Director, Director of Finance, Director of Investments and Assistant Director of the Trust comprise the key management personnel of the charity. The total employment benefits including employer pension contributions of the key management personnel was £644,247 (2021: £648,568).

The Director is the highest paid member of staff.

3d Trustee costs

Trustees did not receive any remuneration during the year (2021: nil). Four Trustees (2021: one Trustee) received travelling and subsistence expenses of £1,998 (2021: £477).

3e Net incoming/(outgoing) resources after charging

	2022 £000	2021 £000
Auditors' remuneration (excluding non-recoverable VAT)	67	59
Depreciation	30	30
Operating lease rentals	267	276

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tangible assets - All Furniture, fittings and equipment

	Total 2022 £000	Total 2021 £000
Cost		
At 1 January	301	301
Disposals	(301)	-
At 31 December	-	301
Accumulated depreciation		
At 1 January	271	241
Charge for year	30	30
Disposals	(301)	-
At 31 December	-	271
Net book value		
At 31 December	-	30

5 Investments

a) Investment in shares in Unilever plc

	2022 £000	2021 £000
As at 1 January	1,851,670	2,061,217
Net Investment gains / (losses)	110,992	(209,547)
As at 31 December	1,962,662	1,851,670

The fair value of investments held in Unilever plc shares reflects the market year end share prices. These shares are Level 1 in the fair value hierarchy.

For cost purposes the shares are valued at the market price of £9,308,018 on Budget Day 1965. There were no purchases or disposals of shares in the year (2021: none).

b) Other Investments

Other investments represent amounts advised and managed by Partners Capital LLP under a Discretionary Management Agreement signed in 2019 and primarily comprise pooled investment vehicles. The historical cost at 31 December 2022 was £1,643.1 million (2021: £1,685.1 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Other Investments (continued)

Other Investments at fair value	2022 £000	2021 £000
Inflation Linked Bonds	35,134	104,220
Credit	29,604	53,246
Global Equities	939,904	569,431
Hedged Equities	356,345	870,781
Property	138,355	55,005
Commodities	-	38,141
Private Debt	243,342	168,409
Private Equity	186,381	110,961
Cash	(23,718)	70,671
Forward Foreign Exchange Contracts	3,206	(1,260)
Investments	1,908,553	2,039,605

Movement in Other Investments	2022 £000	2021 £000
As at 1 January	2,039,605	1,780,175
Purchases	476,618	642,807
Disposals	(439,799)	(595,399)
Net Investment (losses) / gains	(77,947)	254,284
Decrease in cash held in investments	(89,924)	(42,262)
As at 31 December	1,908,553	2,039,605

Included within Net investment (losses) / gains is £29.7m of realised foreign exchange gains (2021: £7.5m) in relation to sales during the year.

The cash figure includes cash adjustments for pending purchases of £39.1m (2021: nil) and pending sales of £1.0m (2021: £34.1m). The balance at 31 December is negative on account of the significant pending purchases. The forward foreign exchange contracts balance of £3.2m (2021: negative £1.3m) is the net of pending foreign exchange purchases of £382.2m (2021: £334.3m) and pending foreign exchange sales of £379.0m (2021: £335.6m).

There are no equity holdings in one company greater than 5% of the total of investments in Other Investments. The Trust has entered into commitments to invest in private equity funds. At the balance sheet date outstanding commitments totalled £165.6m (2021: £150.4m).

c) Net (losses) / gains on investments

	2022 £000	2021 £000
Net gains / (losses) on Unilever shares	110,992	(209,547)
Net (losses) / gains on Other Investments	(77,947)	254,284
	33,045	44,737
Cash loss from FX hedging	(36,407)	(9,414)
Investment management fees in units	1,580	-
Net (losses) / gains in Statement of Financial Activities	(1,782)	35,323

NOTES TO THE FINANCIAL STATEMENTS (continued)

d) Recognised fair value measurements

The following table categorises the fair values of the Trust's investment assets based on the inputs to the fair value. Categorisation within the hierarchy has been determined based on the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

2022	Level 1 £000	Level 2 £000	Level 3 £000	Total 2022 £000
Investments				
Inflation linked Bonds	35,134	-	-	35,134
Credit	-	29,604	-	29,604
Global Equities	114,664	825,240	-	939,904
Hedged Equities	-	356,345	-	356,345
Property	-	138,355	-	138,355
Private Debt	-	243,342	-	243,342
Private Equity	-	-	186,381	186,381
Cash – see note in 5b above	(23,718)	-	-	(23,718)
Forward Foreign Exchange Contract	-	3,206	-	3,206
Investments	126,080	1,596,092	186,381	1,908,553
2021	Level 1 £000	Level 2 £000	Level 3 £000	Total 2021 £000
Investments				
Inflation linked Bonds	104,220	-	-	104,220
Credit	-	53,246	-	53,246
Global Equities	49,030	520,401	-	569,431
Hedged Equities	-	870,781	-	870,781
Property	-	55,005	-	55,005
Commodities	38,141	-	-	38,141
Private Debt	-	168,409	-	168,409
Private Equity	-	-	110,961	110,961
Cash	70,671	-	-	70,671
Forward Foreign Currency Contract	-	(1,260)	-	(1,260)
Investments	262,062	1,666,582	110,961	2,039,605

e) Financial Risk Management

Credit Risk The carrying amounts stated above represents the Trust's maximum exposure to credit risk therefore further disclosure is not required.

Market Risk The Trust's exposure to movements in equity prices arising from its investment portfolio is mitigated by diversification. The Trust invests in multiple asset classes with a variety of underlying investment managers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The Trust monitors its equity risk using a risk framework based on beta to equity markets. Exposures to core market risks are converted into one single “equity equivalent” portfolio risk metric. The equity beta at 31 December 2022 was 0.75 (2021: 0.75) compared with a long-term target of 0.75.

Therefore, for a 1% reduction in equity prices the value of the Trust’s investments would be expected to fall by 0.75% and every 1% reduction in global equity prices would be expected to lead to a reduction of £29.6m (2021 : £27.9m) in Charity Funds.

The Trust’s objectives, policies and processes for managing the risk arising from financial instruments are further explained in the Trustees’ Annual Report.

Currency Risk The Trust takes a long-term view of the currency risk inherent within a global investment portfolio.

The largest non-sterling exposure is to the US Dollar and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £10.6m in Charity Funds (2021: £6.5m) although an indirect impact of currency rate movements on the value of non-US Dollar denominated investments would also be expected.

At 31 December 2022, the Trust had open USD/GBP forward exchange contracts for a nominal value of £378,985,000 for settlement between February and May 2023 (2021: £335,604,000).

Other matters During 2022, geopolitical issues (such as the war in Ukraine) and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies) have had a profound effect on domestic and global economies, with disruption and volatility in the financial markets. The Trustees, in conjunction with their advisers, monitor the situation closely and determines any actions that are considered to be necessary. The extent of the impact on the Trust’s investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted.

6 Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Accrued investment income	945	904
Prepaid administrative expenses	55	104
Total	1,000	1,008

7 Creditors

	2022 £000	2021 £000
Grants payable	309,712	313,217
Accrued Investment management fees	407	764
Accrued administrative expenses	408	197
Total	310,527	314,178
Amounts falling due within one year	189,073	177,666
Amounts falling due after more than one year (all grants payable)	121,454	136,512

NOTES TO THE FINANCIAL STATEMENTS (continued)

Movement in Grant Payable Creditor	2022 £000	2021 £000
As at 1 January	313,217	253,729
Grants awarded in year	103,539	137,457
Adjustment to awards in previous years	(5,308)	(1,640)
Cash paid	(101,736)	(76,329)
As at 31 December	<u>309,712</u>	<u>313,217</u>

8 Lease commitments

At 31 December, the Trust had annual commitments under an operating lease for its office was renewed in 2022 for a term ending 24 July 2032. The annual rent under the lease is £241,434 plus VAT. The minimum lease payments remaining until the Review Date in July 2027 equate to £1,207,000. At 31 December 2021, the amount remaining on the existing lease was £128,000.

9 Related parties

The Report of the Trustees explains the relationship between the Trustees of this Trust and those of the Leverhulme Trade Charities Trust.

In 2022, the Trust received dividend income of £68,270,790 from Unilever plc (2021: £69,275,117). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £1,962,662,031 of ordinary shares held in Unilever plc (2021: £1,851,669,786).

Staff are jointly employed by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. Unilever U.K. Central Resources Limited is a subsidiary of Unilever plc.

In 2022, the Trust paid Unilever U.K. Central Resources Limited £15,000 in rent (2021 - nil).

Certain Trustees are also Trustees or Directors of other organisations which are recipients of grants from the Trust. In these instances, the Trustees have declared their interest at the time of the grant approval. Professor Gull is a professor of Molecular Microbiology at the Sir William Dunn School of Pathology in Oxford. No award was made to the Sir William Dunn School of Pathology in the year (2021: nil). The total amount outstanding as at 31 December 2022 was £50,000 (2021: £50,000). Professor Gull had no influence over this transaction. Christopher Saul was a Trustee of English National Ballet until February 2023. No award was made to English National Ballet in the year (2021: One award totalling £230,497 over four years). The total amount outstanding as at 31 December 2022 was £188,538 (2021: £230,497). Mr Saul took no part in this decision.

The Leverhulme Trade Charities Trust does not have any employees but a charge of £69,000 (2021: £80,000) is made by The Leverhulme Trust, whose Assistant Director of Finance, is responsible for the day-to-day administration of the Leverhulme Trade Charities Trust. This charge included an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 Commitments

At 31 December 2022, Trustees had approved the spending levels for various schemes for 2023 amounting to £82.7m (at the end of 2021 in respect of 2022: £74.3m). Of this amount £24.7m relates to the provisional awards in 2021 and 2022 of 6 Leverhulme International Professorships. Individual grants will be awarded under the other schemes in 2023.

11 Events after the end of the reporting period

In March 2023 the Trust entered into a contract for £605,530 plus VAT for the refurbishment of its offices.

12 Registered Office

The registered office for The Leverhulme Trust is 1 Pemberton Row, London, EC4A 3BG.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 2022 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Oxford	49	11,295
University of Birmingham	18	7,216
Imperial College London	11	6,308
University of Cambridge	36	5,576
University of Edinburgh	30	4,508
University of Warwick	22	3,624
University of York	12	3,581
University of Bristol	21	3,418
University College London	20	3,007
University of St Andrews	16	2,942
University of Nottingham	13	2,549
King's College London	16	2,452
University of Leicester	10	2,431
Royal Society/British Academy/Royal Academy of Engineering	5	2,416
University of Manchester	18	2,245
Newcastle University	13	2,182
University of Sheffield	20	2,144
University of Southampton	8	2,020
London School of Economics and Political Science	8	1,691
Durham University	14	1,588
University of Essex	9	1,567
University of Exeter	14	1,527
Birkbeck, University of London	10	1,444
University of Leeds	9	1,344
SOAS University of London	3	1,285
University of Glasgow	10	1,225
University of Liverpool	8	1,181
University of Aberdeen	9	1,125
University of Bath	7	1,092
Queen's University Belfast	6	1,013
University of Kent	6	1,010
Cranfield University	1	992
Queen Mary University of London	12	955
Lancaster University	5	931
Heriot-Watt University	2	846
Loughborough University	5	826
Royal Holloway, University of London	5	745
University of Sussex	9	739
University of Strathclyde	5	737
Cardiff University	7	702
University of Lincoln	4	692
	506	95,171
36 institutions below £500,000	66	7,094
Individuals below £500,000	32	1,274
	604	103,539
2022 Total grants awarded	604	103,539

NOTES TO THE FINANCIAL STATEMENTS (continued)

2021 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Cambridge	49	19,771
University of Oxford	55	15,594
Imperial College London	13	13,404
University of Birmingham	25	8,369
University College London	33	5,200
University of Edinburgh	35	5,065
The Mandela Rhodes Foundation	1	3,000
King's College London	16	2,429
Newcastle University	13	2,400
University of St Andrews	16	2,322
University of East Anglia	14	2,153
University of Nottingham	16	2,121
University of Sheffield	19	2,091
Cardiff University	12	1,863
University of York	14	1,845
University of Exeter	13	1,772
University of Warwick	14	1,679
University of Glasgow	14	1,442
Birkbeck, University of London	8	1,384
Royal Society/British Academy/Royal Academy of Engineering	6	1,294
Durham University	12	1,185
University of Sussex	7	1,153
University of Manchester	9	1,152
University of Liverpool	7	1,137
University of Kent	8	1,115
Royal Holloway, University of London	10	1,090
University of Leicester	4	1,040
University of Leeds	7	952
Queen's University Belfast	8	933
Queen Mary, University of London	6	894
University of Bristol	10	875
Roehampton University	6	866
Northumbria University	7	809
University of Reading	7	806
University of Strathclyde	5	797
Guildhall School of Music and Drama	2	755
Royal College of Music	1	696
University of Bath	2	623
Royal Central School of Speech and Drama	1	526
London Contemporary Dance School	1	522
Royal Northern College of Music	1	520
University of Hull	2	517
University of Brighton	2	509
University of Essex	3	508
University of Southampton	4	506
	518	115,684
105 institutions below £500,000	135	21,211
Individuals below £500,000	11	562
	664	137,457
2021 Total grants awarded		

THE LEVERHULME TRUST

England & Wales - Charity number 1159154

Accounts

LEVERHULME
TRUST _____

**Trustees' Annual Report
and Financial Statements 2021**

Registered Charity Number: 1159154

TRUSTEES' ANNUAL REPORT – 2021

LEGAL AND ADMINISTRATIVE DETAILS

Established under the Will of the First Viscount Leverhulme.

Trustees	Mr N W A FitzGerald KBE DSA (Chairman) Mr D Baillie Mr A C Butler (resigned 23 June 2021) Mr P J Cescau (resigned 23 June 2021) Professor K Gull CBE FRS Mr A Jope (from 4 January 2021) Sir Dave Lewis Mr R H P Markham CMG Ms M McEwan Ms L Nair Mr C Saul Mr K Weed CBE (from 6 October 2021) Mr S G Williams
Director	Professor Anna Vignoles CBE FBA (from 4 January 2021)
Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Legal Advisors	Maurice Turnor Gardner LLP Milton House, Milton Street, London, EC2Y 9BH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH
Custodian	Northern Trust 50 Bank Street, Canary Wharf, London, E14 5NT
Investment Advisor	Partners Capital LLP 5 Young Street, London, W8 5EH
Office Address	1 Pemberton Row, London, EC4A 3BG Tel. 020 7042 9888
Website	www.leverhulme.ac.uk
Registered Charity Number	1159154

TRUSTEES' ANNUAL REPORT – 2021

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 December 2021.

History

The Leverhulme Trust is a Registered Charity, Number 1159154, and was constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom on 11 November 2014. It derives from the Will of the First Viscount Leverhulme (the “Founder”), who died in 1925. He left a proportion of his shares in Lever Brothers Limited upon trust and specified that the beneficiaries of the resulting income should include certain trade charities and the provision of scholarships for such purposes of research and education, being valid charitable purposes, as the Trustees might decide. The shareholding subsequently became one with Unilever plc.

In November 1983, the High Court approved a declaration of Charitable Trust from the Will which gave each of its two charitable objects an independent existence including its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust. The Leverhulme Trust, (“the Trust”), from that date, was solely concerned with research and education.

At the conclusion of 2014, the Trustees transferred all the assets, liabilities and undertakings of the previous established Trust to this newly formed CIO, Number 1159154. The objects of the CIO are substantially the same, and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities

The objective of the Trust is the provision of scholarships and other similar support for education and research in order to fulfil the Founder’s objectives.

The Trustees have set in place a range of activities to meet this objective. The constitution of the Trust places no restriction on the disciplines that are to provide the scholarships for research or education; however, in recognition of the substantial sums provided by other funders of research and scholarship in medicine and related clinical activities, the Trust does not fund in this area. The Trust operates in responsive mode, with the choice of research topic determined by individual applicants.

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trust Board meets annually to review its grant-making activities, and to make modifications to the portfolio, where appropriate.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust, which consists of making grants across a broad range of schemes, by identifying individuals who can demonstrate high-quality scholarship, originality, and excellence in their chosen research proposal.

The grant-making policies of the Trust are set out on the Trust’s website. This provides detailed information on how to apply for a grant, and explains how awards are administered.

In assessing grant applications for funding, the Trustees use the following criteria to prioritise work of outstanding scholarship:

- Originality—the research achieves more than the incremental development of a single discipline;
- Importance—the work will enable further research or enquiry;
- Significance—the proposed research has relevance outside a single field, and is able to excite those working in other disciplines; and
- Merit—the quality of the research design and methodology, and the suitability of the researchers and institution for the realisation of the proposed research objectives.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Objectives and Activities (continued)

A second set of criteria reflect the particular values of the Trust, and express the Trust Board's aspiration that the Trust's funding maintains a distinctive role within the current research funding landscape. Applications are particularly welcomed when they:

- Reflect an individual's personal vision, aspiration, or intellectual curiosity;
- Take appropriate risks in setting and pursuing research objectives;
- Enable a refreshing departure from established patterns of working – either for the individual, or for the discipline; and
- Transcend disciplinary boundaries.

All applications to the Trust are subject to the established and robust peer review mechanisms of the academy and higher education sector to identify innovative, original research which meets the Trust's criteria, as stated above. All decisions are taken in light of the peer review comments received.

Details of the main schemes can be seen in the section 'Achievements and Performance' below.

Public Benefit

The benefits provided by fulfilling the Founder's wishes of funding scholarships for education and research are primarily associated with the skills developed by the research, teaching and student communities, as a consequence of the Trust's awards. This outcome is believed to be well in keeping with the Founder's intent, namely of public benefit.

Achievements and Performance

The Trust makes grants across a range of regular schemes, providing support for individuals at a range of career stages, for groups and teams of researchers, and for international collaborations. The majority of these schemes operate annually, while others (indicated ▲ below) run triennially:

Arts Scholarships ▲

Open to specialist arts training organisations to develop innovative teaching and to provide bursaries for individuals of exceptional talent to develop their skills in the fine and performing arts. Awards range from £40,000 to £695,000. (2021:£15.1m, 2020:nil)

Doctoral Scholarships ▲

To support doctoral studies in UK universities at a time of growing undergraduate debt. Each grant is for £1,350,000 and provides fifteen fully-funded Leverhulme Doctoral Scholarships (five in each of four years). The scholarship funds full-time studies and covers maintenance at the level of a research council UK doctoral stipend and full university tuition fees. The balance is to be used to provide funds for the student's research expenses and research training. (2021:nil, 2020:£13.5m)

Early Career Fellowships

Providing a bridge into an academic career for researchers with a proven research record who have not yet held an established academic post. The scheme traditionally provides 50% of the salary costs of a 3-year academic appointment, with the host institution providing the balance, plus some research costs. In 2021, the Trustees exceptionally agreed to fund 100% of the salary costs for the first year of the fellowships in response to the COVID-19 pandemic. (2021:£17.4m, 2020:£13.9m)

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Achievements and Performance (continued)

Emeritus Fellowships

Providing funding for 3-24 months for senior researchers who have retired from an academic post to enable them to complete a research project and publish the results. Awards are for up to £24,000. (2021:£0.6m, 2020:£0.6m)

International Fellowships

Enabling established researchers in UK higher education institutions to spend 3-12 months in overseas research centres, to develop new knowledge, skills and ideas. Up to £50,000 available. (2021:£0.7m, 2020:£0.4m)

International Professorships

To recruit excellent research leaders of any nationality, currently working outside the UK, in order to fill strategically important positions in this country. This competition was first held in 2020 with 4 awards totalling £17.7m being made, a further round was held in 2021 with 5 awards totalling £21.5m being made. These awards are not included in the expenditure on charitable activities in the year of award as they are still subject to the completion of certain formalities and the professorial appointment. In 2021 an amount of £8.7m was accounted for in respect of three of the 2020 awards.

Major Research Fellowships

Supporting well-established academics in the humanities and social sciences to focus for 2 or 3 years on a specific piece of significant, original research. The scheme is particularly aimed at those whose day-to-day duties have prevented them from completing a programme of research. Annual replacement costs plus research expenses is in the region of £50,000. (2021:£4.6m, 2020:£4.8m)

Philip Leverhulme Prizes

To recognise researchers at an early stage of their career, whose work has already had a significant international impact, and whose future research career is exceptionally promising. £100,000 is provided over two or three years for any research purpose. (2021:£3.0m, 2020:£3.0m)

Research Centres ▲

To support fundamental cross-disciplinary research across the sciences, humanities and social sciences. This competition is designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies. Awards of up to £10,000,000 over 10 years. (2021:£30m, 2020:nil)

Research Fellowships

Supporting experienced researchers, particularly those whose day-to-day responsibilities have prevented them from completing a programme of research, and open to independent scholars as well as those holding posts in universities. Replacement costs/loss of earnings and research expenses available over 3-24 months. Maximum award £60,000. (2021:£5.8m, 2020:£6.2m)

Research Leadership Awards ▲

Supporting researchers with an established university career to build a research team to address a distinct research problem. Between £800,000 and £1million over 5 years is available to fund research assistants and research students working under the leadership of the award holder, plus associated costs. (2021:nil, 2020:nil)

Research Project Grants

Available for any research topic, with the choice of theme and research approach left to applicants. Up to £500,000 over 5 years is available to cover salaries for research and associated costs. This is the Trust's core funding stream and its popularity saw the allocation to grants at £44.6m in 2021 (2020 : £44.0m).

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Achievements and Performance (continued)

Study Abroad Studentships

Supporting a period of postgraduate study or research in any overseas country except the USA. Awards offer maintenance, travel and essential research/study costs for between 12 and 24 months. Annual award values average £44,000. (2021:£1.5m, 2020:£1.4m)

Visiting Professorships

To enable UK institutions to invite an eminent researcher from overseas to enhance the knowledge and skills of academics and students in the host institution. Awards cover maintenance, travel expenses and research costs and last for between 3 and 12 months. Given the variety of individual circumstances, the value of an award can range from under £10,000 to over £125,000, depending on duration. (2021:£0.7m, 2020:£1.9m)

A summary of the value of grants made during the year can be seen in the following table.

Types of schemes	2021		2020	
	£000	%	£000	%
Research Project Grants	44,606	32	43,966	48
Research Centres	30,000	22		
Doctoral Scholarships	-	-	13,500	15
Early Career Fellowships	17,414	13	13,857	15
Arts Scholarships	15,068	11	-	-
International Professorships	8,742	6		
Major Research Fellowships	4,588	3	4,787	5
Research Fellowships	5,840	4	6,213	7
Leverhulme Prizes	3,000	2	3,000	3
Academy Fellowships/Scholarships	4,681	3	2,217	2
Visiting Professors	709	1	1,893	2
Study Abroad Studentships	1,523	1	1,394	1
Emeritus Fellowships	630	1	598	1
International Academic Fellowships	656	1	369	1
Grants Awarded in Year	137,457	100	91,794	100

The number of applications received for consideration for all schemes amounted to 3,640 in 2021(2020: 3,638). The number of grants which were subsequently made amounted to 664 (2020: 650).

The Trust maintains a portfolio of diverse awards (see above) which are attractive to the research community. This is demonstrated by the numbers of applications, which remain consistently high across the schemes (e.g. 2020: Research Project Grants over 880, Early Career Fellowships over 700, Research Fellowships over 800). The selection of successful applications, based on peer review, involves success rates ranging from c. 17% to 41%. The Trust is able to disburse its available income without any sacrifice of quality.

In addition to the Trust's regular programme of grant schemes, in November 2021, the Trust Board announced a further three new Leverhulme Research Centre awards. Each Centre, to be led by a named Director, will be funded for up to £10 million over 10 years, to support fundamental cross-disciplinary research across the sciences, humanities and social sciences. The competition was designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies.

The successful centres were:

- Leverhulme Centre for the Holobiont, Professor Thomas Bell, Imperial College London
- Leverhulme Centre for Nature Recovery, Professor Yadvinder Malhi, University of Oxford
- Leverhulme Centre for Life in the Universe, Professor Didier Queloz, University of Cambridge

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Achievements and Performance (continued)

The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

All grant recipients are required to report both annually (for multi-year awards) and on completion. Final grant reports are reviewed by the Director (some 80% of grants) and submitted for Trust Board scrutiny, or are assessed and reviewed by the appropriate committees or panels to which authority has been delegated. All reports are graded, although it is not appropriate to set numerical targets for grades (nor to normalise these) due to the range, diversity and nature of the activities being reported on. Research outcomes are described, in the context of the ambitions presented in the original bid, and the outputs listed; particular attention is therefore given to the broad findings and to publications or other forms of dissemination resulting from the award. Academic papers and publications arising from the Trust's funding are subject to the usual relevant academic peer review process for such publications. Acknowledgment of Leverhulme support in outputs (journal articles, monographs etc) is a formal requirement of the Trust. Publications arising from Leverhulme grants are also subject to external peer review through the Government's mechanism (Research Excellence Framework, Research Assessment Exercise prior to this) to assess the research of British higher education institutions, see <http://www.ref.ac.uk/>. The Trust monitors the impact of its support on the careers of grant recipients via case studies in its Annual Review.

Whilst the situation in relation to COVID-19 has undoubtedly proved challenging, the Trust benefits from the hitherto healthy academic and research environment in the UK. The excellence of UK scholarship is recognised for example in the various league tables of the World's top universities and the standard research metrics (such as citation statistics) which are available for each country. Despite the high volume of applications to the Trust (around 4,000 per annum), the Trust has consistently secured appropriate levels of peer review to allow it to meet its objectives. The value of the Trust's activities is enhanced by the funds provided by the Government via the Research Charities Support Fund, which provides a contribution towards university overhead costs.

The Trust also continues to place importance on international collaborations, by assisting Study Abroad Students to expand their horizons through postgraduate study or research overseas, supporting academics to develop new collaborations and lines of research with colleagues around the world via our International Academic Fellowships, and enabling UK universities to employ globally leading scholars through our Leverhulme International Professorships and host distinguished academic visitors from overseas through our Visiting Professorships. It is also noteworthy that so many of our other grant holders choose to spend at least part of their time working with colleagues in other countries and in ways that invariably prove to be immensely rewarding. The Trust Board is delighted to be able to help foster these collaborative research relationships. British academic and cultural institutions are world leaders because of their ability to attract the finest talent from around the world; we should be robust in safeguarding this unique competitive advantage.

COVID-19

The Trustees are pleased to report that the operations and finances of the Trust continue to be materially unaffected by the COVID-19 virus. The Trustees have considered the impact of COVID-19 on the risks that the Trust faces and on the ability of the Trust to continue as a going concern and have concluded that there has been minimal impact.

The Trust has been in active conversations with its beneficiaries where their activities have been adversely affected by the direct or indirect impact of the pandemic. The Trustees created a contingency fund of up to £10m to help grant holders where additional costs were required as a result of the pandemic. As at 31 December 2021, an amount of £5.3m (2020: £2.4m) had been committed from this contingency.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Investment policy and performance (continued)

Financial Review

The income of the Trust amounted to £95.1m in 2021 (2020: £93.8m). The reduction in income of the Trust for the year was the result of the introduction of a total return target to replace the previous income target and the updated investment policy detailed below. The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

Grants awarded in the year were £137.5m in line with expectations (2020 : £91.8m). A summary by scheme can be seen in Note 3b to the financial statements.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments. The value of the Trust's funds at the end of 2021 was £3,580m (2020: £3,590m).

Investment policy and performance

The Trust's investment advisor was appointed in November 2019 and an updated investment policy statement and strategic asset allocation was agreed by the Trust Board's Investment Committee and the Trustees.

The Trust now targets a minimum total return over time net of fees, currently 7%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. In 2021 the Trust's investments (net of fees) returned 3.3% (2019:4.7%).

The Trust incorporates responsible investment best practices into investment decision making. It believes that by engaging in a broad set of extra-financial considerations – including environmental, social and governance (ESG) issues – the long-term financial performance of the portfolio can be sustained with potential for improvement. The Trust's approach is to operate a set of principles that reflect its values and to apply them with common sense and a measure of pragmatism and to ensure it remains cognisant of changes and trends in investment markets and in society at large. It seeks impact through its grant giving for academic scholarship. The investment of its funds to provide these scholarships means that investment decisions are predominately driven by economic return.

Risk management

During the year, the Trust Board's Risk Committee continued to monitor both operational and strategic risks and ensured that the risk register was kept up to date. The Risk Committee will continue to review all risks and make recommendations to the Trust Board as appropriate on an annual basis.

The Chairman and Trustees consider that significant disruption to, or underperformance in, the Trust's Unilever shareholding and/or the portfolio managed by Partners Capital would lead to a damaging reduction in funds available for distribution by the Trust. Steps taken to mitigate this risk include ongoing review of Unilever performance and, in relation to the portfolio managed by Partners Capital, the adoption of a risk-based Investment Policy Statement by the Trust with a focus on asset class diversification and total return.

Other principal risks to the implementation of the Trust's strategy concern the relationships with its applicant and peer review communities. The success of the strategy of the Trust is dependent on the ability to attract sufficient numbers and quality of applicants, and to be able to rely on the good will of its peer reviewers. Steps to mitigate these risks include the regular review and refreshing of the Trust's portfolio of grant schemes (undertaken at the annual Strategy Meeting). The Trust Board also engages in regular horizon-scanning of the academic landscape, while continuing to engage and maintain relationships with the academic community through regular formal and informal meetings and activities, both with its committees and panels and with the broader academic community.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Reserves policy

It is Trust policy to at least maintain the real value of the level of reserves over the long term and to maintain sufficient liquidity to meet its commitments. It has set a target real growth of 1% per annum in investment returns, after a 3% annual withdrawal, with a view to increasing the probability of achieving this policy target. The reserve balance at 31 December 2021 was £3,580m (2020: £3,590m) in line with the target.

Plans for future periods

The Trustees have agreed that annual withdrawals will be made from the Trust's investments at a rate of 3% of the five year rolling average value each year. During the transition period to the adoption of a total return investment objective, the Trustees have agreed that the Trust will aim to spend £100m per annum for the five year period (2020- 2024) in order to ensure it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. They will continue to monitor the demand for existing programmes and to develop new programmes and schemes.

The Leverhulme International Professorships competition was first launched in 2019 with the results of the first competition being four awards totalling £17.7m which were made subject to the completion of certain formalities and the professorial appointments. In 2021, two of these awards, totalling £8.7m were finalised and the remaining two are expected to commence in 2022. A further group of five International Professorships were awarded in 2021 totalling £21.5m, subject to the same formalities and appointments.

The Trust Board has identified funds for schemes in addition to the International Professorships where the grants will not be committed until 2022 or beyond: £2.0m for Visiting Professorships; £5.0m for Major Research Fellowships; £3.0m for Prizes; £10m for Research Leadership Awards; £1.8m for Fellowships/Scholarships and £22.0m for the RAAC (Research Awards Advisory Committee).

Structure, Governance and Management

The Trustees who served during the year and up to the date of the approval of the Annual Report, are listed on page 1.

The Trustees, who receive no remuneration for their services, meet four times annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 9).

Full information on the scope of The Leverhulme Trust and the policies of the Trustees is given on the website <http://www.leverhulme.ac.uk>.

Trustees' induction and training consists of briefings from the Chairman and the Director of the Trust; those appointed receive copies of relevant Charity Commission publications.

At the end of December 2020, Professor Gordon Marshall left his position as the Director of the Trust and was replaced at the start of January 2021 by Professor Anna Vignoles.

The Trustees consider the Board of Trustees together with the Director, Director of Finance and Assistant Director of the Trust as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a daily basis. The Trust has the equivalent of 15 staff who are accountable to the Director. All staff members are involved in the delivery of the Trust's grant-making activities.

The pay of the key management personnel and of the Trust's staff generally is reviewed annually by the Trust Board's Nominations and Remuneration Committee in light of changes to prices and average earnings. Remuneration levels are also periodically benchmarked against other similar organisations.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Structure, Governance and Management (continued)

The remuneration of the key management personnel consists of fixed salary, variable pay and pension payments. The variable pay is determined on performance against agreed objectives. Remuneration levels are set in relation to that required to attract and retain the quality of executive needed to effectively and efficiently run a Foundation of this size and complexity.

The Trust Board has four committees and an advisory panel:

- The Research Awards Advisory Committee. This consists of ten eminent scholars attached to various academic institutions in the UK, covering a wide range of fields of study. The Trustees have delegated authority to them to make research awards to individual applicants within a number of Trustee-approved schemes.
- The Investment Committee. The membership of the Investment Committee was reviewed and strengthened during the year. This now consists of four Trustee Board members (Mr Markham (Chairman), Mr FitzGerald, Professor Gull and Mr Saul), the Director of Finance of the Trust and three external investment specialists (Dame Elizabeth Corley, Ms Angela Docherty and Mr Quintin Price). Its remit is to make recommendations to the Trustees regarding the non-Unilever investments of the Trust. The external member positions are remunerated.
- The Nominations and Remuneration Committee. The membership of this committee includes the Chairman and three other Trustees (Mr FitzGerald, Mr Markham, Mr Ballie and Mr Williams) and its remit is to advise the Board of Trustees in respect of Trustee succession and remuneration of Trust staff.
- The Risk Committee is made up of three Trustees (Mr Baillie, Ms McEwen and Mr Saul), the Director of the Trust and the Director of Finance. Its remit is to consider the risks to which the Trust may be exposed, prepare an appropriate Risk Register, and present this to the Trust Board for consideration on a regular basis.
- The Leverhulme Advisory Panel. This consists of some thirty-three UK-based academic specialists who provide a range of advice to the Trust, primarily relating to initial requests (outline applications) for financial support.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charitable foundations, and acts as an authoritative lobby on behalf of its members with Government and regulators.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Statement of trustees' responsibilities (continued)

- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. www.leverhulme.ac.uk Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The trustees are not aware of any additional information which should have been shared with the auditors.

The Trustees' Annual Report on pages 2 to 10 was approved by the Trustees and signed on its behalf by:

Niall W A FitzGerald
(Chairman)
7 September 2022

1 Pemberton Row
London EC4A 3BG

Independent auditors' report to the trustees of The Leverhulme Trust

Report on the audit of the financial statements

Opinion

In our opinion, The Leverhulme Trust's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements, which comprise: the balance sheet as at 31 December 2021; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Trustees' Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report an opinion and matters as described below.

Trustees' Report

Under the Charities Act 2011, we are required to report to you if, in our opinion, the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charity and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements and determined that the principal risks were related to the posting of inappropriate journals to conceal misappropriation of assets. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Charity Commission for England and Wales, and significant contracts and agreements.
- Holding discussions with the trustees to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Charities Act 2011 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 7 September 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Income and endowments from:			
- Investment income	2	95,085	93,766
Total income and endowments		<u>95,085</u>	<u>93,766</u>
Expenditure on:			
Raising funds			
- Investment management costs		2,743	4,464
Charitable activities	3b	138,194	91,584
Total expenditure		<u>140,937</u>	<u>96,048</u>
Net Expenditure before Net gains on investments		(45,852)	(2,282)
Net gains on investments	5	35,323	76,109
Net (Expenditure)/Income and net movement in funds		<u>(10,529)</u>	<u>73,827</u>
Reconciliation of funds:			
Total funds brought forward		3,590,313	3,516,486
Total funds carried forward		<u>3,579,784</u>	<u>3,590,313</u>

The notes on pages 17 to 30 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2021

Fixed assets:	Note	2021 £000	2020 £000
Tangible assets	4	30	60
Investments			
- Investment in shares in Unilever plc	5a	1,851,670	2,061,217
- Other investments	5b	<u>2,039,605</u>	<u>1,780,175</u>
		<u>3,891,275</u>	<u>3,841,392</u>
Total fixed assets		<u>3,891,305</u>	<u>3,841,452</u>
Current assets			
Debtors	6	1,008	1,138
Cash at bank and in hand		1,649	2,659
		<u>2,657</u>	<u>3,797</u>
Total Current assets			
Liabilities:			
Creditors: amounts falling due within one year	7	<u>(177,666)</u>	<u>(148,910)</u>
Net current liabilities		(175,009)	(145,113)
Total assets less current liabilities		<u>3,716,296</u>	<u>3,696,339</u>
Creditors: amounts falling due after one year	7	<u>(136,512)</u>	<u>(106,026)</u>
Total net assets		<u>3,579,784</u>	<u>3,590,313</u>
The funds of the Charity			
Unrestricted funds		3,579,784	3,590,313
Total Charity funds		<u>3,579,784</u>	<u>3,590,313</u>

The notes on pages 17 to 30 form part of these financial statements.

The financial statements on pages 14 to 30 were approved by the Trustees and signed on their behalf by:

Niall W A FitzGerald
Trustee

7 September 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Cash flows from operating activities:		
Net cash used in operating activities (a)	(78,922)	(76,865)
Cash flows from investing activities:		
Dividends and Interest	95,216	98,375
Investment management costs	(2,743)	(4,468)
Purchase of investments	(642,807)	(2,252,017)
Proceeds from sale of investments	595,399	2,248,508
Cash inflow from FX hedging	(9,415)	-
Decrease/(Increase) in cash held by investment managers	42,262	(14,653)
Net cash provided by investing activities	77,912	75,745
Change in cash and cash equivalents in the year	<u>(1,010)</u>	<u>(1,120)</u>
Cash and cash equivalents brought forward	<u>2,659</u>	<u>3,779</u>
Cash and cash equivalents carried forward	<u>1,649</u>	<u>2,659</u>
	2021 £000	2020 £000
a) Reconciliation of net expenditure/income to net cash flow from operating activities		
Net (expenditure)/income for the reporting year (as per the statement of financial activities)	(10,529)	73,827
Adjustments for:		
Dividends and interest	(95,085)	(93,766)
Net gains on investments	(35,323)	(76,109)
Investment management costs	2,743	4,468
Increase in creditors	59,242	14,685
Depreciation	<u>30</u>	<u>30</u>
Net cash used in operating activities	<u>(78,922)</u>	<u>(76,865)</u>
b) Analysis of changes in net cash/(debt)		
Net cash at 1 January	2,659	3,779
Net Cash outflow	(1,010)	(1,120)
Net cash at 31 December	1,649	2,659

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom (FRS102), the Charities SORP (FRS 102) second edition October 2019 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The Trust's functional currency and presentational currency is Pounds Sterling (GBP).

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) second edition October 2019.

The Trust constitutes a public benefit entity as defined by FRS102.

Significant judgements and estimates

In preparing the financial statements, accounting estimates and judgements are made. The most significant area of judgement is that the liability from multi-year grant commitments is recognised in full at the point of the grant award as there is not deemed to be performance related conditions that prevent recognition of the expenditure.

All Leverhulme Research centres are subject to a 5 year review. The Trustees do not deem this to be a performance related condition that prevents recognition of the expenditure.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Trust's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy below and within note 5.

The Trust also estimates the allocation of support costs between expenditure on charitable activities and raising funds and estimates the allocation to each grant activity. This estimate is apportioned on the basis of staff time spent on activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included within note 3.

A summary of the principal accounting policies, which have been applied consistently is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees.

Incoming resources

Incoming resources are recognised when the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Dividends are recognised when declared. Where investment income from pooled investment vehicles is re-invested it is accounted for in the unit price.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Trust to the expenditure. At the end of a grant, a liability is recognised until after a final report is received from the grant recipient and is accepted by the Trust. At which point the balance can be written off and credited to grant funding activity within charitable expenditure disclosed in note 3b.

Raising funds

The cost of raising funds consists of investment management fees and investment governance costs. The apportionment of support costs to investment governance costs is shown in note 3.

Charitable activities

The cost of charitable activities consists of grants awarded, governance costs and an apportionment of support costs as shown in note 3.

Financial liabilities

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Trust. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Grants greater than one year are not amortised due to the impact not being material.

Grants amounts that have been approved by the Trustees for specific purposes in future years, but have not been allocated to, or agreed by, specific recipients at year-end are disclosed as commitments.

Tangible fixed assets

Tangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Depreciation is applied to fixed assets on a straight-line basis over their expected useful life, less estimated residual value, at the following annual rates:

Furniture, fittings and equipment	10%
Computers and software	33 ⅓%

Depreciation is provided to recognise the useful economic life of the assets. Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Investments

The Trust has elected to apply the provisions of Section 11 and Section 12 of FRS102 in full. All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the Trustees on the advice of the Investment Advisor, Partners Capital. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Gains and losses arising from changes in the unrealised fair value and on the sale of investments are shown as Net gains/(losses) on investments within the Statement of Financial Activities and shown within the unrestricted funds of the Trust on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Forward Contracts

Forward contracts are recognised at fair value, being marked to market value at the closing foreign exchange rates on 31 December 2021.

Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks with a maturity of less than three months. Cash held by investment managers is included within investments.

Pension scheme

All staff are employed jointly by Unilever U.K. Central Resources Limited and the Trust. The Trust staff participate in the Unilever U.K. Central Resources Limited defined benefit pension scheme, the Unilever UK Pension Fund. Although the pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order to make the appropriate disclosures as required by section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme.

Taxation

The Leverhulme Trust carries on activities which are exempt from corporation tax and income tax. Irrecoverable Value Added Tax is included with the expenditure to which it relates.

Operating lease

Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

2 Investment income

	2021 £000	2020 £000
Dividends from Unilever plc	69,275	68,191
Managed pooled investments		
Fixed interest Bonds	158	2,541
Global Equities	6,605	20,895
Private Debt	17,555	756
Property	1,534	757
Cash	<u>(42)</u>	<u>625</u>
	95,085	93,765
Bank interest	<u>-</u>	<u>1</u>
Total investment income	<u>95,085</u>	<u>93,766</u>

Dividend income from Unilever plc is in respect of ordinary equity shares.

3a (i) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost Type	2021 Total allocated £000	2021 Invest- ment Costs £000	2021 Gover- nance Costs £000	2021 Support Costs £000	2020 Total allocated £000	2020 Invest- ment Costs £000	2020 Gover- nance Costs £000	2020 Support Costs £000
Staff costs	1,493	55	46	1,392	1,412	53	44	1,315
Accommodation	371	14	11	346	378	14	12	352
Other	527	20	16	491	532	20	16	496
	2,391	89	73	2,229	2,322	87	72	2,163

Support costs (net of £80,000 recharge to the Trade Charities Trust – see Note9) are apportioned on the basis of staff time spent on activities. The allocation to Investment Costs are included within Investment management costs on the SOFA.

3a (ii) Governance costs:

	2021 £000	2020 £000
Audit & Legal	71	108
Secretarial	4	8
Trustee expenses	-	1
Support costs (based on apportioned staff time per note 3a (i))	73	72
Total Governance Costs	148	189

3a (iii) Total Governance and Support Costs

	2021 £000	2020 £000
Support Costs (note 3a (i))	2,229	2,163
Governance Costs (note 3a (ii))	148	189
	2,377	2,352

NOTES TO THE FINANCIAL STATEMENTS (continued)

3b Analysis of charitable expenditure

Grant funding during the year plus apportioned support costs are as follows:

Activity	Grant funded activity 2021 £000	Support and governance costs 2021 £000	Total 2021 £000	Grant funded activity 2020 £000	Support and governance costs 2020 £000	Total 2020 £000
Research Awards Advisory Committee	26,063	473	26,536	22,431	480	22,911
Responsive Mode Projects	44,606	1,043	45,649	43,966	1,074	45,040
Doctoral Scholarship	-	-	-	13,500	209	13,709
Arts Scholarships	15,068	244	15,312	-	-	-
Research Centres	30,000	18	30,018	-	-	-
International Professorships	8,742	18	8,760	-	-	-
Major Research Fellowships	4,588	247	4,835	4,787	251	5,038
Academy Fellowships/ Scholarships	4,681	6	4,687	2,217	7	2,224
Visiting Professors	709	171	880	1,893	172	2,065
Prizes	3,000	157	3,157	3,000	159	3,159
Grants awarded	137,457	2,377	139,834	91,794	2,352	94,146
Adjustment on prior year grant awards	(1,640)	-	(1,640)	(2,562)	-	(2,562)
Total Costs	135,817	2,377	138,194	89,232	2,352	91,584

Support and governance costs are apportioned on the basis of staff time spent on activities.
The adjustments on prior year grant awards include the write back of amounts on closed grants.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3c Staff costs

	2021	2020
	£000	£000
Wages and salaries	980	935
Social security costs	129	130
Pension costs	324	242
Contractors	40	57
Other	<u>20</u>	<u>48</u>
	<u>1,493</u>	<u>1,412</u>

The monthly average number of full time equivalent staff during the year was 15 (2020:15). All staff are involved in grant making and are employed jointly by Unilever U.K. Central Resources Limited and the Trust with their cost recharged to the Trust. At 31 December 2021 an amount of £25,618 (2020: £21,574) relating to pension contributions remained outstanding. The number of staff who received salaries and other emoluments (excluding pension contributions) over £60,000 was:

	2021	2020
	Number	Number
£100,001 - £110,000	2	1
£140,001 - £150,000	1	1
£210,001 - £220,000	1	-
£290,001 - £300,000	-	1

Unilever UK Central Resources Limited operates a defined benefit pension scheme to which £90,200 (2020: £54,452) was contributed by the Trust in relation to higher paid employees.

The scheme reported an estimated funding level at March 2021 of 111%.

The Trust consider the Board of Trustees, the Director, Director of Finance and Assistant Director of the Trust as comprising the key management personnel of the charity. The total employment benefits including employer pension contributions of the key management personnel was £648,568 (2020: £603,233).

The Director is the highest paid member of staff.

3d Trustee costs

Trustees did not receive any remuneration during the year (2020: nil). One Trustee (2020: three) received travelling and subsistence expenses of £477 (2020: £858).

3e Net incoming/(outgoing) resources after charging

	2021	2020
	£'000	£'000
Auditors' remuneration (excluding non recoverable VAT)	59	60
Depreciation	30	30
Operating lease rentals	276	276

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tangible assets

	Furniture, fittings and equipment 2021 £000	Computers and software 2021 £000	Total 2021 £000	Furniture, fittings and equipment 2020 £000	Computers and software 2020 £000	Total 2020 £000
Cost						
At 1 January	301	-	301	301	90	391
Disposals	-	-	-	-	(90)	(90)
At 31 December	301	-	301	301	-	301
Accumulated depreciation						
At 1 January	241	-	241	211	90	301
Charge for year	30	-	30	30	-	30
Disposals	-	-	-	-	(90)	(90)
At 31 December	271	-	271	241	-	241
Net book value						
At 31 December	30	-	30	60	-	60

5 Investments

a) Investment in shares in Unilever plc

	2021	Movement in fair value	2020
	£000	£000	£000
Historical cost	9,308	-	9,308
Fair value	1,851,670	(209,547)	2,061,217

The fair value of investments held in Unilever plc shares reflects the market year end share prices. These shares are Level 1 in the fair value hierarchy.

For cost purposes the shares are valued at the market price of £9,308,018 on Budget day 1965. There were no purchases or disposals of shares in the year (2020: none).

b) Other Investments

Other investments represent amounts advised and managed by Partners Capital LLP under a Discretionary Management Agreement signed in 2019 and primarily comprise pooled investment vehicles. The historical cost at 31 December 2021 was £1,685.1 million (2020: £1,632.5 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Other Investments (continued)

	2021 Fair value £000	2020 Fair value £000
Investments		
Fixed income Bonds	-	24,464
Inflation Linked Bonds	104,220	71,658
Credit	53,246	54,381
Global Equities	569,431	1,111,938
Hedged Equities	870,781	214,219
Property	55,005	49,787
Commodities	38,141	30,667
Private Debt	168,409	103,501
Private Equity	110,961	7,887
Cash	69,411	111,673
Investments	2,039,605	1,780,175

	2021 £000	2020 £000
Movement in Other Investments		
As at 1 January	1,780,175	1,705,380
Purchases	642,807	2,252,017
Disposals	(595,399)	(2,248,508)
Net Investment Gains	254,284	56,633
(Decrease)/Increase to cash	(42,262)	14,653
As at 31 December	2,039,605	1,780,175

In 2020, disposals and purchases represents £1,176.3m of sales in relation to the portfolio held with legacy investment managers with the proceeds subsequently re-invested into the Partners Capital portfolio in line with the revised investment strategy (2021:none). The remaining amount represents purchases and sales that have occurred since the transition to the Partners Capital portfolio in line with the Trust's stated investment strategy.

Included within Net investment gains is £7.5m of realised foreign exchange gains (2020: £12.3m) in relation to purchases and sales during the year.

There are no equity holdings in one company greater than 5% of the total of investments in Other Investments. The Trust has entered into commitments to invest in private equity funds. At the balance sheet date outstanding commitments totalled £150.4m (2020: £130.5m).

c) Recognised fair value measurements

The following table categorises the fair values of the Trust's investment assets based on the inputs to the fair value. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Recognised fair value measurements (continued)

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

2021	Level 1 £000	Level 2 £000	Level 3 £000	Total 2021 £000
Investments				
Inflation linked Bonds	104,220	-	-	104,220
Credit	-	53,246	-	53,246
Global Equities	49,030	520,401	-	569,431
Hedged Equities	-	870,781	-	870,781
Property	-	55,005	-	55,005
Commodities	38,141	-	-	38,141
Private Debt	-	168,409	-	168,409
Private Equity	-	-	110,961	110,961
Cash	70,671	-	-	70,671
Forward Foreign Currency Contract	(1,260)	-	-	(1,260)
Investments	260,802	1,667,842	110,961	2,039,605
2020	Level 1 £000	Level 2 £000	Level 3 £000	Total 2020 £000
Investments				
Fixed income Bonds	24,460	4	-	24,464
Inflation linked Bonds	71,658	-	-	71,658
Credit	26,097	28,284	-	54,381
Global Equities	382,229	729,709	-	1,111,938
Hedged Equities	-	214,219	-	214,219
Property	-	49,787	-	49,787
Commodities	30,667	-	-	30,667
Private Debt	-	103,501	-	103,501
Private Equity	-	-	7,887	7,887
Cash	111,673	-	-	111,673
Investments	646,784	1,125,504	7,887	1,780,175

NOTES TO THE FINANCIAL STATEMENTS (continued)

d) Financial Risk Management

Credit Risk The carrying amounts stated above represents the Trust's maximum exposure to credit risk therefore further disclosure is not required.

Market Risk The Trust's exposure to movements in equity prices arising from its investment portfolio is mitigated by diversification. The Trust invests in multiple asset classes with a variety of underlying investment managers.

The Trust monitors its equity risk using a risk framework based on beta to equity markets. Exposures to core market risks are converted into one single "equity equivalent" portfolio risk metric. The equity beta at 31 December 2021 was 0.75 (2020: 0.75) compared with a long term target of 0.75 (2020: 0.75). Therefore, for a 1% reduction in equity prices the value of the Trust's investments would be expected to fall by 0.75% and every 1% reduction in global equity prices would be expected to lead to a reduction of £27.9m (2020 : £27.9m) in Charity Funds.

The Trust's objectives, policies and processes for managing the risk arising from financial instruments is further explained in the Trustees' Annual Report.

Currency Risk The Trust takes a long term view of the currency risk inherent within a global investment portfolio.

The largest non-sterling exposure is to the US Dollar and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £6.5m in Charity Funds although an indirect impact of currency rate movements on the value of non US Dollar denominated investments would also be expected.

At 31 December 2021, the Trust had open USD/GBP forward exchange contracts for a nominal value of £335,604,000 for settlement between February and May 2022 (2020: nil).

6 Debtors

Debtors comprise accrued investment income of £904,321 (2020: £1,041,644) and prepaid administrative expenses of £104,370 (2020: £96,500).

7 Creditors

	2021	2020
	£000	£000
Grants payable	313,217	253,729
Accrued administrative expenses and Investment management fees	<u>961</u>	<u>1,207</u>
Total	314,178	254,936
Amounts falling due within one year	177,666	148,910
Amounts falling due after more than one year	136,512	106,026

8 Lease commitments

At 31 December 2021, the Trust had annual commitments under an operating lease for its office which was renewed in 2012 for a term ending 24 July 2022. Currently it amounts to £230,000 plus Value Added Tax per annum. The minimum lease payments remaining equates to £128,000 (2020: £358,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Related parties

The Report of the Trustees explains the relationship between the Trustees of this Trust and those of the Leverhulme Trade Charities Trust.

In 2021, the Trust received dividend income of £69,275,117 from Unilever plc (2020: £68,191,007). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £1,851,669,786 of ordinary shares held in Unilever plc (2020: £2,061,217,513).

Staff are jointly employed by Unilever UK Central Resources Limited and the Trust with their cost recharged to the Trust. Unilever UK Central Resources Limited is a subsidiary of Unilever plc.

Certain Trustees are also Trustees or Directors of other organisations which are recipients of grants from the Trust. In these instances, the Trustees have declared their interest at the time of the grant approval. Professor Gull is a professor of Molecular Microbiology at the Sir William Dunn School of Pathology in Oxford. No award was made to the Sir William Dunn School of Pathology in the year (2020: One award totalling £100,000). The total amount outstanding as at 31 December 2021 was £50,000 (2020: £100,000). Professor Gull had no influence over this transaction. Mr Saul is a Trustee of English National Ballet. One award totalling £230,497 over four years was made to English National Ballet in the year. (2020:none). Mr Saul took no part in this decision.

The Leverhulme Trade Charities Trust does not have any employees but a charge of £80,000 (2020: £80,000) is made by The Leverhulme Trust, whose Director of Finance, in his capacity as Secretary, is responsible for the day to day administration of the Leverhulme Trade Charities Trust. This charge included an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

10 Commitments

At 31 December 2021, Trustees had approved the spending levels for various schemes for 2022 amounting to £74.3m (2020: £69.8m). Of this amount £30.5m relates to the provisional awards in 2020 and 2021 of 7 Leverhulme International Professorships. Individual grants will be awarded under the other schemes in 2022.

11 Events after the end of the reporting period

Since March 2020, Covid-19 and other, more recent, geopolitical (such as Russia's war in Ukraine) and economic issues, has had a profound effect on domestic and global economies, with disruption and volatility in the financial markets. The Trustees, in conjunction with their advisers, monitor the situation closely and determine any actions that are considered to be necessary, including the investment portfolio. The extent of the impact on the Trust's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted. Since the year end, the value of the Trust's investment assets and investment liabilities may have been impacted. Whilst the Trustees monitor the overall position, they have not, at this time, quantified the change (being an increase or decrease) in market value of other investment assets and investment liabilities (note 5b) as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 2021 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Cambridge	49	19,771
University of Oxford	55	15,594
Imperial College London	13	13,404
University of Birmingham	25	8,369
University College London	33	5,200
University of Edinburgh	35	5,065
The Mandela Rhodes Foundation	1	3,000
King's College London	16	2,429
Newcastle University	13	2,400
University of St Andrews	16	2,322
University of East Anglia	14	2,153
University of Nottingham	16	2,121
University of Sheffield	19	2,091
Cardiff University	12	1,863
University of York	14	1,845
University of Exeter	13	1,772
University of Warwick	14	1,679
University of Glasgow	14	1,442
Birkbeck, University of London	8	1,384
Royal Society/British Academy/Royal Academy of Engineering	6	1,294
Durham University	12	1,185
University of Sussex	7	1,153
University of Manchester	9	1,152
University of Liverpool	7	1,137
University of Kent	8	1,115
Royal Holloway, University of London	10	1,090
University of Leicester	4	1,040
University of Leeds	7	952
Queen's University Belfast	8	933
Queen Mary, University of London	6	894
University of Bristol	10	875
Roehampton University	6	866
Northumbria University	7	809
University of Reading	7	806
University of Strathclyde	5	797
Guildhall School of Music and Drama	2	755
Royal College of Music	1	696
University of Bath	2	623
Royal Central School of Speech and Drama	1	526
London Contemporary Dance School	1	522
Royal Northern College of Music	1	520
University of Hull	2	517
University of Brighton	2	509
University of Essex	3	508
University of Southampton	4	506
	518	115,684
105 institutions below £500,000	135	21,211
Individuals below £500,000	11	562
	664	137,457
2021 Total grants awarded		

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 2020 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Oxford	47	6,099
University of Edinburgh	37	4,628
University of Birmingham	31	4,176
University of Warwick	29	4,167
University of Cambridge	35	4,130
University College London	36	3,762
University of Sheffield	26	3,314
University of Glasgow	20	3,032
King's College London	14	2,888
University of Southampton	7	2,561
University of Manchester	19	2,470
University of Nottingham	14	2,427
Queen Mary, University of London	15	2,379
University of Bristol	18	2,261
University of Leeds	7	2,231
University of East Anglia	8	2,225
Durham University	12	1,971
University of Kent	13	1,924
University of Exeter	11	1,844
Royal Society/British Academy/Royal Academy of Engineering	5	1,835
Queen's University Belfast	4	1,835
University of Sussex	6	1,775
Manchester Metropolitan University	4	1,543
University of Hull	3	1,536
University of Bath	6	1,504
University of Liverpool	13	1,290
University of Strathclyde	6	1,284
Imperial College London	10	1,228
Northumbria University	7	1,183
Cardiff University	10	1,128
Heriot-Watt University	7	1,117
University of St Andrews	13	1,052
Newcastle University	7	1,003
University of York	12	963
University of Leicester	8	919
Royal Holloway, University of London	8	916
Lancaster University	7	771
Loughborough University	3	614
London School of Economics and Political Science	6	596
Bangor University	4	589
University of Aberdeen	4	567
University of Surrey	2	510
University of Plymouth	3	505
	557	84,752
47 institutions below £500,000	82	6,546
Individuals below £500,000	11	496
2020 Total grants awarded	650	91,794

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 Registered Office

The registered office for The Leverhulme Trust is 1 Pemberton Row, London, EC4A 3BG.

THE LEVERHULME TRUST

England & Wales - Charity number 1159154

Accounts

LEVERHULME
TRUST _____

**Trustees' Annual Report
and Financial Statements 2020**

Registered Charity Number: 1159154

TRUSTEES' ANNUAL REPORT – 2020

LEGAL AND ADMINISTRATIVE DETAILS

Established under the Will of the First Viscount Leverhulme.

Trustees	Mr N W A FitzGerald KBE DSA (Chairman) Mr D Baillie Mr A C Butler (resigned 23 June 2021) Mr P J Cescau (resigned 23 June 2021) Professor K Gull CBE FRS Mr Alan Jope (from 4 January 2021) Sir Dave Lewis (from 7 October 2020) Mr R H P Markham CMG Ms M McEwan (from 7 October 2020) Ms L Nair Mr P G J M Polman (resigned 11 March 2020) Mr C Saul Ms A Sourry (resigned 11 March 2020) Mr S G Williams
Director	Professor Gordon Marshall CBE FBA AcSS (until 31 December 2020) Professor Anna Vignoles CBE FBA (from 4 January 2021)
Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Legal Advisors	Maurice Turnor Gardner LLP Milton House, Milton Street, London, EC2Y 9BH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place, London WC2N 6RH
Custodian	Northern Trust 50 Bank Street, Canary Wharf, London E14 5NT
Investment Advisor	Partners Capital LLP 5 Young Street, London W8 5EH
Office Address	1 Pemberton Row, London EC4A 3BG Tel. 020 7042 9888
Website	www.leverhulme.ac.uk
Registered Charity Number	1159154

TRUSTEES' ANNUAL REPORT – 2020

The Trustees present their Annual Report and the audited Financial Statements for the year ended 31 December 2020.

History

The Leverhulme Trust is a Registered Charity, Number 1159154, and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 11 November 2014. It derives from the Will of the First Viscount Leverhulme (the “Founder”), who died in 1925. He left a proportion of his shares in Lever Brothers Limited upon trust and specified that the beneficiaries of the resulting income should include certain trade charities and the provision of scholarships for such purposes of research and education, being valid charitable purposes, as the Trustees might decide. The shareholding subsequently became associated with Unilever plc.

In November 1983, the High Court approved a declaration of Charitable Trust from the Will which gave each of its two charitable objects an independent existence including its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust. The Leverhulme Trust, (“the Trust”), from that date, was solely concerned with research and education.

At the conclusion of 2014, the Trustees transferred all the assets, liabilities and undertakings of the previous established Trust to this newly formed Charitable Incorporated Organisation (CIO), Number 1159154. The objects of the CIO are substantially the same as the Trust, and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities

The objective of the Trust is the provision of scholarships and other similar support for education and research in order to fulfil the Founder’s objectives.

The Trustees have set in place a range of activities to meet this objective. The constitution of the Trust places no restriction on the disciplines that are to provide the scholarships for research or education; however, in recognition of the substantial sums provided by other funders of research and scholarship in medicine and related clinical activities, the Trust does not fund in this area. The Trust operates in responsive mode, with the choice of research topic determined by individual applicants.

The Trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trust Board meets annually to review its grant-making activities, and to make modifications to the portfolio, where appropriate.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust, which consists of making grants across a broad range of schemes, by identifying individuals who can demonstrate high-quality scholarship, originality, and excellence in their chosen research proposal.

The grant-making policies of the Trust are set out on the Trust’s website. This provides detailed information on how to apply for a grant, and explains how awards are administered.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Objectives and Activities (continued)

In assessing grant applications for funding, the Trustees use the following criteria to prioritise work of outstanding scholarship:

- Originality—the research achieves more than the incremental development of a single discipline;
- Importance—the work will enable further research or enquiry;
- Significance—the proposed research has relevance outside a single field, and is able to excite those working in other disciplines; and
- Merit—the quality of the research design and methodology, and the suitability of the researchers and institution for the realisation of the proposed research objectives.

A second set of criteria reflect the particular values of the Leverhulme Trust, and express the Trust Board's aspiration that the Trust's funding maintains a distinctive role within the current research funding landscape. Applications are particularly welcomed when they:

- Reflect an individual's personal vision, aspiration, or intellectual curiosity;
- Take appropriate risks in setting and pursuing research objectives;
- Enable a refreshing departure from established patterns of working – either for the individual, or for the discipline; and
- Transcend disciplinary boundaries.

All applications to the Trust are subject to the established and robust peer review mechanisms of the academy and higher education sector to identify innovative, original research which meets the Trust's criteria, as stated above. All decisions are taken in light of the peer review comments received.

Details of the main schemes can be seen in the section 'Achievements and Performance' below.

Public Benefit

The benefits provided by fulfilling the Founder's wishes of funding scholarships for education and research are primarily associated with the skills developed by the research, teaching and student communities, as a consequence of the Trust's awards. This outcome is believed to be well in keeping with the Founder's intent, namely of public benefit.

Achievements and Performance

The Trust makes grants across a range of regular schemes, providing support for individuals at a range of career stages, for groups and teams of researchers, and for international collaborations. The majority of these schemes operate annually, while others (indicated ▲ below) run triennially:

***Arts Scholarships* ▲**

Open to specialist arts training organisations to develop innovative teaching and to provide bursaries for individuals of exceptional talent to develop their skills in the fine and performing arts. Awards range from £25,000 to £490,000. (2020:nil, 2019:nil)

***Doctoral Scholarships* ▲**

To support doctoral studies in UK universities at a time of growing undergraduate debt. Each grant is for £1,350,000 and provides fifteen fully-funded Leverhulme Doctoral Scholarships (five in each of four years). The scholarship funds full-time studies and covers maintenance at the level of a research council UK doctoral stipend and full university tuition fees. The balance is to be used to provide funds for the student's research expenses and research training. (2020:£13.5m, 2019:nil)

Early Career Fellowships

Providing a bridge into an academic career for researchers with a proven research record who have not yet held an established academic post. The scheme provides 50% of the salary costs of a 3-year academic appointment, with the host institution providing the balance, plus some research costs. The Trust's contribution over 3 years is up to £93,000. (2020:£13.9m, 2019:£13.2m)

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Achievements and Performance (continued)

Emeritus Fellowships

Providing funding for 3-24 months for senior researchers who have retired from an academic post to enable them to complete a research project and publish the results. Awards are for up to £22,000. (2020:£0.6m, 2019:£0.5m)

International Academic Fellowships

Enabling established researchers in UK higher education institutions to spend 3-12 months in overseas research centres, to develop new knowledge, skills and ideas. Up to £45,000 available. (2020:£0.4m, 2019:£0.4m).

International Professorships

To recruit excellent research leaders of any nationality, currently working outside the UK, in order to fill strategically important positions in this country. This competition was first held in 2020 with 4 awards totalling £17.7m being made. These amounts were not included in the 2020 expenditure on charitable activities as they are still subject to the completion of certain formalities and the professorial appointment. They are likely to be recognised in the 2021 financial statements.

Major Research Fellowships

Supporting well-established academics in the humanities and social sciences to focus for 2 or 3 years on a specific piece of significant, original research. The scheme is particularly aimed at those whose day-to-day duties have prevented them from completing a programme of research. Annual replacement costs plus research expenses is in the region of £50,000. (2020:£4.8m, 2019:£4.7m)

Philip Leverhulme Prizes

To recognise researchers at an early stage of their career, whose work has already had a significant international impact, and whose future research career is exceptionally promising. £100,000 is provided over two or three years for any research purpose. (2020:£3.0m, 2019:£3.0m)

Research Centres ▲

To support fundamental cross-disciplinary research across the sciences, humanities and social sciences. This competition, held first in 2015, was designed to encourage original research which would establish or reshape a significant field of study and transform understanding of an important topic in contemporary societies. Awards of up to £10,000,000 over 10 years. (2020:nil, 2019:nil)

Research Fellowships

Supporting experienced researchers, particularly those whose day-to-day responsibilities have prevented them from completing a programme of research, and open to independent scholars as well as those holding posts in universities. Replacement costs/loss of earnings and research expenses available over 3-24 months. Maximum award £55,000. (2020:£6.2m, 2019:£5.8m)

Research Leadership Awards ▲

Supporting researchers with an established university career to build a research team to address a distinct research problem. Between £800,000 and £1million over 5 years is available to fund research assistants and research students working under the leadership of the award holder, plus associated costs. (2020:nil, 2019:£14.3m)

Research Project Grants

Available for any research topic, with the choice of theme and research approach left to applicants. Up to £500,000 over 5 years is available to cover salaries for research and associated costs. This is the Trust's core funding stream and its popularity saw the allocation to grants at £44.0m in 2020 (2019 : £43.2m).

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Achievements and Performance (continued)

Study Abroad Studentships

Supporting a period of postgraduate study or research in any overseas country except the USA. Awards offer maintenance, travel and essential research/study costs for between 12 and 24 months. Annual award values average £44,000. (2020:£1.4m, 2019:£1.4m)

Visiting Professorships

To enable UK institutions to invite an eminent researcher from overseas to enhance the knowledge and skills of academics and students in the host institution. Awards cover maintenance, travel expenses and research costs and last for between 3 and 12 months. Given the variety of individual circumstances, the value of an award can range from under £10,000 to over £140,000, depending on duration. (2020:£1.9m, 2019:£2.1m)

A summary of the value of grants made during the year can be seen in the following table.

Types of schemes	2020		2019	
	£000	%	£000	%
Research Project Grants	43,966	48	43,241	46
Doctoral Scholarships	13,500	15	-	-
Research Leadership	-	-	14,285	15
Early Career Fellowships	13,857	15	13,206	14
Major Research Fellowships	4,787	5	4,659	5
Research Fellowships	6,213	7	5,756	6
Leverhulme Prizes	3,000	3	3,000	3
Academy Fellowships/Scholarships	2,217	2	4,948	5
Visiting Professors	1,893	2	2,089	2
Study Abroad Studentships	1,394	1	1,432	2
Emeritus Fellowships	598	1	527	1
International Academic Fellowships	369	1	387	1
Grants Awarded in Year	91,794	100	93,530	100

The number of applications received for consideration for all schemes amounted to 3,639 in 2020 (2019: 3,663). The number of grants which were subsequently made amounted to 650 (2019: 659).

The Trust maintains a portfolio of diverse awards (see above) which are attractive to the research community. This is demonstrated by the numbers of applications, which remain consistently high across the schemes (e.g. 2020: Research Project Grants over 880, Early Career Fellowships over 700, Research Fellowships over 800). The selection of successful applications, based on peer review, involves success rates ranging from c. 17 to 41%. The Trust is able to disburse its available income without any sacrifice of quality.

The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

All grant recipients are required to report both annually (for multi-year awards) and on completion. Final grant reports are reviewed by the Director (some 80% of grants) and submitted for Trust Board scrutiny, or are assessed and reviewed by the appropriate committees or panels to which authority has been delegated. All reports are graded, although it is not appropriate to set numerical targets for grades (nor to normalise these) due to the range, diversity and nature of the activities being reported on. Research outcomes are described, in the context of the ambitions presented in the original bid, and the outputs listed; particular attention is therefore given to the broad findings and to publications or other forms of dissemination resulting from the award. Academic papers and publications arising from the Trust's funding are subject to the usual relevant academic peer review process for such publications. Acknowledgment of Leverhulme support in outputs (journal articles, monographs etc) is

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Achievements and Performance (continued)

a formal requirement of the Trust. Publications arising from Leverhulme grants are also subject to external peer review through the Government's mechanism (Research Excellence Framework, Research Assessment Exercise prior to this) to assess the research of British higher education institutions, see <http://www.ref.ac.uk/>. The Trust monitors the impact of its support on the careers of grant recipients via case studies in its Annual Review.

Whilst the current situation in relation to COVID-19 has undoubtedly proved challenging, the Trust benefits from the hitherto healthy academic and research environment in the UK. The excellence of UK scholarship is recognised for example in the various league tables of the World's top universities and the standard research metrics (such as citation statistics) which are available for each country. Despite the high volume of applications to the Trust (around 4,000 per annum) the Trust has consistently secured appropriate levels of peer review to allow it to meet its objectives. The value of the Trust's activities is enhanced by the funds provided by the Government via the Research Charities Support Fund, which provides a contribution towards university overhead costs.

The Trust also continues to place importance on international collaborations, by assisting Study Abroad Students to expand their horizons through postgraduate study or research overseas, supporting academics to develop new collaborations and lines of research with colleagues around the world via our International Academic Fellowships, and enabling UK universities to host distinguished academic visitors from overseas through our Visiting Professorships. It is also noteworthy that so many of our other grant holders choose to spend at least part of their time working with colleagues in other countries and in ways that invariably prove to be immensely rewarding. The Trust Board is delighted to be able to help foster these collaborative research relationships. British academic and cultural institutions are world leaders because of their ability to attract the finest talent from around the world; we should be robust in safeguarding this unique competitive advantage.

COVID-19

The Trustees are pleased to report that the operations and finances of the Trust were not materially affected by the COVID-19 virus. Although the value of the Trust's investments initially fell in the first quarter of the year, the market recovered thereafter resulting in an overall return of 4.7% for the year. The Trust successfully transitioned to home working in March 2020 and will continue this way of working for the duration of the pandemic. The Trustees and staff adjusted the processes and controls in place at the Trust to function in a home working environment with no detrimental impact noted on operations. As reported, the Trust continued to make new awards during the year and with minor exceptions the volume of applications and value of awards were unaffected. The Trustees have considered the impact of COVID-19 on the risks the Trust faces and on the ability of the Trust to continue as a going concern and have concluded that there has been minimal impact.

The Trust has been in active conversations with its beneficiaries where their activities have been adversely affected by the direct or indirect impact of the pandemic. The Trustees created a contingency fund of up to £10m to help grant holders where additional costs were required as a result of the pandemic. As at 31 December 2020, an amount of £2.4m had been committed from this contingency.

Financial Review

The income of the Trust amounted to £93.8m in 2020 (2019: £111.5m). The reduction in income of the Trust for the year was the result of the introduction of a total return target to replace the previous income target and the updated investment policy detailed below. The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

Grants awarded in the year were £91.8m in line with expectations (2019 : £93.5m). A summary by scheme can be seen in Note 3b to the financial statements.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Investment policy and performance (continued)

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments. The value of the Trust's funds at the end of 2020 was £3,519m (2019: £3,516m).

Investment policy and performance

The Trust's investment adviser was appointed in November 2019 and an updated investment policy statement and strategic asset allocation was agreed by the Investment Committee and the Trustees. A transition plan was agreed at the end of 2019 and the Trust's previous investments were transitioned, in accordance with the new agreed strategic asset allocation, between the start of 2020 and the end of the year.

The Trust now targets a minimum total return over time net of fees, currently 7%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. In 2020 the Trust's investments (net of fees) returned 4.7% (2019:12.6%).

The Trust incorporates responsible investment best practices into investment decision making. It believes that by engaging in a broad set of extra-financial considerations – including environmental, social and governance (ESG) issues – the long-term financial performance of the portfolio can be sustained with potential for improvement. The Trust's approach is to operate a set of principles that reflect its values and to apply them with common sense and a measure of pragmatism and to ensure it remains cognisant of changes and trends in investment markets and in society at large. It seeks impact through its grant giving for academic scholarship. The investment of its funds to provide these scholarships means that investment decisions are predominately driven by economic return.

Risk management

During the year, the Trust's Risk Committee continued to monitor both operational and strategic risks and ensured that the risk register was kept up to date. The Risk Committee will continue to review all risks and make recommendations to the Trust Board as appropriate on an annual basis.

The Chairman and Trustees consider that significant disruption to, or underperformance in, the Trust's Unilever shareholding and/or the portfolio managed by Partners Capital would lead to a damaging reduction in funds available for distribution by the Trust. Steps taken to mitigate this risk include ongoing review of Unilever performance, and in relation to the portfolio managed by Partners Capital, the adoption of a risk-based Investment Policy Statement by the Trust with a focus on asset class diversification and total return.

Other principal risks to the implementation of the Trust's strategy concern the relationships with its applicant and peer review communities. The success of the strategy of the Trust is dependent on the ability to attract sufficient numbers and quality of applicants, and to be able to rely on the good will of its peer reviewers. Steps to mitigate these risks include the regular review and refreshing of the Trust's portfolio of grant schemes (undertaken at the annual Strategy Meeting). The Trust Board also engages in regular horizon-scanning of the academic landscape, while continuing to engage and maintain relationships with the academic community through regular formal and informal meetings and activities, both with its committees and panels and with the broader academic community.

Reserves policy

It is Trust policy to at least maintain the real value of the level of reserves over the long term and to maintain sufficient liquidity to meet its commitments. It has set a target real growth of 1% per annum in investment returns, after a 3% annual withdrawal, with a view to increasing the probability of achieving this policy target. The reserve balance at 31 December 2019 was £3,590m (2019: £3,516m) in line with the target.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Plans for future periods

The Trustees have agreed that annual withdrawals will be made from the Trust's investments at a rate of 3% of the five year rolling average value each year. During the transition period to the adoption of a total return investment objective, the Trustees have agreed that the Trust will aim to spend £100m per annum for the five year period (2020- 2024) to ensure it supports the widest range of charitable activity consistent with their objectives and their grant-making policy. They will continue to monitor the demand for existing programmes and to develop new programmes and schemes.

A new scheme, Leverhulme International Professorships launched in 2019 with the results of the first competition being announced in late 2020. Four awards totalling £17.7m were made subject to the completion of certain formalities and the professorial appointments.

The Trust Board has identified funds for schemes in addition to the International Professorships where the grants will not be committed until 2020 or beyond: £2.0m for Visiting Professorships; £5.0m for Major Research Fellowships; £3.0m for Prizes; £15m for Arts Scholarships; £1.2m for Senior Fellowships and £25.9m for the RAAC (Research Awards Advisory Committee).

Structure, Governance and Management

During 2020, the Trust Board had a membership of 11 Trustees. At the beginning of 2021 an additional Trustee, Mr Jope was appointed bringing the number of Trustees to 12. The Trustees, who receive no remuneration for their services, meet four times annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 9).

Two Trustees resigned during the year, Paul Polman and Amanda Sourry and were replaced by the appointment of Sir Dave Lewis and Mhairi McEwan. At the beginning of 2021 Alan Jope was appointed as an additional Trustee. Full information on the scope of The Leverhulme Trust and the policies of the Trustees is given on the website <http://www.leverhulme.ac.uk>.

Trustees' induction and training consists of briefings from other Trustees and the Director of the Trust; those appointed receive copies of relevant Charity Commission publications.

At the end of December 2020, Professor Gordon Marshall left his position as the Director of the Trust and was replaced at the start of January 2021 by Professor Anna Vignoles.

The Trustees consider the Board of Trustees together with the Director, Director of Finance and Assistant Director of the Trust as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a daily basis. The Trust has the equivalent of 15 staff who are accountable to the Director. All staff members are involved in the delivery of the Trust's grant-making activities.

The pay of the key management personnel and of the Trust's staff generally is reviewed annually by the Nominations and Remuneration Committee in light of changes to prices and average earnings. Remuneration levels are also periodically benchmarked against other similar organisations.

The remuneration of the key management personnel consists of fixed salary, variable pay and pension payments. The variable pay is determined on performance against agreed objectives. Remuneration levels are set in relation to that required to attract and retain the quality of executive needed to effectively and efficiently run a Foundation of this size and complexity.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Structure, Governance and Management (continued)

The Trust has four advisory committees and an advisory panel:

- The Research Awards Advisory Committee. This consists of ten eminent scholars attached to various academic institutions in the UK, covering a wide range of fields of study. The Trustees have delegated authority to them to make research awards to individual applicants within a number of Trustee-approved schemes.
- The Investment Committee. The membership of the Investment Committee was reviewed and strengthened during the year. This now consists of four Trustee Board members (Mr Markham (Chairman), Mr FitzGerald, Professor Gull and Mr Saul), the Director of Finance of the Trust and three external investment specialists (Dame Elizabeth Corley, Ms Angela Docherty and Mr Quintin Price). Its remit is to make recommendations to the Trustees regarding the non-Unilever investments of the Trust. The external member positions are remunerated.
- The Nominations and Remuneration Committee. The membership of this committee includes the Chairman and two other Trustees (Mr Cescau and Mr Williams) and its remit is to advise the Board of Trustees in respect of Trustee succession and remuneration of Trust staff.
- The Risk Committee is made up of two Trustees (Mr Baillie and Mr Saul) and the Director of the Trust. Its remit is to consider the risks to which the Trust may be exposed, prepare an appropriate Risk Register, and present this to the Trust Board for consideration on a regular basis.
- The Leverhulme Advisory Panel. This consists of some thirty-three UK-based academic specialists who provide a range of advice to the Trust, primarily relating to initial requests (outline applications) for financial support.

The Trust is a member of the Association of Charitable Foundations (ACF). The ACF provides helpful information on good practice, changes in the law affecting charitable foundations, and acts as an authoritative lobby on behalf of its members with Government and regulators.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The trustees are not aware of any additional information which should have been shared with the auditors.

The Trustees' Annual Report was approved by the Trustees and signed on its behalf by:

Niall W A FitzGerald
(Chairman)
22 July 2021
1 Pemberton Row
London EC4A 3BG

Independent auditors' report to the trustees of The Leverhulme Trust

Report on the audit of the financial statements

Opinion

In our opinion, The Leverhulme Trust's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements, which comprise: the balance sheet as at 31 December 2020; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Trustees' Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report an opinion and matters as described below.

Trustees' Report

Under the Charities Act 2011, we are required to report to you if, in our opinion, the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charity and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements and determined that the principal risks were related to the posting of inappropriate journals to conceal misappropriation of assets. Audit procedures performed included:

- testing of journals where we identified particular risk criteria;
- obtaining independent confirmations of material investment valuations and cash balances at the year end; and
- reviewing meeting minutes, any correspondence with the Charity Commission for England and Wales, contracts and agreements, and holding discussions with the trustees, to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22 July 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Income and endowments from:			
- Investment income	2	93,766	111,487
Total income and endowments		<u>93,766</u>	<u>111,487</u>
Expenditure on:			
Raising funds			
- Investment management costs		4,464	6,456
Charitable activities	3b	91,584	91,125
Total expenditure		<u>96,048</u>	<u>97,581</u>
Net (Expenditure)/Income before Net gains on investments		(2,282)	13,906
Net gains on investments		76,109	324,594
Net income and net movement in funds		<u>73,827</u>	<u>338,500</u>
Reconciliation of funds:			
Total funds brought forward		3,516,486	3,177,986
Total funds carried forward		<u>3,590,313</u>	<u>3,516,486</u>

The notes on pages 17 to 29 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2020

Fixed assets:	Note	2020 £000	2019 £000
Tangible assets	4	60	90
Investments			
- Investment in shares in Unilever plc	5a	2,061,217	2,041,741
- Other investments	5b	<u>1,780,175</u>	<u>1,705,380</u>
		3,841,392	3,747,121
Total fixed assets		<u>3,841,452</u>	<u>3,747,211</u>
Current assets			
Debtors	6	1,138	5,747
Cash at bank and in hand		2,659	3,779
Total Current assets		<u>3,797</u>	<u>9,526</u>
Liabilities:			
Creditors: amounts falling due within one year	7	<u>(148,910)</u>	<u>(128,294)</u>
Net current liabilities		(145,113)	(118,768)
Total assets less current liabilities		<u>3,696,339</u>	<u>3,628,443</u>
Creditors: amounts falling due after one year	7	<u>(106,026)</u>	<u>(111,957)</u>
Total net assets		<u>3,590,313</u>	<u>3,516,486</u>
The funds of the Charity			
Unrestricted funds		3,590,313	3,516,486
Total Charity funds		<u>3,590,313</u>	<u>3,516,486</u>

The notes on pages 17 to 29 form part of these financial statements.

The financial statements on pages 14 to 29 were approved by the Trustees and signed on their behalf by:

Niall W A FitzGerald
Trustee

22 July 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Cash flows from operating activities:		
Net cash used in operating activities (a)	(76,865)	(83,010)
Cash flows from investing activities:		
Dividends and Interest	98,375	110,877
Investment management costs	(4,468)	(6,456)
Purchase of investments	(2,252,017)	(312,088)
Proceeds from sale of investments	2,248,508	312,712
Cash inflow from FX hedging	-	2,026
Increase in cash held by investment managers	(14,653)	(22,853)
Net cash provided by investing activities	75,745	84,218
Change in cash and cash equivalents in the year	<u>(1,120)</u>	<u>1,208</u>

Cash and cash equivalents brought forward	<u>3,779</u>	<u>2,571</u>
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Cash and cash equivalents carried forward	<u>2,659</u>	<u>3,779</u>
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	2020 £000	2019 £000
a) Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting year (as per the statement of financial activities)	73,827	338,500
Adjustments for:		
Dividends and interest	(93,766)	(111,487)
Net gains on investments	(76,109)	(324,594)
Investment management costs	4,468	6,456
Increase in creditors	14,685	8,055
Depreciation	<u>30</u>	<u>60</u>
Net cash used in operating activities	<u>(76,865)</u>	<u>(83,010)</u>

b) Analysis of changes in net cash/(debt)

Net cash at 1 January	3,779	2,571
Net Cash (outflow)/inflow	(1,120)	1,208
Net cash at 31 December	2,659	3,779

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom (FRS102), the Charities SORP (FRS 102) second edition October 2019 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The Trust's functional currency and presentational currency is Pounds Sterling (GBP)

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the liquid nature of the Trust's investments.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) second edition October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS102.

Significant judgements and estimates

In preparing the financial statements, accounting estimates and judgements are made. The most significant area of judgement is that the liability from multi-year grant commitments is recognised in full at the point of the grant award as there is not deemed to be performance related conditions that prevent recognition of the expenditure.

All Leverhulme Research centres are subject to a 5 year review. The Trustees do not deem this to be a performance related condition that prevents recognition of the expenditure.

The only estimate that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is related to the valuation of the Trust's investments and, in particular, those classified as Level 2 and Level 3 of the fair value hierarchy. Explanation of the method for determining the valuation of investments is included within the investments accounting policy below and within note 5.

The Trust also estimates the allocation of support costs between expenditure on charitable activities and raising funds and estimates the allocation to each grant activity. This estimate is apportioned on the basis of staff time spent on activities in line with the methods prescribed by the Charities SORP. Details of this allocation are included within note 3.

A summary of the principal accounting policies, which have been applied consistently is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees.

Incoming resources

Incoming resources are recognised when the Trust has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Investment income represents dividends and interest on fixed investments and deposits, with any associated tax credits or recoverable taxation, which are included on an accruals basis. Dividends are recognised when declared. Where investment income from pooled investment vehicles is re-invested it is accounted for in the unit price.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Trust to the expenditure. At the end of a grant, a liability is still recognised until after a final report is received from the grant recipient and is accepted by the Trust. At which point the balance can be written off and credited to grant funding activity within charitable expenditure disclosed in note 3b.

Raising funds

The cost of raising funds consists of investment management fees and investment governance costs. The apportionment of support costs to investment governance costs is shown in note 3.

Charitable activities

The cost of charitable activities consists of grants awarded, governance costs and an apportionment of support costs as shown in note 3.

Financial Liabilities

Grants, both single and multi-year, are recognised in the financial statements as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the Trust. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Grants greater than one year are not amortised due to the impact not being material.

Grants amounts that have been approved by the Trustees for specific purposes in future years, but have not been allocated to, or agreed by, specific recipients at year-end are disclosed as commitments.

Tangible fixed assets

Tangible fixed assets acquired with a cost of more than £25,000 are capitalised. Otherwise they are expensed in the year of acquisition.

Depreciation is applied to fixed assets on a straight-line basis over their expected useful life, less estimated residual value, at the following annual rates:

Furniture, fittings and equipment	10%
Computers and software	33 ⅓%

Depreciation is provided to recognise the useful economic life of the assets. Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Investments

The Trust has elected to apply the provisions of Section 11 and Section 12 of UK GAAP FRS102 in full. All investments are at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

The fair value of listed security investments is bid value. The fair value of unlisted investments uses valuation techniques determined by the Trustees on the advice of the Investment Advisor Partners Capital. These valuations are on the basis of the latest information available from the relevant fund manager.

Purchases and sales of investments are accounted for on a trade date basis.

Gains and losses arising from changes in the unrealised fair value and on the sale of investments are shown as Net gains/(losses) on investments within the Statement of Financial Activities and shown within the unrestricted funds of the Trust on the Balance Sheet.

Forward Contracts

Forward contracts are recognised at fair value, being marked to market value at the closing foreign exchange rates on 31 December 2019. Cash and bank balances

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks with a maturity of less than three months. Cash held by investment managers is included within investments.

Pension scheme

All staff are employed jointly by Unilever UKCR Ltd and the Trust. The Trust staff participate in the Unilever UKCR Ltd defined benefit pension scheme. Although the pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order to make the appropriate disclosures as required by section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme.

Taxation

The Leverhulme Trust carries on activities which are exempt from corporation tax and income tax. Irrecoverable Value Added Tax is included with the expenditure to which it relates.

Operating lease

Operating lease annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

2 Investment income

	2020 £000	2019 £000
Dividends from Unilever plc	68,191	66,478
Managed investments		
Fixed interest	2,541	5,001
Global Equities	20,895	38,484
Hedged Equities	756	-
Property	757	1,030
Cash	<u>625</u>	<u>489</u>
	93,765	111,482
Bank interest	<u>1</u>	<u>5</u>
Total investment income	<u>93,766</u>	<u>111,487</u>

Dividend income from Unilever plc is in respect of ordinary equity shares.

3a (i) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost Type	2020 Total allocated £000	2020 Invest- ment Costs £000	2020 Gover- nance costs £000	2020 Support Costs £000	2019 Total allocated £000	2019 Invest- ment Costs £000	2019 Gover- nance costs £000	2019 Support Costs £000
Staff costs	1,412	53	44	1,315	1,426	54	44	1,328
Accommodation	378	14	12	352	373	14	12	347
Other	532	20	16	496	567	21	18	528
	<u>2,322</u>	<u>87</u>	<u>72</u>	<u>2,163</u>	<u>2,366</u>	<u>89</u>	<u>74</u>	<u>2,203</u>

Support costs are apportioned on the basis of staff time spent on activities. The allocation to Investment Costs are included within Investment management costs on the SOFA.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3a (ii) Governance costs:	2020	2019
	£000	£000
Audit & Legal	108	94
Secretarial	8	15
Trustee expenses	1	1
Support costs (based on apportioned staff time per note 3a (i))	72	74
Total Governance Costs	189	184

3a (iii) Total Governance and Support Costs

	2020	2019
	£000	£000
Support Costs (note 3a (i))	2,163	2,203
Governance Costs (note 3a (ii))	189	184
	2,352	2,387

3b Analysis of charitable expenditure

Grant funding during the year plus apportioned support costs are as follows:

Activity	Grant funded activity 2020	Support and governance costs 2020	Total 2020	Grant funded activity 2019	Support and governance costs 2019	Total 2019
	£000	£000	£000	£000	£000	£000
Research Awards Advisory Committee	22,431	480	22,911	21,308	486	21,794
Responsive Mode Projects	43,966	1,074	45,040	43,241	1,090	44,331
Doctoral Scholarship	13,500	209	13,709	-	-	-
Research Leadership	-	-	-	14,285	212	14,497
Major Research Fellowships	4,787	251	5,038	4,659	255	4,914
Academy Fellowships/ Scholarships	2,217	7	2,224	4,948	8	4,956
Visiting Professors	1,893	172	2,065	2,089	175	2,264
Prizes	3,000	159	3,159	3,000	161	3,161
Grants awarded	91,794	2,352	94,146	93,530	2,387	95,917
Adjustment on prior year grant awards	(2,562)	-	(2,562)	(4,792)	-	(4,792)
Total Costs	89,232	2,352	91,584	88,738	2,387	91,125

Support and governance costs are apportioned on the basis of staff time spent on activities. The adjustments on prior year grant awards include the write back of amounts on closed grants.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3c Staff

	2020	2019
	£000	£000
Wages and salaries	935	902
Social Security costs	130	134
Pension costs	242	206
Contractors	57	112
Other	48	72
	<u>1,412</u>	<u>1,426</u>

The monthly average number of full time equivalent staff during the year was 15 (2019:15). All staff are involved in grant making and are employed jointly by Unilever UKCR Ltd and the Trust with their cost recharged to the Trust. At 31 December 2020 an amount of £20,956 (2019: £20,956) relating to pension contributions remained outstanding. The number of staff who received salaries and other emoluments (excluding pension contributions) over £60,000 was:

	2020	2019
	Number	Number
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
£140,001 - £150,000	1	1
£290,001 - £300,000	1	1

Unilever UKCR Ltd operates a defined benefit pension scheme to which £54,452 (2019: £53,394) was contributed by the Trust in relation to higher paid employees. Although the pension scheme is a defined benefit scheme, as this is a multi-employer scheme, information is not available to ascertain the Trust's share of the underlying assets and liabilities of the scheme in order make the appropriate disclosures as required by section 28 of FRS 102. It is therefore accounted for as if this were a defined contribution scheme.

The scheme reported an estimated funding level at March 2020 of 96%. The pension scheme is a last man standing scheme. There is no agreement in place for the Trust to contribute to the funding of the scheme's deficit reduction plan.

The Trust consider the Board of Trustees, the Director, Director of Finance and Assistant Director of the Trust as comprising the key management personnel of the charity. The total employment benefits including employer pension contributions of the key management personnel was £603,233 (2019: £583,832).

The Director is the highest paid member of staff.

3d Trustee costs

Trustees did not receive any remuneration during the year (2019: nil). Three Trustees (2019: two) received travelling and subsistence expenses of £858 (2019: £828).

3e Net incoming/(outgoing) resources after charging

	2020	2019
	£	£
Auditors Remuneration (excluding non recoverable VAT)	59,615	23,249
Auditors Remuneration – Tax Compliance (excl. non-recoverable VAT)	-	700
Depreciation	30,000	60,000
Operating lease rentals	276,000	276,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tangible assets

	Furniture, fittings and equipment 2020 £000	Computers and software 2020 £000	Total 2020 £000	Furniture, fittings and equipment 2019 £000	Computers and software 2019 £000	Total 2019 £000
Cost						
At 1 January	301	90	391	322	90	412
Disposals	-	(90)	(90)	(21)	-	(21)
At 31 December	301	-	301	301	90	391
Accumulated depreciation						
At 1 January	211	90	301	202	60	262
Charge for year	30	-	30	30	30	60
Disposals	-	(90)	(90)	(21)	-	(21)
At 31 December	241	-	241	211	90	301
Net book value						
At 31 December	60	-	60	90	-	90

5 Investments

a) Investment in shares in Unilever plc

	2020	Movement in fair value	2019
	£000	£000	£000
Historical cost	9,308	-	9,308
Fair value	2,061,217	19,476	2,041,741

The fair value of investments held in Unilever plc shares reflects the market year end share prices. These shares are Level 1 in the fair value hierarchy.

For cost purposes the shares are valued at the market price of £9,308,018 on Budget day 1965. There were no purchases or disposals of shares in the year (2019: none).

b) Other Investments

Other investments represent amounts advised and managed by Partners Capital LLP under a Discretionary Management Agreement signed in 2019 and primarily comprise pooled investment vehicles. The historical cost at 31 December 2020 was £1,632.5million (2019: £1,438.6 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

b) Other Investments (continued)

	2020	2019
	Fair value	Fair value
	£000	£000
Investments		
Fixed Income	24,464	187,810
Inflation Linked Bonds	71,658	-
Credit	54,381	-
Global Equities	1,111,938	1,393,967
Hedged Equities	214,219	-
Property	49,787	26,755
Commodities	30,667	-
Private Debt	103,501	-
Private Equity	7,887	-
Cash	111,673	96,194
Derivatives		
Forward Foreign Currency Contract	-	654

Investments	1,780,175	1,705,380
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	2020	2019
	£000	£000
Movement in Other Investments		
As at 1 January	1,705,380	1,474,156
Purchases	2,252,017	312,088
Disposals	(2,248,508)	(312,714)
Net Investment Gains	56,633	208,997
Increase to cash	14,653	22,853
As at 31 December	1,780,175	1,705,380

In 2020, disposals and purchases represents £1,176.3m of sales in relation to the portfolio held with existing investment managers with the proceeds subsequently re-invested into the Partners Capital portfolio in line with the revised investment strategy. The remaining amount represents purchases and sales that have occurred since the transition to the Partners Capital portfolio. The balance shown for Cash in the table above includes £120.6m of pending sales and excludes £46.0m of pending purchases as at 31 December 2020. The balance shown for Global Equities in the table above includes £46.0m of pending purchases and excludes £120.6m of pending sales as at 31 December 2020.

Included within Net investment gains is £12.3m of realised foreign exchange gains (2019: £2.6m losses) in relation to purchases and sales during the year.

There are no equity holdings in one company greater than 5% of the total of investments in Other Investments. The Trust has entered into commitments to invest in private equity funds. At the balance sheet date outstanding commitments totalled £130.5m (2019: NIL).

c) Recognised fair value measurements

The following table categorises the fair values of the Trust's investment assets based on the inputs to the fair value. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Recognised fair value measurements (continued)

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques (to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations) using inputs that are not based on observable market data.

2020	Level 1 £000	Level 2 £000	Level 3 £000	Total 2020 £000
Investments				
Fixed Income	24,460	4	-	24,464
Inflation Linked Bonds	71,658	-	-	71,658
Credit	26,097	28,284	-	54,381
Global Equities	382,229	729,709	-	1,111,938
Hedged Equities	-	214,219	-	214,219
Property	-	49,787	-	49,787
Commodities	30,667	-	-	30,667
Private Debt	-	103,501	-	103,501
Private Equity	-	-	7,887	7,887
Cash	111,673	-	-	111,673
Investments	646,784	1,125,504	7,887	1,780,175
2019	Level 1 £000	Level 2 £000	Level 3 £000	Total 2019 £000
Investments				
Fixed Income	187,810	-	-	187,810
Global Equities	1,393,967	-	-	1,393,967
Property	-	26,755	-	26,755
Cash	96,194	-	-	96,194
Forward Foreign Currency Contract	654	-	-	654
	1,678,625	26,755	-	1,705,380

d) Financial Risk Management

Credit Risk The carrying amounts stated above represents the Trust's maximum exposure to credit risk therefore further disclosure is not required.

Market Risk The Trust's exposure to movements in equity prices arising from its investment portfolio is mitigated by diversification. The Trust invests in multiple asset classes with a variety of underlying investment managers.

The Trust monitors its equity risk using a risk framework based on beta to equity markets. Exposures to core market risks are converted into one single "equity equivalent" portfolio risk metric. The equity beta at 31 December 2020 was 0.75 (2019: 0.86) compared with a long term target of 0.75 (2019: 0.75). Therefore, for a 1% reduction in equity prices the value of the Trust's investments would be expected to fall by 0.75% and every 1% reduction in global equity prices would be expected to lead to a reduction of £27.9m (2019 : £32.2m) in Charity Funds.

The Trust's objectives, policies and processes for managing the risk arising from financial instruments is further explained in the Trustees' Annual Report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

d) Financial Risk Management (continued)

Currency Risk The Trust takes a long term view of the currency risk inherent within a global investment portfolio.

The largest non-sterling exposure is to the US Dollar and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £6.5m in Charity Funds although an indirect impact of currency rate movements on the value of non US Dollar denominated investments would also be expected.

At 31 December 2020, the Trust had no open forward exchange contracts (2019: £112,420,906).

6 Debtors

Debtors comprise accrued investment income of £1,041,644 (2019: £5,648,084) and prepaid administrative expenses of £96,500 (2019: £98,835).

7 Creditors

	2020 £000	2019 £000
Grants payable	253,729	238,592
Accrued administrative expenses and Investment management fees	1,207	1,659
Total	254,936	240,251
Amounts falling due within one year	148,910	128,294
Amounts falling due after more than one year	106,026	111,957

8 Lease commitments

At 31 December 2020 the Trust had annual commitments under an operating lease for its office which was renewed in 2012 for a term ending 24 July 2022. Currently it amounts to £230,000 plus Value Added Tax per annum. The minimum lease payments remaining equates to £358,000 (2019: £588,000).

9 Related parties

The Report of the Trustees explains the relationship between the Trustees of this Trust and those of the Leverhulme Trade Charities Trust.

In 2020, the Trust received dividend income of £68,191,007 from Unilever plc (2019: £66,478,019). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £2,061,217,513 of ordinary shares held in Unilever plc (2019: £2,041,741,073).

Staff are jointly employed by Unilever UKCR Ltd and the Trust with their cost recharged to the Trust. Unilever UKCR Ltd is a subsidiary of Unilever plc.

Certain Trustees are also Trustees or Directors of other organisations which are recipients of grants from the Trust. In these instances, the Trustees have declared their interest at the time of the grant approval. Professor Gull is a professor of Molecular Microbiology at the Sir William Dunn School of Pathology in Oxford and Mr Polman is Chair of the Said Business School, Oxford. One award was made to a grant recipient at the Sir William Dunn School of Pathology being a Philip Leverhulme Prize totalling £100,000 in the year (2019: NIL). The total amount outstanding as at 31 December 2020 was £100,000 (2019: NIL). Professor Gull had no influence over this transaction. There were no transactions with the Said Business School, Oxford during the year (2019: NIL).

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Related parties (continued)

The Leverhulme Trade Charities Trust does not have any employees but a charge of £80,000 (2019: £78,000) is made by the Leverhulme Trust, whose Director of Finance, in his capacity as Secretary, is responsible for the day to day administration of the Leverhulme Trade Charities Trust. This charge included an appropriate proportion of overheads incurred by the Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

10 Commitments

At 31 December 2020 Trustees had approved the spending levels for various schemes for 2021 amounting to £69.8m (2020: £47.0m). Of this amount £17.7m relates to the provisional award in 2020 of 4 Leverhulme International Professorships. Individual grants will be awarded under the other schemes in 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 2020 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Oxford	47	6,099
University of Edinburgh	37	4,628
University of Birmingham	31	4,176
University of Warwick	29	4,167
University of Cambridge	35	4,130
University College London	36	3,762
University of Sheffield	26	3,314
University of Glasgow	20	3,032
King's College London	14	2,888
University of Southampton	7	2,561
University of Manchester	19	2,470
University of Nottingham	14	2,427
Queen Mary, University of London	15	2,379
University of Bristol	18	2,261
University of Leeds	7	2,231
University of East Anglia	8	2,225
Durham University	12	1,971
University of Kent	13	1,924
University of Exeter	11	1,844
Royal Society/British Academy/Royal Academy of Engineering	5	1,835
Queen's University Belfast	4	1,835
University of Sussex	6	1,775
Manchester Metropolitan University	4	1,543
University of Hull	3	1,536
University of Bath	6	1,504
University of Liverpool	13	1,290
University of Strathclyde	6	1,284
Imperial College London	10	1,228
Northumbria University	7	1,183
Cardiff University	10	1,128
Heriot-Watt University	7	1,117
University of St Andrews	13	1,052
Newcastle University	7	1,003
University of York	12	963
University of Leicester	8	919
Royal Holloway, University of London	8	916
Lancaster University	7	771
Loughborough University	3	614
London School of Economics and Political Science	6	596
Bangor University	4	589
University of Aberdeen	4	567
University of Surrey	2	510
University of Plymouth	3	505
	557	84,752
47 institutions below £500,000	82	6,546
Individuals below £500,000	11	496
2020 Total grants awarded	650	91,794

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 2019 Grants awarded by institution

Institution	Number of awards	Amount £000
University of Cambridge	49	4,808
University College London	30	4,329
Durham University	19	4,200
University of Manchester	19	3,801
Royal Society/British Academy/Royal Academy of Engineering APEX Awards	1	3,750
University of Edinburgh	32	3,627
University of Oxford	36	3,561
University of Warwick	26	3,203
University of Birmingham	15	3,024
University of Leeds	13	2,830
University of Bristol	17	2,708
University of Kent	13	2,393
University of Glasgow	14	2,388
Imperial College London	17	2,370
King's College London	24	2,268
University of Nottingham	13	2,151
University of Reading	10	2,079
Birkbeck, University of London	14	1,983
University of Strathclyde	9	1,956
University of York	12	1,945
University of St Andrews	13	1,912
Queen Mary, University of London	17	1,898
Queen's University Belfast	8	1,857
University of Sheffield	17	1,800
University of Essex	5	1,353
University of Southampton	7	1,323
Cardiff University	9	1,299
University of East Anglia	12	1,137
SOAS, University of London	3	1,065
Natural History Museum	3	997
University of Sussex	5	992
Lancaster University	7	987
University of the Highlands and Islands	1	986
Newcastle University	10	933
University of Liverpool	8	875
University of Bath	5	872
University of Stirling	4	824
University of Surrey	5	775
University of Exeter	8	765
University of Aberdeen	5	600
University of Plymouth	2	586
Royal Holloway, University of London	5	545
Oxford Brookes University	2	513
	544	84,268
63 institutions below £500,000	112	9,178
Individuals below £500,000	3	84
2019 Total grants awarded	659	93,530

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Registered Office

The registered office for The Leverhulme Trust is 1 Pemberton Row, London, EC4A 3BG.