

LEVERHULME TRADE CHARITIES TRUST

England & Wales · Charity number 1159171

Details

Status Registered

Legal form CIO

Registered 2014-11-12

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

Contact

Address The Leverhulme Trust
1 Pemberton Row
London
EC4A 3BG

Phone 02070429881

Email edymond@leverhulme.ac.uk

Website <http://www.leverhulme-trade.org.uk>

Activities

Objects: The objects of the CIO for the public benefit are to benefit any charities or further any charitable purposes connected with commercial travellers or grocers or chemists, their husbands or wives, widows or widowers, civil partners or surviving civil partners, and children.

Activities: Providing benefits for charities and individuals connected with Commercial Travellers, Grocers or Chemists by making grants to charities having connections with the three categories of beneficiaries and making undergraduate and postgraduate bursaries to individuals connected with the three categories.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,305,000	£2,774,000	£106,574,000	0
2023-12-31	£3,064,000	£4,633,000	£90,337,000	0
2022-12-31	£2,965,000	£2,700,000	£98,232,000	0
2021-12-31	£3,008,000	£2,628,000	£95,222,000	0
2020-12-31	£3,274,000	£1,696,000	£102,433,000	0

Trustees

Name	Role	Appointed
Alan Jope	Chair	2021-03-10
Conny Helena Maria Braams		2026-06-01
Doug Baillie		2015-10-06
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

LEVERHULME TRADE CHARITIES TRUST

England & Wales - Charity number 1159171

Accounts

LEVERHULME
TRADE CHARITIES TRUST

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

Registered Charity Number: 1159171

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 until 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
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-trade.org.uk
Registered Charity Number	1159171

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 Trade Charities Trust is a Registered Charity, Number 1159171 and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 12 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 the income beneficiaries, to 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 each its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust ("the Trust"). The Leverhulme 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 1159171. The objects of the CIO are substantially the same as the previous Trust and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities for the Public Benefit

The instructions given for the establishment of the Trust in the Will of the Founder in defining the purpose are succinct and generous in allowing for changes to fit the times. The objective is to provide benefits for charities or further any charitable purpose connected with Commercial Travellers, Grocers or Chemists and their dependents as the Trustees in their discretion direct.

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 awarding grants for the year.

The aims of the charity are to fulfil the Founder's instructions. In order to carry out these aims Trustees have set in place a range of activities seeking to fulfil the Founder's intent. The Will itself places no restriction on the disciplines that are to form the content of the benefits.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust by providing support towards the costs of education for individuals connected with the three categories, including bursaries for undergraduate and postgraduate students.

Applications for bursaries need to be made using the Trust's online application system which can be accessed via the Trust's website www.leverhulme-trade.org.uk. Details of the main activities can be seen in the next section Achievements and Performance.

Where application numbers exceed the amounts allocated for bursaries, awards are reduced or declined based on the financial need of the applicant.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

Achievements and Performance

In 2024 the Trust began its new grant making strategy with its focus solely on education.

In particular, £1m, which had been committed in 2023, was paid to fund GroceryAid Schools Essential Grant (SEG) scheme in the Summer of 2024. This scheme aims to reduce the financial hardship faced by parents in the industries supported by the Trust, helping families purchase school necessities for the start of term. The grant was spent in full, which meant that 6,667 children went back to school in September with new and essential uniform and equipment. GroceryAid received 11,475 applications and successfully awarded 3,563.

During the year, GroceryAid was awarded £1m to support its SEG scheme in 2025.

Additionally, the Trust Board agreed to continue the undergraduate and postgraduate bursary schemes open to all UK universities and approved undergraduate funding for 2024 of £1,347,429 (2023: £1,542,619). During 2024, 501 applications for undergraduate bursaries were received (2023: 418) and at the end of the year 265 were approved as grants (2023: 275). The Trust Board agreed to funding postgraduate bursaries of £238,750 for 2024 (2023: £361,340). During the year, 104 (2023: 98) applications for postgraduate bursaries were received and 43 (2023: 60) were approved as grants.

Bursaries for the new vocational scheme (Manchester and Bolton trial) had a slow start with 27 applications being received in the year and 7 being awarded a total of £10,000.

The value of grants made can be seen in the following table.

	Period of grant awarded in year	2024 £000	2023 £000
Grants to Institutions for Benevolence			
- The Salespeople's Charity	(2 year)	-	900
- Royal Pinner Educational Trust	(2 year)	-	400
- GroceryAid	1 year	-	467
- GroceryAid – Schools Essentials Grant	1 year	1,000	1,000
		1,000	2,767

The value of bursaries made can be seen in the following table:

	2024 £000	2023 £000
Undergraduate bursaries for periods of between one and six years	1,347	1,543
Postgraduate bursaries for periods of between one and four years	239	361
	10	-
Vocational bursaries for periods of one and 2 years		
	1,596	1,904

The above tables indicate the performance achieved against the objectives of making grants to various institutions and bursaries to undergraduate and postgraduate students. The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

TRUSTEES' ANNUAL REPORT – 2024 (continued)**Financial Review**

The income of the Trust, comprising investment income, amounted to £2.3m in 2024 (2023: £3.0m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

A summary of funding made to beneficiaries during the year can be seen in the previous section - Achievements and Performance.

The value of the Trust's Net Assets at the end of 2024 was £106.6m (2023: £90.3m)

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

At 31 December 2024, the Trust's total investments of £108.5m (2023: £92.9m) comprised:

- investment in shares in Unilever plc of £56.8m (2023: £77.3m) and
- other investments held under a discretionary management agreement with Partners Capital LLP of £51.7m (2023: £15.6m).

The Trust's investment advisor, Partners Capital, was appointed in 2020 and an updated investment policy statement and strategic asset allocation was agreed by the Trust's Investment Committee and the Trustees in 2023 which set a long-term strategic asset allocation for LTCT to be akin to the Leverhulme Trust.

The Trustees review annually the Trust's shareholding in Unilever plc and decided, in the context of the new investment strategy to reduce its shareholding.

In early January 2024, the Trust sold 785,582 Unilever shares (of 2,035,582 held at 31 December 2023). The £30m proceeds have been reinvested in a diverse portfolio with Partners Capital. Investments were made in two global equities index trackers, a further investment in the Master Portfolio C Fund (a multi-asset fund) and a money-market fund and in private debt. LTCT now holds 1,250,000 Unilever shares.

The aim of the strategy is a minimum return which should preserve the portfolio's real value (with inflation measured by UK CPI) after funding an annual withdrawal of 4% p.a. If UK CPI is assumed to be 3.0%, the minimum rate of target return is 7.0% p.a. A 1.0% per year buffer is added to increase the probability of meeting the 7.0% minimum return. This equates to a nominal target return of 8.0%.

In 2024, the Trust's investments (net of fees) returned 20.5% (2023: -3.4%).

	2024 - £000	2023 - £000	Total return	Change in value on balance sheet £000
Unilever shareholding	56,850	77,352	23.5%	-20,502
Partners Capital managed portfolio	51,659	15,594	16.8%	36,065
Total	108,509	92,946	20.5%	15,555

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 predominantly driven by economic return.

TRUSTEES' ANNUAL REPORT – 2024 (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. The Trust's nominal target return for its investments of 8% over the longer-term with a planned 4% annual withdrawal has been set with a view to achieving this policy target. The free reserve balance at 31 December 2024 was £106.6m (2023: £90.3m) in line with the target.

Plans for Future Periods

The Trust will continue to review the level of funding for its established schemes such as the undergraduate and postgraduate bursaries, as well as its new schemes. As part of an expanded trial of its vocational bursary scheme, the Trust will work with London South Bank Technical College in 2025 in addition to The Manchester College and Bolton College with the future aim of scaling nationwide.

Following a successful first year of supporting GroceryAid's Schools Essential Grant in 2024, the Trustees have committed to continue its support, at £1m each year, for 2025 – 2028. This scheme aims to reduce the financial impact on parents in the Grocery and Pharmacy trades by helping families purchase school necessities required for the start of term.

To support its new grant giving strategy, the Trust will continue to build on its re-focused public relations and marketing plan, which commenced in 2024, in the forthcoming years. The purpose is to boost awareness of the Trust's schemes in the industries the Trust supports, particularly the new ones, and to establish the Trust's identity as being a recognised educational grant giving trust within that community.

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 annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 6).

The Trust's induction for new trustees aims to cover understanding the Trust and its grant schemes, learning about the higher education sector and understanding of the role of a charity trustee. Trustee induction includes discussions with existing trustees and Trust senior management, 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, the Director of Finance and the Assistant Director of Finance of The Leverhulme 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. No staff are employed by the Trust. The Assistant Director of Finance of The Leverhulme Trust is responsible to the Trustees for the day to day administration of the Trust.

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 2024 - (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 and 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.

TRUSTEES' ANNUAL REPORT – 2024 (continued)

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 Trustees have assessed the major risks to which the charity is exposed. The Trustees consider that potential variability of investment returns constitute the Trust's major risk. Action to mitigate the impact of this includes regular and ongoing review and discussion regarding the investment portfolio.

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 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-trade.org.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 2 to 6 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: 1159171

Independent auditors' report to the trustees of Leverhulme Trade Charities Trust

Report on the audit of the financial statements

Opinion

In our opinion, Leverhulme Trade Charities 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 otherwise 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.

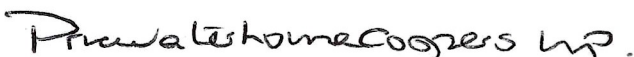
Other required reporting

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
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	2,305	3,064
Total income and endowments		<u>2,305</u>	<u>3,064</u>
Expenditure on:			
Raising funds			
- Investment management fees		111	27
Charitable activities	3b	2,663	4,606
Total expenditure		<u>2,774</u>	<u>4,633</u>
Net (expenditure) before net gains/ (losses) on investments		(469)	(1,569)
Net gains / (losses) on investments	4c	16,706	(6,326)
Net income / (expenditure) and net movement in funds		<u>16,237</u>	<u>(7,895)</u>
Reconciliation of funds:			
Total funds brought forward		90,337	98,232
Total funds carried forward		<u>106,574</u>	<u>90,337</u>

The notes on pages 13 to 19 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Fixed assets:			
Investments in shares in Unilever plc	4a	56,850	77,352
Other investments	4a	<u>51,659</u>	<u>15,594</u>
Total fixed assets		108,509	92,946
Current Assets:			
Cash at bank and in hand		<u>1,323</u>	<u>529</u>
Total current assets		1,323	529
Liabilities:			
Creditors: amounts falling due within one year	5	<u>(2,468)</u>	<u>(2,222)</u>
Net current liabilities		(1,145)	(1,693)
Total assets less current liabilities		107,364	91,253
Creditors: amount falling due after one year	5	<u>(790)</u>	<u>(916)</u>
Total net assets		<u>106,574</u>	<u>90,337</u>
The funds of the charity			
Unrestricted funds		106,574	90,337
Total charity funds		<u>106,574</u>	<u>90,337</u>

The notes on pages 13 to 19 form part of these financial statements.

The financial statements on pages 10 to 19 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 £'000	2023 £'000
Cash flows from operating activities:		
Net cash used in operating activities (a)	(2,543)	(3,637)
Cash flows from investing activities:		
Dividends and interest	2,305	3,064
Investment fees (cash basis)	(45)	-
Purchases of investments	(49,414)	-
Sale of investments	50,538	-
Unrealised gain in cash	(9)	-
Change in cash in investments	(38)	-
Net cash provided by investing activities	3,337	3,064
Change in cash and cash equivalents in the year	794	(573)
Cash and cash equivalents brought forward	529	1,102
Cash and cash equivalents carried forward	1,323	529

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities	2024 £000	2023 £000
Net income / (expenditure) (as per the statement of financial activities)	16,237	(7,895)
Adjustments for:		
Dividends and interest	(2,305)	(3,064)
Net (gains) / losses on investments	(16,706)	6,326
Investment management fees	111	27
Increase in creditors	120	969
Net cash used in operating activities	(2,543)	(3,637)

b) Analysis of changes in net cash/(debt)

Net cash at 1 January	529	1,102
Net cash inflow / (outflow)	794	(573)
Net cash at 31 December	1,323	529

The notes on pages 13 to 19 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 Trade Charities 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 FRS 102.

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.

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 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 4.

The Trust estimates the allocation of support costs 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.

Income recognition

Income is 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.

Expenditure recognition

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.

For grants where funding has been allocated but the value cannot reliably be measured, an estimate of the potential liability is disclosed as a commitment.

Raising funds

The cost of raising funds consists of investment management fees.

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

The Trust holds liabilities which will be settled in future years. An adjustment has not been made to discount future payments as this adjustment is not considered to be material.

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 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.

Cash at bank and in hand

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Investment income	2024 £000	2023 £000
Dividends from Unilever plc (in respect of ordinary equity shares)	1,835	3,055
Multi-asset	-	3
Global Equities	161	-
Private Debt	284	-
Cash investment return	9	-
Bank Interest	16	6
Total investment income	2,305	3,064

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	2024 Total allocated £000	2024 Governance costs £000	2024 Support costs £000	2023 Total allocated £000	2023 Governance costs £000	2023 Support costs £000
Staff costs	49	5	44	48	5	43
Accommodation	27	3	24	25	2	23
Other	90	9	81	10	2	8
	166	17	149	83	9	74

Support costs are apportioned on the basis of staff time spent on activities.

3a (ii) Governance costs:	2024 £000	2023 £000
Audit & Legal	18	28
Support costs (based on apportioned staff time per note 3a (i))	17	9
Total Governance Costs	35	37

Audit & legal costs include the external audit fees of £10,500 (excluding non-recoverable VAT) (2023: £10,000).

3a (iii) Total Governance and Support Costs

	2024 £000	2023 £000
Support Costs (note 3a (i))	149	74
Governance Costs (note 3a (ii))	35	37
	184	111

NOTES TO THE FINANCIAL STATEMENTS (continued)
3b Analysis of charitable expenditure

The Trust undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

Activity	2024			2023		
	Grant funded activity £000	Support and governance costs £000	Total £000	Grant funded activity £000	Support and governance costs £000	Total £000
Grants to Institutions	1,000	70	1,070	2,767	65	2,832
Undergraduate Bursaries	1,347	96	1,443	1,543	37	1,580
Postgraduate Bursaries	239	17	256	361	9	370
Vocational Bursaries	10	1	11	-	-	-
Grants awarded	2,596	184	2,780	4,671	111	4,782
Adjustment on prior year grant awards	(117)	-	(117)	(176)	-	(176)
Total costs	2,479	184	2,663	4,495	111	4,606

The adjustments on prior year grant awards in both 2024 and 2023 represent supplements to grants previously awarded, the write back of amounts on closed grants or grants that have not been and will not be taken up. Total support costs are then apportioned pro rata to the value of each funded activity.

3c Staff

The Trust has no employees during the year (2023: none) but a charge of £75,190 (2023: £73,000) based on time spent by staff of the Leverhulme Trust responsible for the day to day administration of the Leverhulme Trade Charities Trust is made. This charge includes an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

3d Trustee costs

The Trustees did not receive any remuneration or reimbursement of expenses in respect of their services to the Trust during the year (2023: £nil).

4a Investments in shares in Unilever plc

	2024 £000	2023 £000
As at 1 January	77,352	85,128
Disposals	(30,022)	-
Net Investment gains / (losses)	9,520	(7,776)
As at 31 December	56,850	77,352

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 (valued using quoted prices in active markets for identical assets).

During the year, 785,582 shares were sold (2023: none) with a value of £30,022,080.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4b Other investments

	2024 £000	2023 £000
Other Investments at fair value		
Multi-asset class	24,507	15,594
Global Equities	17,040	-
Private Debt	10,039	-
Cash investments	35	-
Cash	38	-
Investments	51,659	15,594
Movement in Other Investments	2024 £000	2023 £000
As at 1 January	15,594	14,171
Purchases	49,414	-
Disposals	(20,516)	-
Net Investment gains	7,129	1,423
Increase in cash held in investments	38	-
As at 31 December	51,659	15,594

There are no equity holdings in one company greater than 5% of the total of investments in Other investments.

4c Net gains/ (losses) on investments

	2024 £000	2023 £000
Net gains / (losses) on Unilever shares	9,520	(7,776)
Net gains on Other Investments	7,129	1,423
	16,649	(6,353)
Unrealised gain in cash	(9)	-
Investment management fees in units	66	27
Net gains/ (losses) in Statement of Financial Activities	16,706	(6,326)

An amount of £66k in respect of Investment Management fees was paid within the unit prices and is reflected in Net Investment Gains. It did not result in a cash-flow.

4d 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2024	Level 1	Level 2	Level 3	Total 2024
Investments	£000	£000	£000	£000
Multi-asset class	-	24,507	-	24,507
Global Equities	17,040	-	-	17,040
Private Debt	-	10,039	-	10,039
Cash investments	-	35	-	35
Cash	38	-	-	38
Investments	17,078	34,581	-	51,659

2023	Level 1	Level 2	Level 3	Total 2023
Investments	£000	£000	£000	£000
Multi-asset class	-	15,594	-	15,594
Investments	-	15,594	-	15,594

4e 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 £568,500.

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 0.68. Therefore, for a 1% reduction in equity prices the value of the Trust's other investments would be expected to fall by 0.68% and every 1% reduction in global equity prices would be expected to lead to a reduction of £351k 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. Most of the Trust's assets are denominated in sterling. It does though also have some investments denominated in US Dollars and a 1% weakening of the Dollar against Sterling would be expected to lead to a direct reduction of £101k in Charity Funds (2023: zero)

5 Creditors

	2024	2023
	£000	£000
Grants payable	3,236	3,115
Other creditors	22	23
Total	3,258	3,138
Amounts falling due within one year	2,468	2,222

NOTES TO THE FINANCIAL STATEMENTS (continued)Grants payable are analysed as follows:

GroceryAid	1,000	1,000
Undergraduate/Postgraduate Bursaries	<u>2,236</u>	<u>2,115</u>
Total	<u>3,236</u>	3,115

6 Related parties

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

In 2024, the Trust received dividend income of £1,835,000 from Unilever plc (2023: £3,055,408). 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 £56,850,000 of ordinary shares held in Unilever plc (2023: £77,352,116).

The Trust does not have any employees but a charge of £75,190 (2023: £73,000) is made by The Leverhulme Trust for staff time spent on 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.

7 Commitments

In 2025, the Trust committed a total of £3m to fund GroceryAid's Schools Essential Grant at £1m per year in 2026, 2027 and 2028. The scheme aims to reduce the financial impact on parents in the industries the Trust supports, helping families purchase school necessities required for the start of term.

8 The Trust

The Trust is a registered charity (number 1159171) and is constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom.

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

LEVERHULME TRADE CHARITIES TRUST

England & Wales - Charity number 1159171

Accounts

LEVERHULME
TRADE CHARITIES TRUST

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

Registered Charity Number: 1159171

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
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-trade.org.uk
Registered Charity Number	1159171

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 Trade Charities Trust is a Registered Charity, Number 1159171 and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 12 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 the income beneficiaries, to 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 each its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust ("the Trust"). The Leverhulme 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 1159171. The objects of the CIO are substantially the same as the previous Trust and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities for the Public Benefit

The instructions given for the establishment of the Trust in the Will of the Founder in defining the purpose are succinct and generous in allowing for changes to fit the times. The objective is to provide benefits for charities or further any charitable purpose connected with Commercial Travellers, Grocers or Chemists and their dependents as the Trustees in their discretion direct.

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 awarding grants for the year.

The aims of the charity are to fulfil the Founder's instructions. In order to carry out these aims Trustees have set in place a range of activities seeking to fulfil the Founder's intent. The Will itself places no restriction on the disciplines that are to form the content of the benefits.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust by providing support towards the costs of education for individuals connected with the three categories, including bursaries for undergraduate and postgraduate students.

Applications for bursaries need to be made using the Trust's online application system which can be accessed via the Trust's website www.leverhulme-trade.org.uk. Details of the main activities can be seen in the next section Achievements and Performance.

Where application numbers exceed the amounts allocated for bursaries, awards are reduced or declined based on the financial need of the applicant.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Achievements and Performance

In 2023 the Trust transitioned to a new grant making strategy with its focus on education only and the Trust Board awarded final grants to the three trade charities, The Salespeople's Charity (SPC), Royal Pinner Educational Trust (RPET) and GroceryAid (GA) for the purposes of benevolence totalling £1,767,000 (2022: £1,116,000). In addition, GA was awarded £1m grant to support its Schools Essentials Grant (SEG) scheme in 2024.

Additionally, the Trust Board agreed to continue the undergraduate and postgraduate bursary schemes open to all UK universities and approved undergraduate funding for 2023 of £1,542,619 (2022: £1,600,010). During 2023, 418 applications for undergraduate bursaries were received (2022: 305) and at the end of the year 275 were approved as grants (2022: 240). The Trust Board agreed to funding postgraduate bursaries of £361,340 for 2023 (2022: £253,410). During the year, 98 (2022: 84) applications for postgraduate bursaries were received and 60 (2022: 50) were approved as grants.

The value of grants made can be seen in the following table.

	Period of grant awarded in year	2023 £000	2022 £000
Grants to Institutions for Benevolence			
- The Salespeople's Charity	2 years	900	450
- Royal Pinner Educational Trust	2 years	400	200
- GroceryAid	1 years	467	466
- GroceryAid – Schools Essentials Grant	1 years	1,000	-
		2,767	1,116

The value of bursaries made can be seen in the following table:

	2023 £000	2022 £000
Undergraduate bursaries for periods of between one and six years	1,543	1,600
Postgraduate bursaries for periods of between one and four years	361	253
	1,904	1,853

The above tables indicate the performance achieved against the objectives of making grants to various institutions and bursaries to undergraduate and postgraduate students. The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

Financial Review

The income of the Trust, comprising investment income, amounted to £3.0m in 2023 (2022: £3.0m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

A summary of funding made to beneficiaries during the year can be seen in the previous section - Achievements and Performance.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

The value of the Trust's Net Assets at the end of 2023 was £90.3m (2022: £98.2m)

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 portfolios.

Investment Policy and Performance

At 31 December 2023, the Trust's total investments of £92.9m (2022: £99.3m) comprised:

- investment in shares in Unilever plc of £77.3m (2022: £85.1m) and
- other investments held under a discretionary management agreement with Partners Capital LLP of £15.6m (2022: £14.2m)

The value of the investment in Unilever shares declined by £7.8m in 2023 (2022: increase of £4.8m).

The Trust's investment advisor, Partners Capital, was appointed in 2020 and an updated investment policy statement and strategic asset allocation was agreed by the Trust's Investment Committee and the Trustees. The assets were transitioned to the Partners Capital Master Portfolio in accordance with the agreed strategic asset allocation at the start of 2021.

Since 2021, the LTCT's Investment Policy in respect of Partners Capital investment portfolio, was to target a total return of 5.5% per annum over the long term. A new strategy is currently being implemented in 2024 which sees the LTCT portfolio aligned towards its long-term strategic asset allocation akin to the Leverhulme Trust. The minimum return should preserve the portfolio's real value (with inflation measured by UK CPI) after funding an annual withdrawal of 4% p.a. If UK CPI is assumed to be 3.0%, the minimum rate of target return is 7.0% p.a. A 1.0% per year buffer is added to increase the probability of meeting the 7.0% minimum return. This equates to a nominal target return of 8.0%.

In 2023, the Trust's investments (net of fees) returned -3.4% (2022: 6.2%).

	2023 - £000	2022 - £000	Total return	Change in value on balance sheet £000
Unilever shareholding	77,352	85,128	-5.7%	-7,776
Partners Capital managed portfolio	15,594	14,171	10.0%	1,423
Total	92,946	99,299	-3.4%	-6,353

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 predominantly driven by economic return.

The Trustees review annually the Trust's shareholding in Unilever plc and decided, in the context of the new investment strategy to reduce its shareholding. In early January 2024, the Trust sold 785,582 Unilever shares (of 2,035,582 held at year end). The £30m proceeds have been reinvested in a diverse portfolio with Partners Capital. Actions have been taken to align the LTCT towards its long-term strategic asset allocation akin to the Leverhulme Trust including additions to two global equities index trackers, a further investment in the Master Portfolio C and a money-market fund and a future allocation will be made to private debt. LTCT now holds 1,250,000 Unilever shares.

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 free reserve balance at 31 December 2023 was £90.3m (2022: £98.2m) in line with the target.

TRUSTEES' ANNUAL REPORT – 2023 (continued)

Plans for Future Periods

The Trust undertook a strategic review of its aims and activities in 2022 and is currently implementing the intended outcomes. The Trustees approved an updated interpretation of the trade beneficiaries to better reflect the changing nature of the industries that it supports in the modern world. It now concentrates entirely on education, to bring a more single-minded focus of its expenditure. In addition to its existing university bursary scheme, it is currently trialling the provision of vocational bursaries for children 16 years upwards and will be supporting GroceryAid's Schools Essential Grant scheme in 2024, which aims to reduce the financial impact on parents in the industries we support, helping families purchase school necessities required for the start of term.

The Trustees will continue to review the level of funding for existing schemes such as the undergraduate and postgraduate bursaries as well as new schemes

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 annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 6).

In 2021, the Trust Board set up the Trade Charities Advisory Committee. This Committee decides on the allocation of the funds delegated to it to be allocated in accordance with the objects of the Trust and to decide which applications for grants are to be accepted. This Committee is formed of

- three Trustees, Sir Dave Lewis (Chair), Doug Baillie and Professor Keith Gull CBE FRS;
- three external members Natasha Adams, Dr Shenila Rawal, and Charles Wilson;
- the previous Secretary of the Trust, Paul Read.

The Trust's induction for new trustees aims to cover understanding the Trust and its grant schemes, learning about the higher education sector and understanding of the role of a charity trustee. Trustee induction includes discussions with existing trustees and Trust senior management, 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, the Director, the Director of Finance and the Assistant Director of Finance of The Leverhulme 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. No staff are employed by the Trust. The Assistant Director of Finance of The Leverhulme Trust is responsible to the Trustees for the day to day administration of the Trust.

The Trust Board has a second committee, the Investment Committee. The membership of the Investment Committee consists of four Trustee Board members (Rudy Markham CMG (Chairman), Dr Niall FitzGerald KBE DSA, Professor Keith Gull CBE FRS and 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 Trustees have assessed the major risks to which the charity is exposed. The Trustees consider that potential variability of investment returns constitute the Trust's major risk. Action to mitigate the impact of this includes regular and ongoing review and discussion regarding the investment portfolio.

TRUSTEES' ANNUAL REPORT – 2023 (continued)**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 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-trade.org.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 Trustee's 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 2 to 6 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: 1159171

Independent auditors' report to the trustees of Leverhulme Trade Charities Trust

Report on the audit of the financial statements

Opinion

In our opinion, Leverhulme Trade Charities 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 otherwise 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	3,064	2,965
Total income and endowments		<u>3,064</u>	<u>2,965</u>
Expenditure on:			
Raising funds			
- Investment management fees		27	27
Charitable activities	3b	4,606	2,673
Total expenditure		<u>4,633</u>	<u>2,700</u>
Net (expenditure)/Income before net (losses)/gains on investments		(1,569)	265
Net (losses)/gains on investments	4c	(6,326)	2,745
Net (expenditure)/income and net movement in funds		<u>(7,895)</u>	<u>3,010</u>
Reconciliation of funds:			
Total funds brought forward		98,232	95,222
Total funds carried forward		<u>90,337</u>	<u>98,232</u>

The notes on pages 13 to 18 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets:			
Investments in shares in Unilever plc	4	77,352	85,128
Other investments	4	<u>15,594</u>	<u>14,171</u>
Total fixed assets		92,946	99,299
Current Assets:			
Cash at bank and in hand		<u>529</u>	<u>1,102</u>
Total current assets		529	1,102
Liabilities:			
Creditors: amounts falling due within one year	5	<u>(2,222)</u>	<u>(1,253)</u>
Net current liabilities		(1,693)	(151)
Total assets less current liabilities		91,253	99,148
Creditors: amount falling due after one year	5	<u>(916)</u>	<u>(916)</u>
Total net assets		<u>90,337</u>	<u>98,232</u>
The funds of the charity			
Unrestricted funds		90,337	98,232
Total charity funds		<u>90,337</u>	<u>98,232</u>

The notes on pages 13 to 18 form part of these financial statements.

The financial statements on pages 10 to 18 were approved by the Trustees and signed on their behalf by:



Dr Niall W A FitzGerald
Trustee

24 July 2024

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)	(3,637)	(2,882)
Cash flows from investing activities:		
Dividends and interest	3,064	2,965
Net cash provided by investing activities	3,064	2,965
Change in cash and cash equivalents in the year	<u>(573)</u>	<u>83</u>
 Cash and cash equivalents brought forward	 <u>1,102</u>	 <u>1,019</u>
Cash and cash equivalents carried forward	<u>529</u>	<u>1,102</u>

	2023 £000	2022 £000
a) Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/ income (as per the statement of financial activities)	(7,895)	3,010
Adjustments for:		
Dividends and interest	(3,064)	(2,965)
Net losses/ (gains) on investments	6,326	(2,745)
Investment management fees	27	27
Increase/(decrease) in creditors	<u>969</u>	<u>(209)</u>
Net cash used in operating activities	<u>(3,637)</u>	<u>(2,882)</u>
 b) Analysis of changes in net cash/(debt)		
Net cash at 1 January	1,102	1,019
Net cash (outflow)/inflow	(573)	83
Net cash at 31 December	529	1,102

The notes on pages 13 to 18 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 Trade Charities 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 FRS 102.

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.

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 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 4.

The Trust estimates the allocation of support costs 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.

Income recognition

Income is 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.

Expenditure recognition

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.

For grants where funding has been allocated but the value cannot reliably be measured, an estimate of the potential liability is disclosed as a commitment.

Raising funds

The cost of raising funds consists of investment management fees.

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

The Trust holds liabilities which will be settled in future years. An adjustment has not been made to discount future payments as this adjustment is not considered to be material.

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 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.

Cash at bank and in hand

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Investment income	2023 £000	2022 £000
Dividends from Unilever plc (in respect of ordinary equity shares)	3,055	2,961
Managed pooled investments:		
Multi-asset	3	4
Bank Interest	6	-
Total investment income	<u>3,064</u>	<u>2,965</u>

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 Governance costs £000	2023 Support costs £000	2022 Total allocated £000	2022 Governance costs £000	2022 Support costs £000
Staff costs	48	5	43	47	5	42
Accommodation	25	2	23	24	2	22
Other	10	2	8	18	2	16
	<u>83</u>	<u>9</u>	<u>74</u>	<u>89</u>	<u>9</u>	<u>80</u>

Support costs are apportioned on the basis of staff time spent on activities.

3a (ii) Governance costs:	2023 £000	2022 £000
Audit & Legal	28	32
Support costs (based on apportioned staff time per note 3a (i))	9	9
Total Governance Costs	<u>37</u>	<u>41</u>

Audit & legal costs include the external audit fees of £10,000 (excluding non-recoverable VAT) (2022: £24,725).

3a (iii) Total Governance and Support Costs

	2023 £000	2022 £000
Support Costs (note 3a (i))	74	80
Governance Costs (note 3a (ii))	37	41
	<u>111</u>	<u>121</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
3b Analysis of charitable expenditure

The Trust undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

Activity	2023			2022		
	Grant funded activity £000	Support and governance costs £000	Total £000	Grant funded activity £000	Support and governance costs £000	Total £000
Grants to Institutions	2,767	65	2,832	1,116	46	1,162
Undergraduate Bursaries	1,543	37	1,580	1,600	66	1,666
Postgraduate Bursaries	361	9	370	253	9	262
Grants awarded	4,671	111	4,782	2,969	121	3,090
Adjustment on prior year grant awards	(176)	-	(176)	(417)	-	(417)
Total costs	4,495	111	4,606	2,552	121	2,673

The adjustments on prior year grant awards in both 2023 and 2022 represent supplements to grants previously awarded, the write back of amounts on closed grants or grants that have not been and will not be taken up. Total support costs are then apportioned pro rata to the value of each funded activity. Total amount and number of grants to institutions and individuals are shown in the Trustees' Annual Report.

3c Staff

The Trust has no employees during the year (2022: none) but a charge of £73,000 (2022: £69,000) based on time spent by staff of the Leverhulme Trust responsible for the day to day administration of the Leverhulme Trade Charities Trust is made. This charge includes an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

3d Trustee costs

The Trustees did not receive any remuneration or reimbursement of expenses in respect of their services to the Trust during the year (2022: £nil).

4a Investments in shares in Unilever plc

	2023	Movement in fair value	2022
	£000	£000	£000
Historic cost	404	-	404
Fair value	77,352	(7,776)	85,128

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 (valued using quoted prices in active markets for identical assets). There were no purchases/sales during the year (2022: none). For cost purposes, the shares were valued at the market price of £403,724 on Budget day 1965.

NOTES TO THE FINANCIAL STATEMENTS (continued)
4b Other investments

Other investments relate to the Partners Capital The Master Portfolio (C) Ltd and primarily comprise pooled investment vehicles. This investment is in Level 2 in the fair value hierarchy (valued by reference to valuation techniques using observable inputs other than quoted prices). The historic cost at 31 December 2023 was £14.8 million (2022: £14.8 million).

	2023 Fair value £000	2022 Fair value £000
Investments		
Multi-asset Class	15,594	14,171
Investments	15,594	14,171

	2023 £000	2022 £000
Movement in Other Investments		
As at 1 January	14,171	16,267
Net Investment Gains / (Losses)	1,423	(2,096)
As at 31 December	15,594	14,171

An amount of £27,000 in respect of Investment Management fees was paid within the Multi-asset class Investment pooled fund and is reflected in Net Investment Gains. It did not result in a cash-flow.

There are no equity holdings in one company greater than 5% of the total of investments in Other investments.

4c Net (losses) / gains on investments

	2023 £000	2022 £000
Net (losses)/ gains on Unilever shares	(7,776)	4,814
Net gains / (losses) on Other Investments	1,423	(2,096)
	(6,353)	2,718
Investment management fees in units	27	27
Net (losses)/gains in Statement of Financial Activities	(6,326)	2,745

4d 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 £773,000.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Creditors

	2023 £000	2022 £000
Grants payable	3,115	2,128
Other creditors	23	41
Total	<u>3,138</u>	<u>2,169</u>
Amounts falling due within one year	2,222	1,253
Amounts falling due after more than one year	<u>916</u>	<u>916</u>
<u>Grants payable are analysed as follows:</u>		
GroceryAid	1,000	-
Undergraduate/Postgraduate Bursaries	<u>2,115</u>	<u>2,128</u>
Total	<u>3,115</u>	<u>2,128</u>

6 Related parties

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

In 2023, the Trust received dividend income of £3,055,408 from Unilever plc (2022: £2,961,161). Unilever plc is a company with 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 £77,352,116 of ordinary shares held in Unilever plc (2022: £85,128,039).

The Trust does not have any employees but a charge of £73,000 (2022: £69,000) is made by The Leverhulme Trust for staff time spent on 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.

7 Commitments

As part of its focus on education only, in 2023, the Trust committed £1m to fund GroceryAid's Schools Essential Grant in 2024, which aims to reduce the financial impact on parents in the industries the Trust supports, helping families purchase school necessities required for the start of term.

8 Events after the end of the reporting period

In early January 2024, the Trust sold 785,582 Unilever shares (of 2,035,582 held at year end) following a review by Trustees. The £30m proceeds have been reinvested in a diverse portfolio with Partners Capital. LTCT now holds 1,250,000 Unilever shares.

9 The Trust

The Trust is a registered charity (number 1159171), and is constituted as a Charitable Incorporated Organisation (CIO) in the United Kingdom.

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

LEVERHULME TRADE CHARITIES TRUST

England & Wales - Charity number 1159171

Accounts

LEVERHULME
TRADE CHARITIES TRUST

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

Registered Charity Number: 1159171

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
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-trade.org.uk
Registered Charity Number	1159171

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 Trade Charities Trust is a Registered Charity, Number 1159171 and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 12 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 the income beneficiaries, to 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 each its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust ("the Trust"). The Leverhulme 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 1159171. The objects of the CIO are substantially the same as the previous Trust and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities for the Public Benefit

The instructions given for the establishment of the Trust in the Will of the Founder in defining the purpose are succinct and generous in allowing for changes to fit the times. The objective is to provide benefits for charities or further any charitable purpose connected with Commercial Travellers, Grocers or Chemists and their dependents as the Trustees in their discretion direct.

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 awarding grants for the year.

The aims of the charity are to fulfil the Founder's instructions. In order to carry out these aims Trustees have set in place a range of activities seeking to fulfil the Founder's intent. The Will itself places no restriction on the disciplines that are to form the content of the benefits.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust by providing support towards the costs of education for individuals connected with the three categories, including bursaries for undergraduate and postgraduate students.

The grant making policy of the Trust provides assistance to beneficiaries who can show financial need and qualify for consideration by being connected with Commercial Travellers, Grocers or Chemists, their spouses, civil partners, widows/widowers and children.

Applications for bursaries need to be made using the Trust's online application system which can be accessed via the Trust's website www.leverhulme-trade.org.uk. Applications from eligible institutions on behalf of qualifying individuals need to be in writing addressed to the Secretary of the Trust. Details of the main activities can be seen in the next section Achievements and Performance.

Where application numbers exceed the amounts allocated for bursaries, awards are reduced or declined based on the financial need of the applicant.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

Achievements and Performance

During the year, no (2021:0) applications for renewal of normal grants were received. The Trust Board agreed to extend the three awards made to charities in 2019 for a further year, totalling £1,116,000.

Additionally, the Trust Board agreed to continue the undergraduate and postgraduate bursary schemes open to all UK universities and approved undergraduate funding for 2022 of £1,600,010 (2021: £2,044,000). During 2022, 305 applications for undergraduate bursaries were received (2021: 307) and at the end of the year 240 were approved as grants (2021: 210). The Trust Board agreed to funding postgraduate bursaries of £253,410 for 2022 (2021: £370,000). During the year, 84 (2021: 103) applications for postgraduate bursaries were received and 50 (2021: 68) were approved as grants.

The value of grants made can be seen in the following table. Grants to institutions made in 2019 were all for the three year period to 2021. Grants in 2022 were for one year only

	Period of grant awarded in year	2022 £000	2021 £000
Grants to Institutions for Benevolence			
- GroceryAid	1 year	466	280
- The Salespeople's Charity	1 year	450	-
- Royal Pinner School Foundation	1 year	200	-
		1,116	280

The value of bursaries made can be seen in the following table:

	2022 £000	2021 £000
Undergraduate bursaries for periods of between one and six years	1,600	2,044
Postgraduate bursaries for periods of between one and four years	253	370
	1,853	2,414

The above tables indicate the performance achieved against the objectives of making grants to various institutions and bursaries to undergraduate and postgraduate students. The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

Financial Review

The income of the Trust amounted to £3.0m in 2022 (2021: £3.0m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

A summary of funding made to beneficiaries during the year can be seen in the previous section - Achievements and Performance.

TRUSTEES' ANNUAL REPORT – 2022 (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 Net Assets at the end of 2022 was £98.2m (2021: £95.2m).

Investment policy and performance

The Trust's investment advisor, Partners Capital, was appointed in 2020 and an updated investment policy statement and strategic asset allocation was agreed by the Trust's Investment Committee and the Trustees. The assets were transitioned to the Partners Capital Master Portfolio in accordance with the agreed strategic asset allocation at the start of 2021.

The Trust targets a minimum total return over the longer term net of fees, currently 5.8%, 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 6.2% (2021:9.9%).

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 predominantly driven by economic return.

The Trustees annually review the Trust's shareholding in Unilever plc.

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.

Plans for Future Periods

The Trust undertook a strategic review of its aims and activities in 2022 and is currently developing a strategy to achieve the intended outcomes. The Trustees approved an updated interpretation of the trade beneficiaries to better reflect the changing nature of the industries that we support in the modern world. It will be concentrating entirely on education, to bring a more single-minded focus of its expenditure and will be adding vocational support to its existing university bursary scheme. The Trust will be moving away from giving general benevolence support.

The Trustees will continue to review the level of funding for existing schemes such as the undergraduate and postgraduate bursaries as well as new schemes and will be reviewing the Trust's investments with the aim of achieving a higher return to meet its new aspirations.

TRUSTEES' ANNUAL REPORT – 2022 (continued)

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 annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 6).

In 2021, the Trust Board set up the Trade Charities Advisory Committee. This Committee decides on the allocation of the funds delegated to it to be allocated in accordance with the objects of the Trust and to decide which applications for grants are to be accepted. This Committee is formed of

- three Trustees, Sir Dave Lewis (Chair), Doug Baillie and Professor Keith Gull CBE FRS;
- three external members Natasha Adams, Dr Shenila Rawal, and Charles Wilson;
- the previous Secretary of the Trust, Paul Read.

Trustees' induction and ongoing training consists of briefings from other Trustees 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, the Director, the Director of Finance and the Assistant Director of Finance of The Leverhulme 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. No staff are employed by the Trust. The Assistant Director of Finance of The Leverhulme Trust is responsible to the Trustees for the day to day administration of the Trust.

The Trust Board has a second committee, the Investment Committee. The membership of the Investment Committee consists of four Trustee Board members (Rudy Markham CMG (Chairman), Dr Niall FitzGerald KBE DSA, Professor Keith Gull CBE FRS 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 Trustees have assessed the major risks to which the charity is exposed. The Trustees consider that potential variability of investment returns constitute the Trust's major risk. Action to mitigate the impact of this includes regular and ongoing review and discussion regarding the investment portfolio.

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 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-trade.org.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 Trustee's 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 2 to 6 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: 1159171

Independent auditors' report to the trustees of Leverhulme Trade Charities Trust

Report on the audit of the financial statements

Opinion

In our opinion, Leverhulme Trade Charities 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.
- 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	2,965	3,008
Total income and endowments		<u>2,965</u>	<u>3,008</u>
Expenditure on:			
Raising funds			
- Investment management fees		27	31
Charitable activities	3b	2,673	2,597
Total expenditure		<u>2,700</u>	<u>2,628</u>
Net income before net gains/(losses) on investments		265	380
Net gains/(losses) on investments	4	2,745	(7,591)
Net income/(expenditure) and net movement in funds		<u>3,010</u>	<u>(7,211)</u>
Reconciliation of funds:			
Total funds brought forward		95,222	102,433
Total funds carried forward		<u>98,232</u>	<u>95,222</u>

The notes on pages 13 to 18 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets:			
Investments in shares in Unilever plc	4	85,128	80,314
Other investments	4	<u>14,171</u>	<u>16,267</u>
Total fixed assets		99,299	96,581
Current Assets:			
Cash at bank and in hand		<u>1,102</u>	<u>1,019</u>
Total current assets		1,102	1,019
Liabilities:			
Creditors: amounts falling due within one year	5	<u>(1,253)</u>	<u>(1,511)</u>
Net current liabilities		(151)	(492)
Total assets less current liabilities		99,148	96,089
Creditors: amount falling due after one year	5	<u>(916)</u>	<u>(867)</u>
Total net assets		<u>98,232</u>	<u>95,222</u>
The funds of the charity			
Unrestricted funds		98,232	95,222
Total charity funds		<u>98,232</u>	<u>95,222</u>

The notes on pages 13 to 18 form part of these financial statements.

The financial statements on pages 10 to 18 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:		
Net cash used in operating activities (a)	(2,882)	(3,530)
Cash flows from investing activities:		
Dividends and interest	2,965	3,008
Net cash provided by investing activities	2,965	3,008
Change in cash and cash equivalents in the year	<u>83</u>	<u>(522)</u>

Cash and cash equivalents brought forward	<u>1,019</u>	<u>1,541</u>
Cash and cash equivalents carried forward	<u>1,102</u>	<u>1,019</u>

	2022 £000	2021 £000
a) Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net income / (expenditure) (as per the statement of financial activities)	3,010	(7,211)
Adjustments for:		
Dividends and interest	(2,965)	(3,008)
Net (gains) / losses on investments	(2,745)	7,591
Investment management fees	27	31
Decrease in creditors	<u>(209)</u>	<u>(933)</u>
Net cash used in operating activities	<u>(2,882)</u>	<u>(3,530)</u>

b) Analysis of changes in net cash/(debt)

Net cash at 1 January	1,019	1,541
Net cash inflow/(outflow)	83	(522)
Net cash at 31 December	1,102	1,019

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation of the financial statements

These financial statements of the Leverhulme Trade Charities 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 FRS 102.

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.

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 6.

The Trust estimates the allocation of support costs 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.

Income recognition

Income is 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)

Expenditure recognition

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.

For grants where funding has been allocated but the value cannot reliably be measured, an estimate of the potential liability is disclosed as a commitment.

Raising funds

The cost of raising funds consists of investment management fees.

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

The Trust holds liabilities which will be settled in future years. An adjustment has not been made to discount future payments as this adjustment is not considered to be material.

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.

Cash at bank and in hand

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.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Investment income	2022 £000	2021 £000
Dividends from Unilever plc (in respect of ordinary equity shares)	2,961	3,005
Managed pooled investments: Equities - Global	4	3
Total investment income	<u>2,965</u>	<u>3,008</u>

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 Governance costs £000	2022 Support costs £000	2021 Total allocated £000	2021 Governance costs £000	2021 Support costs £000
Staff costs	47	5	42	50	5	45
Accommodation	24	2	22	30	3	27
Other	18	2	16	26	2	24
	<u>89</u>	<u>9</u>	<u>80</u>	<u>106</u>	<u>10</u>	<u>96</u>

Support costs are apportioned on the basis of staff time spent on activities.

3a (ii) Governance costs:	2022 £000	2021 £000
Audit & Legal	32	30
Support costs (based on apportioned staff time per note 3a (i))	9	10
Total Governance Costs	<u>41</u>	<u>40</u>

Audit & legal costs include the external audit fees of £29,670 (including non-recoverable VAT) (2021: £26,028).

3a (iii) Total Governance and Support Costs

	2022 £000	2021 £000
Support Costs (note 3a (i))	80	96
Governance Costs (note 3a (ii))	41	40
	<u>121</u>	<u>136</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
3b Analysis of charitable expenditure

The Trust undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

Activity	2022			2021		
	Grant funded activity £000	Support and governance costs £000	Total £000	Grant funded activity £000	Support and governance costs £000	Total £000
Grants to Institutions	1,116	46	1,162	280	14	294
Undergraduate Bursaries	1,600	66	1,666	2,044	103	2,147
Postgraduate Bursaries	253	9	262	370	19	389
Grants awarded	2,969	121	3,090	2,694	136	2,830
Adjustment on prior year grant awards	(417)	-	(417)	(233)	-	(233)
Total costs	2,552	121	2,673	2,461	136	2,597

The adjustments on prior year grant awards represent supplements to grants previously awarded, the write back of amounts on closed grants or grants that have not been and will not be taken up. Total support costs are then apportioned pro rata to the value of each funded activity. Total amount and number of grants to institutions and individuals are shown in the Trustees' Annual Report.

3c Staff

The Trust has no employees during the year (2021: none) but a charge of £69,000 (2021: £80,000) based on time spent by staff of the Leverhulme Trust responsible for the day to day administration of the Leverhulme Trade Charities Trust is made. This charge includes an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

3d Trustee costs

The Trustees did not receive any remuneration or reimbursement of expenses in respect of their services to the Trust (2021: £nil).

4a Investments in shares in Unilever plc

	2022	Movement in fair value	2021
	£000	£000	£000
Historic cost	404	-	404
Fair value	85,128	4,814	80,314

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. There were no purchases/sales during the year (2021: none). The movement in fair value in 2021 was (£9,089,000). For cost purposes, the shares were valued at the market price of £403,724 on Budget day 1965.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4b Other investments

Other investments relate to the Partners Capital The Master Portfolio (C) Ltd and primarily comprise pooled investment vehicles. This had a subscription date of 1 January 2021 but funds were committed to the subscription before 31 December 2020. This investment is in Level 2 in the fair value hierarchy. The historic cost at 31 December 2022 was £14.8 million (2021: £14.8 million).

	2022 Fair value £000	2021 Fair value £000
Investments		
Multi-asset Class	14,171	16,267
Investments	14,171	16,267

	2022 £000	2021 £000
Movement in Other Investments		
As at 1 January	16,267	14,800
Net Investment (Losses)/Gains	(2,096)	1,467
As at 31 December	14,171	16,267

An amount of £27,000 in respect of Investment Management fees was paid within the Multiclass Investment pooled fund and is reflected in Net Investment Losses. It did not result in a cash-flow.

There are no equity holdings in one company greater than 5% of the total of investments in Other investments.

4c 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 equity prices, the largest risk being to a fall in the Unilever share price, 1% reduction in this price at 31 December 2022 would be expected to lead to a reduction of £851,000 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.

Other matters During 2022, geopolitical issues (such as Russia's 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Creditors

	2022 £000	2021 £000
Grants payable	2,128	2,352
Other creditors	41	26
Total	<u>2,169</u>	<u>2,378</u>
Amounts falling due within one year	1,253	1,511
Amounts falling due after more than one year	<u>916</u>	<u>867</u>
<u>Grants payable are analysed as follows:</u>		
The Girls' Day Schools Trust	-	156
United Reformed Church Schools	-	<u>130</u>
	-	286
Undergraduate/Postgraduate Bursaries	<u>2,128</u>	<u>2,066</u>
Total	<u>2,128</u>	<u>2,352</u>

6 Related parties

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

In 2022, the Trust received dividend income of £2,961,161 from Unilever plc (2021: £3,004,722). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £85,128,039 of ordinary shares held in Unilever plc (2021: £80,313,888).

The Trust does not have any employees but a charge of £69,000 (2021: £80,000) is made by The Leverhulme Trust for staff time spent on 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.

7 Commitments

As part of its focus on education only, in 2023, the Trust committed £1m to fund GroceryAid's Schools Essentials Scheme in 2024, which aims to reduce the financial impact on parents in the industries we support, helping families purchase school necessities required for the start of term.

8 Registered Office

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

LEVERHULME TRADE CHARITIES TRUST

England & Wales - Charity number 1159171

Accounts

LEVERHULME
TRADE CHARITIES TRUST

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

Registered Charity Number: 1159171

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
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-trade.org.uk
Registered Charity Number	1159171

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 Trade Charities Trust is a Registered Charity, Number 1159171 and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 12 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 the income beneficiaries, to 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 its two charitable objects each an independent existence including each its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust (“the Trust”). The Leverhulme 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 1159171. The objects of the CIO are substantially the same as the previous Trust and the Trust Board members of the previous Trust were the founding Trustees of the CIO.

Objectives and Activities for the Public Benefit

The instructions given for the establishment of the Trust in the Will of the Founder in defining the purpose are succinct and generous in allowing for changes to fit the times. The objective is to provide benefits for charities connected with Commercial Travellers, Grocers or Chemists as the Trustees in their discretion direct. 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 awarding grants for the year.

The aims of the charity are to fulfil the Founder’s instructions. In order to carry out these aims Trustees have set in place a range of activities seeking to fulfil the Founder’s intent. The Will itself places no restriction on the disciplines that are to form the content of the benefits.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust which consists of making grants that include responding to applications from institutions having connections with the three categories of beneficiaries and making undergraduate and postgraduate bursaries to individuals connected with the three categories.

The grant making policy of the Trust provides assistance to beneficiaries who can show financial need and qualify for consideration by being connected with Commercial Travellers, Grocers or Chemists, their spouses, widows/widowers and children.

Applications for bursaries need to be made using the Trust’s online application system which can be accessed via the Trust’s website www.leverhulme-trade.org.uk. Applications from eligible institutions on behalf of qualifying individuals need to be in writing addressed to the Secretary of the Trust. Details of the main activities can be seen in the next section Achievements and Performance.

Where application numbers exceed the amounts allocated for bursaries, awards are reduced or declined based on the financial need of the applicant.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Achievements and Performance

During the year, no (2020:0) applications for renewal of normal grants were received amounting to £nil (2020: £nil). The Trust Board agreed to repurpose the remaining two years of the award previously offered to support the establishment of a GroceryAid trauma counselling service and instead to make a £280,000 School Essentials Grant in 2021, this will provide funding for equipment for children starting a school year.

Additionally, the Trust Board agreed to continue the undergraduate and postgraduate bursary schemes open to all UK universities and approved undergraduate funding for 2021 of £2,044,000 (2020: £1,076,000). Due to delays caused by the impact of COVID-19 on the higher education sector at the end of 2020 and the start of 2021, a number of awards made in 2021 related to applications received in 2020, leading to the significant increase in funding for undergraduate bursaries in 2021. During 2021, 307 applications for undergraduate bursaries were received (2020: 460) and at the end of the year 210 were approved as grants (2020: 320). The Trust Board agreed to funding postgraduate bursaries of £370,000 for 2021 (2020: £411,000). During the year, 103 (2020: 87) applications for postgraduate bursaries were received and 68 (2020: 70) were approved as grants.

The value of grants made can be seen in the following table, grants to institutions made in 2019 were all for the three year period to 2021:

	Period of grant	2021 £000	2020 £000
Grants to Institutions for Benevolence			
- GroceryAid	3 years	280	21
- The Salespeople's Charity	3 years	-	-
- Royal Pinner School Foundation	3 years	-	-
		<u>280</u>	<u>21</u>

The value of bursaries made can be seen in the following table:

	2021 £000	2020 £000
Undergraduate bursaries for periods of between one and six years	2,044	1,076
Postgraduate bursaries for periods of between one and four years	370	411
	<u>2,414</u>	<u>1,487</u>

The above tables indicate the performance achieved against the objectives of making grants to various institutions and bursaries to undergraduate and postgraduate students. The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

Financial Review

The income of the Trust amounted to £3.0m in 2021 (2020: £3.3m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

A summary of funding made to beneficiaries during the year can be seen in the previous section - Achievements and Performance.

TRUSTEES' ANNUAL REPORT – 2021 (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 Net Assets at the end of 2021 was £95.2m (2020: £102.4m).

Investment policy and performance

The Trust's investment advisor, Partners Capital, was appointed in 2020 and an updated investment policy statement and strategic asset allocation was agreed by the Trust's Investment Committee and the Trustees. The assets were transitioned to the Partners Capital Master Portfolio in accordance with the agreed strategic asset allocation at the start of 2021.

The Trust now targets a minimum total return over time net of fees, currently 5.8%, to protect the portfolio's real value (with inflation measured by UK CPI) after funding the annual withdrawal of 3%. In 2021, the first year of the new strategy, the Trust's investments (net of fees) returned 9.9%.

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 predominantly driven by economic return.

The Trustees annually review the Trust's shareholding in Unilever plc.

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.

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 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 awarding of bursaries for 2020 was delayed slightly due to disruption caused by the pandemic within the University sector leading to a number of awards relating to 2020 applications being made later than usual and falling into 2021.

TRUSTEES' ANNUAL REPORT – 2021 (continued)

Plans for Future Periods

The Trust's Investment Policy allows for annual withdrawals to be made from the Investment Portfolio of 3% of the five year rolling average value each year. The Trustees aim to continue to maintain real spending levels over a three year cycle and support a wide range of charitable activity consistent with their objectives and their grant making policy. They will continue to review the level of funding for the Undergraduate and Postgraduate Bursary schemes and increases to requests for grants from institutions.

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 annually. Details of Trustee expenses and any related party transactions are disclosed in the notes to the financial statements (notes 3d and 6).

During the year, the Trust Board agreed to the formation of the Trade Charities Advisory Committee. This Committee will decide on the allocation of the funds delegated to it to be allocated in accordance with the objects of the Trust and to decide which applications for grants are to be accepted. This Committee will be formed of three Trustees, Mr Lewis (Chair), Mr Baillie and Professor Gull, and three external members, Ms Nicola Adams, Dr Shenila Rawal, and Mr Charles Wilson.

Trustees' induction and ongoing training consists of briefings from other Trustees and the Director of The Leverhulme 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, the Director and Director of Finance of The Leverhulme 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. No staff are employed by the Trust. The Director of Finance of The Leverhulme Trust acts as Secretary for the Trust and is responsible to the Trustees for the day to day administration of the Trust.

The Trust Board has a second committee, the Investment Committee. The membership of the Investment Committee 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 Trustees have assessed the major risks to which the charity is exposed. The Trustees consider that potential variability of investment returns constitute the Trust's major risk. Action to mitigate the impact of this includes regular and ongoing review and discussion regarding the investment portfolio.

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 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-trade.org.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 6 was approved by the Trustees and signed on its behalf by

Niall FitzGerald
(Chairman)
7 September 2022

1 Pemberton Row
London EC4A 3BG

Independent auditors' report to the trustees of Leverhulme Trade Charities Trust

Report on the audit of the financial statements

Opinion

In our opinion, Leverhulme Trade Charities 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	3,008	3,274
Total income and endowments		<u>3,008</u>	<u>3,274</u>
Expenditure on:			
Raising funds			
- Investment management costs		31	53
Charitable activities	3b	2,597	1,643
Total expenditure		<u>2,628</u>	<u>1,696</u>
Net income before net gains on investments		380	1,578
Net (losses)/gains on investments	4	(7,591)	815
Net (expenditure)/income and net movement in funds		<u>(7,211)</u>	<u>2,393</u>
Reconciliation of funds:			
Total funds brought forward		102,433	100,040
Total funds carried forward		<u>95,222</u>	<u>102,433</u>

The notes on pages 13 to 19 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets:			
Investments in shares in Unilever plc	4	80,314	89,403
Other investments	4	<u>16,267</u>	<u>14,800</u>
Total fixed assets		96,581	104,203
Current Assets:			
Cash at bank and in hand		<u>1,019</u>	<u>1,541</u>
Total current assets		1,019	1,541
Liabilities:			
Creditors: amounts falling due within one year	5	<u>(1,511)</u>	<u>(2,725)</u>
Net current liabilities		(492)	(1,184)
Total assets less current liabilities		96,089	103,019
Creditors: amount falling due after one year	5	<u>(867)</u>	<u>(586)</u>
Total net assets		<u>95,222</u>	<u>102,433</u>
The funds of the charity			
Unrestricted funds		95,222	102,433
Total charity funds		<u>95,222</u>	<u>102,433</u>

The notes on pages 13 to 19 form part of these financial statements.

The financial statements on pages 10 to 19 were approved by the Trustees and signed on their behalf by:

Niall 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)	(3,530)	(2,789)
Cash flows from investing activities:		
Dividends and interest	3,008	3,351
Investment management costs	-	(53)
Purchase of investments	-	(14,800)
Proceeds from sale of investments	<u>-</u>	<u>14,840</u>
Net cash provided by investing activities	3,008	3,338
Change in cash and cash equivalents in the year	<u>(522)</u>	<u>549</u>

Cash and cash equivalents brought forward	<u>1,541</u>	<u>992</u>
Cash and cash equivalents carried forward	<u>1,019</u>	<u>1,541</u>

	2021 £000	2020 £000
a) Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/income (as per the statement of financial activities)	(7,211)	2,393
Adjustments for:		
Dividends and interest	(3,008)	(3,274)
Net losses/(gains) on investments	7,591	(815)
Investment management costs	31	53
Decrease in creditors	<u>(933)</u>	<u>(1,146)</u>
Net cash used in operating activities	<u>(3,530)</u>	<u>(2,789)</u>

b) Analysis of changes in net cash/(debt)

Net cash at 1 January	1,541	992
Net cash (outflow)/inflow	(522)	549
Net cash at 31 December	1,019	1,541

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.

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.

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 6.

The Trust estimates the allocation of support costs 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.

Income recognition

Income is 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)

Expenditure recognition

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 impact not being material.

For grants where funding has been allocated but the value cannot reliably be measured, an estimate of the potential liability is disclosed as a commitment.

Raising funds

The cost of raising funds consists of investment management fees.

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

The Trust holds liabilities which will be settled in future years. An adjustment has not been made to discount future payments as this adjustment is not considered to be material.

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.

Cash at bank and in hand

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.

Taxation

The Leverhulme Trade Charities 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Investment income	2021 £000	2020 £000
Dividends from Unilever plc (in respect of ordinary equity shares)	3,005	2,958
Managed pooled investments:		
Equities - Global	3	290
Fixed interest bonds – Global	-	25
	<u>3,008</u>	<u>3,273</u>
Bank interest	-	1
Total investment income	<u>3,008</u>	<u>3,274</u>

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 Governance costs £000	2021 Support costs £000	2020 Total allocated £000	2020 Governance costs £000	2020 Support costs £000
Staff costs	50	5	45	50	5	45
Accommodation	30	3	27	30	2	28
Other	26	2	24	17	1	16
	<u>106</u>	<u>10</u>	<u>96</u>	<u>97</u>	<u>8</u>	<u>89</u>

Support costs are apportioned on the basis of staff time spent on activities.

3a (ii) Governance costs:	2021 £000	2020 £000
Audit & Legal	30	34
Support costs (based on apportioned staff time per note 3a (i))	10	8
Total Governance Costs	<u>40</u>	<u>42</u>

Audit & legal costs include the external audit fees of £26,028 (including non-recoverable VAT) (2020: £27,720).

3a (iii) Total Governance and Support Costs

	2021 £000	2020 £000
Support Costs (note 3a (i))	96	89
Governance Costs (note 3a (ii))	40	42
	<u>136</u>	<u>131</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
3b Analysis of charitable expenditure

The Trust undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

Activity	2021			2020		
	Grant funded activity £000	Support and governance costs £000	Total £000	Grant funded activity £000	Support and governance costs £000	Total £000
Grants to Institutions	280	14	294	21	-	21
Undergraduate Bursaries	2,044	103	2,147	1,076	94	1,170
Postgraduate Bursaries	370	19	389	411	37	448
Grants awarded	2,694	136	2,830	1,508	131	1,639
Adjustment on prior year grant awards	(233)	-	(233)	4	-	4
Total costs	2,461	136	2,597	1,512	131	1,643

The adjustments on prior year grant awards represent supplements to grants previously awarded, the write back of amounts on closed grants or grants that have not been and will not be taken up. Total support costs are then apportioned pro rata to the value of each funded activity. Total amount and number of grants to institutions and individuals are shown in the Trustees' Annual Report.

3c Staff

The Trust has no employees during the year (2020: none) but a charge of £80,000 (2020: £80,000) based on time spent 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 includes an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

3d Trustee costs

The Trustees did not receive any emoluments or reimbursement of expenses in respect of their services to the Trust (2020: £nil).

4a Investments in shares in Unilever plc

	2021 £000	Movement in fair value £000	2020 £000
Historic cost	404	-	404
Fair value	80,314	(9,089)	89,403

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. There were no purchases/sales during the year (2020: none). For cost purposes, the shares were valued at the market price of £403,724 on Budget day 1965.

NOTES TO THE FINANCIAL STATEMENTS (continued)**4b Other investments**

Other investments relate to the Partners Capital The Master Portfolio (C) Ltd and primarily comprise pooled investment vehicles. This had a subscription date of 1 January 2021 but funds were committed to the subscription before 31 December 2020. This investment is in Level 2 in the fair value hierarchy. The historic cost at 31 December 2021 was £14.8 million (2020: £14.8 million).

	2021 Fair value £000	2020 Fair value £000
Investments		
Multi-asset Class	16,267	14,800
Investments	16,267	14,800
	2021 £000	2020 £000
Movement in Other Investments		
As at 1 January	14,800	14,870
Purchases	-	14,800
Disposals	-	(14,840)
Net Investment Gains	1,467	(30)
As at 31 December	16,267	14,800

An amount of £31,000 in respect of Investment Management fees was paid within the Multiclass Investment pooled fund and is reflected in Net Investment Gains. It did not result in a cash-flow.

There are no equity holdings in one company greater than 5% of the total of investments in Other investments.

4c 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 equity prices, the largest risk being to a fall in the Unilever share price, 1% reduction in this price at 31 December 2021 would be expected to lead to a reduction of £894,000 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Creditors

	2021 £000	2020 £000
Grants payable	2,352	3,270
Other creditors	26	41
Total	<u>2,378</u>	<u>3,311</u>
Amounts falling due within one year	1,511	2,725
Amounts falling due after more than one year	867	586
<u>Grants payable are analysed as follows:</u>		
GroceryAid	-	483
The Salespeople's Charity	-	450
The Girls' Day Schools Trust	156	156
United Reformed Church Schools	130	140
Royal Pinner School Foundation	-	<u>200</u>
	286	1,429
Undergraduate/Postgraduate Bursaries	<u>2,066</u>	<u>1,841</u>
Total	<u>2,352</u>	<u>3,270</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 Related parties

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

In 2021, the Trust received dividend income of £3,004,722 from Unilever plc (2020: £2,957,700). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £80,313,888 of ordinary shares held in Unilever plc (2020: £89,402,761).

The 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.

7 Registered Office

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

LEVERHULME TRADE CHARITIES TRUST

England & Wales - Charity number 1159171

Accounts

LEVERHULME
TRADE CHARITIES TRUST

**Trustees' Annual Report
and Financial Statements 2020**

Registered Charity Number: 1159171

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 Mr P J Cescau 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)
Secretary	Mr Paul Read
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
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-trade.org.uk
Registered Charity Number	1159171

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 Trade Charities Trust is a Registered Charity, Number 1159171 and was constituted as a Charitable Incorporated Organisation in the United Kingdom on 12th 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 the income beneficiaries, to 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 its two charitable objects each an independent existence including each its own Unilever plc shareholding. The eligible trade charities became the concern of the Leverhulme Trade Charities Trust (“the Trust”). The Leverhulme 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 1159171. 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 for the Public Benefit

The instructions given for the establishment of the Trust in the Will of the Founder in defining the purpose are succinct and generous in allowing for changes to fit the times. The objective is to provide benefits for charities connected with Commercial Travellers, Grocers or Chemists as the Trustees in their discretion direct. 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 awarding grants for the year.

The aims of the charity are to fulfil the Founder’s instructions. In order to carry out these aims Trustees have set in place a range of activities seeking to fulfil the Founder’s intent. The Will itself places no restriction on the disciplines that are to form the content of the benefits.

The Trustees have set in place a strategy for achieving the aims and the objectives of the Trust which consists of making grants that include responding to applications from institutions having connections with the three categories of beneficiaries and making undergraduate and postgraduate bursaries to individuals connected with the three categories.

The grant making policy of the Trust provides assistance to beneficiaries who can show financial need and qualify for consideration by being connected with Commercial Travellers, Grocers or Chemists, their spouses, widows/widowers and children.

Applications for bursaries need to be made using the Trust’s online application system which can be accessed via the Trust’s website www.leverhulme-trade.org.uk. Applications from eligible institutions on behalf of qualifying individuals need to be in writing addressed to the Secretary of the Trust. Details of the main activities can be seen in the next section Achievements and Performance.

Where application numbers exceed the amounts allocated for bursaries, awards are reduced or declined based on the financial need of the applicant.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Achievements and Performance

During the year, no (2019:3) applications for renewal of normal grants were received amounting to £NIL (2019: £3,942,000). The Trust Board approved 3 awards to the value of £3,342,000 in 2019.

Additionally, the Trust Board agreed to continue the undergraduate and postgraduate bursary schemes open to all UK universities and approved undergraduate funding for 2020 of £1,076,000 (2019: £1,613,000). During the year, 460 eligible applications for undergraduate bursaries were received (2019: 421) and 320 were approved as grants (2019: 255). The Trust Board agreed to funding postgraduate bursaries of £411,000 for 2020 (2019: £279,000). During the year, 87 (2019: 71) eligible applications for postgraduate bursaries were received and 70 (2019: 53) were approved as grants.

The value of grants made can be seen in the following table, grants to institutions made in 2019 were all for the three year period to 2021:

	Period of grant	2020 £000	2019 £000
Grants to Institutions for Benevolence			
- GroceryAid	3 years	21	1,429
- The Salespeople's Charity	3 years	-	1,313
- Royal Pinner School Foundation	3 years	-	600
		<u>21</u>	<u>3,342</u>

The value of bursaries made can be seen in the following table:

	2020 £000	2019 £000
Undergraduate bursaries for periods of between one and six years	1,076	1,613
Postgraduate bursaries for periods of between one and four years	411	279
	<u>1,487</u>	<u>1,892</u>

The above tables indicate the performance achieved against the objectives of making grants to various institutions and bursaries to undergraduate and postgraduate students. The Trust considers that the current grant levels are in line with the aims and objectives set by the charity.

In addition in 2019, the Trust agreed to provide additional funding of up to £420,000 over three years to support the establishment of a GroceryAid trauma counselling service. Amounts are paid to GroceryAid on an as incurred basis and so the actual amount of the award is uncertain and is accounted for based on actual amounts expended by GroceryAid. In 2020, an amount of £21,000 (2019 : £29,000) is included in the grants awarded above in respect of the trauma counselling service.

Financial Review

The income of the Trust amounted to £3.3m in 2020 (2019: £3.3m). The Trust has not carried out any fundraising activities during the year therefore no fundraising disclosures are made.

A summary of funding made to beneficiaries during the year can be seen in the previous section - Achievements and Performance.

TRUSTEES' ANNUAL REPORT – 2020 (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 Net Assets at the end of 2020 was £102m (2019: £100m).

Investment policy and performance

The Trust's investment policy has historically been designed to generate regular and increasing income in order support its distribution policy.

In 2020, the Trustees have carried out a thorough review of both Investment governance and Investment strategy.

Three significant changes to the way the Trust manages its investments were agreed this year following this review.

- The Investment Committee of the Trust was appointed (as detailed below) with Trustee representation and the appointment of external investment experts.
- The Trustees agreed to widen the investment classes in which the Trust invests and to adopt a total return objective to investment returns on its non-Unilever investments, replacing the previous income target whilst continuing to meet the requirement for providing for a regular and increasing level of expenditure.
- The Trust appointed a discretionary investment manager (Partners Capital LLP) to act as an outsourced investment office in respect of non-Unilever Investments.

The Trust's new investment manager was appointed in November 2020 and an updated investment policy statement and strategic asset allocation was adopted. The Trust's non-Unilever investments were sold and at the year end the proceeds were in the process of being invested in the Partners Capital Master Portfolio in accordance with the agreed strategic asset allocation.

The Trustees annually review the Trust's shareholding in Unilever plc.

Reserves policy

In 2020, the Trust has adopted a voluntary change in accounting policy to now present all funds as one line on the balance sheet of unrestricted funds and remove the previous designation between the capital fund and income fund. The reason for applying this revised accounting policy is that the Trustees have adopted a total return basis for the management of the Trust's investments. It is therefore no longer appropriate to continue with the designation of the Trust's reserves between capital and income. The reserve balance at 31 December 2020 was £102m (2019: £100m).

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.

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 3.9% 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. 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 awarding of bursaries for the year was delayed slightly due to disruption caused by the pandemic within the University sector leading to a number of awards relating to 2020 applications being made later than usual and falling into 2021.

TRUSTEES' ANNUAL REPORT – 2020 (continued)

Plans for Future Periods

The Trust's new Investment Policy allows for annual withdrawals to be made from the Investment Portfolio of 3% of the five year rolling average value each year. The Trustees aim to continue to maintain real spending levels over a three year cycle and support a wide range of charitable activity consistent with their objectives and their grant making policy. They will continue to review the level of funding for the Undergraduate and Postgraduate Bursary schemes and increases to requests for grants from institutions.

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 annually.

Two Trustees resigned during the year, Paul Polman and Amanda Sourry and were replaced by the appointment of Sir Dave Lewis and Mhairi McEwan.

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

The Trustees will decide on the allocation of the funds of the Leverhulme Trade Charities Trust in accordance with the objects of the Trust and which applications for grants are to be accepted. They have delegated to the Secretary the decisions for approving undergraduate and postgraduate bursaries.

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

The Trustees consider the Board of Trustees, the Director and Director of Finance of the Leverhulme 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. No staff are employed by the Trust. The Director of Finance of the Leverhulme Trust acts as Secretary for the Trust and is responsible to the Trustees for the day to day administration of the Trust.

The Trust has one advisory committee, the Investment Committee. The membership of the Investment Committee 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 Trustees have assessed the major risks to which the charity is exposed. The Trustees consider that potential variability of investment returns constitute the Trust's major risk. Action to mitigate the impact of this includes regular and ongoing review and discussion regarding the investment portfolio.

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.

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 FitzGerald
(Chairman)
10 March 2021

1 Pemberton Row
London EC4A 3BG

Independent auditors' report to the trustees of Leverhulme Trade Charities Trust

Report on the audit of the financial statements

Opinion

In our opinion, Leverhulme Trade Charities 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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 March 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Income and endowments from:			
- Investment income	2	3,274	3,304
Total income and endowments		<u>3,274</u>	<u>3,304</u>
Expenditure on:			
Raising funds			
- Investment management costs		53	62
Charitable activities	3b	1,643	5,236
Total expenditure		<u>1,696</u>	<u>5,298</u>
Net income/(expenditure) before net gains on investments		1,578	(1,994)
Net gains on investments	4	815	7,029
Net income and net movement in funds		<u>2,393</u>	<u>5,035</u>
Reconciliation of funds:			
Total funds brought forward		100,040	95,005
Total funds carried forward		<u>102,433</u>	<u>100,040</u>

The notes on pages 13 to 19 form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000 (Restated ¹)
Fixed assets:			
Investments in shares in Unilever plc	4	89,403	88,558
Other investments	4	<u>14,800</u>	<u>14,870</u>
Total fixed assets		104,203	103,428
Current Assets			
Debtors:			
Accrued investment income and prepayments		-	77
Cash at bank and in hand		<u>1,541</u>	<u>992</u>
Total current assets		1,541	1,069
Liabilities:			
Creditors: amounts falling due within one year	5	<u>(2,725)</u>	<u>(2,610)</u>
Net current liabilities		(1,184)	(1,541)
Total assets less current liabilities		103,019	101,887
Creditors: amount falling due after one year	5	<u>(586)</u>	<u>(1,847)</u>
Total net assets		<u>102,433</u>	<u>100,040</u>
The funds of the charity			
Unrestricted funds		102,433	100,040
Total charity funds		<u>102,433</u>	<u>100,040</u>

The notes on pages 13 to 19 form part of these financial statements.

The financial statements on pages 10 to 19 were approved by the Trustees and signed on their behalf by:



Niall FitzGerald
Trustee

10 March 2021

¹ Refer to note 1 – fund structure

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)	(2,789)	(3,305)
Cash flows from investing activities:		
Dividends and interest	3,351	3,287
Investment management costs	(53)	(62)
Purchase of investments	(14,800)	-
Proceeds from sale of investments	<u>14,840</u>	<u>-</u>
Net cash provided by investing activities	3,338	3,225
Change in cash and cash equivalents in the year	<u>549</u>	<u>(80)</u>
 Cash and cash equivalents brought forward	 <u>992</u>	 <u>1,072</u>
Cash and cash equivalents carried forward	<u>1,541</u>	<u>992</u>

	2020 £000	2019 £000
a) Reconciliation of net income to net cash flow from operating activities		
Net income (as per the statement of financial activities)	2,393	5,035
Adjustments for:		
Dividends and interest	(3,274)	(3,304)
Net gains on investments	(815)	(7,029)
Investment management costs	53	62
(Decrease)/Increase in creditors	<u>(1,146)</u>	<u>1,931</u>
Net cash used in operating activities	<u>(2,789)</u>	<u>(3,305)</u>

b) Analysis of changes in net cash/(debt)

Net cash at 1 January	992	1,072
Net Cash inflow/(outflow)	549	(80)
Net cash at 31 December	1,541	992

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.

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.

The Trust estimates the allocation of support costs 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 (with the exception of the Fund Structure), is set out below.

Fund structure

The funds of the charity are unrestricted and are fully expendable at the discretion of the Trustees. In 2020, the Trust has adopted a voluntary change in accounting policy to now present all funds as one line on the balance sheet of unrestricted funds and remove the previous designation between the capital fund and income fund. The reason for applying this revised accounting policy is that the Trustees have adopted a total return basis for the management of the Trust's investments, it is therefore no longer appropriate to continue with the designation of the Trust's reserves between capital and income. At 31 December 2019, the value of the capital fund was £99,076,000 (of which £92,668,000 was a revaluation reserve) and the value of the income fund was £964,000 (of which £1,143,000 was a revaluation reserve) and these are now shown within unrestricted funds.

Income recognition

Income is 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)

Expenditure recognition

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, 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 impact not being material.

For grants where funding has been allocated but the value cannot be reliably be measured, an estimate of the potential liability is disclosed as a commitment.

Raising funds

The cost of raising funds consists of investment management fees.

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

The Trust holds liabilities which will be settled in future years. An adjustment has not been made to discount future payments as this adjustment is not considered to be material.

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.

Cash at bank and in hand

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.

Taxation

The Leverhulme Trade Charities 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Investment income	2020 £000	2019 £000
Dividends from Unilever plc (in respect of ordinary equity shares)	2,958	2,883
Managed investments:		
Equities - Global	290	380
Fixed interest – Global	25	40
	<u>3,273</u>	<u>3,303</u>
Bank interest	1	1
Total investment income	<u>3,274</u>	<u>3,304</u>

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 Governance costs £000	2020 Support costs £000	2019 Total allocated £000	2019 Governance costs £000	2019 Support costs £000
Staff costs	50	5	45	47	5	42
Accommodation	30	2	28	31	2	29
Other	17	1	16	24	1	23
	<u>97</u>	<u>8</u>	<u>89</u>	<u>102</u>	<u>8</u>	<u>94</u>

Support costs are apportioned on the basis of staff time spent on activities.

3a (ii) Governance costs:	2020 £000	2019 £000
Audit & Legal	34	20
Support costs (based on apportioned staff time per note 3a (i))	8	8
Total Governance Costs	<u>42</u>	<u>28</u>

Audit & legal costs include the external audit fees of £23,100 (excluding non-recoverable VAT) (2019: £14,098).

3a (iii) Total Governance and Support Costs

	2020 £000	2019 £000
Support Costs (note 3a (i))	89	94
Governance Costs (note 3a (ii))	42	28
	<u>131</u>	<u>122</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
3b Analysis of charitable expenditure

The Trust undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

Activity	2020			2019		
	Grant funded activity £000	Support and governance costs £000	Total £000	Grant funded activity £000	Support and governance costs £000	Total £000
Grants to Institutions	21	-	21	3,342	78	3,420
Undergraduate Bursaries	1,076	94	1,170	1,613	38	1,651
Postgraduate Bursaries	411	37	448	279	6	285
Grants awarded	1,508	131	1,639	5,234	122	5,356
Adjustment on prior year grant awards	4	-	4	(120)	-	(120)
Total costs	1,512	131	1,643	5,114	122	5,236

The adjustments on prior year grant awards represent supplements to grants previously awarded, the write back of amounts on closed grants or grants that have not been and will not be taken up. Total support costs are then apportioned pro rata to the value of each funded activity. Total amount and number of grants to institutions and individuals are shown in the Trustees' Annual Report.

3c Staff

The Trust has no employees during the year (2019: none) but a charge of £80,000 (2019: £78,000) based on time spent 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 includes an appropriate proportion of overheads incurred by The Leverhulme Trust on behalf of the Leverhulme Trade Charities Trust.

3d Trustee costs

The Trustees did not receive any emoluments or reimbursement of expenses in respect of their services to the Trust (2019: £nil)

4a Investments in shares in Unilever plc

	2020	Movement in fair value	2019
	£000	£000	£000
Historic cost	404	-	404
Fair value	89,403	845	88,558

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. There were no purchases/sales during the year. For cost purposes, the shares were valued at the market price of £403,724 on Budget day 1965. There were no purchases or disposals of shares in the year (2019: none).

NOTES TO THE FINANCIAL STATEMENTS (continued)

4b Other investments

Other investments relate to the Partners Capital The Master Portfolio (C) Ltd This had a subscription date of 1 January 2021 but funds were committed to the subscription before 31 December 2020. This investment is in Level 2 in the fair value hierarchy. The historic cost at 31 December 2020 was £14.8 million (2019: £9.2 million).

	2020 Fair value £000	2019 Fair value £000
Investments		
Fixed Income	-	1,803
Global Equities	-	13,067
Multi-asset Class	14,800	-
Investments	14,800	14,870
	2020 £000	2019 £000
Movement in Other Investments		
As at 1 January	14,870	12,764
Purchases	14,800	1
Disposals	(14,840)	-
Net Investment Gains	(30)	2,105
As at 31 December	14,800	14,870

There are no equity holdings in one company greater than 5% of the total of investments in Other investments.

4c 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 equity prices, the largest risk being to a fall in the Unilever share price, 1% reduction in this price would be expected to lead to a reduction of £894,000 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Creditors

	2020	2019
	£000	£000
Grants payable	3,270	4,424
Other creditors	41	33
Total	<u>3,311</u>	<u>4,457</u>
Amounts falling due within one year	2,725	2,610
Amounts falling due after more than one year	586	1,847
<u>Grants payable are analysed as follows:</u>		
GroceryAid	483	949
The Salespeople's Charity	450	888
Pharmacy Research UK	-	23
The Girls' Day Schools Trust	156	170
United Reformed Church Schools	140	144
Royal Pinner School Foundation	<u>200</u>	<u>400</u>
	1,429	2,574
Undergraduate/Postgraduate Bursaries	<u>1,841</u>	<u>1,850</u>
Total	<u>3,270</u>	<u>4,424</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 Related parties

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

In 2020, the Trust received dividend income of £2,957,700 from Unilever plc (2019: £2,883,401). Unilever plc is a company with a director in common with the Trust's Trustees.

The Trust's investments include £89,402,761 of ordinary shares held in Unilever plc (2019: £88,557,995).

The 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.

7 Commitments

In 2020, the Trust agreed to provide additional funding of up to £420,000 over three years to support the establishment of a GroceryAid trauma counselling service. Amounts are paid to GroceryAid on an as incurred basis and so the actual amount of the award is uncertain and is accounted for based on actual amounts expended by GroceryAid. In 2020, an amount of £21,000 is included in grants awarded in respect of the trauma counselling service (2019: £29,000).

8 Events after the end of the reporting period

As disclosed in Note 4, the market value of the Charity's shares in Unilever plc as at 31 December 2020 was £89.4m. Since 31 December 2020 to the date of signing these financial statements, the share price of Unilever plc shares has declined. This has resulted in the market value of the Charity's shares in Unilever plc as at the date of signing these financial statements to be approximately £79.7m. This has not had an impact on the activities of the Charity.

9 Registered Office

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