

LORD LEVERHULME'S CHARITABLE TRUST

England & Wales · Charity number 212431

Details

Status Registered

Legal form Trust

Registered 1962-11-22

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

Contact

Address Leverhulme Estates
Hesketh Grange
Manor Road
Thornton Hough
Wirral
CH63 1JD

Phone 01513364828

Email llctadmin@leverhulme.net

Activities

Objects: ANY CHARITABLE PURPOSE.

Activities: Priority is given to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Other charities who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Bolton
- Cheshire East
- Cheshire West & Chester
- Knowsley
- Liverpool City
- Sefton
- St Helens
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£965,260	£1,999,379	£42,972,333	0
2024-04-05	£1,089,800	£1,217,571	£44,500,988	0
2023-04-05	£935,816	£678,947	£42,238,132	0
2022-04-05	£861,364	£494,107	£42,735,068	0
2021-04-05	£587,106	£437,048	£41,431,253	0

Trustees

Name	Role	Appointed
Hulme Trustee Ltd		2025-07-15

LORD LEVERHULME'S CHARITABLE TRUST

England & Wales - Charity number 212431

Accounts

Charity registration number 212431 (England and Wales)

LORD LEVERHULME'S CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2025

LORD LEVERHULME'S CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Hulme Trustee Ltd	(Appointed 15 July 2025)
Administrator	Rebecca Hewitt	
Email address	rhewitt@leverhulme.net	
Charity number	212431	
Principal address	Estate Office Thornton Hough Wirral Merseyside CH63 1JD	
Auditor	Mitchell Charlesworth (Audit) Limited Suites C,D,E, & F 14th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ	
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP	
Investment Managers	Schroder & Co Limited 1 London Wall Place London EC2Y 5AU	

LORD LEVERHULME'S CHARITABLE TRUST

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LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2025

The trustees present their annual report together with the audited financial statements for the year ended 5 April 2025.

This report marks a year of significant transition for the Trust. In October 2024, the long-serving individual trustees retired after decades of stewardship and were succeeded by Rivington Trustees Ltd, a corporate trustee established to act on behalf of the settlor's family. A new Grants Committee, made up of the settlor's grandchildren, was established to help carry forward the family's philanthropic legacy and support the assessment of grant applications. These changes were designed to preserve the ethos of the settlor while strengthening the governance and long-term sustainability of the Trust. On 15 July 2025, Rivington Trustees Ltd was succeeded by a newly established corporate trustee, Hulme Trustee Ltd.

The Trust's, which is also referred to as the Charity throughout this report, income is derived from investments, and its investment objectives continue to be influenced by geopolitical uncertainties and inflation, the outlook for which remains unpredictable. Despite these challenges, the trustee is pleased with the performance of the investment portfolio. The trustee is confident that the Trust remains in a strong financial position and, importantly, does not feel constrained in its ability to make grants. The trustee remains committed and well-positioned to support communities local to the Wirral, Cheshire and the North of England for which the Trust was established.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Reference and administrative details of the charity, its trustees and advisors

The information with respect to trustees, officers and advisors is set out at the front of this document and forms part of this report.

Objectives and activities

The object of the charity, as stated in its governing documents, is to support any charitable organisation or purpose.

Grant applications are received from many sources and are reviewed by the trustees, who decide whether or not to support those which are of charitable purpose, on the merits of each application, and in the light, where applicable, of the settlor's letter of wishes.

Priority is given, pursuant to that letter, to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Others who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so. An increased handful of charities have heeded this warning and telephoned the administrator or otherwise enquired but the continued volume of applications from charities which plainly neither meet the stated criteria nor operate within the geographical area suggests that many applicants do not concern themselves with their target's policies. Generally, the trustees do not acknowledge receipt of applications or notify unsuccessful applicants in order to minimise management expense.

The trustees are pleased to have supported a wide cross-section of the voluntary sector including, wherever possible, charities in which the settlor's family have interested themselves.

A list of significant grants paid is set out in note 5 of the accounts.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Public benefit

The Trustee continues to have regard to the Charity Commission's guidance on public benefit in exercising its powers and duties. In practice, the test of public benefit poses little difficulty as all grants have been made to registered charities.

The trustee has resolved that:

- It is entitled to assume that all registered charities meet the Public Benefit requirements and, therefore, do not record separate reasons for grants made to such organisations.
- The same presumption generally applies to charities that are exempt from registration, though the trustee recognises that enquiries may occasionally be necessary and reasons documented where appropriate.
- For all other organisations, the trustee will consider the Public Benefit requirement, make appropriate enquiries, and record the reasons for any grants made.

As part of the updated grant-making framework, applications are now reviewed by the Grants Committee who assess alignment with charitable purposes and recommend proposals to the trustee for approval. This process supports the Trust's ongoing commitment to transparency, good governance, and public benefit.

Achievements and performance

The Statement of Financial Activities for the year is set out on page 14 of the financial statements.

A summary of the financial results and the work of the Charity is set out below.

During the year, the Trust approved grants amounting to £1,828,419 (2024: £1,064,424) to various registered charitable organisations. At 5 April 2025, the Trust is now committed, either legally or constructively, to grants totalling £1,293,464 (2024: £518,500) payable post year-end. These liabilities are fully reflected in the accounts as creditors. The trustee is pleased to report that grants paid in the year totalled £1,054,595 (2024: £821,331).

From time to time, the trustee makes conditional awards subject to the applicant meeting one or more specific requirements. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been fully met.

Investment powers are governed by the Trust Deed, which permits the funds to be invested as outlined in Note 9 to the financial statements. The trustee intends that the real value of the Charity's investments be maintained and enhanced over the long term through a portfolio comprising equities, private equity, alternatives and cash. To meet these objectives, the trustee has appointed an Investment Manager to manage a diversified portfolio on a discretionary basis.

The key risk to the long-term sustainability of the Trust is inflation, and the assets should be invested to mitigate this risk over the long term. The proportions invested in different asset classes are reviewed periodically to ensure the ongoing suitability of the investment strategy.

The Investment Manager's benchmark aims to deliver an annualised real total return of 3.5% over CPI, measured on a rolling five-year basis. As noted below, this target has not been met over the reporting period and further comment is provided.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

As at 5 April 2025, the value of the Charity's assets under management stood at £44,288,076 (2024: £44,905,432). This includes total cash held of £793,050 (2024: £480,303) and a significant shareholding in Unilever, valued at £7.1m (2024: £5.8m), representing 16% of total assets (2024: 12.9%).

Including Unilever, the charity's asset allocation on a 'look through' basis can be broken down as follows:

	%
Equities	71.9
Bonds	0.0
Multi-Asset funds	13.2
Hedge funds	0.0
Private asset funds*	6.2
Property	0.0
Commodities	4.1
Structured products	0.0
Other Alternatives	2.8
Cash	1.8
	100.0

* Includes uncalled commitments which are held in a public equity global equity tracker.

Market Commentary

Global equities enjoyed a strong performance in the initial nine-months of the period before falling back in the first quarter of 2025. Equities were buoyed by an improving fundamental picture as inflation fell closer to central bank targets, while global growth remained robust. The concept of US economic growth exceptionalism was also prevalent throughout this period. However, following Donald Trump's ascent to the presidency, deepening tensions arising from renewed trade tariffs, amid a slowdown in some key economic indicators, led to questions about this "exceptionalism" of the US economy.

The equity holdings overall produced a small positive return over the period. In a reversal of the performance trend from previous years, the portfolio's US equity holdings became the biggest detractors. Meanwhile, the investment in gold performed particularly well, driven by emerging market central banks, Chinese retail buying, and growing concerns about the US economy towards the end of the period.

The Unilever shareholding produced a return of 26% over the period, with the company continuing to focus on the need to reduce costs to meet the challenges of an increasingly competitive environment.

Geopolitical shocks can cause periods of volatility and lead to short-term declines in the value of investments. As a long-term investor, the trustee believes it is important to remain invested through periods of uncertainty to benefit from the potential for stronger returns over time.

The investment portfolio remains diversified. The Charity maintains a separate cash reserves portfolio with its investment manager to hold approximately one year's worth of required expenditure in cash.

The portfolio's five-year return lags behind the long-term inflation benchmark of CPI +3.5% (see table below). Looking ahead, Cazenove believe that targeting CPI plus 3.5% remains a suitable long-term goal, though it may present more challenges compared to previous periods.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

In response, Cazenove have revised the strategy for the main investment portfolio. The updated strategy includes incorporating private assets as an additional source of return and removing the strategic allocation towards fixed income. This adjustment aims to enhance the portfolio's performance in the evolving economic landscape.

The dividend income from the whole portfolio is £934k: a yield of 2.1%.

Table 1			
Total Return to 05/04/2025	1 Year	3 Year	5 Year
	%	%	%
LLCT	0.6%	8.9%	41.0%
CPI	2.6%	16.6%	25.6%
CPI+3.5%	6.2%	27.4%	45.6%

* Inflation data to 31/03/2025

Sustainable Investment

The Charity encourages responsible investment, and the trustee regularly reviews its investment portfolio. The trustee continues adhere to the following meeting which was agreed on 7th February 2020: *"Individual investments and/or sectors may be excluded if they are perceived to conflict with the objectives of the charity. The charity has committed to appointing an Investment Manager who is actively employed in applying an Environmental, Social and Governance (ESG) policy which is shown on their website: <https://www.cazenovecapital.com/uk/private-client/>."*

Financial review

Plans for future periods

The Trust continues to operate in accordance with the philanthropic ethos and discretion established by the settlor.

Following the transition to Rivington Trustees Ltd as sole trustee in October 2024 and the establishment of the Grants Committee, the Trust has implemented a structured grant-making process, with quarterly reviews of applications. This framework ensures that the Trust's charitable giving remains responsive, accountable, and aligned with the settlor's intentions.

The trustee intends to maintain this approach in the coming year, with a continued focus on charitable organisations operating in Cheshire, Merseyside, and South Lancashire, as well as those supported by the settlor or his family.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Fund structure

Expendable endowment fund

The expendable endowment fund represents the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund.

Unrestricted funds

These represent the general funds of the charity.

Reserves policy

The trustee has adopted a policy to maintain free reserves (unrestricted funds represented by cash) at a level sufficient to cover at least two months of expected grant expenditure. This level is determined based on the average monthly grant commitments over the past five years. This policy ensures that the Charity can continue its grant-making activities in the event of short-term income disruption. As of the current year, the Charity holds reserves exceeding this minimum threshold.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Structure, governance and management

The charity is constituted by a Trust Deed dated 20th March 1957 and registered with the Charity Commissioners under charity number 212431.

Banking

The trustee has opened new bank accounts and closed pre-existing ones, in order to meet the operational requirements of the new trustee.

Trustees

The trustee between 25 October 2024 and 15 July 2025 was Rivington Trustees Ltd, a corporate trustee established with the specific purpose of acting for the settlor's family.

Rivington Trustees Ltd brings both professional trustee experience and a longstanding familiarity with the history and interests of the settlor's family. It is supported in its role by the Grants Committee comprising family members and is well placed to uphold the wishes, interests, and ethos of the settlor, particularly as expressed in his letter of wishes, which continues to guide the Trust's grant-making priorities.

The directors of Rivington Trustees Ltd formally met quarterly and had regular contact outside of these meetings.

On 15 July 2025, Hulme Trustee Ltd was appointed as corporate trustee as a successor to Rivington Trustees Ltd with the aim of continuing to provide oversight and support to the charity and its grant giving.

The day-to-day administration and primary bookkeeping is undertaken by the Leverhulme Estate Office, which continues to procure external accountancy assistance as required.

The trustees would like to express its deepest gratitude to the former trustees—Sir Algernon Heber-Percy, A H S Hannay, and A H M Wilson for their exceptional long-term dedication, stewardship, and commitment to Lord Leverhulme's Charitable Trust.

Their combined service, spanning decades, ensured the careful preservation and growth of the Trust's assets, the consistent fulfilment of its charitable objectives, and the continuation of the settlor's philanthropic vision. Their reputation in the communities served by the Trust is one of deep respect and integrity, and the legacy of their leadership continues to be felt. Their careful transition planning ensured continuity and clarity and has enabled the new trustee to assume its responsibilities smoothly and confidently.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

The trustees who served during the year were as follows:

Sir Algernon Heber-Percy	(Resigned 25 October 2024)
A H S Hannay	(Resigned 25 October 2024)
A H M Wilson	(Resigned 25 October 2024)
Rivington Trustees Ltd	(Appointed 25 October 2024 and resigned 15 July 2025)
Hulme Trustee Ltd	(Appointed 15 July 2025)

Risk management

The trustee continually reviews the major strategic, operational, and financial risks to which the Charity is exposed. Risk management is a formal and ongoing process, designed to ensure that appropriate systems and procedures are in place to mitigate and monitor these risks and to minimise any potential impact on the Charity should they materialise.

Key risks and mitigation measures identified include:

- **Internal misappropriation of funds**
As sole trustee, Rivington Trustees Ltd operates within a robust internal control framework with a process of review of grants and segregation of inputter and authoriser on bank payments. While misappropriation remains a serious risk in principle, the trustee considers the likelihood low given the controlled processes and professional oversight in place.
- **External financial loss or fraud**
As with any organisation holding stock market investments and liquid assets, some level of financial risk is unavoidable. This is actively managed through the appointment of Schroder & Co. Limited as Investment Manager, working within a clearly defined discretionary mandate and monitored regularly. The portfolio is diversified, and the trustee receives regular reporting and meets with the manager to assess performance and compliance.
- **Grant misuse or non-compliance by recipients**
A small number of grants are made on a restricted basis. The trustee acknowledges the risk that these funds may not be used strictly in accordance with the agreed purpose. However, in line with proportionality and charitable efficiency, the Trust does not currently operate a post-award audit system. The majority of grants are made to well-established charities with a clear track record of compliance.
- **Governance and oversight**
Rivington Trustees Ltd, supported by the Grants Committee, operates a consistent process of review and oversight. These include a structured application and review process, with grant recommendations made by the Committee and subject to trustee approval. This governance model is subject to ongoing evaluation to ensure clarity, accountability and effectiveness.
- **Data Protection and Processing Arrangements**
The risk of electronic data breaches and complaints regarding data handling is an ongoing concern and one that the Trust recognises as a persistent feature of operating in a digital environment. To address this, a comprehensive Privacy Policy was adopted and published in 2019. A copy is available upon written or email request to the Trust's administrator (see page 1 for contact details). In addition, the Trust has entered into a formal service agreement with the Leverhulme Estate Office—an organisation with which it shares a long-standing and natural working relationship. Under this agreement, the Estate Office assumes responsibility for data processing on behalf of the Trust. The trustee considers that this arrangement provides an additional safeguard, reinforcing both the Charity's legal compliance and its commitment to protecting personal data.

The trustee is satisfied that appropriate safeguards are in place across all major risk areas and that risk management procedures are proportionate to the size and complexity of the Charity's operations.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 operation.

The trustees are responsible for keeping sufficient 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 and the provisions of the trust deed. 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.

Auditor

Mitchell Charlesworth (Audit) Limited offer themselves for reappointment as auditors to the charity.

The trustees' report was approved by Hulme Trustee Ltd.


[mackintosh of halifax \(Nov 25, 2025 15:26:40 GMT\)](#)

Viscount Mackintosh of Halifax

On behalf of Hulme Trustee Ltd

Dated: 15 October 2025

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Opinion

We have audited the financial statements of Lord Leverhulme's Charitable Trust (the 'charity') for the year ended 5 April 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charity, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, and (ii) revenue and grant recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered whether other laws and regulations exist that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. In this case we do not consider there to be any such laws and regulations.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charity's Statement of Financial Activities, and revenue and grant recognition as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

Mitchell Charlesworth (Audit) Limited (Dec 2, 2025 12:16:14 GMT)

Mitchell Charlesworth (Audit) Limited

15 October 2025

Accountants

Statutory Auditor

Suites C,D,E, & F
14th Floor The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2025

		Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
	Notes						
Income from:							
Investments	2	965,260	-	965,260	1,089,800	-	1,089,800
Total income		<u>965,260</u>	<u>-</u>	<u>965,260</u>	<u>1,089,800</u>	<u>-</u>	<u>1,089,800</u>
Expenditure on:							
Raising funds	3	48,591	97,184	145,775	44,411	88,822	133,233
Charitable activities	4	1,853,604	-	1,853,604	1,084,338	-	1,084,338
Total expenditure		<u>1,902,195</u>	<u>97,184</u>	<u>1,999,379</u>	<u>1,128,749</u>	<u>88,822</u>	<u>1,217,571</u>
Net gains/(losses) on investments	9	-	(494,536)	(494,536)	-	2,390,627	2,390,627
Net income/(expenditure) and movement in funds		<u>(936,935)</u>	<u>(591,720)</u>	<u>(1,528,655)</u>	<u>(38,949)</u>	<u>2,301,805</u>	<u>2,262,856</u>
Reconciliation of funds:							
Fund balances at 6 April 2024		<u>(80,589)</u>	<u>44,581,577</u>	<u>44,500,988</u>	<u>(41,640)</u>	<u>42,279,772</u>	<u>42,238,132</u>
Fund balances at 5 April 2025		<u>(1,017,524)</u>	<u>43,989,857</u>	<u>42,972,333</u>	<u>(80,589)</u>	<u>44,581,577</u>	<u>44,500,988</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

LORD LEVERHULME'S CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investments	11		44,195,778		44,806,835
Current assets					
Debtors	12	92,298		98,597	
Cash at bank and in hand		24,249		164,297	
		116,547		262,894	
Creditors: amounts falling due within one year	13	(374,992)		(333,741)	
Net current liabilities			(258,445)		(70,847)
Total assets less current liabilities			43,937,333		44,735,988
Creditors: amounts falling due after more than one year	14		(965,000)		(235,000)
Net assets			42,972,333		44,500,988
The funds of the charity					
Endowment funds	16		43,989,857		44,581,577
Unrestricted funds	17		(1,017,524)		(80,589)
			42,972,333		44,500,988

The financial statements were approved by Hulme Trustee Ltd on 15 October 2025

mackintosh of halifax

mackintosh of halifax (Nov 25, 2025 15:26:40 GMT)

Viscount Mackintosh of Halifax

On Behalf of Hulme Trustee Ltd

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(1,228,128)		(973,482)
Investing activities					
Purchase of investments		(14,147,844)		(8,213,509)	
Proceeds from disposal of investments		14,264,365		7,948,221	
Investment income received		971,559		1,084,512	
Net cash generated from investing activities			1,088,080		819,224
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(140,048)		(154,258)
Cash and cash equivalents at beginning of year			164,297		318,555
Cash and cash equivalents at end of year			24,249		164,297

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

Charity information

Lord Leverhulme's Charitable Trust is a registered charitable trust in the United Kingdom. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 1.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deeds, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Based on the terms of the original donation to the trust by Lord Leverhulme, the trustees consider that this and subsequent donations should be accounted for as an expendable endowment. The fund also includes realised and unrealised gains and losses arising from the investment assets that comprise this fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes including, shares, securities and deposit funds. It includes dividends and interest and is included when the amounts can be measured reliably. Interest income is recognised using the effective interest method, and dividend income is recognised when the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds principally relates to Investment Managers' fees.
- Expenditure on charitable activities principally includes grants made to charitable organisations.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity and include a share of the principal office costs.

The analysis of these costs is included in note 6.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised as 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees, irrespective of the date on which the grants are payable.

1.9 Taxation

The trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

2 Investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	939,606	1,076,436
Interest receivable	25,654	13,364
	<u>965,260</u>	<u>1,089,800</u>

3 Raising funds

	Unrestricted funds 2025 £	Expendable endowment 2025 £	Total 2025 £	Unrestricted funds 2024 £	Expendable endowment 2024 £	Total 2024 £
Investment Managers' fees	48,591	97,184	145,775	44,411	88,822	133,233
	<u>48,591</u>	<u>97,184</u>	<u>145,775</u>	<u>44,411</u>	<u>88,822</u>	<u>133,233</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

4 Charitable activities	2025	2024
	£	£
Grants payable (see note 5)	1,828,419	1,064,424
Share of support costs (see note 6)	12,465	11,970
Share of governance costs (see note 6)	12,720	7,944
	<u>1,853,604</u>	<u>1,084,338</u>

5 Grants payable	2025	Number of
	£	Grants
Grants paid of £20,000 or more during the year:		
Cheshire Connect	20,000	1
Chester & District Federation of the Blind	20,000	1
Clocktower Foundation	35,000	1
Institute of Pyschiatry	50,000	1
Liverpool Heart & Chest Hospital	25,000	1
Liverpool University (Leahurst)	200,000	1
National Museums - Lady Lever	50,000	1
North of England Zoological Society	100,000	1
Princes Trust - Liverpool	20,000	1
	<u>520,000</u>	<u>9</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

5	Grants payable	(Continued)	
		2025	2024
		£	£
	Grants to institutions may be categorised as follows:		
	Health	259,770	499,850
	Community	221,150	151,250
	Education	1,294,824	142,324
	Arts	50,000	116,000
	Animal welfare	21,000	122,000
	Environmental	18,175	8,000
	Religious establishments	(36,500)	25,000
		<u>1,828,419</u>	<u>1,064,424</u>
	-		
6	Support costs allocated to activities	2025	2024
		£	£
	Office management fees	11,400	10,358
	Other expenses	1,065	1,612
	Governance costs	12,720	7,944
		<u>25,185</u>	<u>19,914</u>
	Analysed between:		
	Charitable activities	<u>25,185</u>	<u>19,914</u>
		2025	2024
	Governance costs comprise:	£	£
	Audit fees	6,510	6,200
	Accountancy	3,360	1,744
	Legal and professional	2,850	-
		<u>12,720</u>	<u>7,944</u>
7	Net movement in funds	2025	2024
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	<u>6,510</u>	<u>6,200</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

8 Trustees

Travel expenses amounting to £nil (2024: £1,223) were reimbursed to 0 (2024: 1) trustees during the year.

There were no employees during either year and none of the trustees received any remuneration during either year.

9 Net gains/(losses) on investments

	Expendable endowment 2025 £	Expendable endowment 2024 £
Revaluation of investments	(750,552)	2,354,948
Gain/(loss) on sale of investments	256,016	35,679
	<u>(494,536)</u>	<u>2,390,627</u>

10 Taxation

The trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

11 Fixed asset investments

	Listed Cash in portfolio investments		Total
	£		£
Cost or valuation			
At 6 April 2024	43,448,229	1,358,606	44,806,835
Additions	14,147,844	-	14,147,844
Valuation changes	(750,552)	-	(750,552)
Movement in cash	-	(565,554)	(565,554)
Disposals	(13,442,795)	-	(13,442,795)
	<u>43,402,726</u>	<u>793,052</u>	<u>44,195,778</u>
Carrying amount			
At 05 April 2025	<u>43,402,726</u>	<u>793,052</u>	<u>44,195,778</u>
At 05 April 2024	<u>43,448,229</u>	<u>1,358,606</u>	<u>44,806,835</u>

	2025	2024
	£	£
Investments at fair value comprise:		
UK equities, unit trusts and treasury stock	13,526,227	18,421,379
Overseas equities and unit trusts	25,964,234	22,002,572
Alternatives	3,912,265	3,024,278
Cash held by Investment Managers	793,052	1,358,606
	<u>44,195,778</u>	<u>44,806,835</u>

The investments are listed on the United Kingdom Stock Exchange and are stated at mid-market value.

The total cost of managing the portfolio including third-party fund fees and brokerage fees was £434,243 (2024: £365,683),

12 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Other debtors	<u>92,298</u>	<u>98,597</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

13 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	1,140	-
Other creditors	4,439	4,439
Grants payable	327,324	283,500
Accruals and deferred income	42,089	45,802
	<u>374,992</u>	<u>333,741</u>

14 Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Grants payable	<u>965,000</u>	<u>235,000</u>

15 Reconciliation of grant commitments

	2025	2024
	£	£
Commitments at 6 April 2024	(518,500)	(275,407)
Grants paid out during the year	1,054,595	821,331
	<u>536,095</u>	<u>545,924</u>
Commitments at 5 April 2025	1,292,324	518,500
	<u>1,828,419</u>	<u>1,064,424</u>
Charge in Statement of Financial Activities (note 4)	<u>1,828,419</u>	<u>1,064,424</u>

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 6 April 2024	Resources expended	Gains and losses	At 5 April 2025
	£	£	£	£
Expendable endowments	<u>44,581,577</u>	<u>(97,184)</u>	<u>(494,536)</u>	<u>43,989,857</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

16 Endowment funds (Continued)

Previous year:	At 6 April 2023	Resources expended	Gains and losses	At 5 April 2024
	£	£	£	£
Expendable endowments	42,279,772	(88,822)	2,390,627	44,581,577

Expendable endowment

The expendable endowment fund comprises the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund, less transfers to the unrestricted fund.

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 6 April 2024	Incoming resources	Resources expended	Transfers	At 5 April 2025
	£	£	£	£	£
Special reserve fund	480,303	22,104	-	205,005	707,412
General funds	(560,892)	943,156	(1,902,195)	(205,005)	(1,724,936)
	<u>(80,589)</u>	<u>965,260</u>	<u>(1,902,195)</u>	<u>-</u>	<u>(1,017,524)</u>
Previous year:	At 6 April 2023	Incoming resources	Resources expended	Transfers	At 5 April 2024
	£	£	£	£	£
Special reserve fund	408,484	21,819	-	50,000	480,303
General funds	(450,124)	1,067,981	(1,128,749)	(50,000)	(560,892)
	<u>(41,640)</u>	<u>1,089,800</u>	<u>1,128,749</u>	<u>-</u>	<u>(80,589)</u>

Special reserve fund

The trustees set up a designated fund on 1st September 2004 to build up a reserve out of which large donations could be made in the future.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

18 Analysis of net assets between funds

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
At 5 April 2025:			
Investments	205,921	43,989,857	44,195,778
Current assets/(liabilities)	(258,445)	-	(258,445)
Long term liabilities	(965,000)	-	(965,000)
	<u>(1,017,524)</u>	<u>43,989,857</u>	<u>42,972,333</u>
	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 5 April 2024:			
Investments	225,258	44,581,577	44,806,835
Current assets/(liabilities)	(70,847)	-	(70,847)
Long term liabilities	(235,000)	-	(235,000)
	<u>(80,589)</u>	<u>44,581,577</u>	<u>44,500,988</u>

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

There were no capital commitments at 5th April 2024 or 5th April 2023.

20 Contingent liabilities

The trustees, from time to time, make awards to applicants that are contingent on the applicant meeting certain conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2025

21	Cash absorbed by operations	2025 £	2024 £
	(Deficit)/surplus for the year	(1,528,655)	2,262,856
	Adjustments for:		
	Investment income recognised in statement of financial activities	(965,260)	(1,089,800)
	Gain on disposal of investments	(256,016)	(35,679)
	Fair value gains and losses on investments	750,552	(2,354,948)
	Movements in working capital:		
	Increase in creditors	771,251	244,089
	Cash absorbed by operations	<u>(1,228,128)</u>	<u>(973,482)</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.











LLCT Final Accounts 2025

Final Audit Report

2025-12-02

Created:	2025-11-25
By:	Rebecca Hewitt (rhewitt@leverhulme.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAAT-zT3GcZc21bc21rEKWKsBAhPRMVlgPu

"LLCT Final Accounts 2025" History

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2025-12-02 - 12:14:09 GMT
-  Signer philip.griffiths@mitchellcharlesworth.co.uk entered name at signing as Mitchell Charlesworth (Audit) Limited
2025-12-02 - 12:16:12 GMT
-  Document e-signed by Mitchell Charlesworth (Audit) Limited (philip.griffiths@mitchellcharlesworth.co.uk)
Signature Date: 2025-12-02 - 12:16:14 GMT - Time Source: server
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LORD LEVERHULME'S CHARITABLE TRUST

England & Wales - Charity number 212431

Accounts

LORD LEVERHULME'S CHARITABLE TRUST

ANNUAL REPORT AND ACCOUNTS

for the year ended

5 April 2024



CHARITY NUMBER: 212431

LORD LEVERHULME'S CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sir Algernon Heber-Percy A H S Hannay A H M Wilson
Administrator	Lynne Loxley
Email address	llctadmin@leverhulme.net
Charity number	212431
Principal address	Estate Office Thornton Hough Wirral Merseyside CH63 1JD
Auditor	Mitchell Charlesworth (Audit) Limited 5 Temple Square Temple Street Liverpool L2 5RH
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP Handelsbanken plc 4th Floor 10 Duke Street Liverpool Merseyside L1 5AS
Investment Managers	Schroder & Co Limited 1 London Wall Place London EC2Y 5AU

LORD LEVERHULME'S CHARITABLE TRUST

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LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2024

The trustees present their annual report together with the audited financial statements for the year ended 5 April 2024.

Writing last year, the trustees hoped for a fall in the rate of inflation. It was a long time coming. Meanwhile the geopolitical scene remains a source of worry.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Reference and administrative details of the charity, its trustees and advisors

The information with respect to trustees, officers and advisors is set out at the front of this document and forms part of this report.

Objectives and activities

The object of the charity, as stated in its governing documents, is to support any charitable organisation or purpose.

Grant applications are received from many sources and are reviewed by the trustees, who decide whether or not to support those which are of charitable purpose, on the merits of each application, and in the light, where applicable, of the settlor's letter of wishes.

Priority is given, pursuant to that letter, to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Others who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so. An increased handful of charities have heeded this warning and telephoned the administrator or otherwise enquired but the continued volume of applications from charities which plainly neither meet the stated criteria nor operate within the geographical area suggests that many applicants do not concern themselves with their target's policies. Generally, the trustees do not acknowledge receipt of applications or notify unsuccessful applicants in order to minimise management expense.

The trustees are pleased to have supported a wide cross-section of the voluntary sector including, wherever possible, charities in which the settlor's family have interested themselves.

A list of significant grants paid is set out in note 5 of the accounts.

Public benefit

The test of Public Benefit applied by the Charity Commission continues to create little practical difficulty for the trustees because grants other than to registered charities are rare. The trustees have resolved that:

- The trustees consider themselves entitled to assume that every registered charity passes the Public Benefit test and will, therefore, record no reason for gifts to any such charity.
- The trustees will generally make the same assumption in relation to charities exempt from registration but recognise that enquiries may need to be made and reasons recorded for grants made to any such charity from time to time.
- The trustees will consider the Public Benefit test in relation to any other grant and make enquiries and record their reasons for making grants in all other cases.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Achievements and performance

The Statement of Financial Activities for the year is set out on page 13 of the financial statements.

A summary of the financial results and the work of the charity is set out below.

During the year the trust made grants amounting to £1,064,424 (2023 £525,224) to various registered charitable organisations. The trust is now committed, either legally or constructively, to grants totaling £518,500 (2023 £275,407) in later years. The liabilities in connection with these grants are fully reflected in the accounts as creditors. The trustees are pleased to report that grants paid in the year totalled £821,331 (2023 £769,766). Also, from time to time, the trustees, make awards to applicants that are contingent on the applicant meeting one or more conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

Investment powers are governed by the Trust Deed which permits the funds to be invested in the manner shown in note 9 to the financial statements. The trustees intend that the real value of the charity's investments be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed income stocks and cash. In order to meet these objectives, the trustees have appointed an Investment Manager as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the manager states that they should select a balanced investment return from income and capital, with moderate risk and appropriate diversification. The proportions invested in equities, fixed income stocks and cash are reviewed with the Investment Manager from time to time to provide guidance on the ongoing suitability of that element of the investment policy.

The Investment Manager's benchmark aims to achieve an annualised real total return of 3.5% over CPI measured over a rolling five year period. As will appear below, with comment, the target has been missed by a significant margin.

At 5 April 2024, the value of the charity's assets under management was £44,905,432 (2023 £42,244,229). This includes cash of £480,303 in the Special Reserve account (2023 £408,516) and a significant shareholding in Unilever, valued at £5.8m (2023 £6.5m) or 12.9% (2023 15.3%) of the total.

Including Unilever, the charity's asset allocation on a 'look through' basis can be broken down as follows:

	%
Equities	78.6
Bonds	7.8
Multi-Asset funds	0.0
Hedge funds	1.3
Private equity funds	0.0
Property	0.6
Commodities	4.4
Structured products	0.0
Insurance and 'Alternatives' funds	3.5
Cash	3.8
	100.0

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Excluding Unilever and cash in the Special Reserve account, the asset allocation on a 'look through' basis is as follows:

	%
Equities	76.9
Bonds	9.2
Multi-Asset funds	0.0
Hedge funds	1.6
Private equity funds	0.0
Property	0.7
Commodities	5.1
Structured products	0.0
Insurance and 'Alternatives' funds	4.1
Cash	2.4
	100.0

Investors entered 2023 with significant concerns about inflation and expectations of a recession in the latter half of the year. Contrary to these predictions, equity markets staged a much-needed comeback, supported by a resilient economy, better-than-expected corporate earnings, and a halt to interest rate hikes. Leading global tech firms were amongst the main contributors to returns as investors flocked to the 'Magnificent 7' stocks—Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla—betting on their ability to leverage AI due to their vast scale and financial resources.

During this period, the charity's portfolio achieved an 8.0% return, driven by strong performances from investments in the US and Japan. Unilever faced a more challenging period, returning -7.1% as the company grappled with inflation and a change in CEO. Despite these difficulties, Unilever is undergoing a major restructuring, and its share price has recovered since the end of the reporting period as new strategies have been implemented.

The portfolio's five-year return lags behind the long-term inflation benchmark of CPI +3-5% (see table below). This underperformance reflects the modest market returns over 2022 and the elevated inflation levels since the beginning of 2022. Recently, central banks' efforts to curb inflation through higher interest rates have proven effective; the Investment Managers advise that they anticipate the Consumer Price Index (CPI) will end 2024 at 3.1%, falling further to 2.5% in 2025. Looking ahead, Cazenove believe that targeting CPI plus 3.5% remains a suitable long-term goal, though it may present more challenges compared to previous periods.

In response, Cazenove have revised the strategy for the main investment portfolio. The updated strategy includes incorporating private assets as an additional source of return and removing the strategic allocation towards fixed income. This adjustment aims to enhance the portfolio's performance in the evolving economic landscape.

The dividend income from the whole portfolio is £1.06m: a yield of 2.4%.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Table 1			
Total Return to 05/04/2024	1 Year	3 Year	5 Year
	%	%	%
LLCT	8.0%	12.4%	25.4%
FTSE 100	7.4%	31.1%	27.9%
FTSE All Stocks (Gilts)	-2.1%	-21.9%	-17.6%
CPI	3.2%	21.6%	24.3%
CPI+3.5%	6.0%	30.4%	42.6%

In relation to Unilever, an obvious historic link cannot alone justify any holding. The income stream from Unilever is both good and reliable. The trustees have considered possible outcomes following the company's implementation of its new strategies and remain comfortable in maintaining the holding at its present level. As to the remainder of the portfolio, the continued lag behind the long-term benchmark is as disappointing as those years themselves have been. The trustees are encouraged by the figures for the single year set out in the table above.

Sustainable Investment

The charity encourages responsible investment and the trustees regularly review their investment portfolio and, at their meeting on 7th February 2020, decided to include the following statement in this annual report. Individual investments and/or sectors maybe excluded if they are perceived to conflict with the objectives of the charity. The charity has committed to appointing an Investment Manager who is actively employed in applying an Environmental, Social and Governance (ESG) policy which is shown in their website: <https://www.cazenovecapital.com/uk/private-client/>.

Financial review

Plans for future periods

The private nature of the settlor's philanthropy and the fact that grants may be made confidentially to recipients who generally provide good feedback on their own activities lead the trustees to wish to leave their existing plans and policies undisturbed.

Fund structure

Expendable endowment fund

The expendable endowment fund represents the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund.

Unrestricted funds

These represent the general funds of the charity.

Reserves policy

The trustees have more than met their established policy whereby the unrestricted funds which are represented by cash ("the free reserves") held by the Charity should be at least two months' worth of the likely cash required for grants according to a trend over 5 years.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Structure, governance and management

The charity is constituted by a Trust Deed dated 20th March 1957 and registered with the Charity Commissioners under charity number 212431.

Banking

During the year many charities experienced banking difficulties which led to the Charity Commission to write to leading UK Banks. Because of the difficulties which the trustees experienced they opened an additional bank account as shown on the front of this document.

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

Sir Algernon Heber-Percy

A H S Hannay

A H M Wilson

During the period under review the trustees continued to meet either in person or by telephone on average every 6 to 8 weeks.

For many years past, the trustees have recorded their right to select new trustees and that, once appointed, they serve indefinitely whilst fully appreciating the time would come for the appointment of others. They have always been and remain eager to ensure that their successors share the same interest and ethos of the settlor. That time has now come (two of the three present trustees having served for over 30 years). Much time in the year under review and since has been devoted to consideration of this issue and it has been decided to appoint Rivington Trustees Ltd ("Rivington") as a sole trustee in their stead. Rivington was incorporated 12 years ago with the specific intention of being a trustee for the settlor's family. Thus, the trustees are satisfied that not only is Rivington well experienced in matters of trusteeship but also that it and its directors have an appropriate level of knowledge of both the history of the family and its interests. Methods for the consultation of family members will be put in place. It is intended that the change of trustees will take place immediately following the signature of this report.

As they retire, the trustees are particularly aware of the help that they have received from all their professional advisers. The growth of the fund over the last several decades justifies particular thanks to their investment managers. Happily, over recent years, the trustees have not needed legal advice but have been greatly helped by the accountancy and audit work of Mitchell Charlesworth to whom they are also grateful. The day-to-day work of the trust could not have been so happily undertaken without the cheerful support of Lynne Loxley as the trustees' administrator who, entirely coincidentally, steps down from her role almost simultaneously with the trustees who put on record their particular appreciation of her work for them and wish her and her husband the very best in their new home.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

The whole of the administration and primary bookkeeping is undertaken by the Leverhulme Estate Office, which procures external accountancy assistance as required.

Risk management

The trustees continually review the major strategic, business and operational risks to which the charity is exposed. Systems established to mitigate those risks and procedures continue to be monitored to minimise any potential impact on the charity should any of those risks materialise. Risk management is an ongoing annual process.

Key risks include:

- Internal misappropriation of the charity's funds. This could occur among the trustees themselves or those who assist them in their administration. The trustees regard any misappropriation as a very serious matter both as to viability and reputation of the charity. However, they believe that their hands-on commitment renders this risk a remote one.
- External misappropriation or other loss of the charity's funds. Some risk of loss is ever-present when stock market investments are held. This, even though equally as serious as one committed internally, is considered to be inescapable but balanced firstly by active portfolio management and secondly by the opportunity for gain.
- In any context where many parties are involved, there can also be risk of loss arising from communication and differing practice and understanding. This may arise between the charity and its external advisors. Such loss may be either financial or of opportunity.

In each of these three situations, the cause may be either mistake or dishonesty. Dishonesty is, bearing in mind the choice of managers and the nominees, deemed highly unlikely. It is considered that the trustees' internal procedures reduce this risk. While the audit procedures will reveal if any such risk had materialised, it cannot, by its retrospective nature, be a safeguard. The trustees take further comfort from their fund manager's internal controls. Mistakes are generally remediable and considered to be low risk both as to probability and consequence.

- The trustees make some grants that are Restricted Funds in the hands of the recipient and a risk exists that recipients will either not incur the expenditure or will apply Restricted Funds for general or other purposes. Such gifts are a minority and the trustees consider that it would not be a good use of charitable funds to establish an "after the event" audit procedure on the recipients.
- With the Investment Managers, Schroder & Co. Limited being a bank, the cash held may be at risk and unprotected by any compensation schemes. The trustees have endeavoured to address this by placing (contractually) a limit on the cash that can be held in this way and by monitoring contractual observance through the audit process. The trustees are pleased to note that checks during the audit process suggest that the system put in place by the Investment Managers is functioning satisfactorily.
- The risk of electronic and other data breaches and of complaints about them and about the manner in which the trustees process data has existed for many years and will continue. Following the adoption and publication in 2019 of the trustees' Privacy Policy (a copy of which may be obtained on written or email application to the charity's administrator at the address shown on page 1), the trustees have entered into a service agreement with the operators of the Leverhulme Estate Office (with whom they enjoy an obvious and natural relationship) under which the operators undertake responsibility for the trustees' data processing. The trustees consider that this agreement further protects both the charity and themselves in relation to these risks.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 operation.

The trustees are responsible for keeping sufficient 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 and the provisions of the trust deed. 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.

Auditor

Mitchell Charlesworth (Audit) Limited offer themselves for reappointment as auditors to the charity.

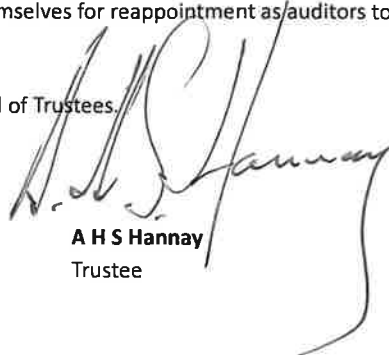
The trustees' report was approved by the Board of Trustees.



Sir Algernon Heber-Percy

Trustee

Dated: 16 October 2024



A H S Hannay

Trustee



A H M Wilson

Trustee

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Opinion

We have audited the financial statements of Lord Leverhulme's Charitable Trust (the 'charity') for the year ended 5 April 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charity, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, and (ii) revenue and grant recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered whether other laws and regulations exist that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. In this case we do not consider there to be any such laws and regulations.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charity's Statement of Financial Activities, and revenue and grant recognition as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

16 October 2024

Accountants

Statutory Auditor

5 Temple Square
Temple Street
Liverpool
L2 5RH

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2024

	Notes	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income from:							
Investments	2	1,089,800	-	1,089,800	935,816	-	935,816
Total income		<u>1,089,800</u>	<u>-</u>	<u>1,089,800</u>	<u>935,816</u>	<u>-</u>	<u>935,816</u>
Expenditure on:							
Raising funds	3	44,411	88,822	133,233	44,348	88,696	133,044
Charitable activities	4	1,084,338	-	1,084,338	545,903	-	545,903
Total expenditure		<u>1,128,749</u>	<u>88,822</u>	<u>1,217,571</u>	<u>590,251</u>	<u>88,696</u>	<u>678,947</u>
Net gains/(losses) on investments	9	-	2,390,627	2,390,627	-	(753,805)	(753,805)
Net income/(expenditure) and movement in funds		<u>(38,949)</u>	<u>2,301,805</u>	<u>2,262,856</u>	<u>345,565</u>	<u>(842,501)</u>	<u>(496,936)</u>
Reconciliation of funds:							
Fund balances at 6 April 2023		<u>(41,640)</u>	<u>42,279,772</u>	<u>42,238,132</u>	<u>(387,205)</u>	<u>43,122,273</u>	<u>42,735,068</u>
Fund balances at 5 April 2024		<u>(80,589)</u>	<u>44,581,577</u>	<u>44,500,988</u>	<u>(41,640)</u>	<u>42,279,772</u>	<u>42,238,132</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

LORD LEVERHULME'S CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investments	11		44,806,835		42,150,920
Current assets					
Debtors	12	98,597		93,309	
Cash at bank and in hand		164,297		318,555	
			262,894		411,864
Creditors: amounts falling due within one year	13	(333,741)		(288,152)	
Net current (liabilities)/assets			(70,847)		123,712
Total assets less current liabilities			44,735,988		42,274,632
Creditors: amounts falling due after more than one year	14		(235,000)		(36,500)
Net assets			44,500,988		42,238,132
Capital funds					
Expendable endowment fund	16		44,581,577		42,279,772
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	480,303		408,484	
General unrestricted funds		(560,892)		(450,124)	
			(80,589)		(41,640)
			44,500,988		42,238,132

The financial statements were approved by the Trustees on 16 October 2024


Sir Algernon Heber-Percy
Trustee


A H S Hannay
Trustee


A H M Wilson
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(973,482)		(919,211)
Investing activities					
Purchase of investments		(8,213,509)		(10,046,803)	
Proceeds from disposal of investments		7,948,221		10,129,906	
Investment income received		1,084,512		908,325	
Net cash generated from investing activities			819,224		991,428
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(154,258)		72,217
Cash and cash equivalents at beginning of year			318,555		246,338
Cash and cash equivalents at end of year			164,297		318,555

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

Charity information

Lord Leverhulme's Charitable Trust is a registered charitable trust in the United Kingdom. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 1.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deeds, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Based on the terms of the original donation to the trust by Lord Leverhulme, the trustees consider that this and subsequent donations should be accounted for as an expendable endowment. The fund also includes realised and unrealised gains and losses arising from the investment assets that comprise this fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes including, shares, securities and deposit funds. It includes dividends and interest and is included when the amounts can be measured reliably. Interest income is recognised using the effective interest method, and dividend income is recognised when the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds principally relates to Investment Managers' fees.
- Expenditure on charitable activities principally includes grants made to charitable organisations.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity and include a share of the principal office costs.

The analysis of these costs is included in note 6.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised as 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees, irrespective of the date on which the grants are payable.

1.9 Taxation

The trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

2 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	1,076,436	925,249
Interest receivable	13,364	10,567
	<u>1,089,800</u>	<u>935,816</u>

3 Raising funds

	Unrestricted funds 2024 £	Expendable endowment 2024 £	Total 2024 £	Unrestricted funds 2023 £	Expendable endowment 2023 £	Total 2023 £
Investment Managers' fees	44,411	88,822	133,233	44,348	88,696	133,044
	<u>44,411</u>	<u>88,822</u>	<u>133,233</u>	<u>44,348</u>	<u>88,696</u>	<u>133,044</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

4 Charitable activities

	2024	2023
	£	£
Grants payable (see note 5)	1,064,424	525,224
Share of support costs (see note 6)	11,970	13,050
Share of governance costs (see note 6)	7,944	7,629
	<u>1,084,338</u>	<u>545,903</u>

5 Grants payable

	2024	Number of
	£	Grants
Grants paid of £20,000 or more during the year:		
Bolton School	130,000	1
Clonter Opera	20,000	1
Guards of Chapel	20,000	1
Historic England Foundation	20,000	1
Institute of Pyschiatry	20,000	1
National Museum Lady Lever	90,000	1
Liverpool Heart & Chest Hospital	20,000	1
Liverpool School of Tropical Medicine	35,000	1
Princes Youth Trust	50,000	1
Royal College of Physicians	27,500	1
Royal Hospital Chelsea	50,000	1
Royal College of Surgeons	50,000	1
Royal Hospital Chelse	25,000	1
Together Liverpool	21,300	1
	<u>578,800</u>	<u>14</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

8 Trustees

Travel expenses amounting to £1,223 (2023: £250) were reimbursed travel expenses to one (2023: 1) trustees during the year.

There were no employees during either year and none of the trustees received any remuneration during either year.

The charity made a grant award of 2024: £nil (2023: £25,000) to the Royal National Lifeboat Institute (RNLI). Anthony Hannay, one of the trustees is a Vice President of the RNLI. The grant award was subject to the same conditions and approval process as other grants made during the year.

9 Net gains/(losses) on investments

	Expendable endowment 2024 £	Expendable endowment 2023 £
Revaluation of investments	2,354,948	(411,611)
Gain/(loss) on sale of investments	35,679	(342,194)
	<u>2,390,627</u>	<u>(753,805)</u>

10 Taxation

The trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

11 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2023	40,515,614	1,635,306	42,150,920
Additions	8,213,509	-	8,213,509
Valuation changes	2,354,948	-	2,354,948
Movement in cash	-	(276,700)	(276,700)
Disposals	(7,635,842)	-	(7,635,842)
	<u>43,448,229</u>	<u>1,358,606</u>	<u>44,806,835</u>
Carrying amount			
At 05 April 2024	<u>43,448,229</u>	<u>1,358,606</u>	<u>44,806,835</u>
At 05 April 2023	<u>40,515,614</u>	<u>1,635,306</u>	<u>42,150,920</u>

	2024	2023
	£	£
Investments at fair value comprise:		
UK equities, unit trusts and treasury stock	21,445,657	20,760,306
Overseas equities and unit trusts	22,002,572	19,755,308
Cash held by Investment Managers	1,358,606	1,635,306
	<u>44,806,835</u>	<u>42,150,920</u>

The investments are listed on the United Kingdom Stock Exchange and are stated at mid-market value.

The total cost of managing the portfolio including third-party fund fees and brokerage fees was £365,683 (2023: £389,425),

12 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Other debtors	<u>98,597</u>	<u>93,309</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other creditors	4,439	4,439
Grants payable	283,500	238,907
Accruals and deferred income	45,802	44,806
	<u>333,741</u>	<u>288,152</u>

14 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Grants payable	<u>235,000</u>	<u>36,500</u>

15 Reconciliation of grant commitments

	2024	2023
	£	£
Commitments at 6 April 2023	(275,407)	(519,949)
Grants paid out during the year	821,331	769,766
	<u>545,924</u>	<u>249,817</u>
Commitments at 5 April 2024	518,500	275,407
	<u>1,064,424</u>	<u>525,224</u>

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 6 April 2023	Resources expended	Gains and losses	At 5 April 2024
	£	£	£	£
Expendable endowments	<u>42,279,772</u>	<u>(88,822)</u>	<u>2,390,627</u>	<u>44,581,577</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

16 Endowment funds (Continued)

Previous year:	At 6 April 2022	Resources expended	Gains and losses	At 5 April 2023
	£	£	£	£
Expendable endowments	43,122,273	(88,696)	(753,805)	42,279,772

Expendable endowment

The expendable endowment fund comprises the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund, less transfers to the unrestricted fund.

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 6 April 2023	Incoming resources	Resources expended	Transfers	At 5 April 2024
	£	£	£	£	£
Special reserve fund	408,484	21,819	-	50,000	480,303
General funds	(450,124)	1,067,981	(1,128,749)	(50,000)	(560,892)
	<u>(41,640)</u>	<u>1,089,800</u>	<u>(1,128,749)</u>	<u>-</u>	<u>(80,589)</u>

Previous year:	At 6 April 2022	Incoming resources	Resources expended	Transfers	At 5 April 2023
	£	£	£	£	£
Special reserve fund	350,334	8,150	-	50,000	408,484
General funds	(737,539)	927,666	(590,251)	(50,000)	(450,124)
	<u>(387,205)</u>	<u>935,816</u>	<u>590,251</u>	<u>-</u>	<u>(41,640)</u>

Special reserve fund

The trustees set up a designated fund on 1st September 2004 to build up a reserve out of which large donations could be made in the future.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

18 Analysis of net assets between funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 5 April 2024:			
Investments	225,258	44,581,577	44,806,835
Current assets/(liabilities)	(70,847)	-	(70,847)
Long term liabilities	(235,000)	-	(235,000)
	<u>(80,589)</u>	<u>44,581,577</u>	<u>44,500,988</u>
	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 5 April 2023:			
Investments	-	42,150,920	42,150,920
Current assets/(liabilities)	(5,140)	128,852	123,712
Long term liabilities	(36,500)	-	(36,500)
	<u>(41,640)</u>	<u>42,279,772</u>	<u>42,238,132</u>

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

There were no capital commitments at 5th April 2024 or 5th April 2023.

20 Contingent liabilities

The trustees, from time to time, make awards to applicants that are contingent on the applicant meeting certain conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

21 Cash generated from operations	2024	2023
	£	£
Surplus/(deficit) for the year	2,262,856	(496,936)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,089,800)	(935,816)
(Gain)/loss on disposal of investments	(35,679)	342,194
Fair value gains and losses on investments	(2,354,948)	411,611
Movements in working capital:		
Increase/(decrease) in creditors	244,089	(240,264)
Cash absorbed by operations	<u>(973,482)</u>	<u>(919,211)</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.

LORD LEVERHULME'S CHARITABLE TRUST

England & Wales - Charity number 212431

Accounts

LORD LEVERHULME'S CHARITABLE TRUST

ANNUAL REPORT AND ACCOUNTS

for the year ended

5 April 2023



CHARITY NUMBER: 212431

LORD LEVERHULME'S CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sir Algernon Heber-Percy A H S Hannay A H M Wilson
Administrator	Lynne Loxley
Email address	llctadmin@leverhulme.net
Charity number	212431
Principal address	Estate Office Thornton Hough Wirral Merseyside CH63 1JD
Auditor	Mitchell Charlesworth (Audit) Limited 3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Investment Managers	Schroder & Co Limited 1 London Wall Place London EC2Y 5AU

LORD LEVERHULME'S CHARITABLE TRUST

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LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The trustees present their annual report together with the audited financial statements for the year ended 5 April 2023.

Writing last year, the trustees noted that the impacts of measures taken in the fight against the covid-19 pandemic, the war in eastern Europe and political events in the UK were then leading to levels of uncertainty and anxiety not seen in recent history. The outlook in the autumn of 2023 looks no less uncertain even as there is hope for a fall in the rate of inflation.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Reference and administrative details of the charity, its trustees and advisors

The information with respect to trustees, officers and advisors is set out at the front of this document and forms part of this report.

Objectives and activities

The object of the charity, as stated in its governing documents, is to support any charitable organisation or purpose.

Grant applications are received from many sources and are reviewed by the trustees, who decide whether or not to support those which are of charitable purpose, on the merits of each application, and in the light, where applicable, of the settlor's letter of wishes.

Priority is given, pursuant to that letter, to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Others who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so. An increased handful of charities have heeded this warning and telephoned the administrator or otherwise enquired but the continued volume of applications from charities which plainly neither meet the stated criteria nor operate within the geographical area suggests that many applicants do not concern themselves with their target's policies. Generally, the trustees do not acknowledge receipt of applications or notify unsuccessful applicants in order to minimise management expense.

The trustees are pleased to have supported a wide cross-section of the voluntary sector including, wherever possible, charities in which the settlor's family have interested themselves.

A list of significant grants paid is set out in note 5 of the accounts.

Public benefit

The test of Public Benefit applied by the Charity Commission continues to create little practical difficulty for the trustees because grants other than to registered charities are rare. The trustees have resolved that:

- The trustees consider themselves entitled to assume that every registered charity passes the Public Benefit test and will, therefore, record no reason for gifts to any such charity.
- The trustees will generally make the same assumption in relation to charities exempt from registration but recognise that enquiries may need to be made and reasons recorded for grants made to any such charity from time to time.
- The trustees will consider the Public Benefit test in relation to any other grant and make enquiries and record their reasons for making grants in all other cases.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

The Statement of Financial Activities for the year is set out on page 13 of the financial statements.

A summary of the financial results and the work of the charity is set out below.

During the year the trust made grants amounting to £525,224 (2022 £341,049) to various registered charitable organisations. The trust is now committed, either legally or constructively, to grants totaling £275,407 (2022 £519,949) in later years. The liabilities in connection with these grants are fully reflected in the accounts as creditors. The trustees are pleased to report that grants paid in the year totalled £769,766 (2022 £800,100). Also, from time to time, the trustees, make awards to applicants that are contingent on the applicant meeting one or more conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

Investment powers are governed by the Trust Deed which permits the funds to be invested in the manner shown in note 9 to the financial statements. The trustees intend that the real value of the charity's investments be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed income stocks and cash. In order to meet these objectives, the trustees have appointed an Investment Manager as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the manager states that they should select a balanced investment return from income and capital, with moderate risk and appropriate diversification. The proportions invested in equities, fixed income stocks and cash are reviewed with the Investment Manager from time to time to provide guidance on the ongoing suitability of that element of the investment policy.

The Investment Manager's benchmark aims to achieve an annualised real total return of 3.5% over CPI measured over a rolling five year period. As will appear below, with comment, the target has been missed by a significant margin.

At 5 April 2023, the value of the charity's assets under management was £42,244,229 (2022 £43,053,646). This includes cash of £408,516 in the Special Reserve account (2022 £350,334) and a significant shareholding in Unilever, valued at £6.5m (2022 £5.3m) or 15.3% (2022 12.4%) of the total.

Including Unilever, the charity's asset allocation on a 'look through' basis can be broken down as follows:

	%
Equities	70.8
Bonds	11.6
Multi-Asset funds	0.0
Hedge funds	2.0
Private equity funds	0.0
Property	0.7
Commodities (Gold)	5.3
Structured products	1.1
Insurance and 'Alternatives' funds	3.7
Cash	4.9
	100.0

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Excluding Unilever and cash in the Special Reserve account, the asset allocation on a 'look through' basis is as follows:

	%
Equities	66.2
Bonds	13.8
Multi-Asset funds	0.0
Hedge funds	2.4
Private equity funds	0.0
Property	0.9
Commodities	6.3
Structured products	1.3
Insurance and 'Alternatives' funds	4.4
Cash	4.7
	100.0

After a strong 2021, the story of 2022 was largely one of decelerating economic activity with bond and equity markets undergoing an almost unprecedented tightening of financial conditions as central banks looked to control inflation. As one would expect, this has resulted in elevated volatility with significant dispersion between regions and sectors.

Key events in the UK were the revolving doors at No's 10 and 11 Downing Street. The fiscal package announced in September 2022 was poorly received by many, and bond markets in particular, sending Sterling to an all-time low versus the US dollar. Following the arrival of the present incumbent at No.11 and implementation of his policies, stock markets recovered some of the ground lost in Q3 to round off a tumultuous year with gains in the fourth quarter.

Boosted by China's relaxation of its zero-Covid policy, Asian shares rose while European equities also advanced strongly. Positive returns were seen across a range of sectors, particularly economically sensitive areas such as energy, financials, industrials, and consumer discretionary. More defensive parts of the market, such as consumer staples, lagged the wider market's advance.

Finally, the collapse of Silicon Valley Bank (SVB), followed shortly by further financial sector disruption in Europe, caused stocks to dip sharply in March 2023 before recovering to finish the quarter higher.

Over the year, the charity's portfolio returned **0.1%**. There was contribution from the exposure to Japan, which has seen a favourable shift in corporate governance along with supportive economic conditions and so remains a region in which the Investment Managers have conviction. Unilever was a strong contributor to performance, giving a total return of 25.9% over the period seeing strong sales growth due to its ability to pass on cost inflation to the consumer.

The portfolio return over 5 years has fallen behind the long-term inflation benchmark (see table below). This reflects more muted returns from markets over 2022 as well as the high levels of inflation. Inflation is expected to moderate over the course of the next year; the Investment Managers advising that they expect CPI to finish calendar year 2023 at 7.3% before falling further to 3.1% in 2024. Thus, they regard CPI plus 3.5% as an appropriate long-term target.

The dividend income from the whole portfolio is just over £900,000: a yield of 2.3%.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Table 1

Total Return to 05/04/2023

	1 year %	3 year %	5 year %
LLCT	0.1	29.7	25.1
FTSE 100	4.5	57.3	28.9
FTSE All Stocks (Gilts)	-15.4	-24.7	-12.9
CPI	10.1	18.6	22.7
CPI+3.5%	13.9	31.5	45.8

In the world of investment, it is myopic to examine a single year. The last two years on which we have reported have been challenging for well-known reasons, set out in this and the prior year's reports and beyond the trustees' or the Investment Managers' control and the benchmark target has been missed. Political uncertainty in the UK over the next 15 months or so will doubtless cause further volatility. The substantial holding of Unilever is, as ever, carefully monitored and it is good to note that the headwinds which had affected the company at the time of our last report have been overcome. The trustees remain optimistic for the future and are grateful to the Investment Managers for their careful advice.

Sustainable Investment

The charity encourages responsible investment and the trustees regularly review their investment portfolio and, at their meeting on 7th February 2020, decided to include the following statement in this annual report. Individual investments and/or sectors maybe excluded if they are perceived to conflict with the objectives of the charity. The charity has committed to appointing an Investment Manager who is actively employed in applying an Environmental, Social and Governance (ESG) policy which is shown in their website: <https://www.cazenovecapital.com/uk/private-client/>.

Financial review

Plans for future periods

The private nature of the settlor's philanthropy and the fact that grants may be made confidentially to recipients who generally provide good feedback on their own activities lead the trustees to wish to leave their existing plans and policies undisturbed.

Fund structure

Expendable endowment fund

The expendable endowment fund represents the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund.

Unrestricted funds

These represent the general funds of the charity.

Reserves policy

The trustees have more than met their established policy whereby the unrestricted funds which are represented by cash ("the free reserves") held by the Charity should be at least two months' worth of the likely cash required for grants according to a trend over 5 years.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

Sir Algernon Heber-Percy
A H S Hannay
A H M Wilson

The charity is constituted by a Trust Deed dated 20th March 1957 and registered with the Charity Commissioners under charity number 212431.

During the period under review the trustees continued to meet either in person or by telephone on average every 6 to 8 weeks.

The whole of the administration and primary bookkeeping is undertaken by the Leverhulme Estate Office, which procures external accountancy assistance as required.

The trustees select members of the trustee board and once appointed trustees serve indefinitely.

The present trustees had close connections with the settlor during his lifetime and, as such, were and remain totally familiar with the interests and ethos which he wished to support and maintain. The three trustees fully appreciate that that time will come for the appointment of other trustees but are eager to ensure that their colleagues and future successors share the same interest and ethos. The need for suitable induction is both understood and deemed an essential part of carrying policy forward.

The trustees continually review the major strategic, business and operational risks to which the charity is exposed. Systems established to mitigate those risks and procedures continue to be monitored to minimise any potential impact on the charity should any of those risks materialise. Risk management is an ongoing annual process.

Key risks include:

- Internal misappropriation of the charity's funds. This could occur among the trustees themselves or those who assist them in their administration. The trustees regard any misappropriation as a very serious matter both as to viability and reputation of the charity. However, they believe that their hands-on commitment renders this risk a remote one.
- External misappropriation or other loss of the charity's funds. Some risk of loss is ever-present when stock market investments are held. This, even though equally as serious as one committed internally, is considered to be inescapable but balanced firstly by active portfolio management and secondly by the opportunity for gain.
- In any context where many parties are involved, there can also be risk of loss arising from communication and differing practice and understanding. This may arise between the charity and its external advisors. Such loss may be either financial or of opportunity.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

In each of these three situations, the cause may be either mistake or dishonesty. Dishonesty is, bearing in mind the choice of managers and the nominees, deemed highly unlikely. It is considered that the trustees' internal procedures reduce this risk. While the audit procedures will reveal if any such risk had materialised, it cannot, by its retrospective nature, be a safeguard. The trustees take further comfort from their fund manager's internal controls. Mistakes are generally remediable and considered to be low risk both as to probability and consequence.

- The trustees make some grants that are Restricted Funds in the hands of the recipient and a risk exists that recipients will either not incur the expenditure or will apply Restricted Funds for general or other purposes. Such gifts are a minority and the trustees consider that it would not be a good use of charitable funds to establish an "after the event" audit procedure on the recipients.
- With the Investment Managers, Schroder & Co. Limited being a bank, the cash held may be at risk and unprotected by any compensation schemes. The trustees have endeavoured to address this by placing (contractually) a limit on the cash that can be held in this way and by monitoring contractual observance through the audit process. The trustees are pleased to note that checks during the audit process suggest that the system put in place by the Investment Managers is functioning satisfactorily.
- The risk of electronic and other data breaches and of complaints about them and about the manner in which the trustees process data has existed for many years and will continue. Following the adoption and publication in 2019 of the trustees' Privacy Policy (a copy of which may be obtained on written or email application to the charity's administrator at the address shown on page 1), the trustees have entered into a service agreement with the operators of the Leverhulme Estate Office (with whom they enjoy an obvious and natural relationship) under which the operators undertake responsibility for the trustees' data processing. The trustees consider that this agreement further protects both the charity and themselves in relation to these risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 operation.

The trustees are responsible for keeping sufficient 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 and the provisions of the trust deed. 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.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Auditor

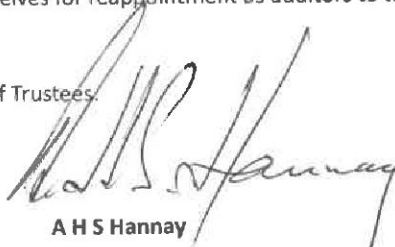
Mitchell Charlesworth (Audit) Limited offer themselves for reappointment as auditors to the charity.

The trustees' report was approved by the Board of Trustees.



Sir Algernon Heber Percy
Trustee

Dated: 23 October 2023



A H S Hannay
Trustee



A H M Wilson
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Opinion

We have audited the financial statements of Lord Leverhulme's Charitable Trust (the 'charity') for the year ended 5 April 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charity, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, and (ii) the charity's accounting policy for revenue and grant recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered whether other laws and regulations exist that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. In this case we do not consider there to be any such laws and regulations.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charity's Statement of Financial Activities, and revenue and grant recognition as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

Mitchell Charlesworth (Audit) Limited

23 October 2023

Accountants

Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:							
Investments	2	935,816	-	935,816	861,364	-	861,364
Expenditure on:							
Raising funds	3	44,348	88,696	133,044	44,560	89,119	133,679
Charitable activities	4	545,903	-	545,903	360,428	-	360,428
Total expenditure		590,251	88,696	678,947	404,988	89,119	494,107
Net gains/(losses) on investments	8	-	(753,805)	(753,805)	-	936,558	936,558
Net movement in funds		345,565	(842,501)	(496,936)	456,376	847,439	1,303,815
Fund balances at 6 April 2022		(387,205)	43,122,273	42,735,068	(843,581)	42,274,834	41,431,253
Fund balances at 5 April 2023		(41,640)	42,279,772	42,238,132	(387,205)	43,122,273	42,735,068

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

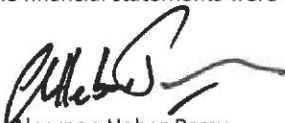
LORD LEVERHULME'S CHARITABLE TRUST

BALANCE SHEET


AS AT 5 APRIL 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	10		42,150,920		42,987,828
Current assets					
Debtors	11	93,309		65,818	
Cash at bank and in hand		318,555		246,338	
		411,864		312,156	
Creditors: amounts falling due within one year	12	(288,152)		(340,291)	
Net current assets/(liabilities)			123,712		(28,135)
Total assets less current liabilities			42,274,632		42,959,693
Creditors: amounts falling due after more than one year	13		(36,500)		(224,625)
Net assets			42,238,132		42,735,068
Capital funds					
Expendable endowment fund	15		42,279,772		43,122,273
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	408,484		350,334	
General unrestricted funds		(450,124)		(737,539)	
			(41,640)		(387,205)
			42,238,132		42,735,068

The financial statements were approved by the Trustees on 23 October 2023


Sir Algernon Heber-Percy
Trustee


A H S Hannay
Trustee


A H M Wilson
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(919,211)		(957,295)
Investing activities					
Purchase of investments		(10,046,803)		(3,331,443)	
Proceeds from disposal of investments		10,129,906		3,638,684	
Investment income received		908,325		803,865	
Net cash generated from investing activities			991,428		1,111,106
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			72,217		153,811
Cash and cash equivalents at beginning of year			246,338		92,527
Cash and cash equivalents at end of year			318,555		246,338

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

Charity information

Lord Leverhulme's Charitable Trust is a registered charitable trust in the United Kingdom. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 1.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deeds, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Based on the terms of the original donation to the trust by Lord Leverhulme, the trustees consider that this and subsequent donations should be accounted for as an expendable endowment. The fund also includes realised and unrealised gains and losses arising from the investment assets that comprise this fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes including, shares, securities and deposit funds. It includes dividends and interest and is included when the amounts can be measured reliably. Interest income is recognised using the effective interest method, and dividend income is recognised when the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds principally relates to Investment Managers' fees.
- Expenditure on charitable activities principally includes grants made to charitable organisations.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity and include a share of the principal office costs.

The analysis of these costs is included in note 6.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised as 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees, irrespective of the date on which the grants are payable.

1.9 Taxation

The trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

2 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	925,249	858,438
Interest receivable	10,567	2,926
	<u>935,816</u>	<u>861,364</u>

3 Raising funds

	Unrestricted funds 2023 £	Expendable endowment 2023 £	Total 2023 £	Unrestricted funds 2022 £	Expendable endowment 2022 £	Total 2022 £
Investment Managers' fees	44,348	88,696	133,044	44,560	89,119	133,679
	<u>44,348</u>	<u>88,696</u>	<u>133,044</u>	<u>44,560</u>	<u>89,119</u>	<u>133,679</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

4 Charitable activities

	2023	2022
	£	£
Grants payable (see note 5)	525,224	341,049
Share of support costs (see note 6)	13,050	11,507
Share of governance costs (see note 6)	7,629	7,872
	<u>545,903</u>	<u>360,428</u>

5 Grants payable

	2023	Number of
	£	Grants
Grants paid of £20,000 or more during the year:		
University of Liverpool	120,000	1
National Gardens Scheme	100,000	1
Royal National Lifeboat Institution	25,000	1
Princes Youth Trust	21,400	1
Bolton School	30,000	1
Chester Cathedral	53,218	1
DEC (for Ukraine)	20,000	1
Lady Lever	25,000	1
Liverpool Heart & Chest Hospital	20,000	1
Liverpool School of Tropical Medicine	35,000	1
Royal College of Surgeons	50,000	1
	<u>499,618</u>	<u>11</u>

	2023	2022
	£	£
Grants to institutions may be categorised as follows:		
Health	98,000	119,500
Community	140,400	120,225
Education	144,824	23,324
Arts	11,000	27,000
Animal welfare	13,000	17,000
Environmental	112,000	3,000
Religious establishments	6,000	31,000
	<u>525,224</u>	<u>341,049</u>

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LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Office management fees	12,800	-	12,800	11,507	-	11,507
Other expenses	250	-	250	-	-	-
Audit fees	-	6,080	6,080	-	5,650	5,650
Accountancy	-	1,549	1,549	-	2,222	2,222
	<u>13,050</u>	<u>7,629</u>	<u>20,679</u>	<u>11,507</u>	<u>7,872</u>	<u>19,379</u>
Analysed between						
Charitable activities	<u>13,050</u>	<u>7,629</u>	<u>20,679</u>	<u>11,507</u>	<u>7,872</u>	<u>19,379</u>

7 Trustees

Travel expenses amounting to £250 (2022: £Nil) were reimbursed to one (2022: no) trustees during the year.

There were no employees during either year and none of the trustees received any remuneration during either year.

The charity made a grant award of £25,000 to the Royal National Lifeboat Institute (RNLI). Anthony Hannay, one of the trustees is a Vice President of the RNLI. The grant award was subject to the same conditions and approval process as other grants made during the year.

8 Net gains/(losses) on investments

	Expendable endowment 2023	Expendable endowment 2022
	£	£
Revaluation of investments	(411,611)	837,841
Gain/(loss) on sale of investments	(342,194)	98,717
	<u>(753,805)</u>	<u>936,558</u>

9 Taxation

The trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

10 Fixed asset investments

	Listed Cash in portfolio investments		Total
	£		£
Cost or valuation			
At 6 April 2022	40,729,582	2,258,246	42,987,828
Additions	10,046,803	-	10,046,803
Valuation changes	(411,611)	-	(411,611)
Movement in cash	-	(622,940)	(622,940)
Disposals	(9,849,160)	-	(9,849,160)
	<u>40,515,614</u>	<u>1,635,306</u>	<u>42,150,920</u>
Carrying amount			
At 05 April 2023	<u>40,515,614</u>	<u>1,635,306</u>	<u>42,150,920</u>
At 05 April 2022	<u>40,729,582</u>	<u>2,258,246</u>	<u>42,987,828</u>

	2023	2022
	£	£
Investments at fair value comprise:		
UK equities, unit trusts and treasury stock	20,760,307	19,417,815
Overseas equities and unit trusts	19,755,308	21,311,767
Cash held by Investment Managers	1,635,306	2,258,246
	<u>42,150,921</u>	<u>42,987,828</u>

The investments are listed on the United Kingdom Stock Exchange and are stated at mid-market value.

The total cost of managing the portfolio including third-party fund fees and brokerage fees was £389,425 (2022: £432,929),

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	<u>93,309</u>	<u>65,818</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Grants payable	243,346	295,324
Accruals and deferred income	44,806	44,967
	<u>288,152</u>	<u>340,291</u>

13 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Grants payable	36,500	224,625
	<u>36,500</u>	<u>224,625</u>

14 Reconciliation of grant commitments

	2023	2022
	£	£
Commitments at 6 April 2022	(519,949)	(979,000)
Grants paid out during the year	769,766	800,100
	<u>249,817</u>	<u>(178,900)</u>
Commitments at 5 April 2023	275,407	519,949
	<u>525,224</u>	<u>341,049</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

15 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

Balance at 6 April 2021	Resources expended	Revaluations gains and losses	Balance at 6 April 2022	Resources expended	Revaluations gains and losses	Balance at 5 April 2023
£	£	£	£	£	£	£
42,274,834	(89,119)	936,558	43,122,273	(88,696)	(753,805)	42,279,772
42,274,834	(89,119)	936,558	43,122,273	(88,696)	(753,805)	42,279,772

Expendable endowment

The expendable endowment fund comprises the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund, less transfers to the unrestricted fund.

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			Balance at 5 April 2023
	Balance at 6 April 2021	Incoming resources	Transfers	Balance at 6 April 2022	Incoming resources	Transfers	
	£	£	£	£	£	£	£
Special reserve fund	525,010	324	(175,000)	350,334	8,150	50,000	408,484
	525,010	324	(175,000)	350,334	8,150	50,000	408,484

Special reserve fund

The trustees set up a designated fund on 1st September 2004 to build up a reserve out of which large donations could be made in the future.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

17 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 5 April 2023 are represented by:						
Investments	-	42,150,920	42,150,920	-	42,987,828	42,987,828
Current assets/(liabilities)	(5,140)	128,852	123,712	(162,580)	134,445	(28,135)
Long term liabilities	(36,500)	-	(36,500)	(224,625)	-	(224,625)
	<u>(41,640)</u>	<u>42,279,772</u>	<u>42,238,132</u>	<u>(387,205)</u>	<u>43,122,273</u>	<u>42,735,068</u>

18 Capital commitments

There were no capital commitments at 5th April 2023 or 5th April 2022.

19 Contingent liabilities

The trustees, from time to time, make awards to applicants that are contingent on the applicant meeting certain conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

20 Cash generated from operations

	2023	2022
	£	£
(Deficit)/surplus for the year	(496,936)	1,303,815
Adjustments for:		
Investment income recognised in statement of financial activities	(935,816)	(861,364)
Loss/(gain) on disposal of investments	342,194	(98,717)
Fair value gains and losses on investments	411,611	(837,841)
Movements in working capital:		
(Decrease) in creditors	(240,264)	(463,188)
Cash absorbed by operations	<u>(919,211)</u>	<u>(957,295)</u>

21 Analysis of changes in net funds

The charity had no debt during the year.

LORD LEVERHULME'S CHARITABLE TRUST

England & Wales - Charity number 212431

Accounts

LORD LEVERHULME'S CHARITABLE TRUST

ANNUAL REPORT AND ACCOUNTS

for the year ended

5 April 2022



CHARITY NUMBER: 212431

LORD LEVERHULME'S CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sir Algernon Heber-Percy A H S Hannay A H M Wilson
Administrator	Lynne Loxley
Email address	llctadmin@leverhulme.net
Charity number	212431
Principal address	Estate Office Thornton Hough Wirral Merseyside CH63 1JD
Auditor	Mitchell Charlesworth (Audit) Limited 3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Investment managers	Schroder & Co Limited 1 London Wall Place London EC2Y 5AU

LORD LEVERHULME'S CHARITABLE TRUST

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LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The trustees present their annual report together with the audited financial statements for the year ended 5 April 2022.

Writing a year ago, the trustees noted with some relief that the anticipated negative impact of Covid-19 on income and capital values had not then materialised. Writing in the autumn of 2022, the impacts of measures taken in the fight against the pandemic, war in eastern Europe and political events in the UK all now lead back to levels of uncertainty and anxiety not seen in recent history.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Reference and administrative details of the charity, its trustees and advisors

The information with respect to trustees, officers and advisors set out on page 1 forms part of this report.

Objectives and activities

The object of the charity, as stated in its governing documents, is to support any charitable organisation or purpose.

Grant applications are received from many sources and are reviewed by the trustees, who decide whether or not to support those which are of charitable purpose, on the merits of each application, and in the light, where applicable, of the settlor's letter of wishes.

Priority is given, pursuant to that letter, to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Others who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so. A handful of charities have heeded this warning and telephoned the administrator but the continued volume of applications from charities which plainly neither meet the stated criteria nor operate within the geographical area suggests that many applicants do not concern themselves with their target's policies. Generally, the trustees do not acknowledge receipt of applications or notify unsuccessful applicants in order to minimise management expense.

The trustees are pleased to have supported a wide cross-section of the voluntary sector including, wherever possible, charities in which the settlor's family have interested themselves.

A list of significant grants paid is set out in note 5 of the accounts.

Public benefit

The test of Public Benefit applied by the Charity Commission continues to create little practical difficulty for the trustees because grants other than to registered charities are rare. The trustees have resolved that:

- The trustees consider themselves entitled to assume that every registered charity passes the Public Benefit test and will, therefore, record no reason for gifts to any such charity.
- The trustees will generally make the same assumption in relation to charities exempt from registration but recognise that enquiries may need to be made and reasons recorded for grants made to any such charity from time to time.
- The trustees will consider the Public Benefit test in relation to any other grant and make enquiries and record their reasons for making grants in all other cases.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

The Statement of Financial Activities for the year is set out on page 10 of the financial statements.

A summary of the financial results and the work of the charity is set out below.

During the year the trust made grants amounting to £341,049 (2021 £287,412) to various registered charitable organisations. The trust is now committed, either legally or constructively, to grants totaling £519,949 (2021 £979,000) in later years. The liabilities in connection with these grants are fully reflected in the accounts as creditors. The trustees are pleased to report that grants paid in the year totalled £812,992 (2021 £687,912). Also, from time to time, the trustees, make awards to applicants that are contingent on the applicant meeting one or more conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

Investment powers are governed by the Trust Deed which permits the funds to be invested in the manner shown in note 9 to the financial statements. The trustees intend that the real value of the charity's investments be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed income stocks and cash. In order to meet these objectives, the trustees have appointed an Investment Manager as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the manager states that they should select a balanced investment return from income and capital, with moderate risk and appropriate diversification. The proportions invested in equities, fixed income stocks and cash are reviewed with the Investment Manager from time to time to provide guidance on the ongoing suitability of that element of the investment policy.

The Investment Manager's benchmark aims to achieve an annualised real total return of 3.5% over CPI measured over a rolling five year period.

At 5 April 2022, the value of the charity's assets under management was £43,053,646 (2021 £42,366,830). This includes cash of £350,334 in the Special Reserve account (2021 £525,010) and a significant shareholding in Unilever, valued at £5.3m (2021 £6.1m) or 12.4% (2021 14.4%) of the total.

Including Unilever, the charity's asset allocation can be broken down as follows:

	%
Equities	74.1
Bonds	7.6
Multi-Asset funds	0.0
Hedge funds	1.2
Private equity funds	0.0
Property	0.9
Commodities	4.0
Structured products	2.8
Insurance and 'Alternatives' funds	3.7
Cash	5.2
	100.0

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Excluding Unilever and cash in the Special Reserve account, the asset allocation is:

	%
Equities	71.1
Bonds	8.8
Multi-Asset funds	0.0
Hedge funds	1.3
Private equity funds	0.0
Property	1.1
Commodities	4.6
Structured products	3.3
Insurance and 'Alternatives' funds	4.3
Cash	5.1
	100.0

Russia's invasion of Ukraine in late February caused a global shock. In addition to the tragic human implications, there were also impacts on markets, with equities declining and bond yields rising (meaning prices fell). Commodity prices soared given that Russia is a key producer of several important commodities including oil, gas, and wheat. This amplified existing concerns over inflationary pressures, which has forced central banks to raise interest rates quicker than initially anticipated.

Over the year, the charity's portfolio returned 3.9%. Although the portfolio wasn't immune to the volatility in markets, the clear preference for alternatives over bonds continued to be beneficial, with particular contributions from commodities and structured products.

The portfolio return over 5 years is now behind the long-term inflation benchmark (see Table 1 below). This reflects more muted returns from markets over 2022 as well historically high levels of inflation. Inflation is expected to moderate over the course of the next year and CPI plus 3.5% is still considered an appropriate long-term target.

Unilever returned -5.7% over the same period. The company's share price was dented following a failed acquisition of GlaxoSmithKline's consumer healthcare arm.

The dividend income from the whole portfolio is just over £800,000: a yield of 1.9%.

Table 1

Total Return to 05/04/2022	1 Year %	3 Year %	5 Year %
LLCT	3.9	15.9	23.9
<i>FTSE 100</i>	<i>13.8</i>	<i>15.3</i>	<i>26.8</i>
<i>FTSE All Stocks (Gilt)</i>	<i>-5.7</i>	<i>-0.5</i>	<i>2.3</i>
<i>CPI</i>	<i>7</i>	<i>9.4</i>	<i>14.3</i>
<i>CPI+3.5%</i>	<i>10.8</i>	<i>21.3</i>	<i>35.7</i>

While to drop below the benchmark in any year is a disappointment, the trustees recognise that neither the charity nor the Investment Manager can be immune from and so are inevitably affected by storms occurring globally. It is unfortunate that these storms have arisen in the same year that their interest in Unilever – held for sound investment as well as historic reasons – has also met with severe headwinds. In this situation, the trustees remain satisfied with the portfolio's performance and are pleased to record their thanks to the Investment Manager.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Sustainable Investment

The charity encourages responsible investment and the trustees regularly review their investment portfolio and, at their meeting on 7th February 2020, decided to include the following statement in this annual report. Individual investments and/or sectors may be excluded if they are perceived to conflict with the objectives of the charity. The charity has committed to appointing an investment manager who is actively employed in applying an Environmental, Social and Governance (ESG) policy which is shown in their website: <https://www.cazenovecapital.com/uk/private-client/>.

Financial review

Plans for future periods

The private nature of the settlor's philanthropy and the fact that grants may be made confidentially to recipients who generally provide good feedback on their own activities lead the trustees to wish to leave their existing plans and policies undisturbed.

Fund structure

Expendable endowment fund

The expendable endowment fund represents the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund.

Unrestricted funds

These represent the general funds of the charity.

Reserves policy

Despite the historically low interest rates, the trustees have more than met their established policy whereby the unrestricted funds which are represented by cash ("the free reserves") held by the Charity should be at least two months' worth of the likely cash required for grants according to a trend over 5 years. Consequent on Covid-19, this may prove hard to achieve, but it remains the trustees' aim.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

Sir Algernon Heber-Percy

A H S Hannay

A H M Wilson

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Structure, governance and management (continued)

The charity is constituted by a Trust Deed dated 20th March 1957 and registered with the Charity Commissioners under charity number 212431.

During the period under review the trustees continued to meet either in person or by telephone on average every 6 to 8 weeks.

The whole of the administration and primary bookkeeping is undertaken by the Leverhulme Estate Office, which procures external accountancy assistance as required.

The trustees select members of the trustee board and once appointed trustees serve indefinitely.

The present trustees had close connections with the settlor during his lifetime and, as such, were and remain totally familiar with the interests and ethos which he wished to support and maintain. The three trustees fully appreciate that that time will come for the appointment of other trustees but are eager to ensure that their colleagues and future successors share the same interest and ethos. The need for suitable induction is both understood and deemed an essential part of carrying policy forward.

The trustees continually review the major strategic, business and operational risks to which the charity is exposed. Systems established to mitigate those risks and procedures continue to be monitored to minimise any potential impact on the charity should any of those risks materialise. Risk management is an ongoing annual process.

Key risks include:

- Internal misappropriation of the charity's funds. This could occur among the trustees themselves or those who assist them in their administration. The trustees regard any misappropriation as a very serious matter both as to viability and reputation of the charity. However, they believe that their hands-on commitment renders this risk a remote one.
- External misappropriation or other loss of the charity's funds. Some risk of loss is ever-present when stock market investments are held. This, even though equally as serious as one committed internally, is considered to be inescapable but balanced firstly by active portfolio management and secondly by the opportunity for gain.
- In any context where many parties are involved, there can also be risk of loss arising from communication and differing practice and understanding. This may arise between the charity and its external advisors. Such loss may be either financial or of opportunity.

In each of these three situations, the cause may be either mistake or dishonesty. Dishonesty is, bearing in mind the choice of managers and the nominees, deemed highly unlikely. It is considered that the trustees' internal procedures reduce this risk. While the audit procedures will reveal if any such risk had materialised, it cannot, by its retrospective nature, be a safeguard. The trustees take further comfort from their fund manager's internal controls. Mistakes are generally remediable and considered to be low risk both as to probability and consequence.

- The trustees make some grants that are Restricted Funds in the hands of the recipient and a risk exists that recipients will either not incur the expenditure or will apply Restricted Funds for general or other purposes. Such gifts are a minority and the trustees consider that it would not be a good use of charitable funds to establish an "after the event" audit procedure on the recipients.
- With the Investment Managers, Schroder & Co. Limited being a bank, the cash held may be at risk and unprotected by any compensation schemes. The trustees have endeavored to address this by placing (contractually) a limit on the cash that can be held in this way and by monitoring contractual observance through the audit process. The trustees are pleased to note that checks during the audit process suggest that the system put in place by the Investment Managers is functioning satisfactorily.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

- The risk of electronic and other data breaches and of complaints about them and about the manner in which the trustees process data has existed for many years and will continue. Following the adoption and publication in 2019 of the trustees' Privacy Policy (a copy of which may be obtained on written or email application to the charity's administrator at the address shown on page 1), the trustees have entered into a service agreement with the operators of the Leverhulme Estate Office (with whom they enjoy an obvious and natural relationship) under which the operators undertake responsibility for the trustees' data processing. The trustees consider that this agreement further protects both the charity and themselves in relation to these risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 operation.

The trustees are responsible for keeping sufficient 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 and the provisions of the trust deed. 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.

Auditor


Following the transfer of the business of Mitchell Charlesworth LLP on 15 June 2022, Mitchell Charlesworth (Audit) Limited offer themselves for reappointment as auditor of the charity.

The trustees' report was approved by the Board of Trustees.



Sir Algernon Heber-Percy
Trustee

Dated: 28 October 2022



A H S Hannay
Trustee



A H M Wilson
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Opinion

We have audited the financial statements of Lord Leverhulme's Charitable Trust (the 'charity') for the year ended 5 April 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charity, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, and (ii) the charity's accounting policy for revenue and grant recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered whether other laws and regulations exist that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. In this case we do not consider there to be any such laws and regulations.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charity's Statement of Financial Activities, and revenue and grant recognition as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited.

Mitchell Charlesworth (Audit) Limited

28 October 2022

Accountants

Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2022

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income from:							
Investments	2	861,364	-	861,364	587,106	-	587,106
Expenditure on:							
Raising funds	3	44,560	89,119	133,679	43,903	87,806	131,709
Charitable activities	4	360,428	-	360,428	305,339	-	305,339
Total expenditure		404,988	89,119	494,107	349,242	87,806	437,048
Net gains/(losses) on investments	8	-	936,558	936,558	-	8,042,753	8,042,753
Net movement in funds		456,376	847,439	1,303,815	237,864	7,954,947	8,192,811
Fund balances at 6 April 2021		(843,581)	42,274,834	41,431,253	(1,081,445)	34,319,887	33,238,442
Fund balances at 5 April 2022		(387,205)	43,122,273	42,735,068	(843,581)	42,274,834	41,431,253

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LORD LEVERHULME'S CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments	10		42,987,828		42,358,511
Current assets					
Debtors	12	65,818		8,319	
Cash at bank and in hand		246,338		92,527	
			312,156		100,846
Creditors: amounts falling due within one year	13	(340,291)		(375,604)	
Net current liabilities			(28,135)		(274,758)
Total assets less current liabilities			42,959,693		42,083,753
Creditors: amounts falling due after more than one year	14		(224,625)		(652,500)
Net assets			42,735,068		41,431,253
Capital funds					
Expendable endowment fund	16		43,122,273		42,274,834
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	350,334		525,010	
General unrestricted funds		(737,539)		(1,368,591)	
			(387,205)		(843,581)
			42,735,068		41,431,253

The financial statements were approved by the Trustees on 28 October 2022


Sir Algernon Heber-Percy
Trustee


A H S Hannay
Trustee


A H M Wilson
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	22		(957,295)		(839,788)
Investing activities					
Purchase of investments		(3,331,443)		(22,482,149)	
Proceeds from disposal of investments		3,638,684		22,663,470	
Investment income received		803,865		605,462	
Net cash generated from investing activities			1,111,106		786,783
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			153,811		(53,005)
Cash and cash equivalents at beginning of year			92,527		145,532
Cash and cash equivalents at end of year			246,338		92,527

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

Lord Leverhulme's Charitable Trust is a registered charitable trust in the United Kingdom. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 2.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deeds, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Based on the terms of the original donation to the trust by Lord Leverhulme, the trustees consider that this and subsequent donations should be accounted for as an expendable endowment. The fund also includes realised and unrealised gains and losses arising from the investment assets that comprise this fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes including, shares, securities and deposit funds. It includes dividends and interest and is included when the amounts can be measured reliably. Interest income is recognised using the effective interest method, and dividend income is recognised when the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds principally relates to investment managers fees.
- Expenditure on charitable activities principally includes grants made to charitable organisations.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity and include a share of the principal office costs.

The analysis of these costs is included in note 6.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised as 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees, irrespective of the date on which the grants are payable.

1.9 Taxation

The trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

2 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from listed investments	858,438	585,845
Interest receivable	2,926	1,261
	<u>861,364</u>	<u>587,106</u>

3 Raising funds

	Unrestricted funds 2022 £	Expendable endowment 2022 £	Total 2022 £	Unrestricted funds 2021 £	Expendable endowment 2021 £	Total 2021 £
Investment managers fees	44,560	89,119	133,679	43,903	87,806	131,709
	<u>44,560</u>	<u>89,119</u>	<u>133,679</u>	<u>43,903</u>	<u>87,806</u>	<u>131,709</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

4 Charitable activities

	2022	2021
	£	£
Grants payable (see note 5)	341,049	287,412
Share of support costs (see note 6)	11,507	11,507
Share of governance costs (see note 6)	7,872	6,420
	<u>360,428</u>	<u>305,339</u>

5 Grants payable

	2022	Number of
	£	Grants
Grants paid of £20,000 or more during the year:		
Bolton School	30,000	1
Chester Cathedral	237,875	1
Lady Lever Art Gallery	25,000	1
University of Liverpool	100,000	1
Liverpool Heart and Chest Hospital	20,000	1
Liverpool School of Tropical Medicine	35,000	1
Princes Youth Trust	21,400	1
Rose Paterson Trust	25,000	1
Royal College of Surgeons	100,000	1
Chester & District Federation of the Blind	20,000	1
	<u>614,275</u>	<u>10</u>

	2022	2021
	£	£
Grants to institutions may be categorised as follows:		
Health	119,500	102,750
Community	120,225	96,300
Education	23,324	38,362
Arts	27,000	29,000
Animal welfare	17,000	10,000
Environmental	3,000	-
Religious establishments	31,000	11,000
	<u>341,049</u>	<u>287,412</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

6 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Office management fees	11,507	-	11,507	11,507	-	11,507
Audit fees	-	5,650	5,650	-	4,460	4,460
Accountancy	-	2,222	2,222	-	1,960	1,960
	<u>11,507</u>	<u>7,872</u>	<u>19,379</u>	<u>11,507</u>	<u>6,420</u>	<u>17,927</u>
Analysed between Charitable activities	<u>11,507</u>	<u>7,872</u>	<u>19,379</u>	<u>11,507</u>	<u>6,420</u>	<u>17,927</u>

7 Trustees

Travel expenses amounting to £Nil (2021: £Nil) were reimbursed to no (2021: Nil) trustees during the year.

There were no employees during either year and none of the trustees received any remuneration during either year.

There are no other related party transactions during the current or preceding year.

8 Net gains/(losses) on investments

	Expendable endowment 2022	Expendable endowment 2021
	£	£
Revaluation of investments	837,841	4,667,635
Gain/(loss) on sale of investments	98,717	3,375,118
	<u>936,558</u>	<u>8,042,753</u>

9 Taxation

The trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

10 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 6 April 2021	40,651,075	1,707,436	42,358,511
Additions	3,342,316	-	3,342,316
Valuation changes	826,968	-	826,968
Movement in cash	-	550,810	550,810
Disposals	(4,090,777)	-	(4,090,777)
	<u>40,729,582</u>	<u>2,258,246</u>	<u>42,987,828</u>
At 5 April 2022	<u>40,729,582</u>	<u>2,258,246</u>	<u>42,987,828</u>
Carrying amount			
At 05 April 2022	<u>40,729,582</u>	<u>2,258,246</u>	<u>42,987,828</u>
At 05 April 2021	<u>40,651,075</u>	<u>1,707,436</u>	<u>42,358,511</u>
		2022	2021
		£	£
Investments at fair value comprise:			
UK equities, unit trusts and treasury stock	19,417,815	19,725,358	19,725,358
Overseas equities and unit trusts	21,311,767	20,925,717	20,925,717
Cash held by investment managers	2,258,246	1,707,436	1,707,436
	<u>42,987,828</u>	<u>42,358,511</u>	<u>42,358,511</u>

The investments are listed on the United Kingdom Stock Exchange and are stated at mid-market value.

The total cost of managing the portfolio including third-party fund fees and brokerage fees was £432,929 (2021: £396,370), the fall in costs can mainly be attributed to changes to use of more passive funds as predicted last year.

11 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>40,729,582</u>	<u>40,651,075</u>
12 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	<u>65,818</u>	<u>8,319</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Grants payable	295,324	326,500
Accruals and deferred income	44,967	49,104
	<u>340,291</u>	<u>375,604</u>

14 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Grants payable	224,625	652,500
	<u>224,625</u>	<u>652,500</u>

15 Reconciliation of grant commitments

	2022	2021
	£	£
Commitments at 6 April 2021	(979,000)	(1,379,500)
Grants paid out during the year	812,992	687,912
	<u>(166,008)</u>	<u>(691,588)</u>
Commitments at 5 April 2022	519,949	979,000
	<u>353,941</u>	<u>287,412</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

Balance at 6 April 2020	Resources expended	Revaluations gains and losses	Balance at 6 April 2021	Resources expended	Revaluations gains and losses	Balance at 5 April 2022
£	£	£	£	£	£	£
34,319,888	(86,955)	8,042,753	42,274,834	(89,119)	936,558	43,122,273
<u>34,319,888</u>	<u>(86,955)</u>	<u>8,042,753</u>	<u>42,274,834</u>	<u>(89,119)</u>	<u>936,558</u>	<u>43,122,273</u>

Expendable endowment

The expendable endowment fund comprises the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund, less transfers to the unrestricted fund.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 6 April 2020	Transfers	Balance at 6 April 2021	Movement in funds		Balance at 5 April 2022
				Incoming resources	Transfers	
	£	£	£	£	£	£
Special reserve fund	346,015	178,995	525,010	324	(175,000)	350,334
	<u>346,015</u>	<u>178,995</u>	<u>525,010</u>	<u>324</u>	<u>(175,000)</u>	<u>350,334</u>

Special reserve fund

The trustees set up a designated fund on 1st September 2004 to build up a reserve out of which large donations could be made in the future.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

18 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 5 April 2022 are represented by:						
Investments	-	42,987,828	42,987,828	83,677	42,274,834	42,358,511
Current assets/(liabilities)	(162,580)	134,445	(28,135)	(274,758)	-	(274,758)
Long term liabilities	(224,625)	-	(224,625)	(652,500)	-	(652,500)
	<u>(387,205)</u>	<u>43,122,273</u>	<u>42,735,068</u>	<u>(843,581)</u>	<u>42,274,834</u>	<u>41,431,253</u>

19 Capital commitments

There were no capital commitments at 5th April 2022 or 5th April 2021.

20 Contingent liabilities

The trustees, from time to time, make awards to applicants that are contingent on the applicant meeting certain conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

21 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

22 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	1,303,815	8,192,811
Adjustments for:		
Investment income recognised in statement of financial activities	(861,364)	(587,106)
Gain on disposal of investments	(98,717)	(3,375,118)
Fair value gains and losses on investments	(837,841)	(4,667,635)
Movements in working capital:		
(Decrease) in creditors	(463,188)	(402,740)
Cash absorbed by operations	<u>(957,295)</u>	<u>(839,788)</u>

23 Analysis of changes in net funds

The charity had no debt during the year.

LORD LEVERHULME'S CHARITABLE TRUST

England & Wales - Charity number 212431

Accounts

LORD LEVERHULME'S CHARITABLE TRUST

ANNUAL REPORT AND ACCOUNTS

for the year ended

5 April 2021



CHARITY NUMBER: 212431

LORD LEVERHULME'S CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sir Algernon Heber-Pecy A H S Hannay A H M Wilson
Administrator	Lynne Loxley
Email address	llctadmin@leverhulme.net
Charity number	212431
Principal address	Estate Office Thornton Hough Wirral Merseyside CH63 1JD
Auditor	Mitchell Charlesworth LLP 3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Investment managers	Schroder & Co Limited T/A Cazenove Capital Management 12 Moorgate London EC2R 6DA

LORD LEVERHULME'S CHARITABLE TRUST

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LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their annual report together with the audited financial statements for the year ended 5 April 2021.

Writing a year ago, the trustees expressed some anxiety, due to Covid-19, about the state of the world and the negative impact of the virus on capital values and income. Plainly, this autumn, the world, as a whole, is by no means over the virus but the trustees note with relief that the anticipated negative impact has not materialised.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Reference and administrative details of the charity, its trustees and advisors

The information with respect to trustees, officers and advisors set out on page 1 forms part of this report.

Objectives and activities

The object of the charity, as stated in its governing documents, is to support any charitable organisation or purpose.

Grant applications are received from many sources and are reviewed by the trustees, who decide whether or not to support those which are of charitable purpose, on the merits of each application, and in the light, where applicable, of the settlor's letter of wishes.

Priority is given, pursuant to that letter, to applications from Cheshire, Merseyside and South Lancashire and the charities supported by the settlor in his lifetime. Others who do not meet those criteria should not apply without prior invitation but should, on a single sheet, state briefly their aims and apply fully only on being asked to do so. A handful of charities have heeded this warning and telephoned the administrator but the continued volume of applications from charities which plainly neither meet the stated criteria nor operate within the geographical area suggests that many applicants do not concern themselves with their target's policies. Generally, the trustees do not acknowledge receipt of applications or notify unsuccessful applicants in order to minimise management expense.

As in previous years, the trustees have been particularly pleased to continue their giving to charities in which the children and grandchildren of the settlor and other members of the Leverhulme family have themselves chosen to make charitable endeavours. The trustees are also pleased to have supported a wide cross-section of the voluntary sector.

A list of significant grants paid is set out in note 5 of the accounts.

J LEVERHULME'S CHARITABLE TRUST

RUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Public benefit

The test of Public Benefit applied by the Charity Commission continues to create little practical difficulty for the trustees because grants other than to registered charities are rare. The trustees have resolved that:

- The trustees consider themselves entitled to assume that every registered charity passes the Public Benefit test and will, therefore, record no reason for gifts to any such charity.
- The trustees will generally make the same assumption in relation to charities exempt from registration but recognise that enquiries may need to be made and reasons recorded for grants made to any such charity from time to time.
- The trustees will consider the Public Benefit test in relation to any other grant and make enquiries and record their reasons for making grants in all other cases.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

The Statement of Financial Activities for the year is set out on page 10 of the financial statements.

A summary of the financial results and the work of the charity is set out below.

During the year the trust made grants amounting to £287,412 (2020 £1,161,624) to various registered charitable organisations. The trust is now committed, either legally or constructively, to grants totaling £979,000 (2020 £1,379,500) in later years. The liabilities in connection with these grants are fully reflected in the accounts as creditors. The trustees are pleased to report that grants paid in the year totalled £687,912 (2020 £857,124). Also, from time to time, the trustees, make awards to applicants that are contingent on the applicant meeting one or more conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

Investment powers are governed by the Trust Deed which permits the funds to be invested in the manner shown in note 9 to the financial statements. The trustees intend that the real value of the charity's investments be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed income stocks and cash. In order to meet these objectives, the trustees have appointed an Investment Manager as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the manager states that they should select a balanced investment return from income and capital, with moderate risk and appropriate diversification. The proportions invested in equities, fixed income stocks and cash are reviewed with the Investment Manager from time to time to provide guidance on the ongoing suitability of that element of the investment policy.

The Investment Manager's benchmark aims to achieve an annualised real total return of 3.5% over CPI measured over a rolling five year period.

At 5 April 2021, the value of the charity's assets under management at 5th April 2021 was £42,366,88 (2020 £34,497,079). This includes cash of £525,010 in the Special Reserve account (2020 £346,000) and a significant shareholding in Unilever, valued at £6.1m (2020 £6.1m) or 14.4% (2020 17.7%) of the total.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

In October 2020, following a discussion with the investment manager, the charity invested £5m in the Cazenove Responsible Multi-Asset Fund. The intention of the Fund is to have a positive impact on people and the planet by avoiding harm through ESG integration and exclusions, benefiting stakeholders through responsible business activities and contributing to solutions through influence and investing for impact.

During the year, the investment manager invested a proportion of the charity's assets into passive investments to lower the overall cost of managing the portfolio. At the 5 April, 24.6% of the trust's portfolio was held in these type of holdings.

	%
Equities	75.3
Bonds	8.0
Multi-Asset funds	0.2
Hedge funds	1.1
Private equity funds	0.1
Property	0.6
Commodities (Gold)	3.5
Structured products	3.6
Insurance and 'Alternatives' funds	3.1
Cash	4.4
	100.0

Excluding Unilever and cash in the Special Reserve account, the asset allocation is:

	%
Equities	72.2
Bonds	9.5
Multi-Asset funds	0.3
Hedge funds	1.3
Private equity funds	0.1
Property	0.7
Commodities (Gold)	4.2
Structured products	4.2
Insurance and 'Alternatives' funds	3.7
Cash	3.8
	100.0

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Global equities recovered sharply over the course of the year. The initial support came from central banks, who, drawing on the lessons learned during the financial crisis, introduced a range of measures aimed at protecting market liquidity and the flow of credit. Recognising that monetary policy alone would not be able to respond to the economic threat of the pandemic, Governments around the world implemented a range of measures to provide additional support. More recently President Biden confirmed a fiscal stimulus package of \$1.9 trillion, which was followed up with an additional promise of \$2 trillion in infrastructure spending.

Stock markets have continued their positive run into 2021, supported by the mostly successful roll-out of Covid-19 vaccines. Recognising the strength of the economic recovery, markets have recently been led by the lowly-valued economically-sensitive sectors, such as materials, energy and financials.

Within this environment the charity's portfolio performed well, returning **24.7%** against the long-term inflation benchmark of 4.2% over the year (see table)

Unilever returned 3.0% over the same period. Although earnings remain strong, the share price has been relatively muted on the back of more cautious messaging from management.

The dividend income from the whole portfolio is just over £600,000: a yield of 2%.

For this performance, above and beyond the total return benchmark, the trustees are most grateful and wish to record their thanks formally in this report.

Sustainable Investment

The charity encourages responsible investment and the trustees regularly review their investment portfolio and, at their meeting on 7th February 2020, decided to include the following statement in this annual report. Individual investments and/or sectors maybe excluded if they are perceived to conflict with the objectives of the charity. The charity has committed to appointing an investment manager who is actively employed in applying an Environmental, Social and Governance (ESG) policy which is shown in their website: <https://www.cazenovecapital.com/uk/private-client/>.

Financial review

Plans for future periods

The private nature of the settlor's philanthropy and the fact that grants may be made confidentially to recipients who generally provide good feedback on their own activities lead the trustees to wish to leave their existing plans and policies undisturbed.

Fund structure

Expendable endowment fund

The expendable endowment fund represents the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund.

Unrestricted funds

These represent the general funds of the charity.

Reserves policy

Despite the historically low interest rates, the trustees have more than met their established policy whereby the unrestricted funds which are represented by cash ("the free reserves") held by the Charity should be at least two months' worth of the likely cash required for grants according to a trend over 5 years. Consequent on Covid-19, this may prove hard to achieve, but it remains the trustees' aim.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

Sir Algernon Heber-Pecy
A H S Hannay
A H M Wilson

Structure, governance and management (continued)

The charity is constituted by a Trust Deed dated 20th March 1957 and registered with the Charity Commissioners under charity number 212431.

During the period under review the trustees continued to meet either in person or by telephone on average every 6 to 8 weeks.

The whole of the administration and primary bookkeeping is undertaken by the Leverhulme Estate Office, which procures external accountancy assistance as required.

The trustees select members of the trustee board and once appointed trustees serve indefinitely.

The present trustees had close connections with the settlor during his lifetime and, as such, were and remain totally familiar with the interests and ethos which he wished to support and maintain. The three trustees fully appreciate that that time will come for the appointment of other trustees but are eager to ensure that their colleagues and future successors share the same interest and ethos. The need for suitable induction is both understood and deemed an essential part of carrying policy forward.

The trustees continually review the major strategic, business and operational risks to which the charity is exposed. Systems established to mitigate those risks and procedures continue to be monitored to minimise any potential impact on the charity should any of those risks materialise. Risk management is an ongoing annual process.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Key risks include:

- Internal misappropriation of the charity's funds. This could occur among the trustees themselves or those who assist them in their administration. The trustees regard any misappropriation as a very serious matter both as to viability and reputation of the charity. However, they believe that their hands-on commitment renders this risk a remote one.
- External misappropriation or other loss of the charity's funds. Some risk of loss is ever-present when stock market investments are held. This, even though equally as serious as one committed internally, is considered to be inescapable but balanced firstly by active portfolio management and secondly by the opportunity for gain.
- In any context where many parties are involved, there can also be risk of loss arising from communication and differing practice and understanding. This may arise between the charity and its external advisors. Such loss may be either financial or of opportunity.

In each of these three situations, the cause may be either mistake or dishonesty. Dishonesty is, bearing in mind the choice of managers and the nominees, deemed highly unlikely. It is considered that the trustees' internal procedures reduce this risk. While the audit procedures will reveal if any such risk had materialised, it cannot, by its retrospective nature, be a safeguard. The trustees take further comfort from their fund manager's internal controls. Mistakes are generally remediable and considered to be low risk both as to probability and consequence.

- The trustees make some grants that are Restricted Funds in the hands of the recipient and a risk exists that recipients will either not incur the expenditure or will apply Restricted Funds for general or other purposes. Such gifts are a minority and the trustees consider that it would not be a good use of charitable funds to establish an "after the event" audit procedure on the recipients.
- With the Investment Managers, Schroder & Co. Limited being a bank, the cash held may be at risk and unprotected by any compensation schemes. The trustees have endeavored to address this by placing (contractually) a limit on the cash that can be held in this way and by monitoring contractual observance through the audit process. The trustees are pleased to note that checks during the audit process suggest that the system put in place by the Investment Managers is functioning satisfactorily.
- The risk of electronic and other data breaches and of complaints about them and about the manner in which the trustees process data has existed for many years and will continue. Following the adoption and publication in 2019 of the trustees' Privacy Policy (a copy of which may be obtained on written or email application to the charity's administrator at the address shown on page 1), the trustees have entered into a service agreement with the operators of the Leverhulme Estate Office (with whom they enjoy an obvious and natural relationship) under which the operators undertake responsibility for the trustees' data processing. The trustees consider that this agreement further protects both the charity and themselves in relation to these risks.

LORD LEVERHULME'S CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 year.

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

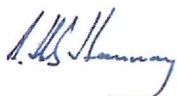
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 operation.

The trustees are responsible for keeping sufficient 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 and the provisions of the trust deed. 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.

Auditor

Mitchell Charlesworth LLP offer themselves for reappointment as auditor of the charity.

The trustees' report was approved by the Board of Trustees.



A H S Hannay

Trustee

Dated: 15 December 2021

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Opinion

We have audited the financial statements of Lord Leverhulme's Charitable Trust (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the charity, control environment and business performance;
- the charity's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charity's Statement of Financial Activities, and (ii) the charity's accounting policy for revenue and grant recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body .

In addition, we considered whether other laws and regulations exist that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. In this case we do not consider there to be any such laws and regulations.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Audit response to risks identified

As a result of performing the above, we identified the presentation of the charity's Statement of Financial Activities, and revenue and grant recognition as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of members of the Board of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LORD LEVERHULME'S CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEVERHULME'S CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Philip Griffiths (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP

15 December 2021

Chartered Accountants
Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Mitchell Charlesworth LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:							
Investments	2	587,106	-	587,106	695,470	-	695,470
Expenditure on:							
Raising funds	3	43,903	87,806	131,709	46,202	92,400	138,602
Charitable activities	4	305,339	-	305,339	1,179,697	-	1,179,697
Total resources expended		349,242	87,806	437,048	1,225,899	92,400	1,318,299
Net gains/(losses) on investments	8	-	8,042,753	8,042,753	-	(4,616,812)	(4,616,812)
Net movement in funds		237,864	7,954,947	8,192,811	(530,429)	(4,709,212)	(5,239,641)
Fund balances at 6 April 2020		(1,081,445)	34,319,887	33,238,442	(551,016)	39,029,100	38,478,084
Fund balances at 5 April 2021		(843,581)	42,274,834	41,431,253	(1,081,445)	34,319,888	33,238,443

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LORD LEVERHULME'S CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investments	10		42,358,511		34,497,079
Current assets					
Debtors	12	8,319		26,675	
Cash at bank and in hand		92,527		145,532	
			100,846		172,207
Creditors: amounts falling due within one year					
	13	(375,604)		(582,843)	
Net current liabilities			(274,758)		(410,636)
Total assets less current liabilities			42,083,753		34,086,443
Creditors: amounts falling due after more than one year					
	14		(652,500)		(848,000)
Net assets			41,431,253		33,238,443
Capital funds					
Expendable endowment fund	16		42,274,834		34,319,888
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	525,010		346,015	
General unrestricted funds		(1,368,591)		(1,427,460)	
			(843,581)		(1,081,445)
			41,431,253		33,238,443

The financial statements were approved by the Trustees on 15 December 2021



A H S Hannay
Trustee

LORD LEVERHULME'S CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	22		(839,788)		(1,000,750)
Investing activities					
Purchase of investments		(22,482,149)		(10,965,684)	
Proceeds on disposal of investments		22,663,470		11,247,512	
Investment income received		605,462		711,409	
Net cash generated from investing activities			786,783		993,237
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(53,005)		(7,513)
Cash and cash equivalents at beginning of year			145,532		153,045
Cash and cash equivalents at end of year			92,527		145,532

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

Lord Leverhulme's Charitable Trust is a registered charitable trust in the United Kingdom. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 2.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deeds, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Based on the terms of the original donation to the trust by Lord Leverhulme, the trustees consider that this and subsequent donations should be accounted for as an expendable endowment. The fund also includes realised and unrealised gains and losses arising from the investment assets that comprise this fund.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes including, shares, securities and deposit funds. It includes dividends and interest and is included when the amounts can be measured reliably. Interest income is recognised using the effective interest method, and dividend income is recognised when the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds principally relates to investment managers fees.
- Expenditure on charitable activities principally includes grants made to charitable organisations.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity and include a share of the principal office costs.

The analysis of these costs is included in note 6.

1.6 Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised as 'net gains/(losses) on investments' in the SOFA if the shares are publically traded or their fair value can otherwise be measured reliably.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Grants payable are accounted for in full as liabilities of the charity when approved by the trustees, irrespective of the date on which the grants are payable.

1.9 Taxation

The trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

2 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	585,845	691,479
Interest receivable	1,261	3,991
	<u>587,106</u>	<u>695,470</u>

3 Raising funds

	Unrestricted funds	Expendable endowment	Total	Unrestricted funds	Expendable endowment	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Investment managers fees	43,903	87,806	131,709	46,202	92,400	138,602
	<u>43,903</u>	<u>87,806</u>	<u>131,709</u>	<u>46,202</u>	<u>92,400</u>	<u>138,602</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

4 Charitable activities

	2021	2020
	£	£
Grants payable (see note 5)	287,412	1,161,624
Share of support costs (see note 6)	11,507	12,143
Share of governance costs (see note 6)	6,420	5,930
	<u>305,339</u>	<u>1,179,697</u>

5 Grants payable

	2021	Number of
	£	Grants
Grants paid of £20,000 or more during the year:		
Bolton School	30,000	2
Helsmdale Primary School	21,538	1
Lady Lever Art Gallery	50,000	1
University of Liverpool	100,000	1
Liverpool Heart and Chest Hospital	20,000	1
Liverpool School of Tropical Medicine	35,000	1
Warrington Youth Club (for Onside Youth Zones)	25,000	1
Royal College of Physicians	50,000	1
Royal College of Surgeons	100,000	2
	<u>431,538</u>	<u>11</u>

	2021	2020
	£	£
Grants to institutions may be categorised as follows:		
Health	102,750	190,574
Community	96,300	101,400
Education	38,362	385,000
Arts	29,000	22,500
Animal welfare	10,000	20,000
Environmental	-	3,150
Religious establishments	11,000	439,000
	<u>287,412</u>	<u>1,161,624</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

6 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Office management fees	11,507	-	11,507	11,507	-	11,507
Other expenses	-	-	-	636	-	636
Audit fees	-	4,460	4,460	-	4,109	4,109
Accountancy	-	1,960	1,960	-	1,821	1,821
	<u>11,507</u>	<u>6,420</u>	<u>17,927</u>	<u>12,143</u>	<u>5,930</u>	<u>18,073</u>
Analysed between Charitable activities	<u>11,507</u>	<u>6,420</u>	<u>17,927</u>	<u>12,143</u>	<u>5,930</u>	<u>18,073</u>

7 Trustees

Travel expenses amounting to £nil (2020: £636) were reimbursed to no (2019: two) trustees during the year.

There were no employees during either year and none of the trustees received any remuneration during either year.

There are no other related party transactions during the current or preceding year.

8 Net gains/(losses) on investments

	Expendable endowment 2021	Expendable endowment 2020
	£	£
Revaluation of investments	4,667,635	(4,167,052)
Gain/(loss) on sale of investments	3,375,118	(449,760)
	<u>8,042,753</u>	<u>(4,616,812)</u>

9 Taxation

The trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

10 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2020	33,429,234	1,067,845	34,497,079
Additions	22,482,149	-	22,482,149
Valuation changes	4,667,635	-	4,667,635
Movement in cash	-	639,591	639,591
Disposals	(19,927,943)	-	(19,927,943)
At 5 April 2021	40,651,075	1,707,436	42,358,511
Carrying amount			
At 05 April 2021	40,651,075	1,707,436	42,358,511
At 05 April 2020	33,429,234	1,067,845	34,497,079
		2021	2020
		£	£
Investments at fair value comprise:			
UK equities, unit trusts and treasury stock		19,725,358	19,000,241
Overseas equities and unit trusts		20,925,717	14,428,993
Cash held by investment managers		1,707,436	1,067,845
		42,358,511	34,497,079

The investments are listed on the United Kingdom Stock Exchange and are stated at mid-market value.

The total cost of managing the portfolio including third-party fund fees and brokerage fees was £396,370 (2020: £510,198), the fall in costs can mainly be attributed to changes to use of more passive funds as predicted last year.

11 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	40,651,075	33,429,234

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

12 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	8,319	26,675
	<u> </u>	<u> </u>
13 Creditors: amounts falling due within one year	2021	2020
	£	£
Grants payable	326,500	531,500
Accruals and deferred income	49,104	51,343
	<u> </u>	<u> </u>
	<u>375,604</u>	<u>582,843</u>
14 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Grants payable	652,500	848,000
	<u> </u>	<u> </u>
15 Reconciliation of grant commitments	2021	2020
	£	£
Commitments at 6 April 2020	(1,379,500)	(1,075,000)
Grants paid out during the year	687,912	857,124
	<u> </u>	<u> </u>
	(691,588)	(217,876)
Commitments at 5 April 2021	979,000	1,379,500
	<u> </u>	<u> </u>
Charge in Statement of Financial Activities (note)	<u>287,412</u>	<u>1,161,624</u>

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds				Movement in funds						
	Balance at 6 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	Balance at 6 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	Balance at 5 April 2021 £
	39,029,100	-	(92,400)	-	(4,616,812)	34,319,888	-	(86,955)	-	8,042,753	42,275,686
DIFFERENCE TO ANALYSE	-				(1)						(852)
	39,029,100	-	(92,400)	-	(4,616,812)	34,319,887	-	(86,955)	-	8,042,753	42,274,834

Expendable endowment

The expendable endowment fund comprises the original donations by Lord Leverhulme and subsequent donations together with the realised and unrealised gains and losses arising from the investment assets that comprise this fund, less transfers to the unrestricted fund.

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 6 April 2019	Transfers	Balance at 6 April 2020	Transfers	Balance at 5 April 2021
	£	£	£	£	£
Special reserve fund	195,052	150,963	346,015	178,995	525,010
	<u>195,052</u>	<u>150,963</u>	<u>346,015</u>	<u>178,995</u>	<u>525,010</u>

Special reserve fund

The trustees set up a designated fund on 1st September 2004 to build up a reserve out of which large donations could be made in the future.

18 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 5 April 2021 are represented by:						
Investments	42,358,511	-	42,358,511	177,191	34,319,888	34,497,079
Current assets/(liabilities)	(274,758)	-	(274,758)	(410,636)	-	(410,636)
Long term liabilities	(652,500)	-	(652,500)	(848,000)	-	(848,000)
	<u>41,431,253</u>	<u>-</u>	<u>41,431,253</u>	<u>(1,081,445)</u>	<u>34,319,888</u>	<u>33,238,443</u>

19 Capital commitments

There were no capital commitments at 5th April 2021 or 5th April 2020.

20 Contingent liabilities

The trustees, from time to time, make awards to applicants that are contingent on the applicant meeting certain conditions. Such awards are not recognised as liabilities until the applicant can demonstrate that the conditions have been met in full.

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

LORD LEVERHULME'S CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

22	Cash generated from operations	2021	2020
		£	£
	Surplus/(deficit) for the year	8,192,811	(5,239,641)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(587,106)	(695,470)
	(Gain)/loss on disposal of investments	(3,375,118)	449,760
	Fair value gains and losses on investments	(4,667,635)	4,167,052
	Movements in working capital:		
	(Decrease)/increase in creditors	(402,740)	317,549
	Cash absorbed by operations	<u>(839,788)</u>	<u>(1,000,750)</u>
23	Analysis of changes in net funds		
	The charity had no debt during the year.		