

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

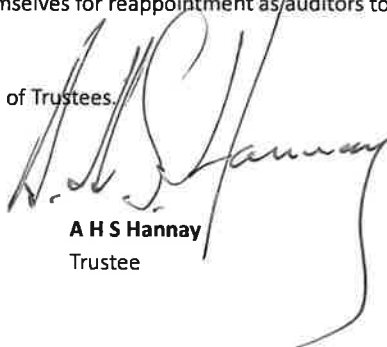
Mitchell Charlesworth (Audit) Limited offer themselves for reappointment as auditors to the charity.

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

		Unrestricted funds 2024	Endowment funds 2024	Total 2024	Unrestricted funds 2023	Endowment funds 2023	Total 2023
	Notes	£	£	£	£	£	£
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

5 Grants payable		(Continued)	
	2024	2023	
	£	£	
Grants to institutions may be categorised as follows:			
Health	499,850	98,000	
Community	151,250	140,400	
Education	142,324	144,824	
Arts	116,000	11,000	
Animal welfare	122,000	13,000	
Environmental	8,000	112,000	
Religious establishments	25,000	6,000	
	<u>1,064,424</u>	<u>525,224</u>	
6 Support costs allocated to activities		2024	2023
		£	£
Office management fees	10,358	12,800	
Other expenses	1,612	250	
Governance costs	7,944	7,629	
	<u>19,914</u>	<u>20,679</u>	
Analysed between:			
Charitable activities	19,914	20,679	
	<u>19,914</u>	<u>20,679</u>	
Governance costs comprise:		2024	2023
		£	£
Audit fees	6,200	6,080	
Accountancy	1,744	1,549	
	<u>7,944</u>	<u>7,629</u>	
7 Net movement in funds		2024	2023
		£	£
The net movement in funds is stated after charging/(crediting):			
Fees payable for the audit of the charity's financial statements	6,200	6,080	
	<u>6,200</u>	<u>6,080</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)
At 5 April 2024	43,448,229	1,358,606	44,806,835
Carrying amount			
At 05 April 2024	43,448,229	1,358,606	44,806,835
At 05 April 2023	40,515,614	1,635,306	42,150,920

	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
	44,806,835	42,150,920

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	98,597	93,309

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	<u>821,331</u>	<u>769,766</u>
	545,924	249,817
Commitments at 5 April 2024	<u>518,500</u>	<u>275,407</u>
Charge in Statement of Financial Activities (note 4)	<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.

