

The William Leech Foundation Limited - The Foundation Trust

Trustee's report and financial statements
for the year ended 31 March 2025

Registered Charity Number: 231673

The William Leech Foundation Limited - The Foundation Trust

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for the year ended 31 March 2025

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Directors and advisors for the year ended 31 March 2025

Trustee

The William Leech Foundation Limited

Directors of the Trustee Company

Andrew Brown OBE FRICS (Chair)

Alice Ambrose-Thurman FCA FCIS (resigned 31 January 2025)

Paul Burrage FCA

Maureen Dixon

Dagmar Dvorak CFA IMC

John Harrison ACA

Simon Harper FCA (appointed 2 September 2025)

Michael Joynson

John Marshall

Philip Poole FCCA (resigned 31 January 2025)

William Seddon CFA (Senior Director)

John Stansfeld CEng FI MarEST MIMechE

Secretary and Registered Office

Marcia Lant FCA AMCT

Bank Chambers

26 Mosley Street

Newcastle upon Tyne

NE1 1DF

Independent Auditors

Azets Audit Services

Chartered accountants and statutory auditors

Bulman House

Regent Centre

Newcastle upon Tyne

NE3 3LS

Bankers

Lloyds Bank plc

15-21 Northumberland Street

Monument Mall

Newcastle upon Tyne

NE1 7AE

Solicitors

Womble Bond Dickinson LLP

The Spark, Draymans Way

Newcastle Helix

Newcastle upon Tyne

NE4 5DE

Investment Managers

Columbia Threadneedle Management Ltd

Exchange House

12 Primrose Street

London, EC2A 2HS

Stewart Investors

Finsbury Circus House

15 Finsbury Circus

London, EC2M 7EB

The William Leech Foundation Limited - The Foundation Trust

Report of the Trustee for the year ended 31 March 2025

As trustee, The William Leech Foundation Limited (“the Trustee” or “the Trustee Company”), a company incorporated in England and Wales, presents its report and audited financial statements of The William Leech Foundation Limited – The Foundation Trust (“The Foundation Trust” or “the Trust”) for the year ended 31 March 2025. The financial statements have been prepared in accordance with the Declaration of Trust, the statement of accounting policies set out on pages 17 to 18, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Structure, governance and management

A Declaration of Trust dated 16 August 1960 (as amended) by The William Leech Foundation Limited established The Foundation Trust for the benefit of The British and Foreign Bible Society, Church Mission Society, The Methodist Church in Britain*, The Salvation Army and The Society for Promoting Christian Knowledge (collectively known as “the Five Charities”). The Trust was created by a gift from the late Sir William Leech of shares in his building company, William Leech (Builders) Limited. In 1976 the building company became a public company with its shares quoted on the London Stock Exchange, and its name was changed to William Leech PLC. Approximately half of the shares held by the Trust were sold at that time as part of the flotation arrangements. In 1985 the remaining shares of William Leech PLC were sold on the takeover of the company by C. H. Beazer (Holdings) PLC.

Under the Declaration of Trust, the income of the Foundation Trust is to be applied in equal shares for the benefit of the Five Charities. The Trust does not actively fundraise but seeks to support the work of the Five Charities as determined in the Trust Deed through the careful stewardship of the endowment fund.

During the financial year ended 31 March 2008 the Trustee reviewed the investment objectives and approved the proposal to manage the endowment fund on a total return basis. This removes the constraint of an income target to allow the investment manager greater flexibility in the choice of investments and to increase the exposure to equities. An application was made to the Charity Commission to allow the use of the total return strategy. On 16 May 2008, the Charity Commission produced a sealed Order agreeing to the change.

The Nominations and Remuneration Committee of the Trustee Company provides a formal, rigorous and transparent procedure for the appointment of directors to the Board. Membership consists of four directors, including the Chair, Senior Director and two other directors. The members should include at least one independent director and at least one director from the five nominated by the Five Charities. The current members are Andrew Brown, Maureen Dixon, William Seddon and John Stansfeld and all served throughout the year. John Stansfeld took over as Chair of the Committee from Andrew Brown in November 2024.

When recruiting, the Nominations and Remuneration Committee seeks to appoint individuals with the necessary skills to make a positive contribution to the Board, who are sympathetic to the Trustee Company’s aims and who can make a positive impact on its diversity

Under the Trustee Company’s current articles of association, directors are appointed for a term of three years after which they retire and are eligible for re-appointment. Directors who have served more than 12 years are eligible for re-appointment for further terms of one year. The Board has expressed a preference that the term of directors is limited to nine years unless there are exceptional circumstances.

**The original beneficiary was the Methodist Missionary Society (‘MMS’). In 2013 the parent body of MMS decided to streamline its operations and as a result MMS was absorbed into The Methodist Church in Britain. The funds remain restricted for mission purposes overseas. The Trust Deed has been amended to reflect the change of beneficiary.*

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Report of the Trustee for the year ended 31 March 2025 (continued)

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

The duties of the Investment Committee are to review the investment objectives, asset allocation, ethical investment policy and the performance of the investment managers. It also makes recommendations to the Board concerning the appointment of the investment managers and the establishment of suitable benchmarks. The Investment Committee normally meets with the investment managers at least once a year. The current members are Andrew Brown, Dagmar Dvorak, John Harrison, Michael Joynson, Marcia Lant and William Seddon. William Seddon took over as Chair from Andrew Brown in November 2024.

The Board of the Trustee Company meets at quarterly intervals at which the directors receive reports from the Investment Committee and the investment managers. In addition, the investment managers make a formal presentation to the Investment Committee each financial year. The Board and Investment Committee consider investment management, reserves, distribution and risk management policies, and the performance of the Investment Manager against a range of measures. The day-to-day administration of the Trust is delegated to the Director of Finance.

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

Directors

Having served for more than 12 years, Andrew Brown was reappointed for a further one-year term of office at the Trustee Company's Annual General Meeting ("AGM") on 27 November 2024 to continue his term of office as Chair. In addition, Philip Poole was reappointed as the Bible Society's nominated director for a further one-year term at the AGM due to the on-going Strategic Review, having already served nine years as a director. Both reappointments were considered to be in the best interests of the Company. Paul Burrage, John Harrison, William Seddon, John Stansfeld, Dagmar Dvorak and Michael Joynson were also reappointed as directors at this AGM.

On 31 January 2025 Alice Ambrose-Thurman resigned to take up a role at Durham Cathedral and Philip Poole resigned due to ill health. Simon Harper was appointed as a director on 2 September 2025. A replacement for Philip is still to be nominated by the Bible Society. All other directors, as named on page 1, served throughout the financial year and up to the date of signing the financial statements. The Board considers that its members have the necessary skills to conduct its business effectively.

Directors' indemnity insurance has been in place for the whole of the year ended 31 March 2025 at a cost of £282 (2024: £324).

Risk management

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

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

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Report of the Trustee for the year ended 31 March 2025 (continued)

Consideration and management of these risks is a key dimension of Board agendas, and pages 10 and 11 summarise current risk mitigation strategies and assessment of risk profile.

The Board normally holds meetings in person but uses videoconferencing technology for some meetings, including Committee meetings.

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

Objectives and activities

The objective of the Trust is the advancement of the Christian religion and this is achieved by providing financial support to the Five Charities selected as beneficiaries by the founder, the late Sir William Leech.

The Board of the Trustee Company confirms that it has referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and is satisfied that the requirements have been met. The Trust provides grants to the Five Charities, whose main purpose is the advancement of the Christian religion, and the Board of the Trustee Company receives reports from the Five Charities, which detail their work and the public benefit arising therefrom.

The Trust does not have the power to make grants other than to the Five Charities.

Financial growth

Set out below is a statement showing the growth of the endowment fund since its creation in 1960:

	£
Value of original gift of shares in William Leech (Builders) Limited on 16 August 1960	159,250
Value of the endowment fund at 31 March 2025	47,780,980

Financial review and investment policy

Following approval by the Charity Commission on 16 May 2008, the Trust's investment strategy is a total return approach to the investment of the permanent endowment.

The Trustee believes that the investment objectives should over the long term enable the investment managers to produce greater investment returns and so in due course this should lead to greater distributions to the beneficiaries.

In accordance with the terms of the Order, the Trustee confirms that in identifying the value of the portion of the permanent endowment that represented unapplied total return, it has identified the value of the initial founding gift in 1960; and when determining the amount of unapplied total return to transfer to income the Trustee has considered the amount of income required to maintain the current level of support for the Five Charities and the likely needs of future beneficiaries; and when reaching the decision as to the unapplied total return to transfer to income, the Trustee has taken professional advice from the investment managers regarding the market outlook, investment trends and yield and the prospects for future capital growth.

The investments of the Foundation Trust are units held directly by the charity in the Columbia Threadneedle Responsible Global Equity Fund, the Columbia Threadneedle Responsible Sterling Corporate Bond Fund and the Stewart Investors Asia Pacific Leaders Fund. The Stewart Investors Asia Pacific Leaders Sustainability Fund was relabelled to the Stewart Investors Asia Pacific Leaders Fund in December 2024 as a result of the Financial Conduct Authority's new Sustainability disclosure and labelling regime.

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Report of the Trustee for the year ended 31 March 2025 (continued)

The distributions to the Five Charities are funded by realising units from the Columbia Threadneedle Responsible Global Equity Fund. No income is received and the Funds accumulate their dividends and do not pay out any cash. Any dividends arising in the Funds will be reflected in their net asset values. Fees payable to Columbia Threadneedle and Stewart Investors for managing the investments are charged against the Funds.

The Trust's work is entirely dependent on the investment returns from the endowment fund and the performance of the investments in the portfolio during the financial year is reported below.

The global stock markets have continued to be impacted by geopolitical issues with the value of global equities falling significantly in the first quarter of 2025. In February and March 2025, markets reacted to the impact of policy uncertainty on growth and investment as well as the potential inflationary impact of trade restrictions following tariff announcements by President Trump, after his re-election in November 2024. In anticipation of "reciprocal tariffs" being imposed and the potential impact on global trade, stock markets fell sharply on 31 March 2025. Markets fell further at the start of April 2025 once the actual "reciprocal" tariffs were announced and rallied slightly in the following days following a pause in the implementation date of these tariffs (with the exception of those imposed on China). The full impact is therefore still to be seen and there are concerns around the impact on global growth, inflation and interest rates. In addition, major technology stocks, the "Magnificent 7", fell sharply in the first quarter of 2025 as investors questioned these firms' large capital spending commitments after the Chinese startup, DeepSeek, launched a new low-cost Artificial Intelligence (AI) model.

The war in Ukraine continues and the situation in the Middle East remains a concern with the potential for further escalation and threats to supply chains given the continuing disruption to the Red Sea shipping routes.

The outlook for the 2025/26 financial year has become more challenging with a high level of uncertainty existing. The proposed US tariffs were broader and steeper than expected, covering more countries and at higher rates. Global trade flows are at greater risk and continued market volatility is expected as nations respond with retaliatory tariffs or seek negotiated solutions. It is possible that higher baseline tariffs will remain but with the excessive rates to be negotiated down and the impact on inflation, economic growth and interest rates is still to be seen.

Our investment managers are looking at the potential impacts on their underlying portfolios.

Columbia Threadneedle have been making tactical adjustments to upgrade portfolio quality where they believe this is appropriate and remain cautious not overreact in the portfolios at this stage. They believe that their focus on companies with good pricing power should stand them in good stead. They have also reduced their exposure to the IT sector, which is particularly vulnerable to tariffs.

Stewart Investors have had a disappointing year in terms of performance. The Fund has retained its large overweight position towards India and underweight position to China compared to its benchmark and has continued to be hit by the reversal in performance of these two large markets. From a tariff perspective, Indian pharmaceuticals are of most concern as most of these companies sell goods to the USA without having manufacturing assets in the USA. Stewart Investors have been looking to reduce its holdings in those companies which are vulnerable to tariffs and their strategy continues to be to invest in high quality companies that are aligned with sustainable development.

The Trustee transferred a total of £1,740,175 from the unapplied return of the endowment fund to the unrestricted fund.

The net result of these factors is that the endowment fund decreased in value from £51,201,815 to £47,780,980 at 31 March 2025.

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Report of the Trustee for the year ended 31 March 2025 (continued)

A total return approach is taken to investment and the objective of the Distribution policy agreed by the Trustee is to provide a sustainable and continuing financial support to the Five Charities. Currently, taking account of the long-term nature of the endowment fund, distributions are set at 4% of the rolling five-year average of the Trust's net asset value. The Trustee recognises that in establishing the level of distribution it has a duty of fairness towards both present and future beneficiaries - the principle of inter-generational equity. Distributions to the Five Charities in the financial year amounted to £1,734,000 (2024: £1,648,020).

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

The total return on the portfolio is measured against the Consumer Price Index ('CPIH') and a weighted benchmark reflecting the neutral asset allocation.

Achievements and performance

Investments

In the year ended 31 March 2025 the return of the Columbia Threadneedle Responsible Global Equity Fund was -3.1% which was below the benchmark (MSCI World index) return of 5.2% (gross of fees). The Columbia Threadneedle Responsible Sterling Bond Fund's return was 2.2% which was slightly below the benchmark (iBoxx Non-Gilts all maturities) return of 2.4% (gross of fees). The Stewart Investors Asia Pacific Leaders Fund's return was -0.7% which was below the benchmark (MSCI AC Asia Pacific ex Japan Net index) return of 6.8%. In the financial year, the Consumer Prices Index ('CPIH') rose by 3.4%.

Over the five-year period to 31 March 2025, the annualised return of the Columbia Threadneedle Responsible Global Equity Fund was 11.0% compared to its benchmark return of 15.7% (gross of fees); the annualised return of the Columbia Threadneedle Responsible Sterling Bond Fund over 5 years was -0.1% compared to its benchmark return of -0.2% (gross of fees). Over the same period, CPIH rose by 25.3%. The Stewart Investors Asia Pacific Leaders Fund has returned 3.0% (annualised) since investment in June 2022 against the Fund's own benchmark return of 4.1%.

At 31 March 2025, the portfolio was valued at £47,770,731 and the asset allocation of the Trust was 90.6% CT Responsible Global Equity Fund, 1.6% CT Responsible Sterling Bond Fund and 7.8% Stewart Investors Asia Pacific Leaders Fund.

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

Reserves policy

At 31 March 2025, the balance in the unrestricted fund was £4,168 (2024: £7,274). This balance was used to fund part of the distribution to the Five Charities in April 2025. The policy is not to hold significant sums in the unrestricted fund, so maximising the amount in the endowment fund that can be invested. The investment managers are informed of the amount to be transferred from the unapplied total return element of the endowment fund at the start of each financial year. Withdrawals are spread evenly over the financial year to fund the monthly distributions. This policy is reviewed annually.

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Report of the Trustee for the year ended 31 March 2025 (continued)

Plans for future periods

As noted above, on 16 May 2008 the investment objectives were changed to allow the use of a total return strategy. The directors believe that the total return investment objectives should enable the Investment Managers to produce greater investment returns and so in due course this should lead to greater distributions to the beneficiaries. The directors of the Trustee Company have agreed that the distributions to the Five Charities in the year ending 31 March 2026 will amount to £1,789,020 (2025: £1,734,000). The Trustee Company reviewed the distribution policy in February 2024 and concluded that it remained appropriate. The next formal review will take place in the year ending 31 March 2027 with distribution amounts reviewed annually by the Board.

The Trustee Company expects the geopolitical landscape to remain challenging in the short to medium term, with the current uncertainty around global trade tariffs, the continuing war in Ukraine and concerns about further escalation in the Middle East. The Board of the Trustee Company will continue to monitor investment performance closely taking into account this elevated risk profile. The Trust's distribution policy should dampen the impact of volatility on the distributions to the Five Charities and with a diversified portfolio, the Trust should be well-placed to provide increased support to the beneficiaries in the future. The current Ethical Investment policy and practices statement can be found on page 9.

Statement of Trustee's responsibilities

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

Under that law the Trustee has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the Trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of the affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the Trustee is required to:

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

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

Appointment of auditors

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting. A resolution for the re-appointment of Azets Audit Services as auditors of the Trust is to be proposed at the forthcoming Annual General Meeting.

The William Leech Foundation Limited - The Foundation Trust

The Trustee wishes to put on record its thanks to Marcia Lant's and Lindsey Nicholls for their support which has enabled their work in support of the Five Charities.

Approved by the Trustee and signed on its behalf by:



Andrew Brown
Director



William Seddon
Director

2nd September 2025

The William Leech Foundation Limited - The Foundation Trust

Ethical investment policy and practices for The Foundation Trust

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

Our policy takes into account the Church of England Ethical Investment Advisory Group (EIAG)'s guidance on ethical investment in the selection of our investments.

We believe that this guidance broadly reflects the Christian ethical perspectives of the Five Charities and that it is helpful to draw upon EIAG's expertise in such matters. The EIAG guidelines are also readily available to our Investment Managers and will therefore be a helpful and clear point of reference for them. Recognising that we should not bind ourselves absolutely to the views of an external body, we will review EIAG guidance on a regular basis to assess how far it remains appropriate for us, particularly as major new areas of exclusion are brought in or as existing restrictions are reconsidered.

Expertise in Environmental Social and Governance investment issues is one of the criteria we use to select our Investment Managers; we will also consider the ethical credentials of the Investment Managers themselves in making that appointment.

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

Cash investments

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

Collective investments

The portfolios of The Foundation Trust, The Charity Trust, the William Leech Research Fund and William Leech (Investments) Ltd are invested in collective investment funds. The ethical investment policies adopted by these funds broadly comply with EIAG guidelines. We will continue to liaise with the managers of these funds and monitor any changes in their ethical investment policies.

There will be times when it is prudent to hold other collective investments in order to access less liquid parts of the markets and achieve adequate diversification within our portfolio, for example to invest in smaller companies or companies listed in less developed countries. We recognise, however, that there are particular challenges in screening the ethical credentials of all the component parts of some collective investments. We will therefore review regularly the rationale for such investments and the extent to which they may include holdings that would normally be excluded by EIAG guidelines. We will also liaise with investment managers over their holdings and will monitor the implementation of their policy.

Monitoring and review

We will monitor our adherence to these principles and the financial impact of this ethical investment policy annually. If the findings of our periodic review show a significant detrimental impact that is expected to persist in the long term, then we will discuss with the Five Charities whether or not the policy should be amended. In addition, if the Board decides to change its investment approach and return to a directly held investments, this policy will be reviewed and updated accordingly. We will formally review this policy as a whole every three years.

More information about EIAG and its policies may be found at:

<https://www.churchofengland.org/about/governance/national-church-institutions/ethical-investment-advisory-group>

Note: The EIAG Statement of Ethical Investment Policy has been withdrawn and is in the process of being replaced with an EIAG guidance paper on ethical investment. This policy will be updated as necessary once this paper has been published.

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Risk management statement

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

KEY RISK AREA	MITIGATION STRATEGIES
1. Investment risks	
a) Macroeconomic and market conditions (including exchange rate, interest rate and inflation risks) could reduce our ability to deliver long-term real growth of income to our beneficiaries.	<ul style="list-style-type: none"> Although we will always be exposed to short-term market volatility, we base distributions on our rolling five-year average net asset value, which helps to smooth the impact of short-term market fluctuations. Our investments are held in diversified funds, which comprise global equities, and sterling bonds, to spread risk. The Board considers that a globally diversified portfolio is a good hedge against the macroeconomic and market risks. As a long-term investor we consciously hold a high weighting towards equities, as we believe this offers the best prospects of protecting our endowment against inflation and delivering real growth over the long term. Most of our investments can be liquidated easily in the short term, enabling us to sustain short-term distributions even when interest or dividend rates are low. We do not hedge currency risk because we believe the costs of doing so outweigh the benefits, given our liquidity and long-term perspective. <p><i>Assessment: Current market conditions are extremely volatile. The "reciprocal" tariff announcements by the US administration on 1 April 2025 caused uncertainty to global trade arrangement and stock markets fell sharply in anticipation of these changes on 31 March 2025 and in the following days until a 90-day pause on the most punitive tariffs (with the exception of those on China) was announced on 10 April 2025 to enable further negotiations to take place. The impact of all of this on global growth, inflation and interest rates is still to be seen. This uncertainty is in addition to the on-going situations in Ukraine and the Middle East which remain of concern. However, due to the long-term nature of our endowment and our ability to smooth flows of incomes, we believe we are in a good position to ride out shorter-term fluctuations and the risk in economic and market conditions. The geopolitical landscape will continue to remain challenging in the short term and the Trustee continues to monitor investment performance taking into account this elevated risk profile.</i></p>
b) Investment Manager risk – underperformance by investment managers could reduce the returns we are able to deliver.	<ul style="list-style-type: none"> Regular meetings are held with our managers to monitor their performance. We compare the managers' performance against external benchmarks to help hold them to account. Our policy is to carry out regular re-tendering exercises for investment management services. The Investment Committee uses the services of Inalytics, a specialist investment reporting service firm, and an independent investment consultant to assist in monitoring the investment performance of the Trust's fund managers; to assess whether the portfolios meet their objectives; that the funds are being managed as expected; and whether there is an efficient mix of managers. <p><i>Assessment: Improvement in valuations were starting to be seen until 31 January 2025 but since then stock markets have fallen significantly in light of</i></p>

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KEY RISK AREA	MITIGATION STRATEGIES
	<i>market uncertainty around the impact of the punitive tariffs announced by the US. The pause in the imposition of tariffs on 10 April 2025 steadied the markets slightly but the future uncertainty remains as negotiations now take place about the actual level of tariffs which will be imposed. Our investment managers continue to review the impact of these announcements on their stock holdings and the investment landscape looks extremely volatile in the short term. The Trustee continues to monitor the performance of the investment managers closely.</i>
2. Governance and key personnel risks	
As a small organisation we have a higher-than-average dependency on our two members of staff, and rely on having sufficient specialist expertise on our Board.	<ul style="list-style-type: none"> Appointing independent directors allows specific skills to be recruited where these are not already in place through our charity-nominated directors. A biennial Board self-assessment process takes place to monitor the quality of our governance. Careful documentation of procedures and records has been set up to enable new staff/advisers to pick up information quickly should our staff leave or be incapacitated unexpectedly. <p><i>Assessment: We believe that we have good levels of governance and access to appropriate expertise. Whilst there will always be a risk relating to the loss of key staff members, we have good continuity measures in place. Additional investment skills were added to the Board of the Trustee Company in February 2024 to further increase its expertise in this area.</i></p>
3. Fraud	
We need to be vigilant about the risks of internal and external fraud impacting upon our operations, and ensure our funds are used for their proper charitable purposes.	<ul style="list-style-type: none"> Dual authorisation controls are in place for on-line payments. Investment withdrawals can only be made by authorised signatories. Signatory limits are in place for all cheques. External auditors are required to look out for potential material irregularities and have direct access to the Chair as well as reporting specifically on this area each year. We place reliance on the systems and internal audit operations of our bankers and investment managers as regulated bodies. We review the annual financial statements of our beneficiaries to ensure they continue to use our funds for appropriate charitable purposes. <p><i>Assessment: Within the practical constraints of a small organisation, we believe we have taken all reasonable steps to prevent fraud.</i></p>
4. Reputational risk	
William Leech itself is a relatively low-profile organisation but our policies and behaviours could impact on the reputation of the Five Charities as our beneficiaries.	<ul style="list-style-type: none"> We have adopted and implemented an ethical investment policy in consultation with the Five Charities and aim to follow the recommendations of the Church of England's Ethical Investment Advisory Group (EIAG). We maintain high professional standards in our handling of relationships with professional advisers. <p><i>Assessment: Given that we follow ethical guidelines established by the EIAG, we consider it unlikely that the William Leech benefactions would be the particular target of adverse publicity – although some pressure groups might want us and other church investors to adopt stronger policies in specific areas.</i></p> <p><i>The last formal review of the Ethical Investment policy by the Trustee Company took place on 7 February 2023. The policy statement is also reviewed annually by the Trustee to ensure that it remains up to date. The next formal review of the policy will take place in the financial year ending 31 March 2026.</i></p>

The William Leech Foundation Limited - The Foundation Trust

Independent auditors' report to the Trustee of The William Leech Foundation Limited – The Foundation Trust

Opinion

We have audited the financial statements of The William Leech Foundation Limited – The Foundation Trust (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standard, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements: .

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

The William Leech Foundation Limited - The Foundation Trust

Independent auditors' report to the Trustee of The William Leech Foundation Limited – The Foundation Trust (continued)

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 7), the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

The William Leech Foundation Limited - The Foundation Trust

Independent auditors' report to the Trustee of The William Leech Foundation Limited – The Foundation Trust (continued)

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

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

Use of our report

This report is made solely to the charity Trustee in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to the Trustee in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustee for our audit work, for this report, or for the opinions we have formed.



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

Date: 5/9/ 2025

Azets Audit Services is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Azets Audit Services is a trading name of Azets Audit Services Limited

The William Leech Foundation Limited - The Foundation Trust

Statement of financial activities for the year ended 31 March 2025

	Note	Unrestricted fund £	Endowment fund £	Total funds 2025 £	Unrestricted fund £	Endowment fund £	Total funds 2024
Income							
Investment income		-	93,147	93,147	-	53,049	53,049
Total income		-	93,147	93,147	-	53,049	53,049
Expenditure							
<i>Raising funds:</i>							
Annual Management Charge rebates		-	(166,253)	(166,253)	-	(70,797)	(70,797)
<i>Charitable activities:</i>							
Expenditure on charitable activities	2	1,743,281	-	1,743,281	1,662,722	-	1,662,722
Total expenditure		1,743,281	(166,253)	1,577,028	1,662,722	(70,797)	1,591,925
Net (expenditure)/ income before (losses)/ gains on investments		(1,743,281)	259,400	(1,483,881)	(1,662,722)	123,846	(1,538,876)
Net (losses)/gains on investments	5	-	(1,940,060)	(1,940,060)	-	6,806,690	6,806,690
Net (expenditure)/ income		(1,743,281)	(1,680,660)	(3,423,941)	(1,662,722)	6,930,536	5,267,814
Fund transfers	4	1,740,175	(1,740,175)	-	1,662,722	(1,662,722)	-
Net movement in funds		(3,106)	(3,420,835)	(3,423,941)	-	5,267,814	5,267,814
Total funds at the beginning of the financial year		7,274	51,201,815	51,209,089	7,274	45,934,001	45,941,275
Total funds at the end of the financial year		4,168	47,780,980	47,785,148	7,274	51,201,815	51,209,089

There were no gains and losses in the financial years other than those noted above. All incoming resources and resources expended derive from continuing activities.

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

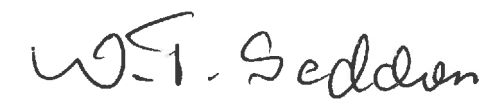
The William Leech Foundation Limited - The Foundation Trust

Balance sheet as at 31 March 2025

	Note	Unrestricted fund £	Endowment fund £	Total funds 2025	Unrestricted fund £	Endowment fund £	Total funds 2024
Fixed assets							
Investments	5	-	47,770,731	47,770,731	-	51,192,583	51,192,583
Total fixed assets		-	47,770,731	47,770,731	-	51,192,583	51,192,583
Current assets							
Debtors	6	1,130	10,249	11,379	1,131	9,056	10,187
Cash at bank and in hand		8,085	-	8,085	11,745	176	11,921
Total current assets		9,215	10,249	19,464	12,876	9,232	22,108
Liabilities							
Creditors: amounts falling due within one year	7	(5,047)	-	(5,047)	(5,602)	-	(5,602)
Net current assets		4,168	10,249	14,417	7,274	9,232	16,506
Net assets		4,168	47,780,980	47,785,148	7,274	51,201,815	51,209,089
The funds of the charity							
Endowment funds	4	-	47,780,980	47,780,980	-	51,201,815	51,201,815
Unrestricted funds		4,168	-	4,168	7,274	-	7,274
Total funds		4,168	47,780,980	47,785,148	7,274	51,201,815	51,209,089

The financial statements on pages 15 to 22 were approved by the Trustee, The William Leech Foundation Limited, on 2 September 2025 and were signed on its behalf by the under-mentioned two directors of The William Leech Foundation Limited.


Andrew Brown
Director


William Seddon
Director

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

The William Leech Foundation Limited - The Foundation Trust

Statement of accounting policies

a) Basis of preparation and assessment of going concern

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

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

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

b) Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Bond interest is recognised once notified of payment due.

c) Expenditure recognition

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

d) Charitable activities

These include payments to beneficiaries and governance and administration costs as set out in note 2.

Governance costs comprise audit fees, legal and professional fees and directors’ indemnity insurance premiums (see note 2). Administration costs include bank account maintenance fees and charges. The costs of preparing annual financial statements and Trustee meetings are borne by William Leech (Investments) Limited and details are set out in note 8.

e) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the financial year.

The Trust holds units in the Columbia Threadneedle Responsible Global Equity Fund, the Columbia Threadneedle Responsible Sterling Corporate Bond Fund and the Stewart Investors Asia Pacific Leaders Fund. Until 5 September 2023, these units were held in the RAIF with Columbia Threadneedle. The units were then re-registered directly in the name of the Foundation Trust so the units in the funds are now held directly by the Foundation Trust as opposed to the RAIF.

The William Leech Foundation Limited - The Foundation Trust

Statement of accounting policies (continued)

These funds are valued at a single price and this reflects the net asset value of the underlying investments. The investment management fee for the funds is charged against the individual fund value.

Where rebates of annual management charges are received, these are reinvested directly back into units of the underlying funds by the investment managers.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Trust is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

f) Fund accounting

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

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

g) Foreign currency

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

h) Cash flow statement

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

The William Leech Foundation Limited - The Foundation Trust

Notes to the financial statements for the year ended 31 March 2025

1 Taxation

The Foundation Trust is a registered charity and its non-trading income is exempt from taxation.

2 Expenditure on charitable activities

	2025	2024
	£	£
Payments to beneficiaries		
The British and Foreign Bible Society	346,800	329,604
Church Mission Society	346,800	329,604
The Methodist Church in Britain	346,800	329,604
The Salvation Army	346,800	329,604
The Society for Promoting Christian Knowledge	346,800	329,604
Total payments to beneficiaries	1,734,000	1,648,020
Governance costs		
Audit services	4,470	4,140
Directors' indemnity insurance	282	324
Legal and professional fees	4,497	10,238
Total governance costs	9,249	14,702
Administration costs		
Bank account maintenance fees and charges	32	-
Total administration costs	32	-
Total expenditure on charitable activities	1,743,281	1,662,722

3 Trustee's remuneration

The Trustee did not receive and was not entitled to receive any remuneration or expenses in respect of its services during the financial year (2024: £nil). There were no employees during the financial year (2024: none).

The William Leech Foundation Limited - The Foundation Trust

Notes to the financial statements for the year ended 31 March 2025 (continued)

4 Fund transfers

A Charity Commission Order granted the power of investing on a total return basis on 16 May 2008. At the time the power was granted the Trustee identified the value of the gift of permanent endowment received in 1960. The difference between the value of the endowment funds as at 15 May 2008 and the value of the gift component represented the opening balance of unapplied return.

The power permits the Trustee to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each financial year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the Trustee to decide in each financial year how much of the unapplied total return is transferred to income funds and so available for expenditure. Having considered its obligations under the duty of even-handedness between present and future beneficiaries, the Trustee made a transfer of £1,740,175 of unapplied total return to unrestricted income funds. This decision is in accordance with the distribution policy established in July 2011.

	2025 Endowment £	2025 Unapplied total return £	2025 Total £
Opening value of endowment			
Gift component of permanent endowment	159,250	-	159,250
Unapplied total return	-	51,042,565	51,042,565
Total	159,250	51,042,565	51,201,815
Movement in unapplied total return and endowment in the year:			
Investment return: recognised and unrecognised (losses)/gains	-	(1,940,060)	(1,940,060)
Investment return: dividends accumulated and interest accrued		93,147	93,147
AMC rebates reinvested	-	166,253	166,253
Total	-	(1,680,660)	(1,680,660)
Unapplied total return allocated to income	-	(1,740,175)	(1,740,175)
Net movement in the year	-	(3,420,835)	(3,420,835)
Closing value of permanent endowment			
Gift component of permanent endowment	159,250	-	159,250
Unapplied total return	-	47,621,730	47,621,730
Total	159,250	47,621,730	47,780,980

The William Leech Foundation Limited - The Foundation Trust

Notes to the financial statements for the year ended 31 March 2025 (continued)

5 Investments

	2025	2024
	£	£
Market value at the beginning of the financial year	51,192,583	45,928,883
Sales proceeds from disposals	(1,740,000)	(1,657,780)
Additions – at cost	258,208	114,790
(Losses)/gains in the financial year	(1,940,060)	6,806,690
Market value at the end of the financial year	47,770,731	51,192,583
Investments at market value comprised:	2025	2024
	£	£
Global equity funds	43,285,714	46,695,723
Sterling bond funds	773,990	758,452
Asia Pacific equity funds	3,711,027	3,738,408
Market value as at 31 March	47,770,731	51,192,583
Historical cost as at 31 March	29,298,974	30,026,537

Investments are carried at fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Holdings in unit trusts and open-ended investment companies are valued at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

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

6 Debtors

	2025	2024
	£	£
Prepayments - insurance premium and investment performance reporting services	1,130	1,131
Accrued bond interest	10,249	9,056
	11,379	10,187

The insurance premium and investment performance reporting services prepayments relate to the unrestricted fund. Accrued bond interest relates to the endowment fund.

The William Leech Foundation Limited - The Foundation Trust

Notes to the financial statements for the year ended 31 March 2025 (continued)

7 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals - audit services and bank charges	4,476	4,140
Creditors	571	1,462
	5,047	5,602

All creditors relate to the unrestricted fund.

8 Related parties

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

The Trustee considers that it is the parent undertaking and ultimate controlling party of The Foundation Trust. It is a private company limited by shares, incorporated in England, registration number 00664118, and is a charity, registration number 232062. The principal activity of the Company is to act as the sole trustee for three charitable trusts, including The William Leech Foundation Limited – The Charity Trust and The William Leech Research Fund. These are considered to be fellow subsidiaries of the same parent undertaking and ultimate controlling party.

Paul Burrage, Maureen Dixon, John Harrison, Philip Poole (to 31 January 2025) and John Stansfeld are representatives of the Five Charities, which have received payments as set out in note 2.

The consolidated financial statements of The William Leech Foundation Limited can be obtained from the Company Secretary at Bank Chambers, 26 Mosley Street, Newcastle upon Tyne, NE1 1DF.