

The William Leech Foundation Limited - The Charity Trust

Trustee's report and financial statements
for the year ended 31 March 2024

Registered Charity Number: 231674

The William Leech Foundation Limited - The Charity Trust

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for the year ended 31 March 2024

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The William Leech Foundation Limited - The Charity Trust

Directors and advisors for the year ended 31 March 2024

Trustee

The William Leech Foundation Limited

Directors of the Trustee Company

Andrew Brown OBE FRICS (Chair)

Alice Ambrose-Thurman FCA FCIS

Paul Burrage FCA

Maureen Dixon

Dagmar Dvorak CFA IMC (appointed 27 February 2024)

John Harrison ACA

Michael Joynson (appointed 27 February 2024)

John Marshall

Philip Poole FCCA

Angela Russell FCA CPA (resigned 27 February 2024)

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

102 Grey Street

Newcastle upon Tyne

NE99 1SL

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 Charity Trust

Report of the trustee for the year ended 31 March 2024

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 Charity Trust (“The Charity Trust” or “the Trust”) for the year ended 31 March 2024. The financial statements have been prepared in accordance with the Declaration of Trust, the statement of accounting policies set out on pages 17 and 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 published (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 established the Charity Trust for general charitable purposes. The Trust was created by a gift from the late Sir William Leech of shares in his building company, William Leech (Builders) Limited. A Deed dated 27 February 1973 vested the Trust in The William Leech Foundation 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 this Trust is to be applied for general charitable purposes.

Until 1973 the Trust chose to distribute one half of the income of the Trust to 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”) and one half to local and other national charities. In 1973 this policy was changed and it was decided to distribute all the Trust’s income for the benefit of the Five Charities, save in circumstances which the Board of the Trustee Company considered to be exceptional. This policy is reviewed by the Board of the Trustee Company each financial year. In the past the Trust has created the endowment fund for the William Leech Professorial Fellowship in Applied Christian Theology (and has provided additional financial support from time to time) and financed other projects in the North East. The Trust does not actively fundraise but seeks to support the work of the Five Charities through the careful stewardship of the endowment fund.

During the financial year ended 31 March 2008 the Board of the Trustee Company 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 Managers 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 has continued to provide 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 financial year. 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 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 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.*

Report of the trustee for the year ended 31 March 2024 (continued)

The Board has expressed a preference that the term of directors is limited to nine years unless there are exceptional circumstances. 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 on 17 October 2023 in order to continue his term of office as Chair. Angela Russell resigned as a director of the Trustee Company on 27 February 2024 and Dagmar Dvorak and Michael Joynson were appointed as directors of the Trustee company on 27 February 2024, both of whom bring investment experience to the Board. The Board considers that its members have the necessary skills to conduct its business effectively.

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. Philip Poole was also a member to 5 December 2023 and Angela Russell to 27 February 2024. John Harrison was appointed to the Committee on 5 December 2023 and Dagmar Dvorak and Michael Joynson were also appointed to the Committee on 27 February 2024.

The Board of the Trustee Company meets at quarterly intervals at which the directors receive reports from the Investment Committee and the Investment Manager. 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 Managers 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' indemnity insurance has been in place for the whole of the year ended 31 March 2024 at a cost of £324 (2023: £471).

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.

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.

Following the COVID pandemic, the Board resumed meetings in person but has continued to use video-conferencing technology for some meetings, including Committee meetings.

The William Leech Foundation Limited - The Charity Trust

Report of the trustee for the year ended 31 March 2024 (continued)

The value of the investment portfolio continues to be impacted by the geo-political environment which remains challenging with the continuing war in Ukraine and tensions in the Middle East and there is some concern about the impact of this on oil prices and inflation. There are also the forthcoming elections in major markets including the US and UK and the outlook therefore continues to remain uncertain.

Whilst returns over the period as a whole were positive, the mood of the markets fluctuated in response to emerging economic news. Equities made a strong start in 2024 with market sentiment supported by the growing confidence among the world's leading economies that interest rates, which had increased sharply between late 2021 and mid-2023, had peaked and the expectation that central banks' next move would be to begin reducing rates. However, towards the end of March 2024, the continued resilience in the US economy and jobs market has caused some concern with expectations that borrowing costs would remain "higher for longer" with rate cuts coming later and more gradually than previously anticipated. Whether central banks follow through on these expected rate cuts is likely to be a key variable in investor sentiment and the sustainability of the rally in equities in 2024. There is still a significant risk that equity prices could fall if monetary policy shifts from that which the markets are currently assuming. Elsewhere, China's economy continues to struggle, although it is envisaged that high quality, well managed companies there will continue to perform well. Large US technology companies, the so-called "Magnificent 7" also dominated markets over the year as optimism around Artificial Intelligence ("AI") led to increases of their share prices. The Columbia Threadneedle Responsible Global Equity fund in particular has underperformed in this environment due to its inability to hold many of these stocks in its ESG fund as a result of its ethical screening criteria.

The potential for further volatility in performance remains an on-going risk. The Board of the Trustee Company's intention is to hold the investments for the longer term and as such to ride out periods of volatility. The investment managers remain of the view that the long-term operational outlooks of the portfolio holdings are good.

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 to generate funds for charitable purposes and this is achieved by providing financial support to the Five Charities selected by the founder, the late Sir William Leech, and from time-to-time other charitable projects.

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.

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	81,900
Value of the endowment fund at 31 March 2024	23,612,598

Financial review and investment policy

Following approval by the Charity Commission, 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 Manager to produce greater investment returns and so in due course this should lead to greater distributions to the beneficiaries.

Report of the trustee for the year ended 31 March 2024 (continued)

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.

BMO Global Asset Management ('BMO') was appointed in September 2017 to manage the investment portfolio of the Trust. BMO invests on a discretionary basis, subject to the constraints of the approved ethical investment policy (see page 9).

In July 2019 the Trust transferred its investments into a Private Sub-Fund ('Reserved Alternative Investment Fund' or 'RAIF'), which was operated by BMO under its umbrella fund – BMO Investments (Lux) II FCP-RAIF and based in Luxembourg for administrative reasons. There were no tax advantages to the Trust arising from the location of the RAIF. Prior to the transfer the Trust, for administrative reasons, was limited to three funds on the BMO platform. The RAIF investment platform allowed the Trust to add further funds to the investment portfolio, including funds not managed by BMO, which gave greater diversity and the opportunity to increase the total return. The Trust's sister charity – The William Leech Foundation Limited – The Foundation Trust – was also invested in the RAIF.

In April 2020 the Trustee Company took the decision to invest on a global basis, constrained only by the need to invest in line with the approved ethical investment policy. By agreement, BMO reduced the holdings in its UK Equity Growth Fund over a number of months, with the final tranche being sold in January 2021.

The Trustee Company's reviewed the asset allocation of the Trust during 2021/22 and agreed that the predominant exposure to equities remained appropriate although some additional diversification of funds would be beneficial in relation to emerging markets. Consequently, in June 2022, funds were invested via the RAIF in the First Sentier/Stewart Investors Asia Pacific Leaders Sustainability Fund.

On 4 July 2022, following the merger between BMO and Columbia Threadneedle, BMO was rebranded as Columbia Threadneedle Investments and the name of the Investment Manager of the RAIF was changed to Columbia Threadneedle Asset Management Ltd. The BMO holdings in the RAIF were rebranded as the Columbia Threadneedle Responsible Global Equities Fund and the Columbia Threadneedle Responsible Sterling Bond Fund. All of the funds held are open-ended investment companies. Under the RAIF Columbia Threadneedle had discretion to vary the allocation between its global equity and sterling bond funds within pre-agreed limits only.

On 5 September 2023 all of the unit holdings in the Columbia Threadneedle RAIF were re-registered into the names of the Foundation Trust and Charity Trust so the unit in the underlying funds are now held directly by the two charities and not by the RAIF nominee. Units are now held directly by each charity in the Columbia Threadneedle Responsible Global Equity Fund, the Columbia Threadneedle Responsible Sterling Corporate Bond Fund and the Stewart Investors Asia Pacific Leaders Sustainability Fund.

Since August 2019 and up until 5 September 2023, the distributions to the Five Charities were funded by realising units in the RAIF (to 5 September 2023) and from 5 September 2023 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 Investment Managers report to the Trustee Company at quarterly and annual intervals. These reports include economic and market reviews, transaction details and portfolio valuations.

Report of the trustee for the year ended 31 March 2024 (continued)

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 uncertainty. The war in Ukraine shows no signs of abating and the Middle East is a new concern with the potential for further escalation and threats to supply chains given the continuing disruption to the Red Sea shipping routes. Markets over the course of the financial year have coped with the impact of inflation and higher interest rates as central banks have attempted to bring their economies under control. There are expectations that interest rates will be cut, most likely in the second half of 2024 and that inflation will fall although any such fall may be impacted if the conflict in the Red Sea continues for a significant period of time. On top of this there are the challenges to the global economy of climate change and artificial intelligence to be managed. This all creates an extremely volatile backdrop for investment performance. The markets are therefore expected to remain volatile in the short term although the investment managers believe the long-term operational outlooks of the portfolio are good and they continue to focus on higher quality, sustainable growth companies which they believe can prosper in spite of market volatility.

The total return in the year ended 31 March 2024 was 15.0%. The trustee transferred a total of £772,692 from the unapplied return of the endowment fund to the unrestricted fund. The net result of these factors is that the endowment fund increased in value from £21,188,888 to £23,612,598.

Following the change to a total return approach to investment, the trustee reviewed the Trust's distribution policy. The trustee's objective was to establish a policy that will provide sustainable and continuing financial support to the Five Charities. In July 2011, after taking professional advice and account of the long-term nature of the endowment fund, the trustee established a new policy that came into effect on 1 April 2012. 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 £760,500 (2023: £705,000).

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 Retail Prices Index ('RPI') and a weighted benchmark reflecting the neutral asset allocation. During the year ended 31 March 2021 the benchmark was adjusted to reflect the staged disposal of the UK fund and at 31 March 2022 the benchmark comprised 90% MSCI World Index and 10% iBoxx Non-Gilts Index. Following the investment in the Stewart Investors Asia Pacific Leaders Sustainability Fund, the benchmark for the RAIF was amended to the MSCI World Index and Columbia Threadneedle, as investment manager, was able to deviate from the benchmark in terms of asset allocation between its Responsible Global Equity Fund and its Responsible Sterling Bond Fund by no more than +/- 10% according to their view of market conditions but excluding the Stewart Investors Asia Pacific Leaders Sustainability Fund. Any allocation to the Stewart Investors Asia Pacific Leaders Sustainability Fund was excluded from this benchmark and its comparable performance. The Stewart Investors Asia Pacific Leaders Sustainability Fund was included in the valuation of the total portfolio but its performance was assessed against the comparable index as provided by Stewart Investors. Following the transfer out of the RAIF on 5 September 2023 no asset allocation is undertaken by Columbia Threadneedle.

Investments

In the year ended 31 March 2024 the total return of the Columbia Threadneedle Responsible Equity Fund was 15.7% which was below the benchmark (MSCI World) total return of 23.1%. The Columbia Threadneedle Responsible Sterling Bond Fund's return was 6.5% which was above the benchmark (iBoxx Non-Gilts all maturities) of 6.1% and the Stewart Investors Asia Pacific Leaders Sustainability Fund's return was 4.6% which was above the benchmark (MSCI AC Asia Pacific ex Japan) return of 3.0%. In the financial year RPI and the Consumer Prices Index ('CPI') rose by 4.3% and 3.8% respectively.

The William Leech Foundation Limited - The Charity Trust

Report of the trustee for the year ended 31 March 2024 (continued)

Over the five-year period to 31 March 2024, the cumulative total return of the Columbia Threadneedle Responsible Equity Fund was 72.29% compared to its benchmark return of 86.95%; the cumulative return of the Columbia Threadneedle Responsible Sterling Bond Fund over 5 years was -3.45% (the comparative benchmark cumulative total return over this period is not available). Over the same period RPI and CPI rose by 34.34% and 22.99% respectively. The Stewart Investors Asia Pacific Leaders Sustainability fund has returned 5.1% since investment in June 2022 against the fund's own benchmark return of 2.6%.

Reserves policy

At 31 March 2024 the balance in the unrestricted fund was £6,307 (2023: £6,307). This balance was used to fund part of the distribution to the Five Charities in April 2024. 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.

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 2025 will amount to £800,010 (2024: £760,500). 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.

The Trustee Company expects the geopolitical landscape to remain challenging in the short term to medium term, with the on-going war in Ukraine and concerns about further escalation in the Middle East along with elections happening across major economies in 24/25. 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 Company is responsible for preparing the trustee's report and the financial statements in accordance with applicable law and regulations.

Under that law the trustee has prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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.

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Report of the trustee for the year ended 31 March 2024 (continued)

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 Trustee wishes to put on record its thanks to Marcia Lant 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

30 September 2024

Ethical investment policy and practices for The Charity Trust (as approved by the trustee on 7 February 2023)

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 Statement of Ethical Investment Policy 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/leadership-and-governance/ethical-investment-advisory-group>

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 well-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 given the situation in Ukraine and the Middle East, with inflation reducing although still higher than central banks' targets, high interest rates and on-going geo-political uncertainty. Because of the long-term nature of our endowment and our ability to smooth flows of income to beneficiaries, 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 is expected to remain challenging in the short term, with elections happening across major economies in 2024/25. The Trustee continues to monitor investment performance taking into account this elevated risk profile.</i></p>
b) Investment Manager risk – underperformance by manager could reduce the returns we are able to deliver.	<ul style="list-style-type: none"> 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. Following Portfolio Evaluation Limited's decision to close its business, Analytics were appointed to continue to provide an independent measure of investment returns, the risk being run and the level of active management. This assists us in assessing whether: our portfolios meet their objectives; the funds are being managed as expected; and whether we have an efficient mix of managers. <p><i>Assessment: The performance of the BMO/Columbia Threadneedle manager since appointment in September 2017 has been satisfactory and had up until 2022/23 exceeded the benchmark. However there have been significant market challenges to performance in both last year and the current year and the outlook remains challenging. An improvement in performance has been seen in the last quarter of 2023/24 from Columbia Threadneedle. Stewart Investors have started well since the initial investment in June 2022. The Investment Committee continues to monitor investment performance closely.</i></p>

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KEY RISK AREA	MITIGATION STRATEGIES
<p>2. Governance and key personnel risks</p> <p>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.</p>	<ul style="list-style-type: none"> Appointing six independent directors allows specific skills to be recruited where these are not already in place through our five charity-nominated directors. An annual 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>
<p>3. Fraud</p> <p>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.</p>	<ul style="list-style-type: none"> Two signatories are required for all and cheques in excess of £1,000. On-line payments require a second authoriser. Authorised signatory lists are held by investment managers with two signatures required for any withdrawals. 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>
<p>4. Reputational risk</p> <p>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.</p>	<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 Investment Committee and Board 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>

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

Opinion

We have audited the financial statements of The William Leech Foundation Limited – The Charity Trust (the 'charity') for the year ended 31 March 2024, 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 2024 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 trustees 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.

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

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.

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 the 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

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

- 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.

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: 9/9/24

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 Charity Trust

Statement of financial activities for the year ended 31 March 2024

	Note	Unrestricted fund £	Endowment fund £	Total funds 2024 £	Unrestricted fund £	Endowment fund £	Total funds 2023 £
Income							
Investment income		-	24,469	24,469	-	-	-
Total income		-	24,469	24,469	-	-	-
Expenditure							
<i>Raising funds:</i>							
Annual Management							
Charge rebates		-	(32,655)	(32,655)	-	-	-
<i>Charitable activities</i>							
Expenditure on charitable activities	2	772,692	-	772,692	712,170	-	712,170
Total expenditure		772,692	(32,655)	740,037	712,170	-	712,170
Net expenditure/ income before gains/(losses) on investments		(772,692)	57,124	(715,568)	(712,170)	-	(712,170)
Net gains/(losses) on investments	5	-	3,139,278	3,139,278	-	(1,147,176)	(1,147,176)
Net income/ (expenditure)		(772,692)	3,196,402	2,423,710	(712,170)	(1,147,176)	(1,859,346)
Fund transfers	4	772,692	(772,692)	-	712,170	(712,170)	-
Net movement in funds		-	2,423,710	2,423,710	-	(1,859,346)	(1,859,346)
Total funds at the beginning of the financial year		6,307	21,188,888	21,195,195	6,307	23,048,234	23,054,541
Total funds at the end of the financial year		6,307	23,612,598	23,618,905	6,307	21,188,888	21,195,195

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 Charity Trust

Balance sheet as at 31 March 2024

	Note	Unrestricted fund £	Endowment fund £	Total funds 2024 £	Unrestricted fund £	Endowment fund £	Total funds 2023 £
Fixed assets							
Investments	5	-	23,607,100	23,607,100	-	21,185,376	21,185,376
Total fixed assets		-	23,607,100	23,607,100	-	21,185,376	21,185,376
Current assets							
Debtors	6	1,131	4,177	5,308	230	-	230
Cash at bank and in hand		10,778	1,321	12,099	9,917	3,512	13,429
Total current		11,909	5,498	17,407	10,147	3,512	13,659
Liabilities							
Creditors: amounts falling due within one year	7	(5,602)	-	(5,602)	(3,840)	-	(3,840)
Net current assets		6,307	5,498	11,805	6,307	3,512	9,819
Net assets		6,307	23,612,598	23,618,905	6,307	21,188,888	21,195,195
The funds of the charity							
Endowment funds	4	-	23,612,598	23,612,598	-	21,188,888	21,188,888
Unrestricted funds		6,307	-	6,307	6,307	-	6,307
Total funds		6,307	23,612,598	23,618,905	6,307	21,188,888	21,195,195

The financial statements on pages 15 to 22 were approved by the trustee, The William Leech Foundation Limited, on 3rd September 2024 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.

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 the investments markets (see 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 the 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 on 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.

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 costs as set out in note 2.

Governance costs comprise audit fees, legal and professional fees and directors’ indemnity insurance premiums (see note 2). 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 Sustainability 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 Charity Trust so the units in the funds are now held directly by the Charity Trust as opposed to the RAIF. The 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 values.

Statement of accounting policies (continued)

f) Investments

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 gains and losses are combined in the Statement of Financial Activities.

g) 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.

h) Foreign currency

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

i) 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).

Notes to the Financial Statements for the year ended 31 March 2024

1 Taxation

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

2 Analysis of expenditure on charitable activities

The following payments were made to the Five Charities during the financial year:

	2024	2023
	£	£
Payments to beneficiaries:		
The British and Foreign Bible Society	152,100	141,000
Church Mission Society	152,100	141,000
The Methodist Church in Britain	152,100	141,000
The Salvation Army	152,100	141,000
The Society for Promoting Christian Knowledge	152,100	141,000
Total payments to beneficiaries	760,500	705,000
Governance costs:		
Audit services	4,140	3,840
Legal and professional fees	7,727	2,859
Directors' indemnity insurance	325	471
Total governance costs	12,192	7,170
Total expenditure on charitable activities	772,692	712,170

The trustee has decided to meet all governance costs from unrestricted funds and so no allocation or charge is made to the endowment fund for any governance related costs.

3 Trustee's remuneration

The trustee did not receive and was not entitled to any remuneration and expenses in respect of its services during the financial year (2023: £nil). There were no employees during the financial year (2023: none).

Notes to the Financial Statements for the year ended 31 March 2024 (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 £772,692 of unapplied total return to unrestricted income funds. This decision is in accordance with the distribution policy established in July 2011.

	2024 Endowment	2024 Unapplied total return	2024 Total
	£	£	£
Opening value of endowment			
Gift component of permanent endowment	81,900	-	81,900
Unapplied total return	-	21,106,988	21,106,988
Total	81,900	21,106,988	21,188,888
Movement in unapplied total return and endowment in the year:			
Investment return: recognised and unrecognised gains	-	3,139,278	3,139,278
Investment return: dividends accumulated		24,469	24,469
AMC rebates reinvested	-	32,655	32,655
Total	-	3,196,402	3,196,402
Unapplied total return allocated to income	-	(772,692)	(772,692)
Net movement in reporting period	-	2,423,710	2,423,710
Closing value of permanent endowment			
Gift component of permanent endowment	81,900	-	81,900
Unapplied total return	-	23,530,698	23,530,698
Total	81,900	23,530,698	23,612,598

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

5 Investments

	2024	2023
	£	£
Market value at the beginning of the financial year	21,185,376	23,043,552
Sales proceeds from disposals	(770,501)	(711,000)
Additions at cost	52,947	-
Gains/(losses) in the financial year	3,139,278	(1,147,176)
Market value at the end of the financial year	23,607,100	21,185,376
Investments at market value comprised:	2024	2023
	£	£
Cash held global equity funds	-	508,449
Global equity funds	21,532,874	20,359,146
Sterling bond funds	349,845	317,781
Asia Pacific equity funds	1,724,381	-
Market value as at 31 March	23,607,100	21,185,376
Historical cost as at 31 March	13,846,292	14,300,816

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. In 2022/23 the Asia Pacific equity funds were held within the RAIF structure and formed part of the global equity funds balance. In 2023/24 these units were re-registered and are now held directly in the name of the Charity Trust.

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

	2024	2023
	£	£
Prepayments - insurance premium and investment performance reporting services	1,131	230
Accrued bond interest	4,177	-
	5,308	230

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

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

7 Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals - audit services	4,140	3,840
Creditors	1,462	-
	5,602	3,840

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 it is the parent undertaking and ultimate controlling party of The Charity 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 Foundation 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 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.