

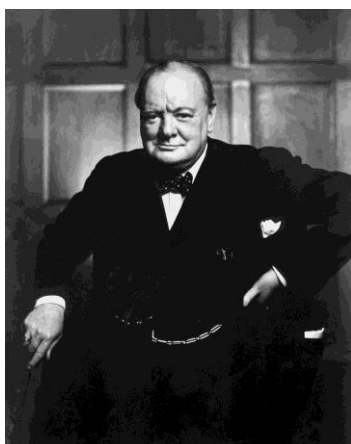


**Annual report and financial statements
for the year ended 30 September 2022**

Registered charity number 313952

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**“What is the use of living, if it not be to strive for noble causes and to make this muddled world a better place for those who will live in it after we are gone?”
- Sir Winston Churchill**

Chairman's review of 2022

This year we were delighted to open our doors to the world once again, after two years affected by the global pandemic. In the spring of 2022 we were able to restart Fellows' international research trips, and in the autumn we opened once more for applications for new Fellowships.

But in this time we have done more than simply return to our core business. We have also innovated in terms of what we offer and how we work.

Firstly, we introduced a digital option for the Fellowship, which allows Fellows to conduct part or all of their worldwide research online from the UK. The environmental benefits of this are clear, and we hope it will also widen access to those for whom travel is an obstacle.

Secondly, we launched six new Fellowship themes, including Climate Change, Resilient Economies and Communities, and Tech for All. For the new theme of Children and young people with experience of care, we are delighted to be partnering with the pioneering children's charity Coram and The Hadley Trust.

Thirdly, we completed a three-year pilot to assess how we can support Fellows to increase their impact across the UK. Channelled through the Activate Fund, this programme made its third and final round of grants in 2022, providing £590,688 to accelerate the impact of 22 Fellows' projects. To date this fund has disbursed £1,211,235 and we are now in a position to evaluate its findings for our future programme.

And fourthly, although the pandemic prevented the Fellows from travelling overseas, it did not stop us from funding their projects in the UK. In addition to the Activate Fund, during the pandemic we created an emergency Covid-19 Action Fund, to support projects by Fellows which addressed the effects of the pandemic in many areas of society and throughout the country, from the Hebrides to the Channel Isles. In 2022 this awarded £399,534 of grants to 45 Fellows' projects, bringing its total three-year funding to £1,072,070. We are very grateful to all of our supporters who contributed financially towards this emergency fund, which was our contribution to society at a time of grave national need.

Fellows' continuing contribution to society was shown once again in our annual survey of their impact. This revealed that almost half of Fellows indirectly impact more than 1,000 people with their projects, with 40% influencing the development of national policy. A remarkable 100% would recommend the Fellowship programme to others. In these results we can see the commitment and energy of our remarkable community of changemakers.

Towards the end of the year under review, we were greatly saddened by the death of our Royal Patron, Her Late Majesty Queen Elizabeth II. Her Late Majesty had been our Patron since our foundation in 1965 and a continuing source of support over many years. She had been the guest of honour at several of our Fellows' Award Ceremonies, and for our 50th anniversary in 2015 Her Late Majesty hosted a reception at Buckingham Palace. In 2019, she graciously permitted all Fellows to use the honorific 'CF' after their names, as an indication of their lifelong status as a Churchill Fellow. This now serves as a lasting legacy of Her Late Majesty's commitment to the Fellowship.

I will close by saying farewell to two retiring Trustees, John Baker and Merlyn Lowther, who have come to the end of their term of office after many years of valuable contribution to the continuing success of the Fellowship. We also welcome a new Trustee, Simon Bevan, and four new members of our Advisory Council: Philip Avery, Carlene Firmin, Anna Morrison and Steve Tyler. We look forward to working with them in the years ahead.

Finally I would like to thank all those who make our achievements possible: the Trustees, Council members, staff team, partners and supporters – and of course the Fellows themselves, whose global learning and UK impact continue to inspire us all.



Jeremy Soames
Chairman

Administrative information

Patron

Her Late Majesty Queen Elizabeth II

Chairman and Trustee

The Hon Jeremy Soames

Trustees

John Armitage CBE

John Baker (retired December 2021)

Simon Bevan (appointed December 2021)

Bharatti Crack

Maria Iredale CF

Merlyn Lowther (retired September 2022)

Lucy Parker CF

Jacob Polny

David Sheepshanks CBE DL

David Taylor-Smith MBE

Joanne Thompson

James Williams CVO DL

Management

Chief Executive: Julia Weston

Secretary to the Trustees: John Tsang

Ambassadors

John Bodie OBE

Anne Boyd

Viscount Brookeborough KG KStJ

Sir Sherard Cowper-Coles KCMG LVO

David McDonough OBE

Sir Simon Robertson

Registered office

29 Great Smith Street

London SW1P 3BL

Telephone 020 7799 1660

Website www.churchillfellowship.org

Registered charity

Winston Churchill Memorial Trust

Number 313952 (England & Wales)

Bankers

Barclays Bank plc

Piccadilly Corporate Banking

PO Box 15165

London SW1A 1QF

Investment managers

Schroder & Co Ltd

Trading as Cazenove Capital

12 Moorgate

London EC2R 6DA

Auditor

Crowe UK LLP

55 Ludgate Hill

London EC4M 7JW

Solicitor

BDB Pitmans LLP

50 Broadway

London SW1H 0BL

Trustees' report

The Trustees of the Churchill Fellowship have pleasure in presenting their report together with the audited financial statements for the year ended 30 September 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29.

Objects and activities

The Churchill Fellowship's objects and activities

The Churchill Fellowship is the working name of the Winston Churchill Memorial Trust. It was established after the death of Sir Winston Churchill in 1965, by a nation grateful for his national leadership. It was funded entirely from public donations and a small government grant. From the beginning, its purpose has been to offer overseas educational opportunities for people from all parts of society.

The Fellowship's objects are: 'The advancement and propagation of education in any part of the world for the benefit of United Kingdom citizens of all walks of life in such exclusively charitable manner that such education will make its recipients more effective in their life and work, whilst benefiting themselves and their communities, and ultimately the United Kingdom as a whole.'

The objects are fulfilled by awarding Churchill Fellowships for UK citizens to seek innovative solutions worldwide for today's crucial challenges and bring back global insights that can enhance their communities and professions in the UK. During the year when international travels were suspended as a result of the Covid-19 pandemic, the charity fulfilled the objects by awarding grants through the Activate Fund and the Covid-19 Action Fund. Fellows who had been awarded the grants used the knowledge, skills and experience acquired during their Fellowship to undertake project work in UK to advance what had been learnt and to assist with the supporting of communities affected by the pandemic.

The grant-making policy for Fellowships is to open them for application from all UK resident citizens aged 18 or over, regardless of qualifications, background, age or professional seniority. As a result, the Fellowship attracts applicants from all parts of society and all areas of the UK. Selection of successful candidates is based on the strength of their proposal, its public benefit, and their likely ability to effect change on their return to the UK.

Public benefit

The Trustees confirm that the Churchill Fellowship has had regard to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives, and in planning future activities and in making grants.

Organisational values

We use our organisational values to guide decisions and behaviours throughout the organisation. Our values are:

Inclusivity: we welcome everyone who is working to benefit society into our community. We know there is strength in diversity and are committed to equity across all of our activities. We celebrate individuality and are proud to support people on their own terms.

Investment in people: we aim to empower everyone in our community. Our investment supports people to believe in their ability and achieve their potential. We believe the possibilities for development are unlimited and we invest in people who are dedicated to building a better society.

Appreciation: we recognise the importance of people and their potential. We place trust in the members of our community and their ability to utilise their expertise and knowledge. We value the opinions of others and create a positive environment for people to share.

Collaboration: we thrive on collaboration and supportive relationships. We continue to build our community and promote long-term partnerships and connections. We appreciate the importance of our networks and how these can contribute to change.

Creativity: our approach is to listen, learn and improve. We adapt to change and build on what we discover. We have a responsibility to learn from the world in order to improve society.

Highlights of the year

Reopening to the world

After a two year pause caused by the Covid-19 pandemic, this year we were delighted to resume two of our key activities: supporting Fellows to travel worldwide for their research, and opening for applications for new Fellowships.

In May 2022, following a period of consultation, we invited those Fellows who had not yet completed their research to travel once more. Mindful of the safety of Fellows and their hosts, initially we limited this to countries within the European Union and European Economic Area. From July 2022, we opened this up to all countries that did not require quarantine on arrival or did not have internal travel restrictions due to Covid-19. Nineteen Fellows took this up, including 15 Fellows from the 2020 cohort who had been awarded shortly before the pandemic began. More have taken up the offer in subsequent months.

Soon after, in September 2022, we reopened for applications for Churchill Fellowships. Publicity for this was assisted by our Advisory Council, Working Groups and partner organisations. The process of selection and award is currently underway and we look forward to announcing, in July 2023, our first new cohort of Churchill Fellows since the pandemic began.

Finally, in October 2022 we once more held our Award Ceremony for Fellows who have completed their global research – another event postponed by the pandemic. Some 107 Fellows were presented with Churchill Medallions by our guest of honour, Rt Hon Sir Nicholas Soames, grandson of Sir Winston Churchill.

Sir Nicholas said: “The achievements of the Fellows who are to receive their medallions today, like those who went before them, are truly inspiring and deserving of profound respect. I know that they will have gained hugely from their experiences and will be able to put back the lessons they have garnered into their lives, their jobs and their communities.

“I do not think it is going too far to say that the cumulative work of 5,800 Fellows, over 57 years, is one of the golden threads that runs through the tapestry of our national life, and I think that Winston Churchill would have been immensely proud of what the Fellows have achieved in his name.”

Making a difference across the UK

Alongside resuming these activities, we continued to work on initiatives begun in the last few years: in particular our growing focus on funding Fellows' activities in the UK and supporting them to lead change in their communities and professions.

In January 2022, we awarded a third and final round of grants from our Covid-19 Action Fund, which we launched in 2020 in response to the pandemic. Totalling £399,534, this year's grants were awarded to 45 Churchill Fellows for projects delivering solutions to the effects of the pandemic in many areas of society. These ranged from supporting people affected by addiction to responding to the needs of disadvantaged children. Together the three rounds of this Fund have provided a total of £1,072,070 in funding to 92 Churchill Fellows all over the UK in the past three years. These grants were funded

through our own resources and the generosity of our supporters. We are extremely grateful to all friends, Fellows and supporters who contributed to this Fund.

In August 2022, we awarded the third round of our Activate Fund, a three-year pilot scheme that aims to accelerate Fellows' UK projects. Grants totalling £590,688 were made to 22 Fellows, for projects addressing a range of issues, including agroforestry, domestic abuse, community leadership and neonatal care. This is the final round of the pilot and we are now taking a pause to assess its results of the pilot and to allow this year's recipients to use their grants. Then we will have a clearer picture of how to take the Activate concept further, potentially from 2024. In total the pilot Fund has provided £1,211,235 in grants to 50 Fellows working on crucial issues facing UK society – from youth employment to dementia support and more. Case Study 1 below tells the story of a project funded by the Activate Fund.

Another way we have sought to support Fellows to make the change they want to see is by creating cohorts of Fellows addressing similar issues in society. This is achieved through our thematic framework for grant making, which is refreshed on a three-year rolling basis in response to topical trends and issues. In 2022, we launched six new themes addressing current challenges in society, for award in 2023: Arts and communities, Caring for our natural environment, Children and young people with experience of care, Climate change, Resilient economies and communities and Tech for all. These new themes were developed in consultation with expert Working Groups of subject specialists, led by members of our Advisory Council and including Fellows and partners. Each will run for three years, resulting in a cohort of up to 30 Churchill Fellows in each theme, working together to tackle similar issues and inspire change from a range of disciplines and perspectives.

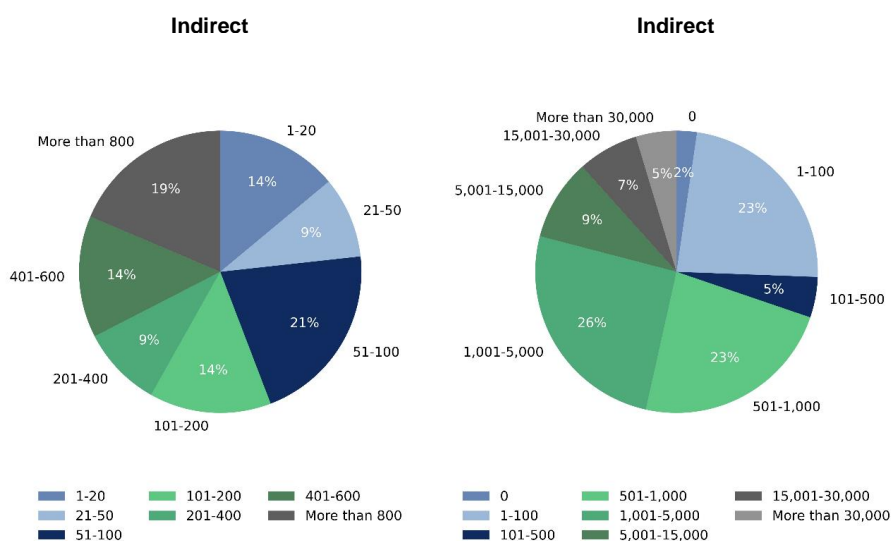
Our partner organisations are crucial to this work and, in June 2022, we welcomed the children's charity Coram Group as an expert knowledge partner to support the promotion and delivery of our theme on Children and young people with experience of care.

Measure impact

Fellows define their own objectives and measures of success and therefore their impact can range from local to national in scale. Every year we survey Fellows from various cohorts to assess their impact. Our 2022 survey indicates the difference they are making in a range of ways.

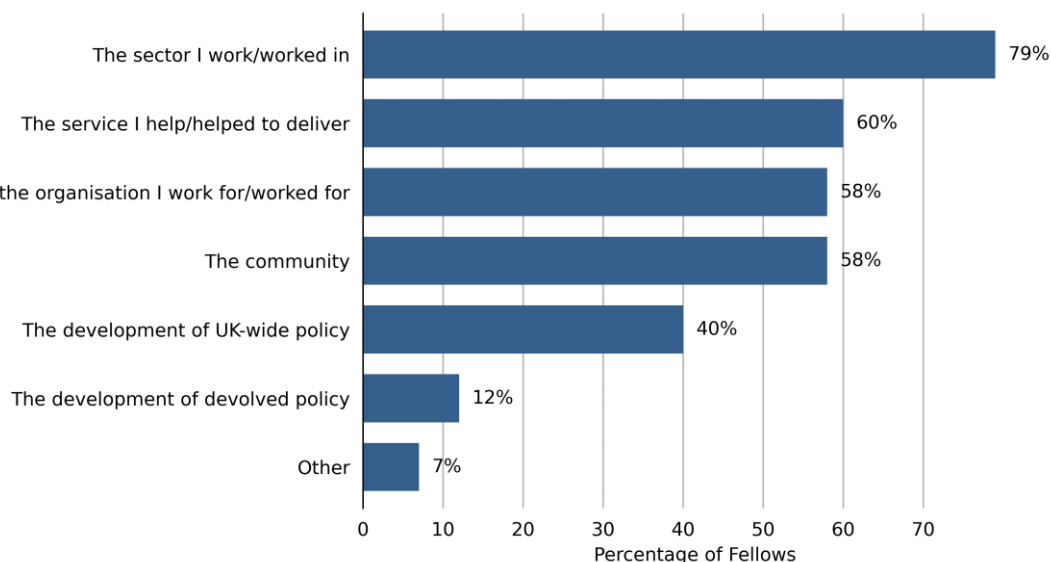
How many people benefit from a Fellowship

Asked how many people had benefited from their Fellowship research, 56% reported a direct impact on more than 100 people, and 47% reported an indirect impact on more than 1,000 people. One Fellow said, "The project I implemented as part of the impact funding has had practical benefits for hundreds of children in schools already and I hope this number will increase as we continue to share our findings."



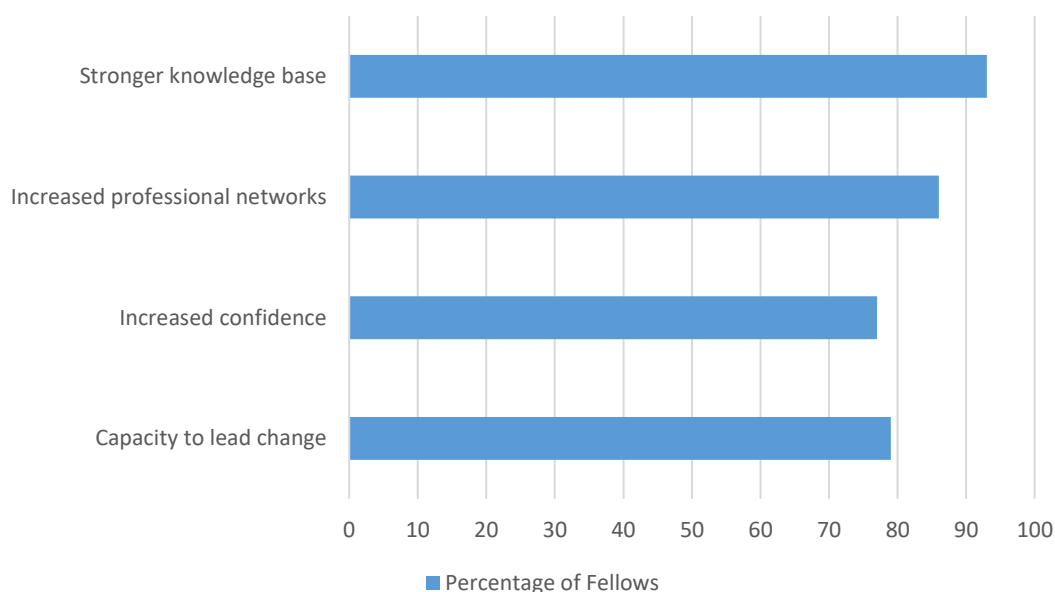
Who is influenced by a Fellow

The survey also showed that Fellows are influencing many levels of society with their global research. 79% of respondents reported benefits to the sector they worked in; 58% reported benefits to their community; whilst 40% reported that their work had impacted the development of UK-wide policy. 98% of respondents said they have shared their Fellowship findings with others. One Fellow said, "Since completing my Fellowship I have presented at least five times per year, where I have devolved information about my findings to large audiences, which has then influenced their approach to trauma peer support."



Impact on Fellows' personal and professional growth

A clear outcome of the Fellowship, as shown in the survey, is the impact it has on Fellows' professional growth and their capacity to lead change. 93% reported a stronger and broader knowledge base as a result of their Fellowship; 86% reported an increase in their professional network; 77% reported increased confidence whilst 79% agreed they have the capacity to lead change. One Fellow said, "My Fellowship changed both my personal and professional life: when I began there was very little, if any, dementia support in rural areas, particularly the remote rural area where I live. We have now become a beacon of excellence and an example of how rural dementia should be addressed."



It is clear from the survey that Fellows' satisfaction with the Fellowship is high. 95% of respondents defined the Fellowship as "life-changing" and 100% said they would recommend the Fellowship to others. One Fellow said, "I can only be immeasurably grateful for the most life-changing learning opportunity I have ever had. I cannot overstate how affirming it is for 'somebody like me' to have my work valued."

The survey was conducted by independent monitoring and evaluation specialists. It was sent to 241 Fellows who had completed their research 1, 3 and 10 years ago: 43 Fellows responded. Whilst the sample size is smaller than previous years, its results are consistent with previous surveys.

Facing towards the future

Over the past year we have continued to build on innovations of previous years as well as implement new activity to ensure that the Fellowship is fit for the future.

The biggest change has been the introduction of a new online option for Fellowships, allowing Fellows to carry out all or some of their international research online from the UK. This option was piloted in 2020, as a response to the Covid-19 pandemic, for Fellows who had not yet completed their research. Feedback was very positive and in September 2022 we launched it as a permanent option for all future Fellows. This will make the Fellowship more accessible to those who are unable to travel, and will increase the number of countries that Fellows can 'visit' virtually. Case Study 2 below describes a Fellowship conducted entirely online.

The online option also brings considerable benefits to reducing our impact on the environment, which has been a growing concern for us. Over the year we have been exploring further ways to do this, and in May 2022, we commissioned an eco-audit across all our operations and activities from the consultancy 3 Acorns Eco-Audits. The audit was conducted and reported on by award-winning environmentalist Donnachadh McCarthy FRSA and we are currently processing the results of the report and developing an action plan which will encompass all areas of our work. We have begun work on some of this activity already, including doubling the number of Fellowships available in our environment theme for the next three years, as we seek to support Fellows to identify and deliver solutions to tackling environmental issues.

We will be building on all of this work as part of our new organisational strategy, which will be published in 2023. Our new strategy will see a continued evolution of the Fellowship programme, ensuring that we offer Fellows the best possible support, both financial and non-financial, to carry out impactful Fellowships and deliver real change in the UK based on their global learning. Supporting these aspirations will be a focus on two particular areas: protecting the environment, and equity, diversity and inclusion, on which work has already begun.

Case study 1: Activate grant to develop anti-trafficking leadership



Many anti-trafficking organisations and charities from minoritised racial groups are unable to make meaningful impact due to their small size, limited resources and skills gaps. Despite their hard work and passion, this lack of capacity limits their ability to tackle human trafficking and modern slavery within their communities or provide the protection and support that victims need.

Anti-trafficking charity CEO Debbie Ariyo (CF 2019) is working to train and upskill anti-trafficking leaders from minoritised racial groups across the UK to deliver more effective support in their communities.

In November 2022, Debbie used her Activate grant to pilot a three-day residential capacity-building programme in Manchester for 15 leaders across the sector, with the aim that they would, in turn, pass

their learning onto others. The programme focused on how to deliver impactful change in their communities and equipped them with the tools to do so. The grant enabled Debbie to design and deliver a programme of training and skills-building workshops, hire experts to run these sessions, produce resource packs and hire a venue and accommodation for the three-day course, which was offered to delegates free of charge.

Debbie is in the process of evaluating the programme and exploring how to further support leaders in the sector to tackle human trafficking and support victims. This work stems from Debbie's Fellowship, which explored ways to support victims of human trafficking through community engagement. Her Fellowship was supported by the Linbury Trust.

Case study: the new online option for a Fellowship



Unable to travel due to the Covid-19 pandemic, Kim Reuter (CF 2020) took up the option of an online Fellowship in autumn 2021 and undertook all of her international research online from the UK. She used part of her grant to rent accommodation for 10 days, when she focused entirely on her research, and part of it to rent workspace which she used in the afternoons, while continuing in her existing job in the mornings.

Supported by the Frank Jackson Foundation, Kim's Fellowship explored best practice in governance for multi-stakeholder organisations tackling the environmental crisis. Over the course of a three-month period, she spoke with 34 organisations across 12 countries. This was many more than the original five she had planned to visit, and enabled her to gather a greater breadth of knowledge and insight into her topic than if had she carried out the Fellowship through travel.

Kim found other benefits to the online option, too. As a busy working mother, she was able to spend more of her research time with her family, something she had been concerned about missing before. She was also able to continue in her existing employment, working in environmental policy at the Foreign, Commonwealth & Development Office, which was a very useful adjunct to her Fellowship topic.

Since carrying out her Fellowship, Kim has delivered significant impact in UK environmental policy and practice. She shared her findings with delegates at COP26, the United Nations Climate Conference hosted by the UK in November 2021, where her research informed a \$1.5 billion joint donor pledge for the Congo Basin and a \$500 million partnership between the Democratic Republic of the Congo and donor countries. She has presented her Fellowship findings to colleagues in the Cabinet Office, the Foreign Office, the COP unit and the Department for Environment, Food and Rural Affairs.

Churchill College, Cambridge

As well as the Fellowships above, we award an annual Archive By-Fellowship for a scholar to use the papers in the Churchill Archives at the college. In 2022, our By-Fellow was Dr Claire Knight who will be carrying out foundational archival research examining the representation of the Soviet Ally in British wartime media (radio, printed press, and cinema) and its reception by the British public during the Anglo-Soviet Alliance between 1941-1945.

Structure, governance and management of the charity

Governing document

The Churchill Fellowship is the working name of the Winston Churchill Memorial Trust. It was established as a living memorial to Sir Winston Churchill after a public appeal following his death in 1965. The charity's governing document is its Trust Deed. The original Deed is dated 28 January 1965 and has been subsequently amended. The Trustees of the charity were incorporated as a corporate

body under Part VII of The Charities Act 1993 (now The Charities Act 2011), by a certificate issued by the Charity Commission on 13 September 2007.

Trustees

The Trustees are responsible for the overall governance of the charity. The minimum number of Trustees is six with a maximum of twelve; currently there are eleven serving Trustees. During the financial year, the Trustees met three times in December 2021, March 2022, and July 2022. To minimise the risk of infection due to the Covid-19 pandemic, all meetings were held in a hybrid format where some Trustees attended virtually. The Trustees continue to govern effectively with minimal adverse impact from the pandemic.

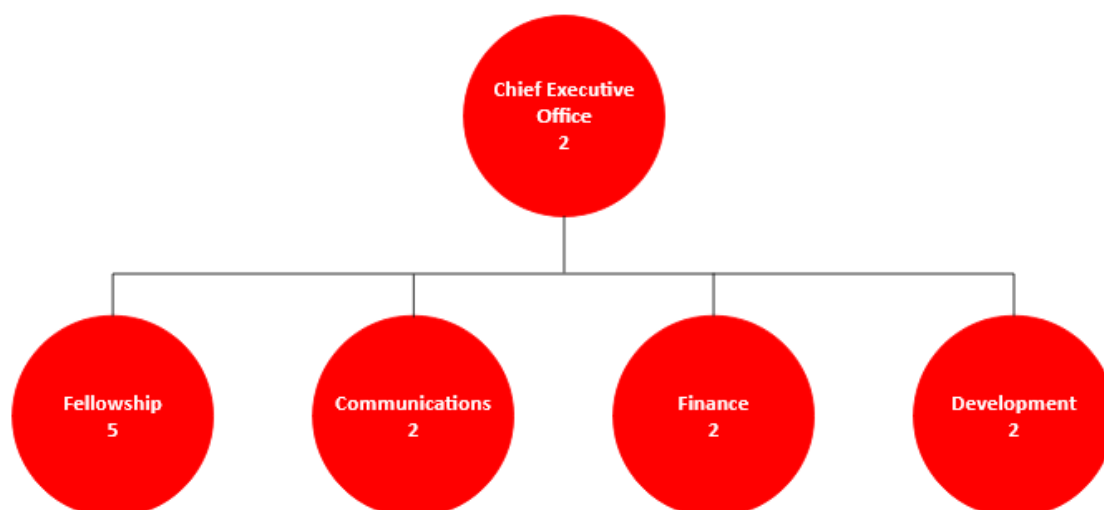
The Nominations and Remuneration Subcommittee regularly reviews the skills represented on the Board. Trustees serve for an initial period of seven years, after which they may put themselves forward for reappointment for a further term of three years. Additional time is allowed for substantive posts such as the role of Chairman. New Trustees receive a comprehensive induction from the Chair, Chief Executive and members of the senior staff team where appropriate.

Management and administration

Trustees are listed on page 5.

The Trustees have delegated, within their overall policy direction, the exercise of certain powers in connection with the management and administration of the charity as described below. This delegation is controlled by regular reporting to the Trustees, so that decisions of importance made under delegated powers are ratified by the Trustees.

The Chief Executive, supported by members of the senior management team, is responsible for the day-to-day management of our affairs and for implementing policies agreed by the Trustees. See figure below for staff numbers:



Advisory Council

The Advisory Council comprises 19 members currently, including a Chair, as listed below.

Members of the Advisory Council, who are proposed by the Chair of the Council and approved and appointed by the Trustees, are individuals who represent a balance of expertise across a spectrum of

occupations, interests and issues of current relevance. The role of the Advisory Council covers four strategic functions (see figure below).

All Trustees are ex-officio members of the Advisory Council. All members of the Advisory Council take part in the selection and interview process for Fellows.

Advisory Council members

Lucy Parker CF (Chair)	Pat Hughes
Philip Avery	Prof Peter Liss CBE
Marina Brounger	Prof Juliet Lyon CBE
Elizabeth Buchanan CVO	Dr Anna Morrison
Nick Danziger	Kate Organ
Claire Dove	Flora Soames
Dr Carlene Firmin CF MBE	Andrew Trotman
Prof Paul Greenhalgh	Steve Tyler
Tanni Grey-Thompson	Kai Wooder
Prof Charles Hinds	

Audit, Risk and Governance Subcommittee

The Audit, Risk and Governance Subcommittee considers and reviews all matters relating to risk management, governance, financial and management reporting, and the annual audit, including the appointment of and relationship with the external auditors. It reports and makes recommendations to the Board on matters of financial reporting, risk management, governance and audit. It has three members: Joanne Thompson (chair to December 2022), John Baker (retired December 2021), Simon Bevan (appointed December 2021, chair from January 2023) and James Williams.

Development and Communications Subcommittee

The Development and Communications Subcommittee advises on matters relating to fundraising, partnership and communications activities, including the Ambassadors. It has three members: David Taylor-Smith (chair), Maria Iredale and Jeremy Soames.

Investment Subcommittee

The Investment Subcommittee advises on matters pertinent to the investment of funds, including the receipt of income, expenditure incurred and the management of funds. It has three members: James Williams (chair), John Armitage and Jacob Polny.

Nominations and Remuneration Subcommittee

The Nominations and Remuneration Subcommittee is responsible for identifying and nominating prospective candidates, for approval by the Trustees, to fill Trustee vacancies. It is also responsible for the appointment of the Chief Executive and overseeing all aspects of the remuneration of the Chief Executive and the senior management staff. It has three members: David Sheepshanks (chair), Bharatti Crack and Jeremy Soames.

Fundraising

Under The Charities (Protection and Social Investment) Act 2016, the Trustees are required to report on how the charity conducts its fundraising activities.

1. Approach

The charity partners with other trusts and foundations to support Fellowships in categories that align with their own objectives and interests. Regular giving is received from Fellows. Unsolicited donations are also received from the general public and private individuals known to the charity.

The charity is a member of and abides by the standards set by the Fundraising Regulator and the Institute of Fundraising (IoF). All supporter data, for both individuals and organisations, is secured in line with The UK Data Protection Act 2018 (incorporating the UK General Data Protection Regulation (UK-GDPR)).

2. Voluntary Scheme for Regulating Fundraising

The charity has nothing adverse to report on any of its fundraising activities.

3. Complaints

The charity did not receive any complaints about its fundraising activities during the year.

Governance code

The charity reviews its governance against The Governance Code (the "Code"), which is endorsed by The Charity Commission and leading charity sector bodies, annually. The charity reviews policies and procedures on a regular basis for best practice. In 2022, a Governance Code Review was undertaken and acted on.

Impact of Covid-19

At the time of writing, government restrictions placed on international travels have mostly lifted since March 2022, prompting the lifting of the embargo on travelling by Fellows during the year. The backlog of travelling by Fellows is slowly reducing and the Fellowship applications for the 2023 cohort opened again in September 2022. The charity is now operating a hybrid model of working where staff work at home and in the office on regular days in each month; and the charity continued to make suitable arrangements for staff to work from home. The charity continues its operations as normal and has not experienced any material adverse impact from any impact of the Covid-19 pandemic.

The charity's financial position remains sound and the Trustees have access to the Trust's expendable endowment to cover all its current and future anticipated liabilities. The risk of the charity generating a reduced level of investment income from the Covid-19 pandemic is reduced but, at the time of writing, it has increased due to the impact of inflation on the financial markets. The risk is mitigated by the engagement of professional, expert investment managers, having a diversified investment portfolio and continuous monitoring of investment performance.

On fundraising, our plans have returned to making progress towards supporting the ongoing work and development of the Fellowship following the lifting of government related restrictions.

Safeguarding

The Trustees consider their approach to Safeguarding is in line with the Charity Commission's guidelines and consider that the charity complies. Trustees will continue to monitor this area.

Equity, diversity and inclusion policy statement

Equity, Diversity and Inclusion are core to the values and ethos of the charity's work across all activities.

This policy takes account of relevant legislation and aims to avoid discrimination which the Trustees recognise is a barrier to equity, diversity and inclusion. Through the implementation of the policy, the charity has due regard to the protected characteristics detailed in The Equality Act 2010.

The charity is committed to promoting equity, diversity and developing a culture of engagement and inclusion through:

- Advancing equity, diversity and inclusion in all its forms, working constructively to enable fair and full participation in all of its work and activities, in an environment characterised by diversity and equal opportunity
- Taking personal responsibility to uphold standards and ensure that values of equity, diversity and respect for all are embedded into everything we do
- Advancing diversity of Trustees, Advisory Council members and staff recruitment, and of Fellowship participation in an inclusive community
- Ensuring action that promotes equity, including processes for equality screening, impact assessments of the charity's functions and charitable activities
- Ensuring that individuals with whom we come into contact with at all situations are treated with fairness, dignity and respect
- Creating a working environment free of bullying and harassment, promoting dignity and respect for all

The charity aims to ensure that our policies, training and development and our day-to-day operations reflect our legal responsibilities as well as the principles set out in this statement. The principles of non-discrimination and equality also apply to the way in which Trustees, Advisory Council members, staff and Fellows should treat each other, and any other persons associated with the charity.

This policy is applicable to all Trustees, Advisory Council members, Fellows, staff, contractors, applicants of the Fellowship and visitors.

Financial review

The Trustees set a fixed budget at the beginning of the year and agreed that the charity would draw down and expend sufficient funds to achieve the approved budget (taking into account funds raised) up to a maximum of 4% of the value of the endowment calculated on the basis of a 12-quarter rolling average.

For the year ended 30 September 2022, the Trustees set a budget for the general fund of £2,713,220 (2021 - £2,835,116) to meet the core grant-making and support costs of the Fellowship.

Incoming Resources

During the year, total income increased by 2.4% from £576,642 in 2021 to £590,489. The increase was mainly due to:

- a. an increase in restricted donations; and
- b. increased investment income.

Any restricted funding receivable from our partners and donors to fund the 2022 Fellowships and our support to the Fellows had been deferred until the Fellowship programme is opened for applications. Other restricted funding receivable during the year was £25,550 (2021 - £23,172); the funding element for themes from our partners for 2022 was £20,000 (2021 - £0).

A further £38,392 (2021 - £31,407) was received in unrestricted donations.

Investment income for the year totalled £528,446 (2021 - £522,063).

Expenditure

Total expenditure for the year was 8.5% higher than in 2022 at £2,452,751 (2021 - £2,260,333).

Total grant commitments were £971,315 (2021 - £1,029,611), comprising -£33,742 (2021 - £7,851) of refunded or withdrawn Fellowships from previous years, £6,000 (2021 - £0) for a Churchill College grant, £597,473 (2021 - £520,675) for the Activate Fund and £401,584 (2021 - £516,787) for the Covid-19 Action Fund.

The grant commitments awarded in previous years accrued in the accounts have been included in creditors at the year end. The balance in the creditors is slowly reducing as some of these grants are being paid to Fellows after the lifting of restrictions placed on travelling arising from the Covid-19 pandemic.

Post-Fellowship funding payments totalled £3,000 (2021 - £10,725) to enable Fellows to build on the results of their Fellowship and take the next step.

The charity continues to invest in staff resources to strengthen the skills and abilities of the charity's team in order to support the Fellowship programme. The full-time equivalent headcount during the year increased to 16.17 (2021 - 13.42).

Direct fundraising costs for the year were £6,301 (2021 - £12,857).

Governance costs for the year totalled £125,055 (2021 - £107,679).

Distribution and Cash Management

The Trustees have adopted a policy to distribute up to 4% of the total value (on a 12-quarter rolling average basis) of the investment portfolios and will draw down and expend sufficient funds to achieve the approved budget (taking into account funds raised).

The charity holds sufficient cash on short-term deposit to meet immediate expenditure and to manage cashflow fluctuations. This is reviewed regularly by the Investment Subcommittee.

Remuneration

The Board of Trustees and the senior staff team (the Chief Executive, Fellowship Director, Communications Director, Development Director and Finance Director) comprise the key management personnel of the charity, in charge of directing and controlling its day-to-day operations.

The remuneration of the senior staff team is reviewed annually by the Nominations and Remuneration Subcommittee and put to the Trustees for their approval. Inflation, market benchmarks and affordability are taken into account when considering salary increases. Benchmarking is carried out using independent resources, with grant-making charities of a similar size and activities to ensure that the remuneration set is fair and not out of line with that paid for in similar roles. None of our Trustees receive remuneration or other benefits from their work with the charity.

Investment review

During the year, Schroder & Co Limited, trading as Cazenove Capital, continued as the charity's primary investment manager.

The Trustees have adopted a five-year medium-risk strategy. This seeks to develop sufficient return to meet the cost of the charitable activities during the year, while maintaining the capital value of the portfolio in real terms. The investment strategy manages the portfolio's risk exposures across the investment horizon and includes an element of active allocation.

The overall value of the charity's portfolio, as at 30 September 2022, totalled £46,441,445 (2021 - £50,267,075), of which £36,590,551 (2021 - £39,164,941) was under discretionary management by Cazenove, £8,250,894 (2021 - £8,745,305) was held by Cazenove on an execution only basis, and £1,600,000 (2021 - £2,356,829) was held in cash.

Cazenove focuses on delivering total returns comprising both capital growth and income generation. Cazenove manages these strategies in aggregate to ensure the levels of risk commensurate with the charity's overall objectives.

The portfolio managed by Cazenove is measured annually against a composite benchmark set by the Trustees. The full financial year of performance shows a return of -4.1% (2021 18.1%) against a benchmark of -3.3% (2021 16%).

The execution-only portfolio is comprised of The Trojan Fund and The Trojan Global Income Fund, which are managed by Troy Asset Management Ltd, the GMO Climate Change Investment Fund and the Third Point Investment Ltd. These investments are held as part of the charity's investment portfolio as a differentiated strategy. The overall performance of the execution-only portfolio for the full financial year was -5.5% (2021 22.1%).

On Environmental, Sustainability and Governance (ESG), our principal investment manager is a member of the United Nations-supported Principles for Responsible Investment (UNPRI). The Trustees recognise the impact of climate change and are actively considering all options on sustainable investments. The charity is a member of the Institutional Investors Group on Climate Change (IIGCC).

Reserves policy

The reserves policy ensures that there are sufficient resources:

- To enable the charity to meet any unforeseen shortfall in income without incurring excessive loss through selling securities in the midst of a possible downturn in the financial markets.
- To provide funds to protect the charity against unforeseen adverse circumstances.

At the end of the reporting period, total funds held were £44,619,169 (2021 - £48,836,813). During the year, the Trustees compared the charity's reserves policy and the free reserves and aimed to maintain a balance exceeding or equivalent to one year's net operating expenditure which is approximately £935,000. As a result, a total of £1,702,000 was transferred from the Endowment to the free reserves during the year.

The restricted fund balance totalled £203,186 (2021 - £166,072). This fund will be used, in accordance with the terms of the grant agreement, to fund the annual number of Fellowships offered by the charity, and to provide direct and indirect support for the development of the Fellowship programme over the coming years.

The Trustees review liquidity quarterly and reserves annually and are satisfied that the charity is in a position to meet all its current and anticipated future commitments.

Risk management

The Trustees are ultimately responsible for risk management and internal controls. The Chief Executive and the senior management team manage the risks with advice and input from the Audit, Risk and Governance Subcommittee. The charity's systems and controls are monitored by the Audit, Risk and Governance Subcommittee and the senior management team on an ongoing basis.

Risks are assessed in terms of the likelihood of the risks occurring and the severity of their impact on the delivery of the charity's strategy. Trustees are satisfied that the major strategic and operational risks that the charity faces have been identified.

Following a fundamental review, 6 most significant risks were identified as having a medium to high residual risk with a moderate to major severity after taking mitigation and management actions, namely:

1. Breaches in Cybersecurity: the risk of the charity's network and systems being compromised is mitigated by robust anti-virus, anti-malware software, strong security policies in the system and staff training to prevent attacks and avoid being compromised.

2. **Pandemic risk:** the risk is mitigated by ensuring there is a Business Continuity Plan in place including internal policies for operations and guidance for Fellows at all stages of their travelling.
3. **Increased volatility in the financial markets:** market volatility is outside of the charity's control but the severity is mitigated by the charity's investments being managed by professional, experienced investment houses. The performance of the investments and the Investment Manager is kept under review by the Investment Subcommittee. The Investment Subcommittee reports to the Board of Trustees at each Trustee meeting.
4. **Public perception of our relationship to Winston Churchill:** the risk is mitigated by clear statements on the origin of the charity and its relationship with Winston Churchill, and a clear, stated policy on Equality, Diversity and Inclusion.
5. **Whether the awarded grants are sufficient to meet all the expenses of a Fellow:** the risk is mitigated by continued monitoring of Fellows' feedback and try to anticipate potential increases due to the economic and financial environment.
6. **Negative perception of the charity's impact on the environment:** the risk is mitigated by introducing a digital element of the Fellowship, placing particular emphasis on the charity's own environmental related themes, carrying out a yearly eco-audit that covers the charity's office footprint, supply chain, the finances and staff training.

Subcommittees review the risks they manage with appropriate executive support, and report to the Board. The Audit, Risk and Governance Subcommittee reviews the Risk Register annually, and the Board receives the full Register once a year.

Post year end events

Applications for the 2023 Fellowship programme has been received and are currently being evaluated by the Fellowship team with the support of the Trustees and the Council.

Related parties

From time to time, the charity receives grants or enters into grant-making partnerships with organisations and/or individuals with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The charity takes steps to ensure that these decisions, and other decisions where there are related parties, are made at arm's length and in accordance with its policies for dealing with potential conflicts of interest.

Trustees are required to disclose all relevant interests and register them with the Finance Director and, in accordance with the charity's conflicts of interest policy, withdraw from decisions where a conflict of interest arises. Conflicts of interest are reviewed at each Board and Advisory Council Meeting.

The charity actively collaborates with other funders, to share expertise and knowledge or to jointly provide grants.

Statement of Trustees' responsibilities and governance

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year, with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice (SORP).
- Make judgements and estimates which are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The Trustees are monitoring and improving governance practice in line with the guidance and advice provided by the Charity Governance Code.



Jeremy Soames
Chairman of the Trustees
Winston Churchill Memorial Trust

Date: 30 March 2023

Independent Auditor's Report to the Trustees of the Winston Churchill Memorial Trust

Opinion

We have audited the financial statements of Winston Churchill Memorial Trust ('the charity') for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2022 and of -its income and receipt of endowments 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement (set out on page 19), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to 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

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection laws, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Audit Risk & Governance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 26 April 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of The Companies Act 2006.

Statement of financial activities for the year ended 30 September 2022

	Notes	Unrestricted Fund £ '000	Restricted Fund £ '000	Endowment Fund £ '000	Total 2022 £ '000	Total 2021 £ '000
Income and endowments						
Donations and legacies	3a/c	39	26	-	65	55
Investments	4	528	-	-	528	522
Other		-	-	-	-	-
Total income		567	26	-	593	577
Expenditure on						
Charitable activities:						
Fellowship grants payable	5	985	(13)	-	972	1,030
Grant programme and related support costs	6	1,122	1	-	1,123	896
Total cost of charitable activities		2,107	(12)	-	2,095	1,926
Raising funds						
Fundraising costs		166	1	-	167	145
Investment management costs		-	-	198	198	189
Total cost of raising funds		166	-	198	365	334
Total expenditure		2,273	(11)	198	2,460	2,260
Net expenditure before Investment gains		(1,706)	37	(198)	(1,867)	(1,683)
Net investment (loss)/gains	11	-	-	(2,355)	(2,355)	7,407
Net (expenditure)/income		(1,706)	37	(2,553)	(4,222)	5,724
Transfer between funds	17	1,707	-	(1,707)	-	-
Net movement in funds		1	37	(4,260)	(4,222)	5,724
Total funds brought forward	17	935	166	47,736	48,837	43,113
Total funds carried forward		936	203	43,476	44,615	48,837


The above Statement of Financial Activities includes all recognised gains and losses.

All activities giving rise to such gains and losses are continuing.

Balance Sheet as at 30 September 2022

	Notes	2022 £ '000	2021 £ '000
Fixed assets			
Tangible and intangible assets	10	135	161
Investment assets	11	46,441	50,267
		<u>46,576</u>	<u>50,428</u>
Current assets			
Stocks	12	49	59
Debtors	13	77	67
Cash at bank		178	524
		<u>304</u>	<u>650</u>
Creditors:			
Amounts falling due within one year	14	<u>(2,265)</u>	<u>(2,235)</u>
Net current liabilities		<u>(1,961)</u>	<u>(1,585)</u>
Total assets less current liabilities		<u>44,615</u>	<u>48,843</u>
Creditors			
Amounts falling due after more than one year	15	<u>-</u>	<u>(6)</u>
Total assets		<u>44,615</u>	<u>48,837</u>
The funds of the charity			
Endowment funds	16	43,476	47,736
Restricted funds <i>represented by:</i>			
Restricted fund	16	203	166
Unrestricted funds <i>represented by:</i>			
General fund	16	936	935
	17	<u>44,615</u>	<u>48,837</u>

The financial statements were approved and authorised for issue by the Trustees on 30 March 2023 and signed on their behalf by:


Jeremy Soames
 Chairman of Trustees

Statement of cash flows for the year ended 30 September 2022

	Notes	2022 £ '000	2021 £ '000
Cash flows from operating activities			
Net cash used in operating activities	19	(2,341)	(1,629)
Cash flows from investing activities			
Proceeds from sale of investments – withdrawal from portfolio		1,800	1,660
Proceeds from sale of investments – deduction of investment management fees from portfolio		199	182
Purchase of fixed assets		(4)	(71)
Net cash provided by investing activities		1,995	1,771
Increase in cash and cash equivalents in the year	20	(346)	142
Cash and cash equivalents at the beginning		524	382
Cash and cash equivalents at the end of the year		178	524

NOTES TO THE FINANCIAL STATEMENTS

1. Charity information

Winston Churchill Memorial Trust, registered charity no. 313952, is a public benefit entity established in the UK as a Trust governed by its original Trust Deed dated 28 January 1965 and subsequent Deeds of Variation, revised in 2005 and in 2007 and consolidated in an amended Deed of Variation, dated 7 December 2007. The Trustees of the charity were incorporated as a corporate body under Part VII of The Charities Act 1993 (now The Charities Act 2011), by a certificate issued by The Charity Commission on 13 September 2007. The incorporated name of the Trustees is 'The Trustees of the Winston Churchill Memorial Trust'. The charity operates from its principal place of business at 29 Great Smith Street, London SW1P 3BL.

2. Accounting policies

a. Basis of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and The Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

In view of the level of investments held at the balance sheet date, the Trustees are of the opinion that the charity is a going concern. The Trustees are of the view that the charity will remain able to meet its commitments as they arise for a period of at least 12 months from the date of this report, and there are no material uncertainties in relation to the charity's ability to continue as a going concern.

b. Fund accounting

The charity's principal Fund is an expendable endowment, which may be used to support all the charity's objects. However, in order to demonstrate adherence with the policy adopted to preserve the capital of the charity, the Trustees have created the following funds:

The **endowment fund** which represents the expendable endowments.

The **unrestricted fund** which consists of:

- i) The **designated fund - Fellowships** is monies set aside from the general fund by the Trustees for the funding of the Activate Fund.
- ii) The **general fund** which represents unexpended income and/or liabilities.

The **restricted fund** which represents monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions. Interest earned on restricted fund balances is applied to the appropriate fund.

c. Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are included in full in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants are carried forward to the extent that the grantor specifies that the grant is for expenditure in future accounting periods, or when the charity has to fulfil conditions before becoming entitled. Grants carried forward in this way are accounted for as deferred income.

Income tax recoverable on covenanted giving and Gift Aid donations is accounted for in the year of receipt of the associated income on an accrual basis.

Legacies are accounted for when the conditions of entitlement and measurement are satisfied and receipt is probable.

Donated services and facilities are included at the value to the charity, where this can be quantified.

Donated assets are included at the value to the charity, where this can be quantified.

Investment income is recognised as receivable when a security is listed as ex-dividend.

d. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable activities

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its grant-making activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fellowships and Bursaries (single and multi-year) and other grants are recognised in the accounts as liabilities once they have been approved by the Trustees and the recipients have been notified.

Grants awarded but unpaid at the balance sheet date are recognised as grant commitments under creditors. Grants withdrawn or cancelled in the year are credited against new grant commitments made in the same year.

Raising funds

Expenditure on raising funds includes the direct costs paid to service providers for managing the investment assets, the direct costs of activities including staff salaries and other expenditure, and an allocation of related support costs. Support costs are allocated according to an estimate of the proportional usage across different activities supported, on a staff-time basis.

Fees due in respect of investment management are charged against the Endowment Fund as the cost of generating funds. The figures shown are the fees charged in accordance with the fee scale set out in the investment management agreement for the charity's portfolio.

Underlying management fees for the common investment funds, managed funds and hedge funds have been incurred and have been charged to those funds. These fees have been calculated and the gross fee due on the charity's portfolio is set out in Note 11.

Governance

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the charity's Trustees and committees.

Allocation of support costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time, as set out in Note 6.

e. Investments

Listed investments are stated in the balance sheet at their market value, as at the balance sheet date. Historical costs are included for information.

f. Cash and bank balances

Cash and bank balances represent money on deposit and on current accounts with banks. Cash held by investment managers as part of their discretionary mandate is included with investments.

g. Pension costs

The charity contributes 10% of basic salary towards personal pension plans for its employees. Contributions to employees' personal pension plans are charged to the Statement of Financial Activities in the year in which they become payable. The charity has no liability under the schemes other than the payment of those contributions.

h. Tangible and intangible assets

All assets, including donated assets, costing or with a value more than £1,000 and with an expected useful life exceeding one year, are capitalised. The cost of assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation begins in the following month after purchase.

Leasehold improvements are included at cost and depreciated on a straight-line basis over the remaining term of occupation of the charity's premises.

Furniture and equipment	- 10 years
Computer equipment	- 4 years
Website	- 4 years

i. Paintings held by the charity

The charity owns paintings by or of Sir Winston Churchill which were donated many years ago. These paintings are fully insured. The Trustees consider that no reliable carrying value can be ascribed to them for accounting purposes. As permitted by FRS102, these assets have therefore not been capitalised in the accounts.

A heritage asset is a tangible asset of historical or artistic importance held and maintained principally for its contribution to knowledge and culture. A painting donated to the charity by Sir Kyffin Williams, a Churchill Fellow, was valued by independent art valuers upon the charity's receipt in 2011 and is subject to regular valuation. The value has been capitalised, but no depreciation has been charged because the asset has a very long useful life and the estimated residual is not materially different from the carrying amount. The asset is subject to an annual impairment review by the Trustees and there was no reduction in the value of the heritage asset during the year.

j. Stock

Stock is stated at the lower of cost or net realisable value.

k. Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities within the expenditure to which it relates.

l. Realised and unrealised investment gains and losses

Realised and unrealised investment gains and losses are credited or charged to the Statement of Financial Activities in the year in which they occur. Gains or losses on investments are calculated as the difference between the disposal proceeds and the historical cost and are included in the Statement of Financial Activities.

m. Related party transactions

The charity's policy is for Trustees, executives or advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party, or in which they may have a conflict of interest.

n. Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

o. Key judgements and assumptions

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

p. Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors, see note 13. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors, see notes 14 and 15.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure, see note 11.

3. Donations and legacies

	Total 2022 £ '000	Total 2021 £ '000
Donations	2	11
Legacies	37	21
	<u>39</u>	<u>32</u>
Restricted Income	26	23
	<u>65</u>	<u>55</u>

3.b Restricted income

	Total 2022 £ '000	Total 2021 £ '000
Funding for Fellowships		
Churchill Fellows	6	3
Covid-19 Action Fund		
Donations via website	-	20
Special Project		
The Hadley Trust	20	-
	<u>26</u>	<u>23</u>

4. Investment income

	Total 2022 £ '000	Total 2021 £ '000
Dividends	<u>528</u>	<u>522</u>

5. Analysis of Fellowship grants

	Total 2022 £ '000	Total 2021 £ '000
Grants awarded during the year	969	1,029
Addition or withdrawal of Grants		
Fellowships grant adjustments	3	1
Charge for the year	<u>972</u>	<u>1,030</u>
Grants accrued as at 1 October 2021	1,762	1,453
Grants payable in the year	<u>2,734</u>	<u>2,483</u>
Grants paid in the year		
Fellowship grants	<u>974</u>	<u>720</u>
Payable as at 30 September 2022		
Fellowships grants	1,758	1,751
Bursaries due within one year	2	12
	<u>1,760</u>	<u>1,763</u>
	<u>2,734</u>	<u>2,483</u>

6. Total expenditure

	Charitable Activities £ '000	Raising Funds £ '000	Investment fees £ '000	Total 2022 £ '000	Total 2021 £ '000
Grants	972	-	-	972	1,030
Staff costs	463	110	-	573	447
Direct costs	102	6	198	306	324
Support costs	556	51	-	607	459
	1,121	167	198	1,486	1,230
2022 £ '000	2,093	167	198	2,458	2,260
2021 £ '000	1,926	145	189	2,260	

Allocation of support costs

	Charitable Activities £ '000	Cost of Generating Funds £ '000	Total 2022 £ '000	Total 2021 £ '000
Office Expenses	150	23	173	127
Governance	125	-	125	108
IT Services	49	11	60	21
Finance	44	5	49	38
Staff Support	188	12	200	165
2022 £ '000	556	51	607	459
2021 £ '000	421	38	459	

Support costs are allocated on staff activity.

7. Related party transactions

Expenses of £921 were reimbursed to two Trustees (2021 - £45) during the year to cover their travel expenses in the fulfilment of their duties. No Trustee received any remuneration or received any other benefits for their services during the year (2021 - £0). Trustee indemnity insurance amounted to £1,923 (2021 - £2,205) during the year.

8. Net income

	2022 £ '000	2021 £ '000
Is stated after charging:		
Audit fee (including VAT)	13	13
Depreciation of tangible fixed assets	30	15

9. Staff costs

	2022	2021
	£ '000	£ '000
Wages and salaries	694	557
Employer's National Insurance	72	56
Pension costs	64	55
	830	668

The average head count during the year was 16 (2021 - 13). The number of employees (full time equivalent) during the year was 16.17 (2021 - 13.42).

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2022	2021
£90,001 - £100,000	1	-
£70,001 - £80,000	1	1
£60,001 - £70,000	1	1

Pension contributions for employees with emoluments greater than £60,000 amounted to £22,545 (2021 - £15,632)

The charity considers that its key management personnel comprise the Trustees, the Chief Executive, the Fellowship Director, the Communications Director, the Development Director and the Finance Director. The total employment benefits of the key management personnel, including employer's pension and NI contributions, were £416,831 (2021 - £378,902).

10. Fixed assets

	Paintings	Office Refit	Office Furniture	Computer Equipment	Tangible Assets Total	Intangible Assets Web Site	Total Fixed Assets
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Cost							
1 October 2021	45	108	60	36	249	60	309
Additions	-	-	-	4	4	-	4
Disposals	-	-	-	-	-	-	-
At 30 September 2022	45	108	60	40	253	60	313
Depreciation							
1 October 2021	-	81	44	20	145	2	147
Disposals	-	-	-	-	-	-	-
Charge in year	-	4	3	8	15	15	30
At 30 September 2022	-	85	47	28	160	17	177
Net book value							
At 30 September 2022	45	23	13	11	92	43	135
At 30 September 2021	45	27	16	15	103	58	161

11. Investments

	2022 £ '000	2021 £ '000
Market value of listed investments as at 1 October 2021	50,267	44,178
Income received from investments	527	524
Distributions	(1,800)	(1,660)
Investment management fees	(198)	(182)
Net investment gains	<u>(2,355)</u>	<u>7,407</u>
Market value of listed investments as at 30 September 2022	<u>46,441</u>	<u>50,267</u>
Total investments held	<u>46,441</u>	<u>50,267</u>
Historical cost of listed investments as at 30 September 2022	<u>39,374</u>	<u>39,374</u>
Market value of listed investments comprises:	2022	2021
	£ '000	£ '000
Fixed Income Fund*	2,115	2,616
UK Equities	3,091	5,223
Overseas Equities	22,289	24,226
Property	3,701	3,305
Others	1,503	1,434
Hedge Funds	2,837	3,287
Commodities	2,331	1,528
Multi-Asset Funds	5,441	5,509
Liquidity Fund	1,600	2,357
Cash	<u>1,533</u>	<u>782</u>
	<u>46,441</u>	<u>50,267</u>

* Invested in both government and corporate bonds

The total annual fee paid to Cazenove for managing the portfolio was £197,736 (2021 - £189,268).

12. Stocks

	2022 £ '000	2021 £ '000
Memorabilia	<u>49</u>	<u>59</u>

13. Debtors

	2022 £ '000	2021 £ '000
Prepayments	74	65
Other debtors	<u>3</u>	<u>2</u>
	<u>77</u>	<u>67</u>

14. Creditors: amounts falling due within one year

	2022	2021
	£ '000	£ '000
Fellowship grants outstanding	1,758	1,752
Churchill college bursaries	2	12
Deferred grant income	386	299
Other creditors and accruals	119	172
	<u>2,265</u>	<u>2,235</u>

15. Creditors: amounts falling due after one year

	2022	2021
	£ '000	£ '000
Church House Corporation	-	6
	<u>-</u>	<u>6</u>

16. Analysis of net assets between funds

	General	Designated	Restricted	Endowment	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
Fixed assets	-	-	-	135	135
Investments	2,152	-	899	43,390	46,441
Current assets	304	-	-	-	304
Creditors	(1,520)	-	(696)	(49)	(2,265)
At 30.09.22	<u>936</u>	<u>-</u>	<u>203</u>	<u>43,476</u>	<u>44,615</u>

Investments held in liquidity funds were £3,133,880 (2021 - £3,139,411).

17. Fund movements

	At 01.10.21					At 30.09.22
	Total	Income	Expenditure	Gains	Transfer	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Unrestricted funds						
General fund	935	567	(2,273)	-	1,707	936
Designated fund -Fellowships	-	-	-	-	-	-
Total unrestricted funds	935	567	(2,273)	-	1,707	936
Restricted funds						
Fellowship funds						
Chancellor's grant using Libor Funds	127	-	-	-	-	127
The Michael Bishop Foundation	-	-	1	-	-	1
Churchill Fellows	-	6	-	-	-	6
The Lloyd George Foundation	-	-	7	-	-	7
The Mercers' Company	20	-	-	-	-	20
The Linbury Trust	-	-	1	-	-	1
Total Fellowship funds	147	6	9	-	-	162
Category funds						
The Burdett Trust for Nursing	10	-	-	-	-	10
John Armitage Charitable Trust	5	-	4	-	-	9
Total category funds	15	-	4	-	-	19
Special Projects						
The Hadley Trust	4	20	(2)	-	-	22
Total restricted funds	166	26	11	-	-	203
Total endowment fund	47,736	-	(198)	(2,355)	(1,707)	43,476
At 30.09.22	48,837	593	(2,460)	(2,355)	-	44,615

During the year the third round of awards granted in the Activate Fund and the Covid-19 Action fund were funded from the General Fund.

The transfer between the Endowment and Unrestricted Funds represents the approximate difference between incoming resources received during the year (which include investment income, grants, and donations restricted to funding 2022 charitable activities) and the operating expenditure for the year that meets the Trustees' distribution policy.

Restricted funds:

Fellowship funds represents monies received to fund the Fellowship programme and includes the funding of specific Fellowships and/or Fellowship categories. Category Funds represents monies received to fund specific categories events or activities. Special Project represents monies received to fund specific work related to the development of Fellowship categories.

18. Operating lease commitments

The charity's annual rental commitments on its premises with a break clause option in 2022 is £70,151 (2021 - £77,945). Total gross rental commitments to end of the lease in December 2025 is £253,321 before taking into account of any rent free periods.

19. Reconciliation of net movements in funds to net cash flow from operating activities

	2022	2021
	£ '000	£ '000
Net movement in funds for the reporting period as per SOFA	(4,222)	5,724
Investment loss/(gains)	2,355	(7,407)
Dividend income and deposit interest	(528)	(522)
Depreciation charge	30	15
Movement in working capital		
Decrease in stock	10	-
(Increase) in debtors	(10)	(1)
Increase in creditors	24	562
Net cash flow used in operating activities	<u>(2,341)</u>	<u>(1,629)</u>

20. Analysis of cash and cash equivalents

	01.10.2021	Cash Flows	30.09.2022
	£ '000	£ '000	£ '000
Cash at bank and in hand	<u>524</u>	<u>(346)</u>	<u>178</u>

21. Statement of financial activities for the year ended 30 September 2021

	Notes	Unrestricted Fund £ '000	Restricted Fund £ '000	Endowment Fund £ '000	Total 2021 £ '000	Total 2020 £ '000
Income and endowments						
Donations and legacies	3a/c	32	23	-	55	561
Investments	4	522	-	-	522	759
Other	3b	-	-	-	-	1
Total income		554	23	-	577	1,321
Expenditure on						
Charitable activities:						
Fellowship grants payable	5	1,006	24	-	1,030	1,305
Grant programme and related support costs	6	875	21	-	896	911
Total cost of charitable activities		1,881	45	-	1,926	2,216
Raising funds						
Fundraising costs		145	-	-	145	125
Investment management costs		-	-	189	189	173
Total cost of raising funds		145	-	189	334	298
Total expenditure		2,026	45	189	2,260	2,514
Net expenditure before						
Investment gains		(1,472)	(22)	(189)	(1,683)	(1,193)
Net investment gains	11	-	-	7,407	7,407	422
Net income/(expenditure)		(1,472)	(22)	7,218	5,724	(771)
Transfer between funds	17	1,444	-	(1,444)	-	-
Net movement in funds		(28)	(22)	5,774	5,724	(771)
Total funds brought forward	17	963	188	41,962	43,113	43,884
Total funds carried forward		935	166	47,736	48,837	43,113

The above statement of financial activities includes all recognised gains and losses. All activities giving rise to such gains and losses are continuing.

22. Analysis of net assets between funds 2021

	General £ '000	Designated £ '000	Restricted £ '000	Endowment £ '000	Total £ '000
Fixed assets	-	-	-	161	161
Investments	425	-	2,217	47,625	50,267
Current assets	650	-	-	-	650
Creditors	(140)	-	(2,051)	(50)	(2,241)
At 30.09.21	935	-	166	47,736	48,837

23. Fund movements 2021

	At 01.10.20 Total £ '000	Income £ '000	Expenditure £ '000	Gains £ '000	Transfer £ '000	At 30.09.21 Total £ '000
Unrestricted funds	811	554	(1,874)	-	1,444	935
General fund	811	554	(1,874)	-	1,444	935
Designated fund -Fellowships	152	-	(152)	-	-	-
Total unrestricted funds	963	554	(2,026)	-	1,444	935
Restricted funds						
Fellowship funds						
Chancellor's grant (Liber Funds)	139	-	(12)	-	-	127
Churchill Fellows	-	3	(3)	-	-	-
The Mercers' Company	-	20	-	-	-	20
Total Fellowship funds	139	23	(15)	-	-	147
Category funds						
The Burdett Trust for Nursing	40	-	(30)	-	-	10
John Armitage Charitable Trust	5	-	-	-	-	5
Total category funds	45	-	(30)	-	-	15
Special Projects						
The Hadley Trust	4	-	-	-	-	4
Total restricted funds	188	23	(45)	-	-	166
Total endowment fund	41,962	-	(189)	7,407	(1,444)	47,736
At 30.09.21	43,113	577	(2,260)	7,407	-	48,837

24. Fund movements 2021

Designated fund - Fellowships represents unrestricted donations and grants received during the 50th Anniversary Appeal and have been designated for the Activate Fund, a new grant initiative pilot. During the year the balance in the fund had been used in full to fund the second round of awards granted during the year which totalled £522,155. The balance of the awards were funded from the General Fund.

The transfer between the Endowment and Unrestricted Funds represents the difference between incoming resources received during the year (which include investment income, grants, and donations) and the expenditure for the year that meets the Trustees' distribution policy.

Restricted funds:

Fellowship funds represents monies received to fund the Fellowship programme and includes the funding of specific Fellowships and/or Fellowship categories. Category Funds represents monies received to fund specific categories events or activities. Special Project represents monies received to fund specific work related to the development of Fellowship categories.

25. Subsequent events

Travelling by the Fellows was suspended due to the Covid-19 outbreak but after the government restrictions were lifted and the embargo on travelling was removed in two phases in February 2022 and June 2022. As a result, there has been some travelling by Fellows during the year and further planning by Fellows are in progress for the next financial year.

In September 2022, the application window for the 2023 programme was reopened until the fourth week of November. Applications that have been received are currently being evaluated by the Fellowship team supported by the Trustees and the Council.

Acknowledgement of support for the Churchill Fellowship

Donors and funding partners

The Trustees would like to thank all those who have generously supported the charity and the Fellowships, including those who wish to remain anonymous. In 2022 our work was supported by contributions from these generous donors:

Adrian Baldovino	Annabel Pemberton	The Frank Jackson Foundation
Stuart Bonar	Berenice Stansfield	The Guardian Trust
Mary Churchill	Milan Taylor	HM Treasury – The LIBOR Fund
Randolph Churchill		The John Armitage Charitable Trust
Wendy Dodd		The Lloyd George Foundation
David Lincoln		The Michael Bishop Foundation

Legacy Gifts

The Trustees would like to thank all those who have generously supported the charity through legacy giving, including those who wish to remain anonymous. In 2022 we were supported by:

Alan Dove estate	George Moffat estate	Hazel Witte estate
Juliet Prior estate	Janet Oldham estate	

Fellows' support for the Churchill Fellowship

The Trustees would like to thank all Fellows who have supported the Fellowship through their generous donations. In 2022 we received support from:

Dr Stuart Aitken	Neal Hockley	Catriona Prebble
Susan Bain	Gary Kass	Dr Fionnuala Quinn
Lisa Baum	Dr Sheenagh MacDonald	
Tony Charalambides	Teresa Maguire	David Shreeves
David Dotting	Richard May	Dr Grace Sim
On behalf of Raymond	Dr Joanne McPeake	Mark Southgate
Doughty by Kealan Ashcroft		
Dr Victoria Edwards OBE	Timothy Miall	Dr Peter Walsh
Sarah Frost	Karen Neale	Audrey Watson
Dr Edward Goldfinch	Joanne Parker	Dr Tom Ziessen
David Hall	Liz Postlethwaite	

Knowledge partners

The Trustees would like to thank all partner organisations who contribute their expertise and knowledge in support of the Fellowship. In 2022 we received support from:

Marie Curie	Samaritans
The Mental Health Foundation	Ukactive
The Prince's Countryside Fund	The Coram Group

Donations in kind

The Trustees would like to thank all those who generously dedicate their time to the Churchill Fellowship. In particular, they would like to acknowledge all members of the Advisory Council, who are pivotal to the success of the Fellowship programme and our associated activities, and without whom we would not have been able to deliver our Covid Action Fund programme.