

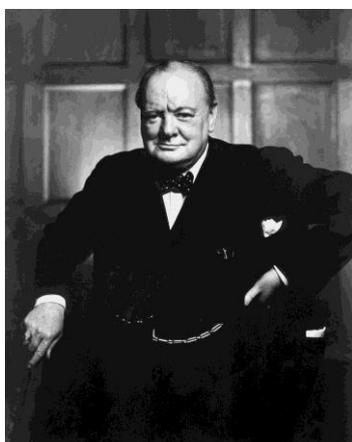


Annual report and financial statements for the year ended 30 September 2021

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 2021



This has been a year of continued innovation and adaptation in response to the global pandemic. We have evolved the Fellowship programme, offering new grant schemes and greater support for Fellows' UK work. We also began sketching out a new strategy for the next five years, looking forward to a post-Covid world and our 60th anniversary in 2025.

In a year when our global travelling Fellowships have been paused, we have refocused our grantmaking around Fellows' projects in the UK that are combating the effects of the pandemic. In September we launched a third round of grants from our Covid-19 Action Fund, bringing the total funding through this emergency fund to £1,072,070. We also gathered lessons learned from Fellows' Covid-related projects and published these in a report and film which are available on our website.

Support for Fellows' UK activities is a growing emphasis and in June we awarded £522,155 in grants from our new Activate Fund. This is a pilot project to see how best we can support projects that come out of Fellows' worldwide research. We funded 21 Fellows in a range of crucial topics that include youth employment, digital healthcare, domestic abuse and more.

A major innovation has been the development of a digital Fellowship, after 55 years of awarding travelling Fellowships. This will allow Fellows to undertake part or all of their research through online research and meetings. In 2021 it has been trialled by a number of Fellows who were unable to travel due to the global lockdown. In the future we hope that this will make the Fellowship more accessible, while also enabling Fellows to learn from more countries than they could visit in person.

A digital Fellowship also reflects our environmental ambitions, as it will significantly reduce the footprint of our work. Protecting the environment is one of the major strands in our thinking, and this year we welcomed the distinguished environmental scientist Professor Peter Liss to our Advisory Council. Over the next three years we will be doubling our grants in the environmental field, funding more Fellowships to protect the natural world and combat climate change.

We hope to reopen for Fellowships in the autumn of 2022, if the international situation allows. We will be offering a new digital option and new annual themes for the environment, the arts, enterprise and children in care. The latter is a growing issue in society, with the number of children in care projected to grow to almost 100,000 by 2025, and we are delighted to be working with a new partner for this theme, the highly respected charity Coram.

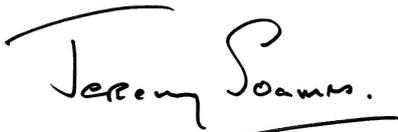
As well as considerably increasing our financial support for Fellows' UK impact, this year we improved our promotional support for them, in the form of our new website. This offers a more powerful showcase for their ideas and expertise, with easily searchable directories of their Reports and Profiles, and frequent blogs and updates from them. At the same time, we adopted a new operating name, 'the Churchill Fellowship'. Whilst this refresh of our branding may have initially invited some unwelcome and ill-informed criticism of our intentions, it has greatly enhanced our ability to amplify the work of our Fellows, and the clarity of our charitable purpose.

“This has been a year of continued innovation and adaptation in response to the global pandemic. We have evolved the Fellowship programme, offering new grant schemes and greater support for Fellows' UK work.” – Jeremy Soames

Fellows' continuing contribution to society was demonstrated once again in our annual impact survey. This showed that Fellows' projects benefit thousands of people directly and indirectly, with 84% of Fellows reporting a direct impact on more than 20 people and 89% reporting an indirect effect on more than 100 people. Some 40% reported that their work had directly impacted on UK-wide policy development, while 25% had obtained an influential position on an umbrella body, regulator or

commission, as a result of their Fellowship. The Fellowship was described by 88% of Fellows as a 'life-changing experience', while 100% of them would recommend the Fellowship to others. These are remarkable results.

I will close by thanking all those who have made this a year of considerable achievement despite difficult external circumstances. In particular I would like to thank the staff team, who have embraced new ideas and delivered our vision for change so effectively. I would also like to thank the Trustees and Advisory Council, whose wisdom continues to guide us, and our many donors and partners who have helped to make all of this possible. And finally I am delighted to acknowledge the ever-resourceful Churchill Fellows, who have achieved and given so much at a time of unprecedented national need.

A handwritten signature in black ink that reads "Jeremy Soames." The signature is written in a cursive style with a long horizontal line underneath the name.

Jeremy Soames
Chairman

Administrative information

Patron

Her Majesty Queen Elizabeth II

Chairman

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

Lucy Parker CF

Jacob Polny

David Sheepshanks CBE DL

David Taylor-Smith MBE

Joanne Thompson

James Williams 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 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 41.

Objects and activities

The Churchill Fellowship's objects and activities

The Churchill Fellowship is the operating 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.

Highlights of the year

Responding to the ongoing Covid-19 pandemic

As Covid-19 continued to affect the nation, our focus and funding remained on supporting Fellows' UK projects to mitigate the effects of the pandemic throughout society. We awarded a second round of grants from our Covid-19 Action Fund in December 2020, totalling £302,000 for 32 projects. These Covid-related projects provided emergency help or longer-term recovery measures for a range of issues including school closures, domestic abuse, mental health, employment for young people, racial equality and many other key challenges.

A third round of grants from this fund was opened in September 2021, resulting in awards of £404,294. Together the three rounds have provided a total of £1, 072,070 in funding to 93 Churchill Fellows. 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.

A key part of our Covid-19 Action Plan was to capture the range of Fellows' learnings for the benefit of others into the future and in August 2021 we published the first results in an interim report and film. These were produced by ClearView Research, led by Kenny Imafidon (CF 2016), and are available to view on our website. We will build on this work to capture lessons learnt from a wide range of Fellows' Covid-19 projects, aiming to create a national resource and knowledge bank of learnings and recommendations that can be shared with policymakers and practitioners nationwide.

None of this would have been possible without the energy and determination of Fellows themselves. Together they have launched and adapted hundreds of initiatives on the frontline, in their communities and workplaces nationwide, drawing upon their Fellowship learnings to address the challenges of the pandemic.

Here is one such project which was supported by our Covid-19 Action Fund this year.

Case study: building Covid-19 resilience amongst community businesses



The pandemic has had a dramatic impact on small and medium sized community businesses and social enterprises. Many are at risk from liquidity issues and unemployment, which makes resilience and recovery hard to sustain.

To help tackle this, social enterprise chief executive Eifion Williams (CF 2018) has piloted a new complementary currency in Wrexham, North Wales. This comprises a mutual credit system that provides a mechanism for businesses to do a portion of their trade without money, trading instead in goods or services. It is based on a model called the

Sardex, which Eifion researched on his Churchill Fellowship to Sardinia, where it has been used to great effect since 2010.

Eifion's system, called CELYN, had its pilot launch in December 2020 at an online event chaired by Jane Davidson, Wales's former Environment Minister, and attended by Lee Waters, Deputy Economy Minister in the Welsh Government. Eifion used his Covid-19 Action Fund grant to help promote membership of the new system to local businesses, and will be sharing his findings with other regions across the UK. The new system is predicted to boost the Welsh economy by £256m in the next decade. Preparations are now underway for a full roll-out across Wales.

Supporting and showcasing Fellows' UK impact

The Covid-19 Action Fund is only one example of our increasing emphasis on funding Fellows' work in the UK. This year we made a second round of grants from our Activate Fund, a pilot scheme we launched in 2020 which provides Fellows with funding to help them set up or accelerate projects to transform peoples' lives in the UK, based on their global learning.

Grants totalling £524,675 were made to 21 Fellows in June 2021 for projects addressing a range of issues, from tackling hate crime to supporting young people's wellbeing to pioneering approaches for sustainable food. Twenty-eight Fellows have been supported through this Fund so far, as part of a three-year pilot to explore how we can best support Fellows to accelerate their UK activities, through financial and other forms of assistance.

Preliminary results have been impressive. Achievements this year from the first cohort of Activators (who were awarded in 2020) include: the launch of the UK's first trauma-informed dedicated support service for women military veterans returning to civilian life; the creation of a national network and online community of professionals tackling homelessness in all sectors and areas across the UK; and the expansion to 36 areas across the country of the UK's first nationally coordinated programme to protect infants from Abusive Head Trauma.

A third round of grants will be made in 2022 and an evaluation of the scheme's impact will follow.

To better showcase Fellows' UK work and ideas, we made two major developments to our communications this year. The first was the creation of a new website and the second was the adoption of a new operating name, 'the Churchill Fellowship'. Both involved a consultation process with Fellows who said that what they valued most in the Fellowship was the sense of belonging to a community of practical changemakers, who work on every issue facing society. This is reflected in the improved website and in the new operating name which put the Fellows, their activities and ideas at the front and centre of what we do.

Case study: Activate grant to support autistic primary school children

Autistic children have sensory processing differences that can make learning environments very difficult for them to adapt to, including sitting for long periods of time. This can affect their wellbeing and behaviour, and they remain the pupil group with the highest exclusion rate from education.

Assistant Headteacher Heba Al-Jayoosi (CF 2019) is trialling a new project in her own primary school in East London which allows students to decide where they sit, what type of seat they sit on, or whether they would prefer to stand. This is an approach that has been used widely to great effect in specialist schools - but most autistic children attend mainstream schools, which very often lack the resources or knowledge to fully meet their needs.



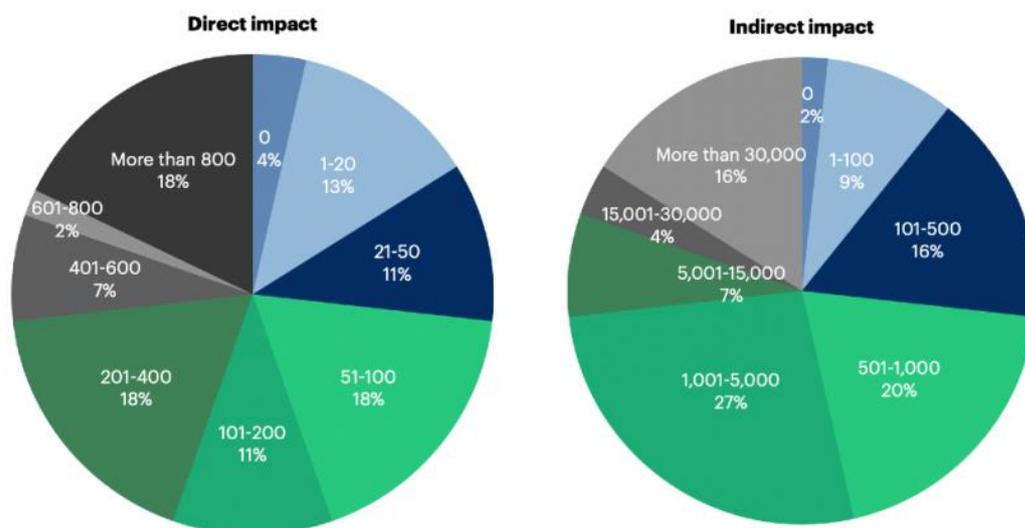
Heba has used her Activate grant to source the different types of furniture required and to launch her project which is already having a positive effect on the behaviour and engagement levels of the pupils. She will further use the funding to work with experts to evaluate the pilot and publish the findings in an academic paper, for the benefit of other schools around the country.

This work stems from Heba's Fellowship which explored how to include pupils with an autism diagnosis in mainstream classrooms.

Measuring the impact of the Fellowship

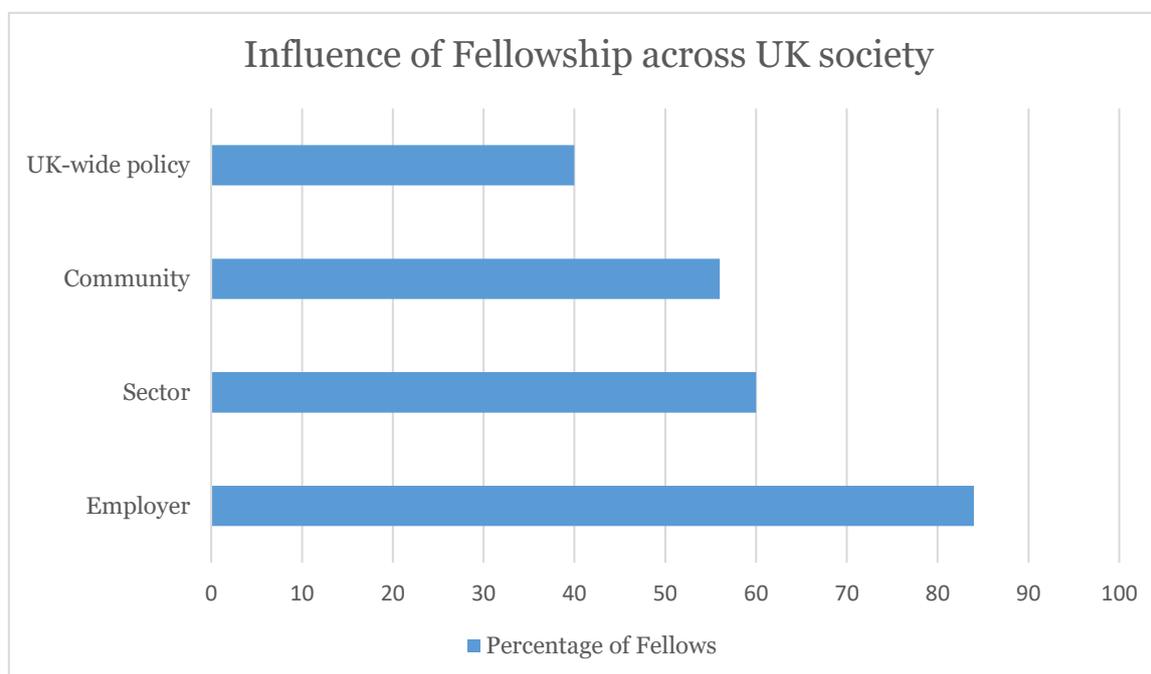
Our 2021 annual survey of Fellows demonstrates the difference they have made to society as a result of their Fellowship. Some 84% of respondents said that they have directly benefited more than 20 people, 56% have directly benefited more than 100 people, whilst 54% have indirectly impacted more than 1,000 people. One Fellow said, "As a result of the Fellowship I launched ThinkForward, which over the last decade has helped more than 10,000 young people in their school-to-work transition."

Impact of Fellowships (on number of people)



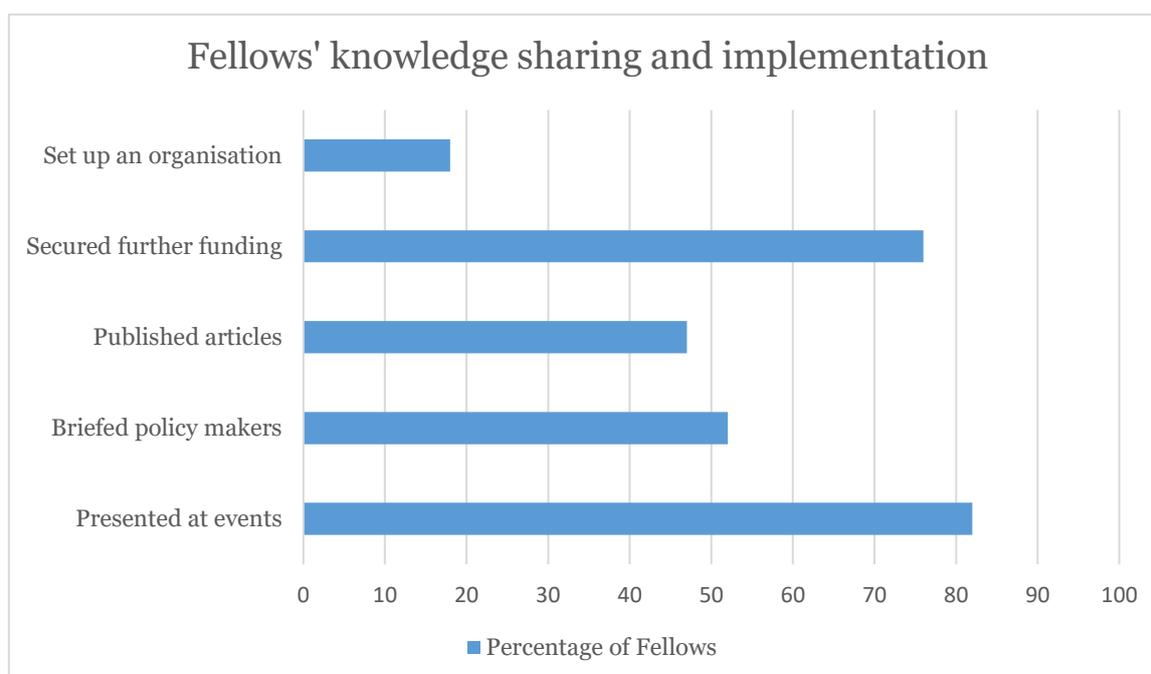
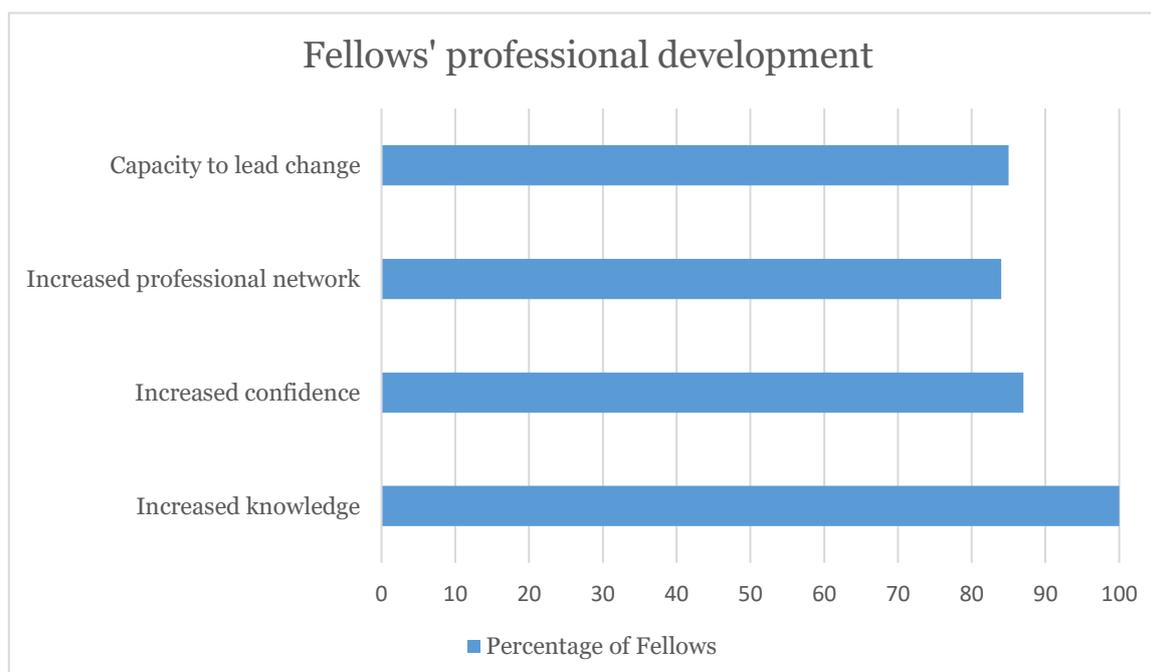
Influence of Fellowships across UK society

Fellows' influence has spread across society, with 60% of respondents benefitting the sector they work in, 56% benefitting their communities and 40% reporting that their work had directly impacted on UK-wide policy development. One Fellow remarked, "I'm proud of being able to authoritatively say - here's how other countries are approaching the same challenges in mental health and look what we can learn from that. It's enabled lots of conversations in the sector about the importance of digital technology in improving access to mental health treatment and support."



Fellows' professional development

The survey also shows the impact the Fellowship had on Fellows' own personal growth and their capacity to lead change. All Fellows reported a stronger and broader knowledge base, 87% reported increased confidence and 84% reported an increase in their professional network. They have shared

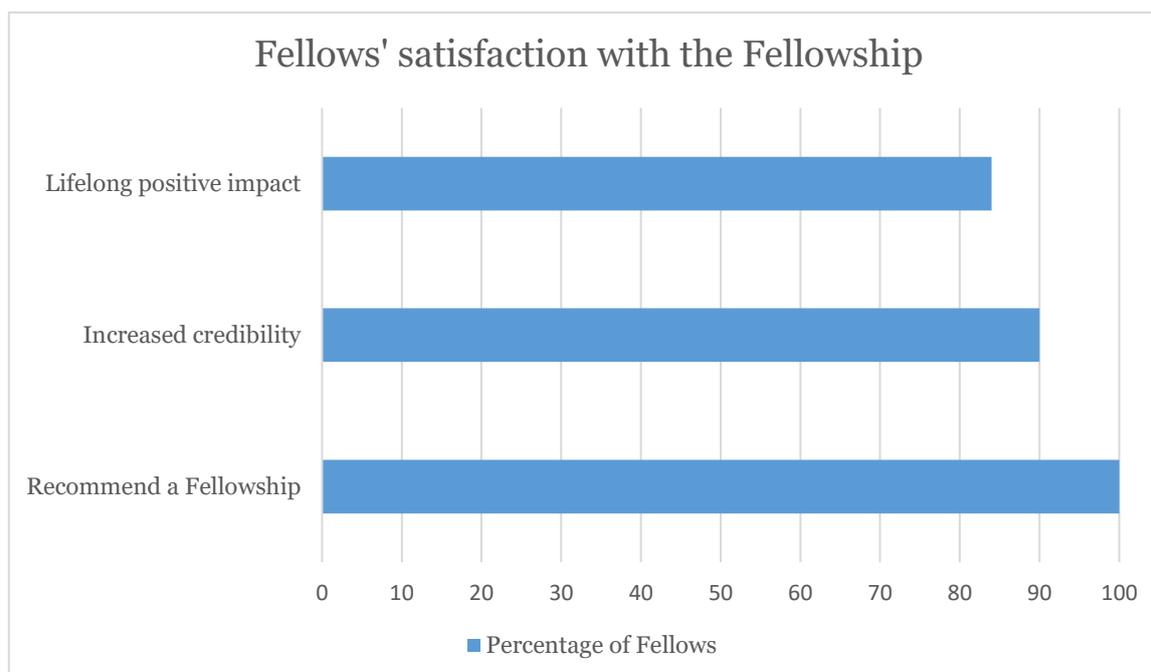


their Fellowship findings through presentations (82%), secured further funding to implement their ideas (76%) and set up their own organisations to put their Fellowship learnings into practice (18%).

Fellows' satisfaction with the Fellowship

The overall picture is of Fellows significantly increasing their capacity to lead change, and their satisfaction is high. One Fellow said, "I am immensely proud of being a Churchill Fellow and regard it as one of the very best things I've done. I've held some of the most prestigious research funding that individuals can hold in the sciences, including 5-year senior fellowships, that are exceptionally rare to hold. And yet, somehow, the memory at the end of my career of the defining moment of it will be the Churchill Fellowship."

This satisfaction is reflected in the statistics, with 100% of Fellows saying they would recommend a Fellowship, 90% valuing the credibility the Churchill Fellowship provided and 84% expecting the positive impact from the Fellowship to continue throughout their life and career.



The survey was sent to 429 Fellows who had completed their research travels 1, 3, 5 and 10 years earlier, and 62 Fellows responded. Whilst the sample size is smaller than previous years, its results are consistent with previous surveys.

Case study: the lifelong benefit of a Fellowship

Clinical psychologist Julie Stokes (CF 1992) has spent three decades championing services for bereaved children, most notably by founding the pioneering charity Winston's Wish, named in honour of her Churchill Fellowship.

Prior to its foundation in 1992, there was little formal support available for the estimated 45,000 children who are bereaved of a parent or sibling in the UK each year.



Julie had witnessed this first-hand, during her work in setting up one of the UK's first hospital-based teams focussing on palliative care.

Determined to do something to help, but with little knowledge of what that might be, she embarked on a Churchill Fellowship in 1992 to explore international best practice in supporting bereaved children. Travelling to Canada and the USA, she visited a number of pioneering programmes and brought this learning back to the UK where she set up Winston's Wish.

It started small, covering the Gloucestershire area, but rapidly expanded, establishing a nationwide helpline service for children in 2002. Today, Winston's Wish is the UK's leading childhood bereavement charity, supporting more than 20,000 children each year through its helpline service, webchat, counselling, workshops, residential weekends and more.

*For Julie, personally and professionally, the Fellowship has had a lasting impact. Since she first set out on her travels so long ago, Julie has lectured all over the world, contributed to 11 television documentaries and, in 2006, received an OBE for her services to children and families. This year, she published one of the first non-fiction books about grief specifically aimed at children. It is called *You Will Be Okay* and pulls together all of Julie's learnings and experiences over the past three decades.*

Julie says, "My Fellowship has directly helped to transform the way we involve and support children following the death of a parent or sibling. I had no idea when I walked into my panel interview that a one-hour conversation and Fellowship would have such a profound impact on my life."

Looking to the future

The past year has seen further innovations for the Fellowship which will help to support our next five-year strategy.

The first is the creation of a digital Fellowship. For the first time, we offered those Fellows who had not yet completed their travels an opportunity to undertake all or part of their Fellowship research online. To date, three Fellows have completed or are currently undertaking a full digital Fellowship, with a further five undertaking part of their Fellowship digitally. Feedback has been positive, with one Fellow reporting that the digital Fellowship allowed her to talk to organisations in countries that she hadn't previously thought of visiting, enabling her to gather more information than if she had been travelling.

Whilst prompted by the global lockdowns, this is an opportunity we plan to make available permanently after further consultation with Fellows. Our unique programme of travel grants will remain central to what we do, but the creation of the digital Fellowship is an important step in making the Fellowship more accessible to those who are unable to travel. It also provides a more ecologically sustainable alternative, as we consider how we can reduce our impact on the environment.

A second initiative is the development of a new collaborative process with Fellows and members of our Advisory Council to identify the annual themes in which we award Fellowships. Through a series of subject-specific working groups, we brought together these expert voices to advise us on the UK's key areas of need in which a Fellowship programme would be beneficial.

With their guidance, we have created five new topical themes which will open for Fellowship applications in 2022: Arts and communities; Caring for our natural environment; Climate change; Children and young people in care; and Resilient economies and communities. A sixth theme will be developed over the coming year. These working groups will exist for the lifetime of each theme, supporting new Fellows to put their ideas into practice and to amplify their reach into the sectors.

This work leads us into our next strategic phase, with a new strategy to ensure that the Fellowship continues to bring the greatest benefit to lives and communities across the UK.

Key areas will include greater amplification of Fellows' impact, and evolving our grants and support for Fellows. This will build on the innovative work already begun, as outlined above, but will also involve the exploration and development of new schemes and projects, in consultation with Fellows, to ensure we deliver the best possible support and impact.

Alongside this, there will be two special areas of focus: addressing inequality and protecting the environment. These will run across all we do: our annual themes, communications, grantmaking, approach to global travel, policies on ethical donations and investments, partnerships and our own internal structures and processes. Work on these has already begun, to ensure our activities are fit for the future.

This next strategic period includes our 60th anniversary in 2025, a key moment to communicate and celebrate the extraordinary contribution of Churchill Fellows to communities and society across the UK. We are excited about what lies ahead and believe the developments of the past year stand us in good stead as we look ahead to the next.

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. Our 2021 By-Fellow is Dr Jayne Gifford who will be researching the effects of inter-personal relationships, personal language and emotional rhetoric and will examine how the relationship between Churchill, Maffey and de Valera conditioned Anglo-Irish-American commonwealth policy and relations. Due to access restrictions as a result of the Covid-19 pandemic, Dr Gifford's By-Fellowship has been deferred to March 2022 when the grant will be paid.

We have now concluded our funding for new undergraduate bursaries at the college. We will continue to fund those bursaries already awarded until the end of those recipients' degrees.

Structure, governance and management of the charity

Governing document

The Churchill Fellowship is the operating 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 twelve serving Trustees. During the financial year, the Trustees met three times in November, March, and July. To minimise the risk of infection due to the Covid-19 pandemic, all meetings were held virtually. The Trustees continue to govern effectively with minimal adverse impact from the pandemic.

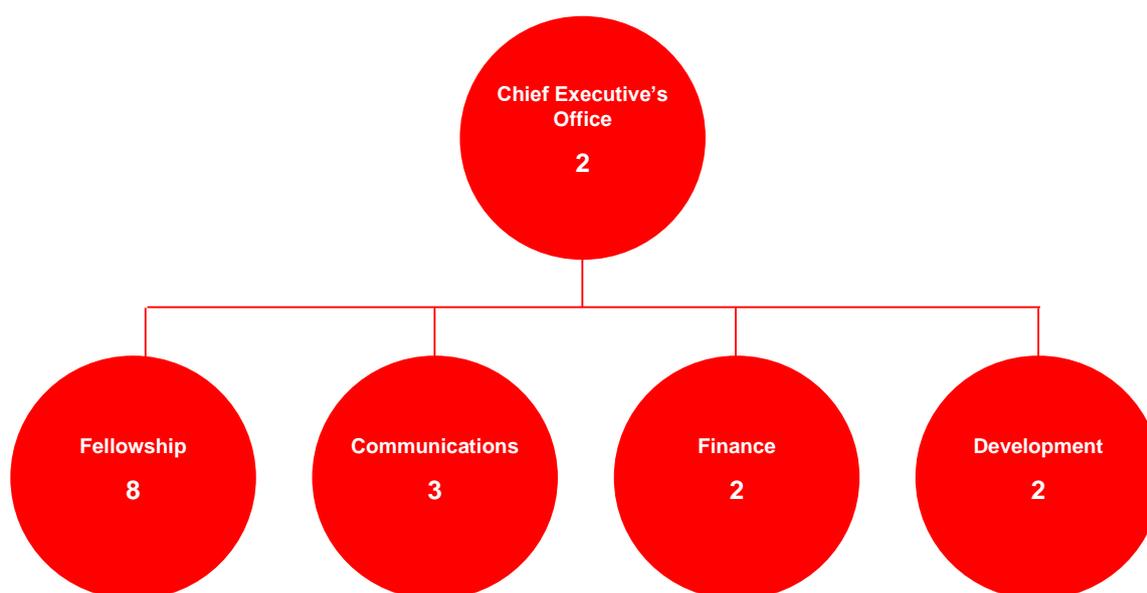
The Nominations and Remuneration Subcommittee regularly reviews the skills represented on the Board. Trustees serve for an initial period of seven years, after which they may put themselves forward for reappointment for a further term of three years. Additional time is allowed for substantive posts such 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 a Chair and currently, 18 members 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)

Sandy Balfour (until March 2021)

Prof Richard Benham (until June 2021)

Marina Brounger

Elizabeth Buchanan CVO

Claire Dove (from November 2021)

Dr Carlene Firmin CF MBE

(from October 2021)

Prof Paul Greenhalgh

Prof Charles Hinds

Pat Hughes

Prof Peter Liss CBE

Prof Juliet Lyon CBE

Kate Organ

Flora Soames

Lady Henrietta Spencer-Churchill

(until February 2021)

Andrew Trotman

Steve Tyler (from October 2021)

Kai Wooder

Audit, Risk and Governance Subcommittee

The Audit, Risk and Governance Subcommittee considers and reviews all matters relating to risk management, governance, external financial 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), John Baker (retired December 2021), Simon Bevan (appointed December 2021) 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 2021, a Governance Code Review was undertaken and acted on.

Impact of Covid-19

At the time of writing, due to the restrictions placed on international travels, all travelling by Fellows has been suspended and Fellowship applications are paused until it is feasible for us to reopen them. Since 19th July 2021, the charity continued to make suitable arrangements for staff to work from home, or when permitted, in the office with adequate precautions. The charity continues its operations as normal and has not experienced any material adverse impact from 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 is increased as a result of the impact of the Covid-19 pandemic 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, the travel restrictions due to the pandemic have disrupted our development plans. However, having launched a successful appeal for our Covid 19 Action Fund in 2020, our plans have returned to making progress towards supporting the ongoing work and development of the Fellowship.

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.

Equality, diversity and inclusion policy statement

Equality, 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 equality, 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 equality, diversity and developing a culture of engagement and inclusion through:

- Advancing equality, 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 equality, 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 equality, 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 2021, the Trustees set a budget for the general fund of £ 2,835,116 (2020 - £2,486,334) to meet the core grant-making and support costs of the Fellowship.

Incoming Resources

During the year, total income decreased by 56% from £1,321,187 in 2020 to £576,642. The decrease was mainly due to:

- a. a decrease in both restricted and general unrestricted donations; and
- b. decreased investment income.

Any restricted funding receivable from our partners and donors to fund the 2021 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 £23,172 (2020 - £526,646).

A further £31,407 (2019 - £33,797) was received in unrestricted donations.

Investment income for the year totalled £522,063 (2020 - £759,386).

Expenditure

Total expenditure for the year was 10.1% lower than in 2020 at £2,260,333 (2020 - £2,513,955).

Total grant commitments were £1,029,611 (2020 - £1,304,718), comprising -£7,851 (2020 - £1,046,060) of refunded or withdrawn Fellowships from previous years, £0 (2020 - £3,000) for a Churchill College grant, £520,675 (2020 - £100,872) for the Activate Fund and £516,787 (2020 - £154,785) 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. None of these grants have been paid to Fellows due to restrictions placed on travelling arising from the Coronavirus pandemic.

Post-Fellowship funding payments totalled £10,725 (2020 - £22,074) 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 13.42 (2020 - 12.92).

Direct fundraising costs for the year were £12,857 (2020 - £5,235).

Governance costs for the year totalled £107,679 (2020 - £87,541).

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. Salary increases consider both inflation rates and affordability. Staff remuneration is also benchmarked, 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 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 2021, totalled £50,267,075 (2020 - £44,178,051), of which £39,164,941 (2020 - £33,682,757) was under discretionary management by Cazenove, £8,745,305 (2020 - £6,994,288) was held by Cazenove on an execution only basis, and £2,356,829 (2020 - £3,501,006) 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 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 18.1% (2020 - 1.8%) against a benchmark of 16% (2020 - -1.2%).

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 22.1% (2020 - 4.5%).

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 £48,836,813 (2020 - £43,113,586). During the year, the Trustees compared the charity's reserves policy and the free reserves and aimed to maintain a balance equivalent to one year's net operating expenditure which is approximately £935,000. As a result, a total of £1,444,000 was transferred from the Endowment to the free reserves during the year.

In addition to the free reserves, the Trustees have designated unrestricted funds. These designations are reviewed annually. Designated funds at the balance sheet date amounted to £0 (2020 - £152,452).

The restricted fund balance totalled £166,072 (2020 - £187,717). 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, the Covid-19 Action Fund 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, 4 most significant risks were identified as having a medium to high residual risk with a moderate to catastrophic severity after taking mitigation and management actions, namely:

1. 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.
2. Insufficient grant for Fellows' expenses: the risk is mitigated by communication with Fellows in the finalisation of their travel plans and by having an adequate contingency fund to meet potential changes due to foreign exchange fluctuations or economic conditions.
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. Perception by members of the public of certain actions and views of Winston Churchill: the risk is mitigated by clear statements on the origin of the charity and its relationship with Winston Churchill, and a clear, statement on Equity, Diversity and Inclusion.

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

Plans for our 2023 programme are currently being formulated by management and are under active review by the Trustees.

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.

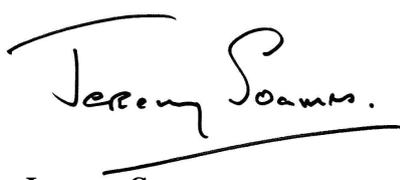
In preparing financial statements, the Trustees are required to:

- 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: 12 May 2022

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 2021 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 2021 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 20), 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: 21 June 2022

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 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

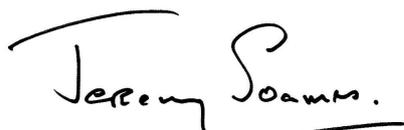
The above Statement of Financial Activities includes all recognised gains and losses.

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

Balance Sheet as at 30 September 2021

	Notes	2021 £ '000	2020 £ '000
Fixed assets			
Tangible and intangible assets	10	161	105
Investment assets	11	50,267	44,178
		<u>50,428</u>	<u>44,283</u>
Current assets			
Stocks	12	59	59
Debtors	13	67	66
Cash at bank		524	382
		<u>650</u>	<u>507</u>
Creditors:			
Amounts falling due within one year	14	<u>(2,235)</u>	<u>(1,677)</u>
Net current assets		<u>(1,585)</u>	<u>(1,170)</u>
Total assets less current liabilities		<u>48,843</u>	<u>43,113</u>
Creditors			
Amounts falling due after more than one year	15	<u>(6)</u>	<u>-</u>
Total assets		<u>48,837</u>	<u>43,113</u>
The funds of the charity			
Endowment funds	16	47,736	41,962
Restricted funds represented by:			
Restricted fund	16	166	188
Unrestricted funds represented by:			
Designated fund – Fellowships	16	-	152
General fund	16	935	811
	17	<u>48,837</u>	<u>43,113</u>

The financial statements were approved and authorised for issue by the Trustees on 12 May 2022 and signed on their behalf by:



Jeremy Soames
Chairman of Trustees

Statement of cash flows for the year ended 30 September 2021

	Notes	2021 £ '000	2020 £ '000
Cash flows from operating activities			
Net cash used in operating activities	19	(1,629)	(908)
Cash flows from investing activities			
Proceeds from sale of investments – withdrawal from portfolio		1,660	770
Proceeds from sale of investments – deduction of investment management fees from portfolio		182	175
Purchase of fixed assets		(71)	(2)
Net cash provided by investing activities		1,771	943
Increase in cash and cash equivalents in the year	20	142	35
Cash and cash equivalents at the beginning		382	347
Cash and cash equivalents at the end of the year		524	382

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 2021 £ '000	Total 2020 £ '000
Donations	11	32
Legacies	21	2
	<u>32</u>	<u>34</u>
Restricted Income	23	527
	<u>55</u>	<u>561</u>

3.b Other income

	Total 2021 £ '000	Total 2020 £ '000
Donated Services	-	<u>1</u>

Donated services received in the previous year comprised of online digital services.

3.c Restricted income

	Total 2021 £ '000	Total 2020 £ '000
Funding for Fellowships		
Churchill Fellows	3	4
The Frank Jackson Foundation	-	10
The Lady Hind Trust	-	10
The Lloyd George Foundation	-	20
The Mercers' Charitable Foundation	-	100
The Michael Bishop Foundation	-	100
	3	244
Funding for Fellowship Categories		
Burdett Trust for Nursing	-	50
Dr Eddie Goldfinch CF	-	5
John Armitage Charitable Trust	-	54
The Childwick Trust	-	10
The Rank Foundation	-	49
	-	168
Covid-19 Action Fund		
Churchill Fellows	-	1
Donations via website	20	1
The J Paul Getty Charitable Trust	-	5
The Augusta Charitable Foundation	-	50
The Oak Foundation	-	50
Sir Richard Vickers	-	3
	20	110
Special Project		
The Hadley Trust	-	5
	<u>23</u>	<u>527</u>

4. Investment income

	Total 2021 £ '000	Total 2020 £ '000
Dividends	522	730
Bond interest	-	29
	522	759

5. Analysis of Fellowship grants

	Total 2021 £ '000	Total 2020 £ '000
Grants awarded during the year	1,029	1,294
Addition or withdrawal of Grants		
Fellowships grant adjustments	1	11
Charge for the year	1,030	1,305
Grants accrued as at 1 October 2020	1,453	574
Grants payable in the year	2,483	1,879
Grants paid in the year		
Fellowship grants	720	425
Payable as at 30 September 2021		
Fellowships grants	1,751	1,422
Bursaries due within one year	12	32
	1,763	1,454
	2,483	1,879

6. Total expenditure

	Charitable Activities £ '000	Raising Funds £ '000	Investment fees £ '000	Total 2021 £ '000	Total 2020 £ '000
Grants	1,030	-	-	1,030	1,305
Staff costs	353	94	-	447	407
Direct costs	122	13	189	324	344
Support costs	421	38	-	459	458
	896	145	189	1,230	1,209
2021 £ '000	1,926	145	189	2,260	2,514
2020 £ '000	2,216	125	173	2,514	

Allocation of support costs

	Charitable Activities £ '000	Cost of Generating Funds £ '000	Total 2021 £ '000	Total 2020 £ '000
Office Expenses	108	19	127	195
Governance	108	-	108	88
IT Services	17	4	21	37
Finance	34	4	38	36
Staff Support	154	11	165	102
2021 £ '000	421	38	459	458
2020 £ '000	421	37	458	

Support costs are allocated on staff activity.

7. Related party transactions

Expenses of £45 were reimbursed to one Trustee (2020 - £257) 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 (2020 - £0). Trustee indemnity insurance amounted to £2,205 (2020 - £2,184) during the year.

8. Net income

	2021 £ '000	2020 £ '000
Is stated after charging:		
Audit fee (including VAT)	13	12
Depreciation of tangible fixed assets	15	20

9. Staff costs

	2021 £ '000	2020 £ '000
Wages and salaries	557	506
Employer's National Insurance	56	55
Pension costs	55	51
	668	612

The average head count during the year was 13 (2020 - 13). The number of employees (full time equivalent) during the year was 13.42 (2020 - 12.92).

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

	2021	2020
£80,001 - £90,000	1	1
£60,001 - £70,000	1	-

Pension contributions for employees with emoluments greater than £60,000 amounted to £15,632 (2020 - £8,640)

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 £378,902 (2020 - £352,954).

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 2020	45	108	60	25	238	34	272
Additions	-	-	-	11	11	60	71
Disposals	-	-	-	-	-	(34)	(34)
At 30 September 2021	45	108	60	36	249	60	309
Depreciation							
1 October 2020	-	77	41	15	133	34	167
Disposals	-	-	-	-	-	(34)	(34)
Charge in year	-	4	3	6	13	2	15
At 30 September 2021	-	81	44	21	146	2	148
Net book value							
At 30 September 2021	45	27	16	15	103	58	161
At 30 September 2020	45	31	20	9	105	-	105

11. Investments

	2021 £ '000	2020 £ '000
Market value of listed investments as at 1 October 2020	44,178	43,941
Income received from investments	524	760
Distributions	(1,660)	(770)
Investment management fees	(182)	(175)
Net investment gains	7,407	422
Market value of listed investments as at 30 September 2021	<u>50,267</u>	<u>44,178</u>
Total investments held	<u>50,267</u>	<u>44,178</u>
Historical cost of listed investments as at 30 September 2021	<u>39,374</u>	<u>40,190</u>
Market value of listed investments comprises:	2021 £ '000	2020 £ '000
Fixed Income Fund*	2,616	3,405
UK Equities	5,223	5,614
Overseas Equities	24,226	18,952
Property	3,305	3,173
Others	1,434	915
Hedge Funds	3,287	1,650
Commodities	1,528	1,359
Multi-Asset Funds	5,509	5,231
Liquidity Fund	2,357	3,484
Cash	782	395
	<u>50,267</u>	<u>44,178</u>

* Invested in both government and corporate bonds

The total annual fee paid to Cazenove for managing the portfolio was £189,268 (2020 - £173,377).

12. Stocks

	2021 £ '000	2020 £ '000
Memorabilia	<u>59</u>	<u>59</u>

13. Debtors

	2021 £ '000	2020 £ '000
Investment income due but not received	-	3
Prepayments	65	57
Other debtors	2	6
	<u>67</u>	<u>66</u>

14. Creditors: amounts falling due within one year

	2021 £ '000	2020 £ '000
Fellowship grants outstanding	1,752	1,422
Churchill college bursaries	12	32
Deferred grant income	299	125
Other creditors and accruals	172	98
	<u>2,235</u>	<u>1,677</u>

15. Creditors: amounts falling due after one year

	2021 £ '000	2020 £ '000
Church House Corporation	6	-
	<u>6</u>	<u>-</u>

16. Analysis of net assets between funds

	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	<u>935</u>	<u>-</u>	<u>166</u>	<u>47,736</u>	<u>48,837</u>

Investments held in liquidity funds were £3,139,411 (2020 - £3,878,591).

17. Fund movements

	At 01.10.20					At 30.09.21
	Total	Income	Expenditure	Gains	Transfer	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Unrestricted funds						
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 using Libor 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

Fund movements (continued)

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 restricted to funding 2021 charitable activities) 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.

18. Operating lease commitments

The charity's annual rental commitments on its premises with a break clause option in 2021 is £77,945 (2020 - £67,291). Total gross rental commitments to end of the lease in December 2025 is £331,266 before taking into account of any rent free periods.

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

	2021 £ '000	2020 £ '000
Net movement in funds for the reporting period as per SOFA	5,724	(771)
Investment gains	(7,407)	(422)
Dividend income and deposit interest	(522)	(759)
Depreciation charge	15	20
Movement in working capital		
(Increase) / Decrease in debtors	(1)	193
Increase in creditors	562	831
Net cash flow used in operating activities	<u>(1,629)</u>	<u>(908)</u>

20. Analysis of cash and cash equivalents

	01.10.2020 £ '000	Cash Flows £ '000	30.09.2021 £ '000
Cash at bank and in hand	<u>382</u>	<u>142</u>	<u>524</u>

21. Statement of financial activities for the year ended 30 September 2020

	Notes	Unrestricted Fund £ '000	Restricted Fund £ '000	Endowment Fund £ '000	Total 2020 £ '000	Total 2019 £ '000
Income and endowments						
Donations and legacies	3a/c	34	527	-	561	616
Investments	4	759	-	-	759	877
Other	3b	1	-	-	1	8
Total income		794	527	-	1,321	1,501
Expenditure on						
Charitable activities:						
Fellowship grants payable	5	948	357	-	1,305	1,090
Grant programme and related support costs	6	659	252	-	911	867
Total cost of charitable activities		1,607	609	-	2,216	1,957
Raising funds						
Fundraising costs		125	-	-	125	76
Investment management costs		-	-	173	173	177
Total cost of raising funds		125	-	173	298	253
Total expenditure		1,732	609	173	2,514	2,210
Net expenditure before						
Investment gains		(938)	(82)	(173)	(1,193)	(709)
Net investment gains	10	-	-	422	422	873
Net income/(expenditure)		(938)	(82)	249	(771)	164
Transfer between funds	18	948	-	(948)	-	-
Net movement in funds		10	(82)	(699)	(771)	164
Total funds brought forward	18	953	270	42,661	43,884	43,720
Total funds carried forward		963	188	41,962	43,113	43,884

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 2020

	General £ '000	Designated £ '000	Restricted £ '000	Endowment £ '000	Total £ '000
Fixed assets	-	-	-	105	105
Investments	543	-	1,735	41,900	44,178
Current assets	355	152	-	-	507
Creditors	(87)	-	(1,547)	(43)	(1,677)
At 30.09.20	811	152	188	41,962	43,113

23. Fund movements 2020

	At 01.10.19 Total £ '000	Income £ '000	Expenditure £ '000	Gains £ '000	Transfer £ '000	At 30.09.20 Total £ '000
Unrestricted funds	700	794	(1,631)	-	948	811
General fund	700	794	(1,631)	-	948	811
Designated fund -Fellowships	253	-	(101)	-	-	152
Total unrestricted funds	953	794	(1,732)	-	948	963
Restricted funds						
Fellowship funds						
Chancellor's grant (Liber Funds)	270	-	(131)	-	-	139
Churchill Fellows	-	4	(4)	-	-	-
The Jackson Foundation	-	10	(10)	-	-	-
The Lady Hind Trust	-	10	(10)	-	-	-
The Lloyd George Foundation	-	20	(20)	-	-	-
The Mercers' Company	-	100	(100)	-	-	-
The Michael Bishop Foundation	-	100	(100)	-	-	-
Total Fellowship funds	270	244	(375)	-	-	139
Category funds						
The Burdett Trust for Nursing	-	50	(10)	-	-	40
The Childwick Trust	-	10	(10)	-	-	-
Dr Eddie Goldfinch CF	-	5	(5)	-	-	-
John Armitage Charitable Trust	-	54	(49)	-	-	5
The Rank Foundation	-	49	(49)	-	-	-
Total category funds	-	168	(123)	-	-	45
Covid-19 Action Fund						
The Augusta Charitable Foundation	-	50	(50)	-	-	-
Churchill Fellows and Individuals	-	2	(2)	-	-	-
The J Paul Getty Charitable Trust	-	5	(5)	-	-	-
The Oak Foundation	-	50	(50)	-	-	-
Sir Richard Vickers	-	3	(3)	-	-	-
Total Covid-19 Action Fund	-	110	(110)	-	-	-
Special Projects						
The Hadley Trust	-	5	(1)	-	-	4
Total restricted funds	270	527	(609)	-	-	188
Total endowment fund	42,661	-	(173)	422	(948)	41,962
At 30.09.20	43,884	1,321	(2,514)	422	-	43,113

24. Fund movements 2020

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. The first round of awards totalled £100,872 were granted during the year.

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 restricted to funding 2020 charitable activities) 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. Covid-19 Action Fund represents monies received to fund specific grants awarded to Fellows' Covid-19 related projects. Special Project represents monies received to fund specific work related to the development of Fellowship categories.

25. Subsequent events

The Covid-19 pandemic resulted in the suspension of all Fellows' travels from March 2020. From May 2022 Fellows will begin to travel to Europe (European Union and European Economic Area only). This will be kept under constant review by management and Trustees.

The 2022 Fellowship programme was cancelled and attention was focused on the Activate Fund and the Covid-19 Action Fund. Plans for the 2023 programme are currently being formulated with Fellowship applications due to reopen in September 2022, for award in 2023.

Acknowledgement of support for the Churchill Fellowship

Donors and funding partners

The Trustees of the charity would like to thank all those who have generously supported the charity and the Fellowships, including those who wish to remain anonymous. In 2021 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
Minnie 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

Fellows' support for the Churchill Fellowship

The Trustees would like to thank all Fellows who have supported the Fellowship through their generous donations. In 2021 we received support from:

Dr Stuart Aitken	Dr Melissa Hardie-Budden	Joanne Parker
Susan Bain	Neal Hockley	Liz Postlethwaite
Francis Barry	John Hornby	Catriona Prebble
Lisa Baum	Gary Kass	Dr Fionnuala Quinn
Tony Charalambides	Clive Kirkbride	Juliet Robertson
Richard Dennis	Dr Sheenagh MacDonald	David Shreeves
David Dotting	Teresa Maguire	Dr Grace Sim
Alan Dove	Richard May	Mark Southgate
Dr Victoria Edwards OBE	Dr Joanne McPeake	Dr Peter Walsh
Sarah Frost	Timothy Miall	Audrey Watson
Dr Edward Goldfinch	Karen Neale	Dr Tom Ziessen
David Hall	Alison O'Neal	

Knowledge partners

The Trustees would like to thank all partner organisations who contribute their expertise and knowledge in support of the Fellowship. In 2021 we received support from:

The British Council	The Royal College of Nursing
Marie Curie	Samaritans
The Mental Health Foundation	Ukactive
The Prince's Countryside Fund	

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.