

THE MARK LEONARD TRUST

ANNUAL REPORT

5 APRIL 2021

The Peak
5 Wilton Road
London SW1V 1AP

THE MARK LEONARD TRUST

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THE MARK LEONARD TRUST

Legal and Administrative

The Mark Leonard Trust (No. 1040323) was established under a Trust Deed dated 14 July 1994.

Trustees	Mr M L Sainsbury Mrs Z Sainsbury Mr J J Sainsbury	
Registered Office	The Peak 5 Wilton Road London SW1V 1AP	
Principal Officers	<div> Mrs K Everett Mr M Woodruff Mrs S Ferguson Mr A Shah </div>	<div> Chief Operating Officer Executive Executive Senior Finance Partner </div>
	All the Principal Officers are employed on a part-time basis.	
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Investment Advisers	Schroder & Co. Limited 12 Moorgate London EC2R 6DA	
Investment Powers	The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees.	
Objects	The objects of the Trust as given in the Trust Deed are for general charitable purposes.	

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Organisation

The Trust is one of the Sainsbury Family Charitable Trusts (SFCT), which share a common administration.

Trustees are appointed by existing Trustees and are provided with relevant information relating to their responsibilities as Trustees. They are responsible for the overall direction and supervision of The Mark Leonard Trust; they set the Trust's strategy, review proposals and approve grants. The Trustees delegate day-to-day operations to the Trust's Lead Executive, Mark Woodruff, and Executive, Sian Ferguson.

Trustees are aware of the Charity Governance Code published in 2017 (updated in March 2021) which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

The remuneration of the senior staff (including key management personnel) is reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the SFCT Management Committee benchmarks pay levels against the comparable positions in similar organisations. The Committee has instructed a full reward evaluation process during 2020/2021, in order to ensure that the Trusts fully meet their responsibilities and aspirations for fair and equal pay for employees.

The Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. The Trust does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

Grant Making Policy

Proposals are generally invited by the Trustees or initiated at their request. Unsolicited applications are discouraged and are unlikely to be successful, unless they are closely aligned with the Trustees' areas of interest. Grants are not normally made to individuals. The Trustees' objective is to develop both organisational capacity and impact, through a major grants Portfolio for mutual learning and problem solving among charities in the fields of youth work, the environment, music and social need, as well as through the Climate Change Collaboration to accelerate the achievement of a low carbon society. In all their grants, the Trustees look for strong planning for the engagement of individuals and the wider community, for social and environmental change.

Reserves Policy

The Trust holds both expendable endowment and unrestricted income funds.

It is the policy of the Trustees to approve grants for payment over a period of years, subject to the fulfilment of certain conditions over the life of the grant. Commitments to be paid within 12 months are accrued in the accounts.

The need for unrestricted income funds will vary from year to year and the Trustees will continue to review the position. At the balance sheet date, the Trustees are aware of the balance on both

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unrestricted funds and the expendable endowment. As agreed, and planned, any grants that cannot be paid from unrestricted income will be paid from the expendable endowment.

As at 5 April 2021, the Trust held total funds of £21.62m (2020: £17.75m) which includes expendable endowment of £21.47m (2020: £17.72m).

Investment Policy and Performance

In making investment decisions, environmental and social issues are taken into account, to align investments with the Trust's policies whilst still seeking maximum return. The long-term goal of the Trust is to move into responsible investments in companies which rely on or are based on sustainable resources. The Trustees regularly meet the investment managers to discuss strategy and review performance.

The Trustees are committed to using some of the Trust's expendable endowment for "impact" investing that will not only result in a financial return, but also produce social and environmental benefits that accord with the Trust's objectives. Initially, focus was on four different sectors: forestry, microfinance in developing countries, renewable energy and clean technology infrastructure and this was extended to include social impact. The Trustees are interested in sharing their experience in impact investing with other investors to improve their own knowledge in these areas, and also to encourage more investors to adopt the same approach. A specialist has been appointed by the trustees as adviser on investment opportunities in this field.

During the year the return on the discretionary portfolio was 22.1%, under-performing the benchmark of 23.0%.

The Trust is a signatory to Divest Invest, which commits the Trustees to sell any shares in fossil fuel holdings and invest a proportion of the endowment in 'climate solutions', such as renewable energy, energy efficiency and clean tech. This decision has not had a detrimental financial impact on the value of the Trust's investment portfolio.

The Trustees remain concerned that, notwithstanding the removal of direct investments in fossil fuels, many of the Trust's investments may conflict with the Trustees' charitable commitments. They are unclear whether and how they are expected to align their investments with their stated objectives and their commitments to wider society, including those forms of investment which may be at variance with their charitable intentions, particularly in the light of climate change.

During this reporting period, the Trust applied to the Charity Commission to seek the Commission's formal consent under s115 Charities Act 2011 to obtain legal clarity from the High Court. The Charity Commission responded to the application on 15 January 2021, noting that a decision was to be put on hold until the Commission had completed its consultation and review of 'Responsible Investment'. The Trust subsequently applied to the High Court for permission, on the basis that the 'on hold' decision was tantamount to a refusal. The High Court accepted the application and on 14 April 2021 gave permission for a virtual hearing to be held for a High Court judge to review the s115 application. The Trustees await the judgement from that court case to provide greater clarity on their investment duties.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts,

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adequate systems are in place to manage such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees identified the uncertainty of financial returns to constitute the charity's major financial risk. This is mitigated by having a diversified financial portfolio under the management of a major investment house. The Trustees regularly review investment strategy and monitor financial performance. They also operate a grant distribution formula which helps to ensure the stability of resources available for grant awards in any given year.

Another major risk is a misuse of funds by a grantee charity. To mitigate this risk the Trustees normally restrict grants to charities registered with the UK Charity Commission or equivalent bodies for charitable purposes. The awards are made following a thorough assessment and grants are regularly monitored; multi-year grants are paid only on receipt of satisfactory progress reports.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information, which follows in this annual report, about the Trust's aims, activities and achievements in the areas of interest that the Trust supports, demonstrates the benefit to its beneficiaries and, through them, to the public that arise from those activities.

Achievements and Financial Review

The Trustees met four times during the year to make grants and review investments.

The net income before gains was £27,074 (2020: Net expenditure £82,722). The net unrestricted income of the Trust for the year after charging grant related support costs was £873,267 compared to £1,110,955 for the year to 5 April 2020.

During the year the Settlor made a generous cash donation of £711,969 on which gift aid of £125,000 was recovered (2020: Cash donation £650,000 and gift aid £162,500).

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The investment portfolio has performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year.

The Charity has adopted a total return basis to budget for its annual income. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

During the year the Trustees approved 21 grants totalling £502,768, some of which are payable over more than one year. Grants approved during the year may be analysed by number and by value in the categories set out below. Payments made relate to grants approved in this and earlier years.

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	Grants Approved			Payments made	
	Number	£	%	£	%
Climate Change Collaboration	15	240,768	47.9	344,841	37.0
Environment					
- Venture Portfolio	-	-	0.0	40,000	4.4
- Non Portfolio	2	55,000	10.9	74,000	8.2
Food					
- Venture Portfolio	-	-	0.0	170,000	18.8
- Non Portfolio	-	-	0.0	5,000	0.5
Music & Social Need					
- Venture Portfolio	-	-	0.0	110,000	12.1
- Non Portfolio	-	-	0.0	0	0.0
Youth Work					
- Venture Portfolio	1	138,000	27.4	146,000	16.1
- Non Portfolio	-	-	0.0	0	0.0
Portfolio Support	1	39,000	7.8	8,000	0.9
General	2	30,000	6.0	18,000	2.0
	21	502,768	100.0	915,841	100.0

GRANTS APPROVED

PORTFOLIO OF VENTURES

Since 2011 the Trustees have been realising their long-term aim to provide grants to fewer charities in their priority areas, but at a higher level of funding than previously, towards deeper organisational development, greater financial sustainability and wider impact. They have selected organisations that can see themselves as ventures in which the Mark Leonard Trust is investing, rather than simply as recipients of revenue grants.

Typically, a grant of up to five years is offered, backed up with intensive involvement by the Trust's executives with the charity's board, as well as with senior managers and service delivery. Each year as needed, Trustees also provide these ventures with further consultancy, problem-solving or technical support. Drawing on the example of other forms of venture philanthropy and development investment, and maximising the power of the group as it works together, the Chief Executives and other managers of portfolio members meet for mutual support, as well as to share learning and solve problems in common. In 2020-21 the Portfolio reached eight years of operation.

The first five ventures were Bioregional, Global Action Plan, the Sustainable Restaurants Association, Become, and Just for Kids Law. BioRegional and Global Action Plan exited the portfolio in 2018-19, having achieved agreed development objectives.

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Orpheus Centre, ParaOrchestra and Friends, and In Place of War, each in the field of Music and Social Need, joined the portfolio after the original five ventures to bring the number of ventures to eight and to intensify the power of the group model. They have since been joined by the Environmental Funders Network and, from the Trustees' Food category, Chefs in School. During the year, a new venture joined the Portfolio in the field of social development for young people. Switchback works through training and catering to provide employment, resettlement and personal development for those coming out of adversity, especially prison.

At the beginning of the pandemic, several ventures had projected significant challenges to income from service provision, grants and donations by the end of the financial year and into 2021-22. In various ways, by reorganisation of services and staff structures, as well as making the case grants and donations as longer-term in charities after the pandemic and lockdowns, all succeeded in achieving a positive and even better than expected position at year-end and in projections for the ensuing year. This was in no small part due to the 'power of the group' model of the Trust's engagement with the ventures, and the mutual support and knowledge-sharing among the organisations, even across sectors. The charitable ventures working in the hospitality industry and in educational settings experienced exceptional restrictions to their work because of the lockdown of outlets or training or school settings, but these too performed well in readiness for the return of more normal life and activities hoped for in 2021-22.

The Portfolio of Ventures stands alongside the Trustees' other substantial grant-making engagement, the Climate Change Collaboration.

Portfolio Support Budget - £39,000

Specialist additional support to ventures in the major grants Portfolio.

CLIMATE CHANGE COLLABORATION - £240,768

The Climate Change Collaboration ('the Collaboration') was created in 2009 by four of the Sainsbury Family Charitable Trusts – the Ashden Trust, the JJ Charitable Trust, the Mark Leonard Trust, and the Tedworth Charitable Trust. In this reporting period the Tedworth Trust was not involved in the Collaboration.

In 2019, it revised its mission to support the ambition to limit stabilise global temperature rise to 1.5°C) by phasing out fossil fuels, increasing investment in renewable solutions and aligning finance and political systems to this target without overshoot, and to the United Nations' Sustainable Development Goals.

In recent years, the area of focus for the collaboration has been Divest Invest (now a global movement of investors including foundations, faith communities, pension funds, sovereign wealth funds, universities with collectively over \$14 trillion of assets under management) and aligning investment with limiting climate change to 1.5°C. For further information on DivestInvest, see www.divestinvest.org. The Climate Change Collaboration has continued to support 'community-based organisations and campaigns that advocate for a fair and timely transition from fossil fuels.

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Trustees recognise that it is very important to raise public awareness and confidence that acting on climate change is possible, affordable and has social and health benefits. The Climate Change Collaboration continued to support initiatives which improve communication around climate change and which engage the public with it. The Collaboration also made new grants to support legal challenges against continued investment or extraction and production of fossil fuels that appear to conflict with international legislation or commitments and/or national legislation.

Bates Wells and Braithwaite LLP - £2,800

For research on the feasibility of a super-complaint from a designated consumer body against the potential mis-selling of investment products that fail to disclose financial risks posed by climate change.

C40 Cities Climate Leadership Group - £25,000

Towards the first year of a second phase of the C40 Divest Invest Forum, supporting major cities to commit to Divest Invest.

Carbon Tracker - £8,666

To investigate the scale of primary finance lending flowing from banks to fossil fuel projects and companies.

Citizens UK - £55,000

Towards phases 1 and 2 of the new community-based programme on climate change.

FrameWorks Institute - £6,176

For supplementary research in collaboration with YouGov on how the pandemic has affected public views on climate change.

Friends of the Earth Charitable Trust - £7,458

Towards continued collaboration with Platform London on its divestment work.

Global Legal Action Network (GLAN) - £27,000

Towards the cost of legal researchers for a human rights case at the European Court of Human Rights on the effect on communities' health and wellbeing by greenhouse gas-emitting companies.

On Road Media - £30,000

To support the second phase of strategic work on communications around climate change.

Platform London - £20,000

Towards the on-going Divest Invest programme in partnership with Friends of the Earth.

Students Organising for Sustainability UK - £15,000

Towards phase 2 of support to student advocacy across the world with elected public representatives to secure commitments on mandatory climate education, climate justice, green jobs, carbon targets, health and mental health affected by climate change, and biodiversity.

Systemiq - £12,000

To provide advice to As You Sow.

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The Commitment - £3,334

To support advocacy activities that encourage the public to engage with their MPs and local councillors on climate change.

Uplift - £20,000

For core costs towards coordinating the end of government support for domestic extraction of fossil fuels within the UK.

350.org - £8,334

To support communities in cities as they engage with their elected representatives on Divest Invest.

OTHER ENVIRONMENT GRANTS - £55,000

The Trustees' constant focus on environmental sustainability is largely directed through the Climate Change Collaboration, the Portfolio of Ventures, and the Food category. Occasional grants are still made to other individual projects at the request of Trustees.

Ashden - Climate Solutions in Action - £50,000

Towards core costs.

Mission Kitchen - £5,000

To fund the production and delivery of around 2,000 meals during the Covid-19 pandemic.

YOUTH WORK - £138,000

Switchback - £138,000

For core costs as part of the Portfolio of Ventures.

GENERAL - £30,000

The Paraorchestra & Friends - £5,000

Towards a hardship fund for self-employed orchestra members who have lost work and do not qualify for government's income replacement scheme.

The Sainsbury Archive - £25,000

Towards core costs.

Cancelled Grants

One grant totalling £6,176 was cancelled during the year.

Future Plans

The Trust will continue to support the activities set out on pages 6 to 9 by the award of grants.

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Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

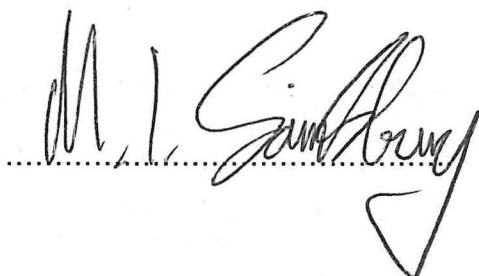
Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 'going concern' basis, unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity, as well as enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 24 November 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M. I. Smith', is written over a horizontal dotted line.

TRUSTEE

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Independent Auditor's Report to the Trustees of The Mark Leonard Trust

Opinion

We have audited the financial statements of The Mark Leonard Trust ('the charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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- 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 10, 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 144 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 Regulation (GDPR).

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 override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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

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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

15 December 2021

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.

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted Funds £	Expendable Endowment £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations and gifts		836,969	-	836,969	812,500
Investment income	3	279,000	-	279,000	496,569
Other income		23,316	-	23,316	28,138
Total income and endowments		1,139,285	-	1,139,285	1,337,207
Resources expended					
Cost of raising funds					
Investment management costs	4	-	98,163	98,163	106,114
Charitable activities					
Grant-making:					
Grant expenditure	5	748,029	-	748,029	1,087,563
Grant related support costs	6	266,018	-	266,018	226,252
Cost of grant-making		1,014,047	-	1,014,047	1,313,815
Total expenditure		1,014,047	98,163	1,112,210	1,419,929
Net (expenditure) / income before gains		125,238	(98,163)	27,075	(82,722)
Gains / (losses) on investment assets		-	3,836,407	3,836,407	(3,087,538)
Gains / (losses) on currency exchange		-	13,355	13,355	(11,292)
Net income / (expenditure)		125,238	3,751,599	3,876,837	(3,181,552)
Reconciliation of funds					
Total funds brought forward		27,042	17,719,156	17,746,198	20,927,750
Total funds carried forward		152,280	21,470,755	21,623,035	17,746,198

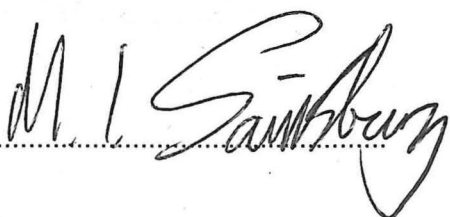
The notes on pages 17 to 25 form part of these accounts.

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BALANCE SHEET AS AT 5 APRIL 2021

	<i>Notes</i>	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	8	9,491	3,000
Investments	9	21,634,238	18,192,003
		<u>21,643,729</u>	<u>18,195,003</u>
CURRENT ASSETS			
Debtors	10	29,880	236,863
Cash at bank and in hand		<u>649,526</u>	<u>112,387</u>
		679,406	349,250
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	11	<u>700,100</u>	798,055
NET CURRENT LIABILITIES		(20,694)	(448,805)
NET ASSETS		<u><u>21,623,035</u></u>	<u><u>17,746,198</u></u>
CAPITAL FUNDS			
Expendable endowment	12	21,470,755	17,719,156
INCOME FUNDS			
Unrestricted funds	12	152,280	27,042
		<u><u>21,623,035</u></u>	<u><u>17,746,198</u></u>

The financial statements were approved and authorised for issue by the Trustees on 24 November 2021 and were signed on their behalf by :



TRUSTEE

The notes on pages 17 to 25 form part of these accounts.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2021

	<u>2021</u>	<u>2020</u>
	£	£
Cash flows from operating activities		
Net cash generated by operating activities	<u>(149,388)</u>	<u>(521,047)</u>
 Cash flows from investing activities:		
Dividends and interest	279,000	500,785
Exchanges gains / (losses)	13,355	(11,292)
Purchase of investments	(9,977,965)	(4,584,501)
Sale of investments	10,213,732	4,338,504
Net cash (used in) investing activities	<u>528,122</u>	<u>243,496</u>
 Change in cash and cash equivalents in the year	378,734	(277,551)
Cash and cash equivalents at the beginning of the year	<u>596,682</u>	<u>874,233</u>
Cash and cash equivalents at the end of the year	<u>975,416</u>	<u>596,682</u>

Reconciliation of net expenditure to net cash flow from operating activities	<u>2021</u>	<u>2020</u>
	£	£
Net movement in funds as per the statement of financial activities	3,876,837	(3,181,552)
(Gains) / losses on investments	(3,836,407)	3,087,538
Dividends and interest	(279,000)	(500,785)
Exchanges (gains) / losses	(13,355)	11,292
Fixed asset additions	(9,323)	-
Depreciation charges	2,832	1,500
Decrease / (increase) in debtors	206,983	(79,280)
(Decrease) / increase in creditors	(97,955)	140,240
Net cash generated by operating activities	<u>(149,388)</u>	<u>(521,047)</u>

Analysis of the balance of cash as shown in the balance sheet

	<u>2021</u>	<u>2020</u>	<u>Change in</u>
	£	£	year
Cash at bank and in hand	649,526	112,387	537,139
Cash balances held by investment manager for reinvestment (Note 9)	325,890	484,295	(158,405)
	<u>975,416</u>	<u>596,682</u>	<u>378,734</u>

The notes on pages 17 to 25 form part of these accounts.

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

1. CHARITABLE STATUS

The Mark Leonard Trust is an unincorporated charity (Charity registration number 1040323), registered in England and Wales. The address of the registered office is 5 Wilton Road, London, SW1V 1AP.

2. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the basis that the charity is sustainable as a going concern.

The investment portfolio has performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year.

The Charity has adopted a total return basis to budget for its annual income. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

b) Income recognition

- (i) Income is shown gross, including the associated tax credit unless the tax so deducted is considered irrecoverable.
- (ii) Dividends are included by reference to their due dates.
- (iii) Interest is included when receivable.

c) Expenditure on Charitable activities

Costs of generating funds represent amounts paid to the Trust's external investment advisors.

Charitable activities expenditure comprises grants and donations awarded by the Trustees in accordance with the criteria set out in the Trust Deed, together with grant related support costs.

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the period-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

Grant related support costs represent staff, office and governance costs incurred in managing the grant award programme.

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

2. PRINCIPAL ACCOUNTING POLICIES continued

d) Costs of administration

These costs include a share of the staff and office costs of the joint offices of the Sainsbury Family Charitable Trusts, which are allocated in proportion to the time spent on Trust matters and grants paid.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

f) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

Investments are shown at mid market value.

Social Impact Investments are carried at cost less any necessary provision for impairment or fair value where they are traded on an active market.

g) Financial instruments

The Trust 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 at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

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.

At the balance sheet date the charity held financial assets at fair value of £17,484k (2020: £15,013k).

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits.

i) Fixed assets

Fixed assets are depreciated at rates which reflect their useful life to the Trust. Leasehold improvements are depreciated over the life of the lease.

j) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates, 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.

Impact and programme related investments carried at cost are subject to annual impairment review by the Trustees in tandem with external expert advice on the current status of the related activities.

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

3. INCOME FROM INVESTMENTS

Income received on investments may be analysed as follows:

	2021		2020	
	£	%	£	%
Government fixed interest	583	0	726	0
Other fixed interest	53,063	19	11,015	2
UK equities	74,223	27	227,185	46
Overseas equities	86,740	31	112,655	23
Alternatives	46,032	16	107,317	21
Impact Investments	18,311	7	37,671	8
Other	48	0	-	0
	<u>279,000</u>	<u>100</u>	<u>496,569</u>	<u>100</u>

4. COST OF GENERATING FUNDS

These costs relate to the investment manager's fees. The Trustees are of the opinion that these relate to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

5. GRANTS PAYABLE

	2021		2020	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2020		707,019		582,249
Grants not accrued at 6 April 2020	685,000		769,000	
Grants approved in the year	510,768		1,003,563	
Grants cancelled, refunded or amended	3,261		-	
Grants not accrued at 5 April 2021	<u>(451,000)</u>		<u>(685,000)</u>	
Grants payable for the year		748,029		1,087,563
Grants paid during the year		(915,841)		(962,793)
Commitments at 5 April 2021		<u>539,207</u>		<u>707,019</u>

Commitments at 5 April 2021 are payable as follows:

	2021	2020
	£	£
Within one year (note 11)	<u>539,207</u>	<u>707,019</u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities. The total amount authorised but not accrued as expenditure at 5 April 2021 was £451,000 (2020: £685,000). This total is payable during 2022/23, 2023/24 and 2024/25.

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

5. GRANTS PAYABLE continued

The amount payable in the year consisted of the following:

	£
Climate Change Collaboration	
Citizens UK	55,000
On Road Media	30,000
Global Legal Action Network (GLAN)	27,000
C40 Cities Climate Leadership Group	25,000
Platform	20,000
Uplift	20,000
Grants payable up to £15,000	67,029
Environment	
Ashden Sustainable solutions, better lives - Ashden Awards	50,000
Environmental Funders' Network	40,000
Grants payable up to £15,000	15,000
Food	
Chefs in Schools	30,000
Grants payable up to £15,000	5,000
Music & Social Need	
The Paraorchestra & Friends	60,000
In Place of War	50,000
Youth Work (including Refugees)	
Switchback Initiative - (known as Switchback)	92,000
Become - (formerly known as Who Cares? Trust)	50,000
Just for Kids Law	50,000
General	
Specialist support to beneficiaries	47,000
Grants payable up to £15,000	15,000
Total grants payable per Statement of Financial Activities	748,029

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

6. GRANT RELATED SUPPORT COSTS

	Grant- making	Governance	2021 Total	2020 Total
	£	£	£	£
Staff costs	152,340	4,412	156,752	147,502
Share of joint office costs	29,261	-	29,261	32,661
Direct costs including travel	9,134	-	9,134	16,770
Depreciation	2,832	-	2,832	1,500
	193,567	4,412	197,979	198,433
Legal and professional fees	59,411	-	59,411	22,563
Auditors' remuneration	-	8,628	8,628	5,256
	252,978	13,040	266,018	226,252

During the year no Trustee received any remuneration (2020: £nil). Trustees were reimbursed expenses of £nil (2020: £nil).

7. ANALYSIS OF STAFF COSTS

	2021	2020
	£	£
Wages and salaries	127,534	119,663
Social security costs	14,392	13,407
Other pension costs	14,826	14,432
	156,752	147,502

The Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1.9% (2020: 1.9%) of the total support and administration costs of these trusts have been allocated to the Mark Leonard Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2020/21.

The average number of staff employed during the year was 13, all on a part-time basis (2020: 14). This equates to 2.1 full-time employees (2020: 2.1).

The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits, including employer pension contributions, of these key management personnel, were £95,648 (2020: £80,113). No employee earned in excess of £60,000 (2020: £60,000)

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

8. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2021	2020
	£	£
Cost		
At 6 April 2020	15,000	15,000
Additions	9,323	-
At 5 April 2021	24,323	15,000
Depreciation		
At 6 April 2020	12,000	10,500
Charge for the year	2,832	1,500
At 5 April 2021	14,832	12,000
Net Book Value		
At 5 April 2021	9,491	3,000
At 5 April 2020	3,000	4,500

9. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Market value 5 April 2020	17,707,708	20,549,249
Add: Acquisitions at cost	9,977,965	4,584,501
Less: Disposals at proceeds value	(10,213,732)	(4,338,504)
Unrealised gains/(losses) in year	3,836,407	(3,087,538)
Market value 5 April 2021	21,308,348	17,707,708
Investment cash	325,890	484,295
Total investments	21,634,238	18,192,003

The investments held as at 5 April 2021 were as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Govt fixed interest	207,467	237,460	571,028	648,440
Other fixed interest	529,874	642,047	618,516	833,277
UK equities	1,638,993	2,360,434	3,548,833	4,791,782
Overseas equities	8,520,488	10,350,895	5,472,668	6,182,338
Alternatives	2,748,654	3,443,289	2,286,454	2,557,544
Other	450,000	450,000		
Cash	325,890	325,890	484,295	484,295
Impact investments				
Unquoted	3,363,127	2,920,989	3,043,683	2,694,327
Quoted	870,049	903,234	-	-
	18,654,542	21,634,238	16,025,477	18,192,003

During the year there was no disinvestment from the investment portfolio (2020: £50,000).

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

10. DEBTORS

	2021	2020
	£	£
Accrued income	29,814	64,860
Other debtors	66	172,003
	29,880	236,863

11. CREDITORS - amounts falling due within one year

	2021	2020
	£	£
Grants payable within one year	539,207	707,019
Professional charges	17,073	20,319
Investment management fee	48,030	45,509
Other creditors	95,790	25,208
	700,100	798,055

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£	£	£
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	9,491	9,491
Investments	-	21,634,238	21,634,238
Current assets	804,350	(124,944)	679,406
Current liabilities	(652,070)	(48,030)	(700,100)
Total net assets	152,280	21,470,755	21,623,035
Movement in the year			
Opening balance as at 5 April 2020	27,042	17,719,156	17,746,198
Total income and endowments	1,139,285	-	1,139,285
Cost of raising funds	-	(98,163)	(98,163)
Cost of grant-making	(1,014,047)	-	(1,014,047)
Net losses on investments	-	3,836,407	3,836,407
Losses on currency exchange	-	13,355	13,355
Closing balance as at 5 April 2021	152,280	21,470,755	21,623,035

COMPARATIVE

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£	£	£
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	3,000	3,000
Investments	-	18,192,003	18,192,003
Current assets	779,588	(430,338)	349,250
Current liabilities	(752,546)	(45,509)	(798,055)
Total net assets	27,042	17,719,156	17,746,198
Movement in the year			
Opening balance as at 5 April 2019	3,650	20,924,100	20,927,750
Total income and endowments	1,337,207	-	1,337,207
Cost of raising funds	-	(106,114)	(106,114)
Cost of grant-making	(1,313,815)	-	(1,313,815)
Net gains on investments	-	(3,087,538)	(3,087,538)
Gains on currency exchange	-	(11,292)	(11,292)
Closing balance as at 5 April 2020	27,042	17,719,156	17,746,198

13. RELATED PARTY TRANSACTIONS

During the year to 5 April 2021, unconditional donation of £711,969 was received from Mr M L Sainsbury, the Settlor and Trustee (2020: £650,000).

The Trust holds investment in Foodmadegood Limited at a cost of £5,000 (2020: £5,000) where Mr M L Sainsbury is also a Director.

THE MARK LEONARD TRUST

NOTES TO THE ACCOUNTS

14. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Unrestricted Funds £'000	Expendable Endowment £'000	Total Funds 2020 £'000
Income			
Donations and gifts	812,500	-	812,500
Investment income	496,569	-	496,569
Other income	28,138	-	28,138
Total income and endowments	1,337,207	-	1,337,207
Resources expended			
Cost of raising funds			
Investment management costs	-	106,114	106,114
Charitable activities			
Grant-making:			
Grant expenditure	1,087,563	-	1,087,563
Grant related support costs	226,252	-	226,252
Cost of grant-making	1,313,815	-	1,313,815
Total expenditure	1,313,815	106,114	1,419,929
Net (expenditure)/income before gains	23,392	(106,114)	(82,722)
Gains / (losses) on investments	-	(3,087,538)	(3,087,538)
Exchange gains / (losses)	-	(11,292)	(11,292)
Net (expenditure)/income	23,392	(3,204,944)	(3,181,552)
Reconciliation of funds			
Total funds brought forward	3,650	20,924,100	20,927,750
Total funds carried forward	27,042	17,719,156	17,746,198

