

**The Joseph and Lilian Sully Foundation**  
Registered Charity No. 1014823

**Annual Report and Consolidated Financial Statements for  
the Year Ended 31 March 2022**

**The Joseph and Lilian Sully Foundation**  
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**The Joseph and Lilian Sully Foundation**  
**Trustees Annual Report for the Year Ended 31 March 2022**

**1. Reference & Administrative Details**

- (a) Name: The Joseph and Lilian Sully Foundation
- (b) Charity no: 1014823
- (c) Principal Office: Floor 6, 9 Appold Street, London EC2A 2AP
- (d) Names of Trustees on the date this report was approved:

Peter Timms  
John Mortimer  
Alastair Collett  
Dionne Dixon

Anthony Behrens was also a trustee up until 8 May 2021.

- (e) The Governing document of the Charity is the Trust Deed dated 25 September 1992 as amended by deed dated 2 February 2002.
- (f) Principal advisers:
  - Independent auditor – Moore Kingston Smith LLP
  - Investment managers – Quilter Cheviot and Close Brothers
  - Bankers – HSBC plc
- (g) The Objects of the Charity are as follows:
  - 1) the relief of suffering, distress, disease and poverty among children and the provision of education, assistance for children, their families and their communities;
  - 2) the conservation and other activities for the preservation of Epping Forest as a public amenity; and
  - 3) to support such other general charitable purposes as the trustees may in their absolute discretion determine.

**2. Explanation of the Work of the Charity, grant awarding policy and future plans**

The charity, although set up in 1992, only became adequately funded after the death of Lilian Sully in 2015. The residuary beneficiary of her will was the charity and £13 million was bequeathed from her estate.

The major part of Lilian Sully's estate comprised 100% of the shares in the family investment company. This company is now a subsidiary of the charity and has funds of nearly £13 million comprising investments that are managed by investment advisors and 2 commercial properties.

The charity regularly receives appeals for assistance which, if the appeals are within its objects, are considered and, if approved, sums are donated. A major grantee of the charity is Voluntary Action Epping Forest (VAEF) which helps older people in the area in numerous ways. VAEF is a beneficiary of substantial grants from the Lottery Fund and this charity committed in 2020 that support will continue to be forthcoming for the next 5 years of at least £20,000 per annum. In pursuit of its charitable objectives several payments have also been made to other individual charities and organisations who provide direct benefit to the wider public. Details of grants made are shown in note 5 to the financial statements.

## **The Joseph and Lilian Sully Foundation Trustees Annual Report for the Year Ended 31 March 2022**

All decisions are made by the trustees and it is they who decide which grants should be awarded primarily through meetings held throughout the year.

The long term strategy, and hence the plan for the future, is to continue making payments at an increasing amount within the objects as defined by the Trust Deed. The Trustees have had regard to Charity Commission guidance on public benefit including the guidance 'public benefit: running a charity (PB2),' when reviewing the aims and objectives and in planning the future activities of the charity. The charity does not undertake fundraising activities and has received no complaints in relation to fundraising in the reporting period.

In September 2022 the trustees agreed to support an initiative by Alzheimer's Research UK and Race against Dementia approving a grant of £500,000 over a five-year period to recruit an early career researcher with the aim of finding a breakthrough into the treatment and containment of the disease.

### **3. Reserves Policy**

The policy of the Trustees towards reserves of the Foundation is that any part of the capital or income of the charitable funds which may not for the time being be immediately required for the purposes of the Foundation may be invested by the Trustees. It is the intention of the Trustees to sustain funds at a level which will provide sufficient investment income to increase the level of donations paid, cover the management and administration costs and to be able to respond to any emergency applications which may arise. In 2018 the Foundation recognised a significant endowment from the Estate of Lilian Sully as the charity is the principal beneficiary of her residuary estate.

The estate of Lilian Sully was fully administered during 2019 and the delayed proceeds from a Life Bond were received during the year under review. As all the funds in the charity are an expendable endowment the trustees do not consider it necessary to identify a particular level of free reserves. As at 31<sup>st</sup> March 2022 the charitable group had expendable endowment funds of £16,721,041 and unrestricted funds of £329,960.

### **4. Financial Review & Main Achievements**

The charity generated net income (excluding any addition of endowment and gains and losses) of £435,503 in the year (2021: £48,715) and also had net investment gains of £266,167 (2021: £2,490,590). Grants awarded in the year were £391,750 (2021: £274,750). It is the aim of the trustees to distribute each year at least the net income to worthwhile causes within the objects of the charity.

Unspent income at 31<sup>st</sup> March 2022 is £329,960 (£304,909 at 31 March 2021). The definition of unspent income is the combined net income of the Foundation (excluding endowments) and the Company before any adjustment of movements in the value of investments and investment manager fees since 1<sup>st</sup> April 2018.

### **5. Investment Policy**

The aim of the charity's investment policy is to produce a mix of income and capital growth to balance the needs of current and future beneficiaries, with a moderate risk

**The Joseph and Lilian Sully Foundation**  
**Trustees Annual Report for the Year Ended 31 March 2022**

profile. Of the £1,221,687 cash at bank shown in the balance sheet some £507,359 is with the investment advisors waiting to be invested.

**6. Risk Management**

Although the charity does not currently maintain a risk register, the trustees consider the principal risks to the achievement of the charity's objectives at each meeting. The main risk is an unexpected drop in the level of investment income leading to a requirement to curtail the charity's grant awarding programme. This is mitigated by the management of the investment portfolio by professional investment managers based on a moderate risk profile.

**7. Related parties**

The Joseph and Lilian Sully Foundation has one wholly owned trading subsidiary; Joseph Sully Holdings Limited, which generates income from two rental properties and an investment portfolio. Joseph Sully Holdings Limited distributes its taxable profits to the Foundation. There are occasionally other related party transactions entered into knowingly by the Foundation and details of these can be seen in note 15.

**8. Trustees – Induction and training**

The Trustees have acted as such for a number of years and are well aware of the responsibilities of their role and of its importance. The Trustees review the accounts annually and take advice from Moore Kingston Smith LLP who act as independent auditors for the charity.

**9. Trustees – Going concern**

The financial statements have been prepared on a going concern basis. The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the entity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees conclude there is a reasonable expectation that the Foundation has adequate resources and unrestricted reserves/cash balances to continue in operational assistance for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

**10. Statement of Trustees Responsibilities for the Financial Statements**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance 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 the resources and application of resources, including income and expenditure for that period.

**The Joseph and Lilian Sully Foundation**  
**Trustees Annual Report for the Year Ended 31 March 2022**

In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the auditor is aware of that information.

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 the financial statements comply with the Charity's Settlement Deed, the Charities Act 2011 and the reviewed Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015). The Trustees 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 and signed on their behalf by:



Trustee: John Mortimer

Date: 13/01/2023

## **Independent Auditor's Report to the Trustees of The Joseph and Lilian Sully Foundation**

### **Opinion**

We have audited the financial statements of The Joseph and Lilian Sully Foundation for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Foundation Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable foundation's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including the 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 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

## **Independent Auditor's Report to the Trustees of The Joseph and Lilian Sully Foundation**

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

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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial records are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **Independent Auditor's Report to the Trustees of The Joseph and Lilian Sully Foundation**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity considered that the most significant are, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity company complies with these requirements by discussions with management.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

**Independent Auditor's Report to the Trustees of  
The Joseph and Lilian Sully Foundation**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

**Moore Kingston Smith**

17 January 2023

9 Appold Street  
London  
EC2A 2AP  
Date:

Moore Kingston Smith is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**The Joseph and Lilian Sully Foundation**  
**Consolidated Statement of Financial Activities**  
**for the year ended 31 March 2022**

	Note	Unrestricted Funds	Expendable Endowment Funds	Total 2022	Total 2021
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies		-	485,342	485,342	-
Investment income	3	553,077	-	553,077	522,342
<b>Total</b>		<u>553,077</u>	<u>485,342</u>	<u>1,038,419</u>	<u>522,342</u>
<b>Expenditure on:</b>					
Raising funds					
Investment management fees	5	-	74,890	74,890	77,008
Trading subsidiary costs		125,011	-	125,011	116,095
Charitable activities					
Grants awarded	5	403,015	-	403,015	280,524
<b>Total</b>		<u>528,026</u>	<u>74,890</u>	<u>602,916</u>	<u>473,627</u>
Realised gain on disposals	4	-	89,735	89,735	312,805
Unrealised gain on disposals	4	-	176,432	176,432	2,177,785
<b>Net income</b>	7	<u>25,051</u>	<u>676,619</u>	<u>701,670</u>	<u>2,539,305</u>
Transfer between funds	13	-	-	-	-
<b>Net movement in funds</b>		25,051	676,619	701,670	2,539,305
Fund balances at 1 April 2021	13	<u>304,909</u>	<u>16,044,422</u>	<u>16,349,331</u>	<u>13,810,026</u>
<b>Fund balances at 31 March 2022</b>	13	<u><u>329,960</u></u>	<u><u>16,721,041</u></u>	<u><u>17,051,001</u></u>	<u><u>16,349,331</u></u>

**The Joseph and Lilian Sully Foundation  
Balance Sheets  
as at 31 March 2022**

		Group		The Joseph and Lilian Sully Foundation	
		2022	2021	2022	2021
		£	£	£	£
<b>Fixed assets</b>					
Investments	4	13,606,685	13,606,263	13,938,365	13,861,888
Investment Property	9	1,800,000	1,800,000	-	-
<b>Current assets</b>					
Debtors	10	511,508	11,328	491,321	12,777
Cash at bank		1,221,687	1,032,403	201,629	337,097
		<u>1,733,195</u>	<u>1,043,731</u>	<u>692,950</u>	<u>349,874</u>
<b>Creditors: amounts falling due in less than one year</b>	11	<u>(68,879)</u>	<u>(60,663)</u>	<u>(35,400)</u>	<u>(34,250)</u>
<b>Net Current Assets</b>		1,664,316	983,068	657,550	315,624
<b>Creditors: amounts falling due in more than one year</b>	12	<u>(20,000)</u>	<u>(40,000)</u>	<u>(20,000)</u>	<u>(40,000)</u>
<b>Total Assets Less Total Liabilities</b>		17,051,001	16,349,331	14,575,915	14,137,512
<b>Total Net Assets</b>		<u><u>17,051,001</u></u>	<u><u>16,349,331</u></u>	<u><u>14,575,915</u></u>	<u><u>14,137,512</u></u>
<b>Funds</b>					
Unrestricted Income fund	13	329,960	304,909	-	-
Expendable Endowment fund	13	16,721,041	16,044,422	14,575,915	14,137,512
<b>Total Funds</b>		<u><u>17,051,001</u></u>	<u><u>16,349,331</u></u>	<u><u>14,575,915</u></u>	<u><u>14,137,512</u></u>

The financial statements were approved by the Trustees and authorised for issue on 13/01/2023 and were signed on their behalf by:

Trustee:  P J Timms

Trustee:  J Mortimer

Charity No. 1014823

**The Joseph and Lilian Sully Foundation  
Consolidated Statement of Cash Flows  
for the year ended 31 March 2022**

	2022		2021
	£		£
<b>Net cash (used in)/provided by operating activities (note a)</b>	(554,648)		(425,299)
<b>Cash flow provided by investing activities</b>			
Dividends and interest from investments	553,077		522,342
Fund manager fees	(74,890)		(77,008)
Payments to acquire fixed asset investments	(1,129,778)	(2,550,763)	
Proceeds received from investments	1,395,523	1,806,813	
Net cash used in capital investment transactions	265,745		(743,950)
<b>Net cash (used in)/provided by investing activities</b>	<b>743,932</b>		<b>(298,616)</b>
Change in cash and cash equivalents	189,284		(723,915)
Cash and cash equivalents at the beginning of the year	1,032,403		1,756,318
<b>Cash and cash equivalents at the end of the year (note b)</b>	<b>1,221,687</b>		<b>1,032,403</b>
<b>a. Net cash from operating activities</b>	<b>2022</b>		<b>2021</b>
	£		£
Net income	701,670		2,539,305
Adjustments for:			
- Net (loss)/gain on investments	(266,167)		(2,490,590)
- Dividends and interest from investments	(553,077)		(522,342)
- Fund manager fees	74,890		77,008
- (Increase) / decrease in debtors	(500,180)		(6,310)
- (Decrease) / increase in creditors	(11,784)		(22,370)
Cash flow (used in)/provided by operating activities	<u>(554,648)</u>		<u>(425,299)</u>
<b>b. Cash and cash equivalents at year end</b>	<b>2022</b>		<b>2021</b>
	£		£
Cash held in operational bank account	714,328		465,906
Cash held within investment portfolio (note c)	507,359		566,497
Cash and cash equivalents at year end	<u>1,221,687</u>		<u>1,032,403</u>
<b>c. Reconciliation of cash held in investment portfolio</b>	<b>2022</b>		<b>2021</b>
	£		£
Cash held in investment portfolio at 1 April	566,497		622,621
Net cash from dividends less management fees	180,047		141,836
Net cash used to purchase investments	13,696		(743,953)
Cash from operating accounts to fund investments	-		750,000
Cash transfer to fund operational activities	(252,881)		(204,007)
Cash held in investment portfolio at 31 March	<u>507,359</u>		<u>566,497</u>

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**1. Accounting Policies**

**a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention modified for the revaluation of investment assets to their market value at the balance sheet date.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and therefore the charity prepares its financial statements in accordance with 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 (The FRS 102 Charities SORP) and the Charities Act 2011. The consolidated statements comprise the financial statements of the Joseph and Lilian Sully Foundation and its trading subsidiary Joseph Sully Holdings Limited.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest pound.

The Charity is a Public Benefit Entity as defined by FRS 102.

The consolidated financial statements comprise the financial statements of the Foundation and its trading subsidiary "Joseph Sully Holdings Limited" Company Number 01276376 made up to 31 March 2022. The total income and expenditure of these entities is shown in the Statement of Financial Activities ("SOFA"). The statements are consolidated on a line by line basis. The Foundation has taken advantage of the exemption from disclosing its individual SOFA. The Foundation only surplus (net movement in funds) was £438,403 (2021: £300,887).

**b) Going concern**

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the company's ability to continue as a going concern. The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the entity to continue as a going concern. The trustees have considered the impact of Covid-19 on the investment portfolio and investment income generation to be short term. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees conclude there is a reasonable expectation that the Foundation has adequate resources and unrestricted reserves/cash balances to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

**c) Expenditure and its basis of allocation**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**1. Accounting policies**

**c) Expenditure and its basis of allocation (continued)**

Expenditure includes direct costs of activities and those costs of an indirect nature necessary to support those activities. Grants are recognised when the recipient has been notified of the grant awarded.

**d) Income**

Donations and legacies are recognised when there is evidence of entitlement, the receipt is probable and the amount can be measured reliably. Dividends are recognised when the charity is entitled to the income. Rental income in relation to the investment properties held by the subsidiary is recognised once the payment becomes due. All income is recognised net of VAT.

**e) Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

**f) Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	3 years straight line
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**g) Taxation**

The charity has suffered no tax charge, as it is not subject to UK Corporation tax on its charitable activities. No liability to current or deferred tax is considered necessary in the trading subsidiary as the directors have resolved to make charitable donations equivalent to the taxable profits to the Foundation.

**h) Cash and Cash Equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**i) Fund accounting**

The unrestricted income fund is for the objectives of the charity without further specified purpose, available as general funds.

The endowment fund represents expendable capital funds which have been bequeathed or donated to the charity. Transfers are made to the unrestricted income fund when necessary to support the charitable expenditure.

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**j) Financial Instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation and company balance sheet when the Foundation or company becomes party to the contractual provisions of the instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised. Listed investments are a basic financial asset and are accounted according to the policy outlined in note 11.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**k) Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**The Joseph and Lilian Sully Foundation  
Notes to the Financial Statements  
for the year ended 31 March 2022**

**1. Accounting policies**

**l) Investments**

Investment are stated at market value rather than at historical cost. Any unrealised or realised gains or losses arising from this policy are disclosed in the statement of financial activities.

**m) Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the circumstances, as follows:

**· Valuation of investment property**

The carrying value of the investment property as at 31 March 2022 is based on a valuation carried out by the Foundation's property managers Strettons Limited in July 2020. The investment properties were not inspected as part of the valuation and as such the valuation has not been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards, incorporating the International Valuation Standards (IVS) 2017 (The Red Book). The valuation was made on an open market basis drawing upon comparable market transactions of most relevance. As a result of the outbreak of Covid-19 and uncertainty in the property sector the report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

**2) Results from subsidiary**

The Joseph and Lilian Sully Foundation has one wholly owned trading subsidiary: Joseph Sully Holdings Limited, which generates income from two rental properties and an investment portfolio. Joseph Sully Holdings Limited distributes its taxable profits to the Foundation. The registered office of the subsidiary is 9 Appold Street, London, EC2A 2AP. Unaudited financial statements for the subsidiary are filed annually with the Registrar of Companies. A summary of the results of Joseph Sully Holdings Limited for 2022 and 2021 are detailed on the next page.

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**2) Results from subsidiary (continued)**

**Profit and Loss**

	<b>2022</b>	<b>2021</b>
	£	£
Turnover	492,118	466,823
Administrative expenses	(176,978)	(172,798)
Operating profit	<u>315,140</u>	<u>294,025</u>
Profit/(Loss) on disposal of listed investments	93,888	246,204
(Loss)/Profit on revaluation of listed investments measured at fair value	124,237	1,698,189
<b>Profit before taxation</b>	<u>533,265</u>	<u>2,238,418</u>
Taxation	-	-
<b>Net result</b>	<u><u>533,265</u></u>	<u><u>2,238,418</u></u>
Distribution to the Foundation	<u><u>270,000</u></u>	<u><u>-</u></u>

**Balance Sheet**

**Fixed Assets**

Investment properties	1,800,000	1,800,000
Investments	10,343,831	10,419,890
	<u>12,143,831</u>	<u>12,219,890</u>

**Current Assets**

Debtors	20,187	4,818
Cash and cash equivalents	1,020,058	695,306
	<u>1,040,245</u>	<u>700,124</u>

Creditors: amount falling due within one year	(33,480)	(32,682)
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<b>Net Current Assets</b>	<u>1,006,765</u>	<u>667,442</u>
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<b>Total assets less total liabilities</b>	<u><u>13,150,596</u></u>	<u><u>12,887,332</u></u>
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**Capital and Reserves**

Called up Share capital	1,000,000	1,000,000
Revaluation Reserve	313,319	313,319
Capital redemption reserve	3,900,100	3,900,100
Retained earnings	7,937,177	7,673,913

<b>Total equity</b>	<u><u>13,150,596</u></u>	<u><u>12,887,332</u></u>
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**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**3. Investment income**

<b>Year to 31 March 2022</b>	<b>Unrestricted Funds £</b>	<b>Expendable Endowment Funds £</b>	<b>Total 2022 £</b>
<b>Investment income</b>			
Dividends and bank interest	411,271	-	411,271
Rental income	141,806	-	141,806
	<u>553,077</u>	<u>-</u>	<u>553,077</u>

<b>Year to 31 March 2021</b>	<b>Unrestricted Funds £</b>	<b>Expendable Endowment Funds £</b>	<b>Total 2021 £</b>
<b>Investment income</b>			
Dividends and bank interest	377,614	-	377,614
Rental Income	144,728	-	144,728
	<u>522,342</u>	<u>-</u>	<u>522,342</u>

**4. Fixed Asset Investments**

<b>a. Group</b>	<b>2022 £</b>	<b>2021 £</b>
Market value at 1 April 2021	13,606,263	10,371,723
Additions	1,129,778	2,550,763
Disposal proceeds	(1,395,523)	(1,806,813)
Unrealised gain	176,432	2,177,785
Realised gain	89,735	312,805

Market value at 31 March 2022	<u>13,606,685</u>	<u>13,606,263</u>
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Historic cost of investments of the Group	<u>11,345,487</u>	<u>10,996,177</u>
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**Market value of investments by type for the Group**

	<b>2022 £</b>	<b>2021 £</b>
UK listed investments	13,546,660	13,546,238
Offshore bonds	60,025	60,025
	<u>13,606,685</u>	<u>13,606,263</u>

**Significant investment holdings for the Group based on market value at 31 March were:**

There were no significant holdings at 31 March 2022 or 31 March 2021.

**b. The Joseph and Lilian Foundation**

	<b>2022 £</b>	<b>2021 £</b>
Market value at 1 April 2021	3,186,375	1,938,337
Additions	251,192	1,165,325
Disposal proceeds	(222,757)	(463,484)
Unrealised gain	52,196	479,596
Realised (loss)/gain	(4,154)	66,601

Market value at 31 March 2022	<u>3,262,852</u>	<u>3,186,375</u>
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Investment in Subsidiary (at fair value on acquisition)	10,675,513	10,675,513
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Total	<u>13,938,365</u>	<u>13,861,888</u>
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Historic cost of investments of the Foundation (excluding trading subsidiary)	<u>3,004,983</u>	<u>2,863,933</u>
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**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**5. Total Expenditure**

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Raising funds</b>		
Investment management fees	69,267	72,510
Property Management fees	5,623	4,498
	<u>74,890</u>	<u>77,008</u>
<b>Charitable activities</b>		
<b>Grants to Institutions:</b>		
	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Clapton Common Boys Club	-	1,000
Crisis UK	10,000	10,000
Parkinsons UK	5,000	10,000
Holy Innocents Church	20,000	5,000
Great Ormond Street Hospital	10,000	10,000
NSPCC	10,000	10,000
The Salvation Army	10,000	10,000
Alzheimer's Research UK	20,000	10,000
St Clare Hospice	10,000	10,000
Macmillan Cancer Support	10,000	10,000
Children with Cancer UK	5,000	-
Voluntary Action Epping Forest	8,250	7,750
Maxability	10,000	10,000
The Royal British Legion	10,000	5,000
ELHAP	5,000	5,000
Misgav	10,000	5,000
Oncourse Foundation	10,000	10,000
Essex Community fund	15,000	15,000
Barnardo's	10,000	5,000
Orpheus Centre	10,000	10,000
MusicAll	10,000	10,000
Town Council of Loughton Mayors Appeal	-	10,000
Race against Dementia	10,000	5,000
Carers UK	10,000	10,000
Kidney Research UK	10,000	5,000
Open Road	15,000	5,000
Chess Homeless	10,000	10,000
Action for Children	2,500	2,500
Age UK	5,000	10,000
Haringey Law Centre	10,000	10,000
Teenage Cancer Trust	2,500	2,500
Blind Veterans UK	10,000	5,000
Coopers Charity CIO	-	5,000
Maggies	2,500	2,500
Marie Currie	10,000	5,000
New Directions	5,000	5,000
Prostate Cancer UK ( Research Project)	15,000	5,000
Royal National Institute of Blind People	7,500	2,500
High Beech Church of England Primary School	12,500	5,000
Music for my Mind	-	1,000
3Food4U	10,000	-
Age UK Essex	5,000	-
Cancer Research UK	5,000	-
Children with Cancer	5,000	-
Epping Forest Food Bank	10,000	-
Phoenix Futures	5,000	-
St Michael Church	5,000	-
University of Nottingham	1,000	-
	<u>391,750</u>	<u>274,750</u>

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**5. Total Expenditure (continued)**

**Governance costs**

Audit fees	9,900	9,150
Prior year under/(over) accrual	1,001	(3,753)
Trustee expenses	216	215
Bank charges	148	162
	11,265	5,774

**Total charitable expenditure**

403,015	280,524
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**6. Group tangible fixed assets**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cost at 1 April 2021 and 31 March 2022	1,114	1,114
Depreciation at 1 April 2021 and 31 March 2022	1,114	1,114
Net book value at 1 April 2021 and 31 March 2022	-	-

**7. Net income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
External auditors:		
Audit fees	9,900	9,150
Prior year under/(over) audit accrual	1,001	(3,753)
Accounting services for Joseph Sully Holdings Ltd	22,934	23,295

Accounting services for Joseph Sully Holdings Ltd includes fees paid to the external auditors relating to accounting fees, tax compliance, payroll and other advice. The subsidiary has two employees (2021: 2), both employees are directors of the company and trustees of the Foundation.

**8. Salaries and Wages**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	84,000	84,000
Social Security costs	5,152	6,167
Pension costs	1,253	1,253
	90,405	91,420

Average number of employees

2	2
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The charity has no employees in the current or preceding year. The trustees of the charity are considered to be the key management personnel. 1 (2021: 2) trustee was reimbursed £216 (2021: £215) for travelling expenses.

The subsidiary has two 2 employees (2021: 2), both employees are directors of the company and trustees of the Foundation. Their remuneration was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
J Mortimer	48,000	48,000
PJ Timms	36,000	36,000
	84,000	84,000

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

<b>9. Investment Property</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fair value</b>		
Brought forward	1,800,000	1,800,000
Carried forward	<u>1,800,000</u>	<u>1,800,000</u>

The directors took formal advice from the managing agents of the property investments as to their open market value at 17 July 2020. The managing agents undertook a desktop valuation and based their valuation on their knowledge of properties as managing agents. This was not a full valuation in accordance with the RICS Appraisal and Valuation Manual. The valuation report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. A significant judgement has been included in the accounting policies in relation to this. The historic cost of the properties at the balance sheet date was £1,486,681 (2021: £1,486,681).

**10. Debtors**

	<b>Group</b>		<b>Foundation</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other Debtors	485,587	2,412	485,342	-
Trade Debtors	2,106	510	-	-
Amounts owed by Joseph Sully Holdings Ltd	-	-	-	6,267
Prepayments and accrued income	23,815	8,406	5,979	6,510
	<u>511,508</u>	<u>11,328</u>	<u>491,321</u>	<u>12,777</u>

**11. Creditors: Amounts falling due in less than one year**

	<b>Group</b>		<b>Foundation</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals	31,706	28,858	15,400	14,250
Trade creditors	8,121	1,276	-	-
Grant creditor	20,000	20,000	20,000	20,000
Other taxation and social security	9,052	10,529	-	-
	<u>68,879</u>	<u>60,663</u>	<u>35,400</u>	<u>34,250</u>

**12. Creditors: Amounts falling due in more than one year**

	<b>Group</b>		<b>Foundation</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant creditors	<u>20,000</u>	<u>40,000</u>	<u>20,000</u>	<u>40,000</u>

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**13. Allocation of Reserves**  
**a. Group reserves**

Year to 31 March 2022	As at April 2021	Income £	Expenditure £	Net investment gains £	Property revaluation	Transfers	At 31 March 2022 £
<b>Unrestricted Fund</b>	304,909	553,077	(528,026)	-	-	-	329,960
<b>Expendable Endowment Fund</b>	16,044,422	485,342	(74,890)	266,167	-	-	16,721,041
<b>Total funds</b>	<b>16,349,331</b>	<b>1,038,419</b>	<b>(602,916)</b>	<b>266,167</b>	<b>-</b>	<b>-</b>	<b>17,051,001</b>
Year to 31 March 2021	As at April 2020	Income £	Expenditure £	Net investment losses £	Property revaluation	Transfers	At 31 March 2021 £
<b>Unrestricted Fund</b>	179,186	522,342	(396,619)	-	-	-	304,909
<b>Expendable Endowment Fund</b>	13,630,840	-	(77,008)	2,490,590	-	-	16,044,422
<b>Total funds</b>	<b>13,810,026</b>	<b>522,342</b>	<b>(473,627)</b>	<b>2,490,590</b>	<b>-</b>	<b>-</b>	<b>16,349,331</b>

The endowment fund is an expendable endowment based on the wishes of Mrs A H Sully, who died on 12 July 2015. Mrs Sully bequeathed the residue of her estate to the Foundation as a further expendable endowment.

Transfers are made from the Expendable Endowment Fund where necessary to support the charity's grant making activity.



**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**14. Analysis of net assets by fund**  
**a. Group**

	<b>Unrestricted Funds</b>	<b>Expendable Endowment Fund</b>	<b>31 March 2022</b>
<b>Investments</b>	-	13,606,685	13,606,685
<b>Investment Property</b>	-	1,800,000	1,800,000
<b>Debtors</b>	-	511,508	511,508
<b>Cash at bank</b>	329,960	891,727	1,221,687
<b>Current liabilities</b>	-	(68,879)	(68,879)
<b>Long term liabilities</b>	-	(20,000)	(20,000)
<b>Total funds</b>	<u>329,960</u>	<u>16,721,041</u>	<u>17,051,001</u>

**b. Foundation**

	<b>Unrestricted Funds</b>	<b>Expendable Endowment Fund</b>	<b>31 March 2022</b>
<b>Investments</b>	-	13,938,365	13,938,365
<b>Debtors</b>	-	491,321	491,321
<b>Cash at bank</b>	-	201,629	201,629
<b>Current liabilities</b>	-	(35,400)	(35,400)
<b>Long term liabilities</b>	-	(20,000)	(20,000)
<b>Total funds</b>	<u>-</u>	<u>14,575,915</u>	<u>14,575,915</u>

**15. Related Party Transactions**

Included in debtors is an amount of £nil (2021: £6,267) due from Joseph Sully Holdings Limited.

During the year ended 31 March 2021, Coopers Charity CIO received a £5,000 grant from the foundation. P J Timms, who is a trustee of the Foundation, was also a trustee of Coopers Charity CIO at the time of the grant in 2021.