

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

**Annual Report and Consolidated Financial Statements for  
the Year Ended 31 March 2023**

**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 2023**

### **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 the Trustees on the date this report was approved:

Peter Timms  
John Mortimer  
Alastair Collett  
Dionne Dixon  
Stella Murphy (appointed 31 May 2023)

- (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
  - Lawyers – BDB Pitmans LLP
  - Investment managers – Quilter Cheviot and Rathbones
  - Bankers – HSBC UK Bank 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 £4.4 million comprising investments that are managed by investment advisors and 2 commercial properties. During the year investments to the value of £3,966,168 were transferred from the company to the charity.

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 this year the charity gave £500,000 to support an initiative by Alzheimer's Research UK and Race against Dementia to recruit an early career researcher with

the aim of finding a breakthrough into the treatment and containment of the disease. A Dr. Jake Brooks was recruited who is based at Warwick University.

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.

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 of an amount possibly greater than the investment income of the charity 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.

### **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 cover the level of donations paid and cover the management and administration costs and be also able to respond to any emergency applications which may arise.

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. At 31 March 2023 the charitable group had expendable endowment funds of £15,337,639

### **4. Financial Review and main achievements**

The charity generated net loss in the year of £796,748 (2022: income of £435,503) and had net investment losses of £916,614 (2022: gain of £266,167). Grants awarded in the year were £1,005,000 (2022: £391,750).

As well as the setting up an early career researcher for Alzheimer's at a cost of £500,000 the charity has also bought a vehicle for a local food bank at a cost of £35,000 to enable the free food charity to comply with the new ULEZ policy in the whole of Greater London.

### **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 profile. Of the £1,037,428 cash at bank shown in the balance sheet some £359,286 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.

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.

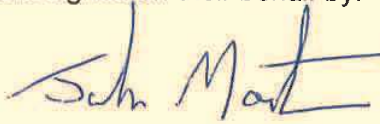
In so far as the Trustees are aware:

- 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

A handwritten signature in blue ink that reads "John Mortimer". The signature is written in a cursive style with a large initial 'J'.

**Date:** 30/11/2023

## **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 2023 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 2023 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

## **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.

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

- 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.
- 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**

*15 December 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 2023**

	Note	Unrestricted Funds	Expendable Endowment Funds	Total 2023	Total 2022
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies		-	-	-	485,342
Investment income	3	447,832	-	447,832	553,077
<b>Total</b>		<u>447,832</u>	<u>-</u>	<u>447,832</u>	<u>1,038,419</u>
<b>Expenditure on:</b>					
Raising funds					
Investment management fees	5	-	56,788	56,788	74,890
Trading subsidiary costs		129,597	-	129,597	125,011
Charitable activities					
Grants awarded & associated support costs	5	1,038,195	-	1,038,195	403,015
<b>Total</b>		<u>1,167,792</u>	<u>56,788</u>	<u>1,224,580</u>	<u>602,916</u>
(Loss)/gain on fixed asset investments & investment property	4, 9	(20,000)	(917,671)	(937,671)	266,167
<b>Net (expenditure)/income</b>	7	<u>(739,960)</u>	<u>(974,459)</u>	<u>(1,714,419)</u>	<u>701,670</u>
Transfer between funds	13	410,000	(410,000)	-	-
<b>Net movement in funds</b>		(329,960)	(1,384,459)	(1,714,419)	701,670
Fund balances at 1 April 2022	13	329,960	16,721,041	17,051,001	16,349,331
<b>Fund balances at 31 March 2023</b>	13	<u>-</u>	<u>15,336,582</u>	<u>15,336,582</u>	<u>17,051,001</u>

**The Joseph and Lilian Sully Foundation  
Balance Sheets  
as at 31 March 2023**

	Group		The Joseph and Lilian Sully Foundation	
	2023	2022	2023	2022
	£	£	£	£
<b>Fixed assets</b>				
Investments	4	12,580,096	13,606,685	15,100,255
Investment Property	9	1,780,000	1,800,000	-
<b>Current assets</b>				
Debtors	10	27,543	511,508	8,990
Cash at bank		1,037,428	1,221,687	267,195
		1,064,971	1,733,195	276,185
<b>Creditors: amounts falling due in less than one year</b>	11	(88,485)	(68,879)	(38,796)
<b>Net Current Assets</b>		976,486	1,664,316	237,389
<b>Creditors: amounts falling due in more than one year</b>	12	-	(20,000)	-
<b>Total Assets Less Total Liabilities</b>		15,336,582	17,051,001	15,337,644
<b>Total Net Assets</b>		15,336,582	17,051,001	15,337,644
<b>Funds</b>				
Unrestricted Income fund	13	-	329,960	638,236
Expendable Endowment fund	13	15,336,582	16,721,041	14,699,408
<b>Total Funds</b>		15,336,582	17,051,001	15,337,644

The financial statements were approved by the Trustees and authorised for issue on 30<sup>th</sup> November 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 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Net cash (used in) operating activities (note a)</b>	<u>(684,221)</u>	<u>(554,648)</u>
<b>Cash flow provided by investing activities</b>		
Dividends and interest from investments	447,832	553,077
Fund manager fees	(56,788)	(74,890)
Payments to acquire fixed asset investments	(8,112,537)	(1,129,778)
Proceeds received from investments	<u>8,221,455</u>	<u>1,395,523</u>
Net cash used in capital investment transactions	108,918	265,745
Net cash provided by investing activities	<u>499,962</u>	<u>743,932</u>
<b>Change in cash and cash equivalents</b>	<b>(184,259)</b>	<b>189,284</b>
Cash and cash equivalents at the beginning of the year	1,221,687	1,032,403
<b>Cash and cash equivalents at the end of the year (note b)</b>	<b><u>1,037,428</u></b>	<b><u>1,221,687</u></b>

<b>a. Net cash from operating activities</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income	(1,714,419)	701,670
Adjustments for:		
- Net (loss)/gain on investments	937,671	(266,167)
- Dividends and interest from investments	(447,832)	(553,077)
- Fund manager fees	56,788	74,890
- (Increase) / decrease in debtors	483,965	(500,180)
- (Decrease) / increase in creditors	(394)	(11,784)
Cash flow (used in)/provided by operating activities	<u>(684,221)</u>	<u>(554,648)</u>

<b>b. Cash and cash equivalents at year end</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash held in operational bank account	678,142	714,328
Cash held within investment portfolio (note c)	359,286	507,359
Cash and cash equivalents at year end	<u>1,037,428</u>	<u>1,221,687</u>

<b>c. Reconciliation of cash held in investment portfolio</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash held in investment portfolio at 1 April	507,359	566,497
Net cash from dividends less management fees	291,548	180,047
Net cash used to purchase investments	(2,107,259)	13,696
Cash from operating accounts to fund investments	2,000,000	-
Cash transfer to fund operational activities	(332,362)	(252,881)
Cash held in investment portfolio at 31 March	<u>359,286</u>	<u>507,359</u>

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

**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 2023. 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 £761,731 (2022: £438,403).

**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 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 2023**

**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 in is consider 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 2023**

**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 2023**

**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 2023 is based on a valuation carried out by the Foundation's property managers Strettons Limited in July 2020 subsequently adjusted for due to the sale of the property after the year end. For the July 2020 valuations, 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 2023 and 2022 are detailed on the next page.

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

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

**Profit and Loss**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	335,905	492,118
Administrative expenses	(172,134)	(176,978)
Operating profit	<u>163,771</u>	<u>315,140</u>
Decrease in fair value of investment property	(20,000)	-
(Loss)/Profit on disposal of listed investments transferred to the Foundation	(754,091)	93,888
(Loss)/Profit on revaluation of listed investments measured at fair value	(81,702)	124,237
<b>Profit before taxation</b>	<u>(692,022)</u>	<u>533,265</u>
Taxation	-	-
<b>Net result</b>	<u>(692,022)</u>	<u>533,265</u>
Distribution to the Foundation	<u>5,530,672</u>	<u>270,000</u>

**Balance Sheet**

**Fixed Assets**

Investment properties	1,780,000	1,800,000
Investments	<u>4,408,807</u>	<u>10,343,831</u>
	<u>6,188,807</u>	<u>12,143,831</u>

**Current Assets**

Debtors	18,553	20,187
Cash and cash equivalents	<u>770,233</u>	<u>1,020,058</u>
	<u>788,786</u>	<u>1,040,245</u>
Creditors: amount falling due within one year	(49,689)	(33,480)

**Net Current Assets**

	<u>739,097</u>	<u>1,006,765</u>
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**Total assets less total liabilities**

	<u>6,927,904</u>	<u>13,150,596</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	1,714,485	7,937,177

**Total equity**

	<u>6,927,904</u>	<u>13,150,596</u>
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During the year the subsidiary company transferred cash and investments to the value of £5,530,672 to the Foundation (2022: £270,000).

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

**3. Investment income - group**

Year to 31 March 2023	Unrestricted Funds £	Expendable Endowment Funds £	Total 2023 £
<b>Investment income</b>			
Dividends and bank interest	303,104	-	303,104
Rental income	144,728	-	144,728
	<u>447,832</u>	<u>-</u>	<u>447,832</u>

Year to 31 March 2022	Unrestricted Funds £	Expendable Endowment Funds £	Total 2022 £
<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>

**4. Fixed Asset Investments**

**a. Group**

	2023 £	2022 £
Market value at 1 April 2022	13,606,685	13,606,263
Additions	8,112,537	1,129,778
Disposal proceeds	(8,221,455)	(1,395,523)
(Loss)/gain on Fixed asset Investments	(917,671)	266,167
Market value at 31 March 2023	<u>12,580,096</u>	<u>13,606,685</u>
Historic cost of investments of the Group	<u>13,405,712</u>	<u>11,345,487</u>

**Market value of investments by type for the Group**

	2023 £	2022 £
UK listed investments	12,520,071	13,546,660
Offshore bonds	<u>60,025</u>	<u>60,025</u>
	<u>12,580,096</u>	<u>13,606,685</u>

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

There were no significant holdings at 31 March 2023 or 31 March 2022.

**b. The Joseph and Lilian Foundation**

	2023 £	2022 £
Market value at 1 April 2022	3,262,852	3,186,375
Additions (including transfers from subsidiary)	9,821,621	251,192
Disposal proceeds	(4,831,307)	(222,757)
Unrealised gain	39,416	52,196
Realised loss	(120,231)	(4,154)
Market value at 31 March 2023	<u>8,172,351</u>	<u>3,262,852</u>
Investment in Subsidiary (at fair value on acquisition)	10,675,513	10,675,513
Less unrealised loss to revalue to net assets of subsidiary	(3,747,609)	-
Total	<u>15,100,255</u>	<u>13,938,365</u>
Historic cost of investments of the Foundation (excluding trading subsidiary)	<u>8,752,830</u>	<u>3,004,983</u>

**5. Total Expenditure**

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

	<b>Total 2023 £</b>	<b>Total 2022 £</b>
<b>Raising funds</b>		
Investment management fees	50,643	69,267
Property Management fees	6,145	5,623
	<u>56,788</u>	<u>74,890</u>
<b>Charitable activities</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Grants to Institutions:		
Action For Children	2,500	2,500
3Food4U	45,000	10,000
Age UK	-	5,000
Age UK Essex	-	5,000
Alzheimers Research UK	540,000	20,000
Barnardos	10,000	10,000
Blind Veterans UK	10,000	10,000
Cancer Research UK	10,000	5,000
Carers UK	10,000	10,000
Chess Homeless	10,000	10,000
Children with Cancer	10,000	5,000
Children with Cancer UK	-	5,000
CRISIS UK	10,000	10,000
ELHAP	10,000	5,000
Epping Forest Food Bank	10,000	10,000
Essex Community Foundation	20,000	15,000
Great Ormond Street Hospital	10,000	10,000
Haringey Law Centre	10,000	10,000
High Beech CofE Primary School	5,000	12,500
Holy Innocents Church	10,000	20,000
Kidney Research UK	10,000	10,000
Macmillan Cancer Support	10,000	10,000
Maggies	7,500	2,500
Marie Currie	10,000	10,000
Maxability	10,000	10,000
Misgav	10,000	10,000
MusicAll	10,000	10,000
New Directions	30,000	5,000
NSPC Foundation	-	5,000
NSPCC Loughton Branch	10,000	5,000
On Course Foundation	20,000	10,000
Open Road	20,000	15,000
Orpheus	10,000	10,000
Parkinsons Research UK	11,000	5,000
Phoenix Futures	10,000	5,000
Prostate Cancer UK	10,000	15,000
Race Against Dementia	20,000	10,000
Royal British Legion	10,000	10,000
Royal National Institute Blind	7,500	7,500
St Clare Hospice	20,000	10,000
St Michael Church	-	5,000
Teenage Cancer Trust	5,000	2,500
The Salvation Army	10,000	10,000
University of Nottingham	-	1,000
Voluntary Action Epping Forest	5,000	8,250
VAEF Jubilee Lunch	3,000	-
VAEF Christmas Lunch	3,500	-
	<u>1,005,000</u>	<u>391,750</u>

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

**5. Total Expenditure (continued)**

<b>Governance costs</b>		
Audit fees	15,090	9,900
Prior year under/(over) accrual	-	1,001
Legal fees	17,052	-
Trustee expenses	926	216
Bank charges	127	148
	33,195	11,265
<b>Total charitable expenditure</b>	<b>1,038,195</b>	<b>403,015</b>

**6. Group tangible fixed assets**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cost at 1 April 2022 and 31 March 2023	1,114	1,114
Depreciation at 1 April 2022 and 31 March 2023	1,114	1,114
Net book value at 1 April 2022 and 31 March 2023	-	-

**7. Net income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
External auditors:		
Audit fees	15,090	9,900
Prior year under/(over) audit accrual	-	1,001
Accounting services for Joseph Sully Holdings Ltd	28,068	22,934

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 (2022: 2) , both employees are directors of the company and trustees of the Foundation.

**8. Salaries and Wages**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	84,000	84,000
Social Security costs	4,561	5,152
Pension costs	1,248	1,253
	89,809	90,405
Average number of employees	2	2

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 (2022: 1) trustee was reimbursed £926 (2022: £216) for travelling expenses.

The subsidiary has two 2 employees (2022: 2) , both employees are directors of the company and trustees of the Foundation. Their remuneration was as follows:

	<b>2023</b>	<b>2022</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 2023**

<b>9. Investment Property</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Fair value</b>		
Brought forward 1 April 2022	1,800,000	1,800,000
Revaluation	(20,000)	-
Carried forward 31 March 2023	<u>1,780,000</u>	<u>1,800,000</u>

The carrying value of the investment property as at 31 March 2023 is based on a valuation carried out by the Foundation's property managers Strettons Limited in July 2020 subsequently adjusted for due to the sale of the property after the year end. 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 (2022: £1,486,681).

**10. Debtors**

	<b>Group</b>		<b>Foundation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other Debtors	-	485,587	-	485,342
Trade Debtors	23	2,106	-	-
Prepayments and accrued income	27,520	23,815	8,990	5,979
	<u>27,543</u>	<u>511,508</u>	<u>8,990</u>	<u>491,321</u>

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

	<b>Group</b>		<b>Foundation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals and deferred income	57,195	31,706	17,020	15,400
Trade creditors	1,776	8,121	1,776	-
Grant creditor	20,000	20,000	20,000	20,000
Other taxation and social security	9,514	9,052	-	-
	<u>88,485</u>	<u>68,879</u>	<u>38,796</u>	<u>35,400</u>

Included in accruals and deferred income for the group is £18,925 of deferred rental income (2022: £nil).

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

	<b>Group</b>		<b>Foundation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant creditors	-	20,000	-	20,000

**The Joseph and Lilian Sully Foundation**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2023**

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

**Year to 31 March 2023**

	As at April 2022	Income	Expenditure	Net investment gains	Property revaluation	Transfers	At 31 March 2023
	£	£	£	£		£	£
Unrestricted Fund	329,960	447,832	(1,167,792)	-	(20,000)	410,000	-
Expendable Endowment Fund	16,721,041	-	(56,788)	(917,671)	-	(410,000)	15,336,582
<b>Total funds</b>	<b>17,051,001</b>	<b>447,832</b>	<b>(1,224,580)</b>	<b>(917,671)</b>	<b>(20,000)</b>	<b>-</b>	<b>15,336,582</b>

**Year to 31 March 2022**

	As at April 2021	Income	Expenditure	Net investment losses	Property revaluation	Transfers	At 31 March 2022
	£	£	£	£		£	£
Unrestricted Fund	304,909	553,077	(528,026)	-	-	-	329,960
Expendable Endowment Fund	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>

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 2023**

**13. Allocation of Reserves (continued)**  
**b. Foundation reserves**

**Year to 31 March 2023**

	As at April 2022	Income	Expenditure	Unrealised gains/(losses)	Realised gains/(losses)	Transfers	At 31 March 2023
	£	£	£	£	£	£	£
Unrestricted Fund	-	1,676,431	(1,038,195)	-	-	-	638,236
Expendable Endowment Fund	14,575,915	3,966,168	(14,251)	(3,708,193)	(120,231)	-	14,699,408
<b>Total funds</b>	<b>14,575,915</b>	<b>5,642,599</b>	<b>(1,052,446)</b>	<b>(3,708,193)</b>	<b>(120,231)</b>	<b>-</b>	<b>15,337,644</b>

**Year to 31 March 2022**

	As at April 2021	Income	Expenditure	Unrealised losses	Realised losses	Transfers	At 31 March 2022
	£	£	£	£	£	£	£
Unrestricted Fund	-	330,959	(403,017)	-	-	72,058	-
Expendable Endowment Fund	14,137,512	485,342	(22,923)	52,196	(4,154)	(72,058)	14,575,915
<b>Total funds</b>	<b>14,137,512</b>	<b>816,301</b>	<b>(425,940)</b>	<b>52,196</b>	<b>(4,154)</b>	<b>-</b>	<b>14,575,915</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 2023**

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

**a. Group**

	Unrestricted Funds	Expendable Endowment Fund	31 March 2023
Investments	-	12,580,096	12,580,096
Investment Property	-	1,780,000	1,780,000
Debtors	-	27,543	27,543
Cash at bank	-	1,037,428	1,037,428
Current liabilities	-	(88,485)	(88,485)
<b>Total funds</b>	<b>-</b>	<b>15,336,582</b>	<b>15,336,582</b>

**b. Foundation**

	Unrestricted Funds	Expendable Endowment Fund	31 March 2023
Investments	-	15,100,255	15,100,255
Debtors	-	8,990	8,990
Cash at bank	638,236	(371,041)	267,195
Current liabilities	-	(38,796)	(38,796)
<b>Total funds</b>	<b>638,236</b>	<b>14,699,408</b>	<b>15,337,644</b>

**15. Related Party Transactions**

There were no related party transactions during the year (2022: none).

