

# **The Lorana Sullivan UK Foundation**

**(A company Limited by Guarantee)**

Trustees' Annual Report and Unaudited Accounts

For the Year Ended

31 March 2021

(Company Registered No. 3821824)

(Charity Registration No. 1078955 (England and Wales))

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# **The Lorana Sullivan UK Foundation**

**(Registered Company Number 3821824)**

**(Registered Charity Number 1078955)**

**Financial Statements**

**Year ended 31 March 2021**

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# The Lorana Sullivan UK Foundation

## Legal and administrative information

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<b>Trustees</b>	Harry Friedberg Michael Gillard Melvyn Marckus Maura McDermott Marilyn Ordovery Richard Singer
<b>Secretary</b>	Michael Gillard
<b>Charity number</b>	1078955
<b>Company number</b>	3821824
<b>Registered office</b>	Victoria House 26 Tilehouse Street Hitchin Hertfordshire SG5 2DY
<b>Independent Examiner</b>	Heather Wheelhouse BDO LLP Bridgewater House Counterslip Bristol BS1 6BX
<b>Bankers</b>	HSBC Plc The Helicon 1 South Place London
<b>Solicitors</b>	Ross Williams Victoria House 26 Tilehouse Street Hitchin Hertfordshire

# **The Lorana Sullivan UK Foundation**

## **Trustees' report for the year ended 31 March 2021**

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The Trustees are pleased to present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, applicable law and the requirement of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in January 2019.

The address of the registered office is Victoria House, 26 Tilehouse Street, Hitchin, Hertfordshire, SG5 2DY.

### **Objectives of the charity**

The Lorana Sullivan UK Foundation is a company limited by guarantee and a registered charity governed by the Memorandum and Articles of Association.

The policies adopted in furtherance of these objectives are to advance any charitable purpose as the Trustees in their absolute discretion see fit.

The objectives clause of the Memorandum of Association was amended on 14 September 2004 ("the revised Memorandum"), with the Charity Commission's consent, to ensure consistency with the objectives of the Lorana Sullivan Foundation Inc., so that it now reads: "To advance any charitable purpose recognised in English law that the Council of Management of the Charity in their absolute discretion think fit, including but not limited to the advancement of education at the Columbia University Graduate School of Journalism (in the USA) and the relief of financial need of women studying investigative and business journalism by the provision of financial assistance including scholarships".

The Charity also looks to support education and improvement of standards in investigative journalism, particularly in the reporting and understanding of business and finance.

### **Public benefit**

The Trustees have given due consideration to the Charity Commission's published guidance on the operation of the public benefit requirements. The Trustees are satisfied that the Charity's objectives outlined above continue to meet and satisfy the public benefit test of the Charity Commission.

### **Organisational structure**

The Trustees have general control and management of the administration of the Charity, including, but without limitation, the management, investment and application of the Charity's funds. The Trustees are appointed in accordance with the Articles of Association of the Charity by the Trustees at a Board Meeting and there is no requirement in the Articles for any of the Trustees to be US or UK residents. New Trustees are appointed after selection and nomination by existing Trustees on the basis of their knowledge of and/or interest or participation in journalism and promotion of the Charity's aims.

Those Trustees who are resident in the US are consulted on all decisions which affect the investment or application of the Charity's funds but are not necessarily consulted, unless required, on the day to day management of the Charity and its property, Markham's Lodge, near Hitchin, Hertfordshire in England.

Markham's Lodge, was first leased to Youth With A Mission Limited (YWAM), a charity supported by Lorana Sullivan, on 10 February 2006 for a term of 7 years and 9 days at a peppercorn rent. This lease was renewed on the same terms in January 2014, after the completion of substantial improvements to the property, for a further seven years and nine days from 11 February 2013. After the future of Markham's Lodge was reviewed by the Board, it was agreed that the lease with YWAM should be renewed on the same terms for a further term of 7 years and 9 days from 20 February 2020 under a lease dated 3 August 2020. An agreed schedule of repairs was completed as a condition of the new lease. The tenant reimburses the cost of buildings insurance and is also responsible for renewal, maintenance and repair of the property from the date of the lease.

# **The Lorana Sullivan UK Foundation**

## **Trustees' report for the year ended 31 March 2021 (continued)**

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### **Organisational structure (cont'd)**

A local agent inspects the property regularly and reports to the Charity. The Charity also instructs a surveyor to carry out a survey so that maintenance and repair is addressed on a regular basis. The tenant bears the cost of the inspections/surveys. The lease is otherwise in fairly standard form, save that the tenant cannot assign or otherwise part with the lease.

The Charity is permitted to delegate investment powers to a financial manager in accordance with clause 3(f) of the revised Memorandum. Decisions concerning the investment and application of the Charity's funds (among other duties) may be delegated to committees by the Trustees pursuant to Article 49(a) of the Articles of Association ("Articles") inserted by amendment on 26 May 2005. At the same time various other amendments were made to the Articles, including the ability to hold meetings of the Trustees and committees by suitable electronic means. It was decided at the Board, meeting of 21 October 2015, to form a committee comprised of the entire Board to decide investment policy. As a result, any subsequent Board meeting is deemed to be a meeting of the investment committee. At the same Board meeting it was also agreed to form a committee comprised of the entire Board to decide on journalism related issues. Any subsequent Board meeting is also deemed to be a meeting of that committee.

The Trustees, members and directors of the company are identical.

### **Review of activities**

The late Lorana Sullivan made two Wills for her American and English estates for which the major beneficiaries were a US charity, the Lorana Sullivan Foundation Inc., and this UK charity, to be incorporated on her behalf respectively. By a Deed of Variation entered into on 9 March 2001 with Court approval, the bequest to the Lorana Sullivan Foundation Inc. was varied to ensure that the bulk of the assets bequeathed to the American Foundation benefit the UK Foundation.

The Deed of Variation was approved by the Surrogate's Court of Chemung County in Elmira, New York, USA. The US probate was concluded in January 2015, whereupon the US assets held by the Administrator were transferred into the name of the UK Foundation and applied for its charitable purposes but continue to be held in the United States in compliance with the Decree of the Surrogate's Court. Until that transfer the US assets did not form part of the UK Foundation's assets but the Trustees of the UK Foundation had given their approval to the application by the Administrator of some of those funds for specific charitable purposes within the UK Foundation's Memorandum and Articles. A final transfer from the US estate was made on 16 January 2015.

The Charity inherited the scholarship programme at Columbia University's Graduate School of Journalism in New York, begun in 2001 by the Sullivan estate in accordance with Lorana Sullivan's wishes as a former alumna of the school. A maximum of two full scholarships were awarded every year, more recently for the MA business and finance course. The scholarship programme ended with the awarding of a final three scholarships to candidates from the United States for the 2018-2019 academic year.

In association with the Sullivan estate, the Charity agreed to fund, for an initial five years, the Lorana Sullivan annual memorial lecture series, on topical subjects relevant to both business and investigative journalism, to be held at Columbia University. The inaugural lecture was held in October 2014. Speakers included Stephen Coll, Dean of the Columbia Graduate School of Journalism, Bethany McLean of *Vanity Fair*, Diana Henriques of the *New York Times* and Tim O'Brien, author of *Trump Nation*. Funding for the lecture series has now ended.

Due to the Covid-19 pandemic the annual CIJ investigative journalism summer school/conference took place entirely online over six days in July 2020 via Zoom and the CIJ YouTube channel. Though scaled down, the programme comprised seven free talks plus five paid-for training courses provided by 20 speakers and trainers. There was a total audience of some 500, including from Ghana, Russia, India, Canada, USA, Mexico, and Argentina, with 130 attending the online paid-for training courses. No financial report was required from the Charity.

# **The Lorana Sullivan UK Foundation**

## **Trustees' report for the year ended 31 March 2021 (continued)**

### **Review of activities (cont'd)**

During 2019 the Charity agreed to fund a bursary training scheme in memory of Lyra McKee, the journalist killed in Londonderry in April 2019. The funding is for an initial three-year period, at an annual cost of £10,000. The scheme is designed to provide training for young, would-be journalists from minority and otherwise disadvantaged communities in the UK and Ireland, including attendance at the annual CIJ conference in London. The McKee family subsequently agreed to provide funding for a fourth year. Eleven candidates - from 47 applicants - attended the 2019 CIJ conference with the help of the bursary scheme. The scheme was another casualty of Covid-19, being suspended for 2020. However, during the year outreach events were held in Belfast and Hull to increase the number of future applicants. More than 200 attended these events.

It was also agreed in 2019 to fund a series of CIJ regional conference/workshops to be held around the UK. The first such one-day event was held at Newcastle University in November 2019. Students and academics made up the majority of around 80 attendees. Funding of £10,000 was provided by the Charity. The pandemic prevented any similar event during the year.

In 2018 the Charity agreed to fund two annual Lorana Sullivan Fellowships at ProPublica, the New York-based non-profit publisher specialising in investigative journalism, costing a total of \$115,000 each year for an initial three-year period beginning 1 August 2018. The fellowships are awarded by ProPublica to two promising young journalists to improve reporting on business subjects. The Charity considers this funding to be in keeping with the public interest purpose of promoting and improving investigative business journalism, especially for women and minorities. The fellowship programme was reviewed and approved for a second year in May 2019. The programme was further reviewed during the year and revised to one annual fellowship of \$75,000 with effect from April 2021. To date five fellowships have been awarded.

The Charity has been considering the funding of a new scholarship programme at the City University of New York's Craig Newmark Graduate School of Journalism. However, in view of the impact of the Covid-19 pandemic on the ability of CUNY students to complete their studies, the Charity decided to postpone that decision and instead support CUNY's \$1 million Future Journalist Fund appeal to assist students in need of financial support. The Charity donated \$100,000 in April 2020. That donation was matched by other donors. CUNY confirmed that, as a result of the success of the appeal, all 98 members of the J-School class of 2020 graduated and none were forced to leave for financial reasons. A further \$50,000 was donated in February 2021. The appeal ensured that 88 members of the J-School class of 2021 were able to graduate.

### **Financial Review**

During the year under review the Charity received income of £37,200 (£53,300), mostly in the form of investment income. Expenditure amounted to £187,214 (£134,994). Reserves at the year end were £2,239,976 (£2,109,764). A 2013 agreement with Columbia University, regarding the Kluge Centennial Scholars Match project, provided for an endowed scholarship fund, the Lorana Sullivan Scholarship for Investigative Journalism, to be established from the 2:1 matching of the Charity's agreed donations of \$1,232,250 by 2019 under the original Sullivan scholarship scheme. The Charity received confirmation that \$2,464,500 in matching funds had been received by 30 June 2020 with which to provide the new Sullivan scholarships, beginning in the 2018-19 academic year. The full amount due to be donated by the Charity to Columbia by 30 June 2019 under the original 2001 Sullivan scholarship programme was accounted for in the 2017 accounts. Consequently the charitable expenditure in the previous year's accounts does not include the final Columbia scholarship payment of \$191,442, made in July 2019.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. This includes consideration of the impact of Covid-19. Income from investments traditionally varies from year to year but has not, to date, been adversely affected by the pandemic. The Charity has sufficient funds to manage itself for the foreseeable future. The principal item of expenditure is grants for educational scholarships and other educational events. Each project is subject to application and, on each occasion, the Trustees can decide whether to make the grant and its amount, taking account of their assessment of the importance of the project and the financial situation of the Charity. Even if the Charity received no further income (which the Trustees regard as most unlikely), the Charity can sustain a comparable level of activity for the next two years at a minimum. For this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements.

# The Lorana Sullivan UK Foundation

## Trustees' report for the year ended 31 March 2021 (continued)

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### Achievements and Performance

By July 2019 \$2,210,000 had been donated since 2001 by the Sullivan estate and the Charity under the original Sullivan scholarship programme to fund 31 full scholarships at Columbia University. These were awarded to journalists from the UK, Ireland, Canada, China, Denmark, Israel, Norway and the United States. The scholarship provided an opportunity, which otherwise would have been impossible, for promising journalists, predominantly women, to study at the premier journalism school, thereby subsequently enhancing public knowledge and understanding of business and finance.

These donations also enabled the creation, with a more than \$2 million endowment, of the new Lorana Sullivan Scholarship for Investigative Journalism at Columbia University beginning in 2018-19. So far 12 scholarships have been awarded, mostly to women journalists, from the UK, Canada, Egypt, the Philippines and the United States.

Support for the CIJ summer school since 2003 has made possible affordable and extensive training for more than 2000 journalists, students, researchers, academics, trade unions and non-governmental organisations, primarily from the UK but also including 35 countries from Azerbaijan to Yemen. Bursaries funded by the Charity enabled attendance by journalists from the Roma community in the UK and Central Europe.

Following on from its past support for CIJ and Tax Justice Network workshops focused on understanding company accounts and accessing international company data, the Charity provided £50,000 to support Finance Uncovered, a not-for-profit organisation which aims to enhance public understanding and exposure of international corporate tax avoidance, offshore money flows and corruption by local politicians and government officials. This funding covered the cost of bursaries for some 20 journalists from eastern and central Europe, the Middle East, Africa, Asia and Latin America to attend two "Follow the Money" workshops in London during 2017. No further funding has been provided.

Public understanding of company accounts has been further advanced through the Charity's funding for *The Investigative Journalist's Guide to Company Accounts*. Written by forensic accountant Raj Bairoliya, some 1000 copies of this unique handbook have been distributed. First published in 2014, a second, updated edition was published in 2018.

### Future plans

A scholarship programme at City University of New York's Craig Newmark Graduate School of Journalism remains under discussion with CUNY. Meanwhile, the Charity has provided further assistance to CUNY's Future Journalist Fund appeal to assist students during the continuing Covid-19 crisis.

Further donations to the Centre for Investigative Journalism are reviewed by the Charity on an annual basis as well as its support for the investigative summer school/conference. The 2021 CIJ programme again took place online due to the pandemic with support from the Charity. The format for the 2022 event has yet to be decided. Support is expected to continue for the CIJ regional conferences once Covid-19 restrictions are removed.

Support will also continue for the Lyra McKee bursary programme. During 2021 the scheme was revised to include an additional online mentoring element. A second year of the scheme, conducted entirely online, took place during 2021 with support from the Charity. A third year of the bursary scheme will be funded in 2022.

It is expected to continue support in 2022 for the revised ProPublica fellowship scheme.

When possible the Charity plans to continue supporting the provision of courses and seminars to improve general understanding of company accounts and to consider supporting the publication of further CIJ handbooks.

An online digital archive of more than 200 newspaper articles by Lorana Sullivan, published between 1968 and 1994, is expected to be made available during 2022 to assist in the understanding, researching and teaching of business history.

# The Lorana Sullivan UK Foundation

## Trustees' report for the year ended 31 March 2021 (*continued*)

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### Investment powers

The Trustees, following the transfer of US assets from the Sullivan estate and the subsequent closure of the Lorana Sullivan Foundation Inc., make decisions on investments which they are empowered to do by the Articles of Association of the Charity and under the power delegated by the Trustees to the investment committee of the entire Board, in accordance with their powers in the Articles of Association and the Board decision of 21 October 2015. The Charity's US assets are held in a portfolio of investments managed by Advisors Capital Management of Stamford, Connecticut, USA.

In January 2008 \$700,000 was transferred to the Charity as a charitable distribution from the US estate. In October 2008 \$410,000 was transferred to the Charity as a second charitable distribution from the US estate. This was managed on the same basis as the balance of the US funds. The remaining US assets have only formed part of the Charity's assets since the transfer from the Sullivan estate. On 16 January 2015 the US Investments held in the name of the Lorana Sullivan Foundation Inc. were transferred to the Charity following completion of probate for the US estate of Lorana Sullivan. The value transferred was £1,527,900 (\$2,266,901).

### Reserves policy

The Board has agreed a policy to retain sufficient funds in reserves to meet immediate expenses to provide flexibility and resilience to cover any short-term funding crisis or a medium-term recession.

Following the transfer of the assets of the Sullivan estate in the United States, the Charity has adequate assets to serve its charitable mission for a reasonable number of years, given the amount of the original fund. The US portfolio ensures that funds are readily available to meet the Charity's expected expenditure in the UK or the US for the next 12 months. This is currently budgeted at £115,000 for the year to 31 March 2022.

At the end of the 2021 financial year, £2,239,976 (2020: £2,109,764) was held as unrestricted funds.

### Trustees

The Trustees, who are also the directors for the purpose of company law, who served during the year were:

Harry J Friedberg  
Michael Gillard  
Melvyn Marckus  
Maura McDermott  
Marilyn Ordovery  
Richard Singer

None of the Trustees have any beneficial interest in the Charity. All the Trustees are members of the Charity and guarantee to contribute £1 in the event of a winding up.

### Risk factors

The Trustees have assessed the major risks to which the Charity is exposed, including from the Covid-19 pandemic as set out in the Charities SORP Committee's advice dated 23 March 2020. As the Charity does not fundraise and has no employees, other than the Trustees, or volunteers they are satisfied that any Covid-19 impact will be restricted to the possible delay in its charitable operations and any potential short-term implications for the investment portfolio from future adverse reactions on the US stock market. The Trustees are satisfied that policies are in place to mitigate exposure to any such risks.



## The Lorana Sullivan UK Foundation

Trustees' report  
for the year ended 31 March 2021 (*continued*)

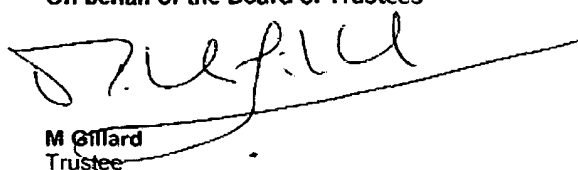
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### Related charities

A related charity in America, known as the Lorana Sullivan Foundation Inc., was closed following the conclusion of the probate of the Sullivan estate and the transfer of its assets to the Charity.

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board of Trustees



M Gillard  
Trustee

Date 4/1/22

The notes on pages 11 to 16 form part of these accounts.

# The Lorana Sullivan UK Foundation

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE LORANA SULLIVAN UK FOUNDATION FOR THE YEAR ENDED 31 MARCH 2021

I report to the charity's Trustees on the accounts of the company for the year ended 31 March 2021, which are set out on pages 9 to 16.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

### Responsibilities and basis for report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

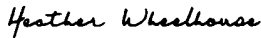
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

DocuSigned by:  
  
DA15AED75D45453...  
Heather Wheelhouse, ACA

BDO LLP  
Bristol  
United Kingdom  
Date 19 January 2022

# The Lorana Sullivan UK Foundation

## Statement of financial activities (Incorporating the income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted 2021 £	Unrestricted 2020 £
<b>Income from:</b>			
Investment income	4	36,130	49,723
Other income	5	1,070	3,577
<b>Total</b>		<b>37,200</b>	<b>53,300</b>
<b>Expenditure on:</b>			
Raising funds		14,550	21,826
Charitable activities		172,664	113,168
<b>Total</b>	6	<b>187,214</b>	<b>134,994</b>
Net Gain/(Loss) on investments		407,690	(96,675)
Net Gain/(Loss) on revaluation of investment property		-	(75,000)
<b>Net income/(expenditure)</b>		<b>257,676</b>	<b>(253,369)</b>
<b>Other recognised gains/(losses)</b>			
Foreign exchange (loss)/gain		(127,464)	67,103
<b>Net movement in funds</b>		<b>130,212</b>	<b>(186,266)</b>
Fund balances at 1 April 2020		2,109,764	2,296,030
<b>Fund balances at 31 March 2021</b>		<b>2,239,976</b>	<b>2,109,764</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All amounts relate to continued activities.

The notes on pages 11 to 16 form part of these accounts

# The Lorana Sullivan UK Foundation

**Registered Number 3821824**  
**Balance sheet**  
**as at 31 March 2021**

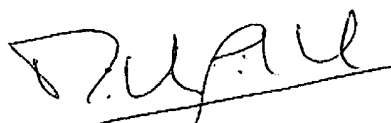
	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Investment property	9	850,000		850,000	
Investments	10	1,447,420		1,260,260	
<b>Current assets</b>					
Cash at bank and in hand	11	2,249		2,532	
<b>Creditors:</b>					
Amounts falling due within one year	12	(59,693)		(3,028)	
<b>Net current assets</b>			<b>(57,444)</b>		<b>(496)</b>
<b>Total assets less current liabilities</b>			<b>2,239,976</b>		<b>2,109,764</b>
<b>Net assets</b>			<b>2,239,976</b>		<b>2,109,764</b>
<b>Unrestricted funds</b>					
Designated investment property fund	14				
- cost			350,000		350,000
- revaluation reserve			500,000		500,000
			<b>850,000</b>		<b>850,000</b>
General reserve			<b>1,389,976</b>		<b>1,259,764</b>
<b>Funds</b>			<b>2,239,976</b>		<b>2,109,764</b>

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved for issue by the Board on 20/12/21 and were signed on its behalf by:

  
**M Gillard**  
 Trustee

The notes on pages 11 to 16 form part of these accounts

# The Lorana Sullivan UK Foundation

## Notes to the accounts for the year ended 31 March 2021

### 1 General information

The Lorana Sullivan UK Foundation is a private limited company incorporated in England and Wales under the Companies Act. It is a company limited by guarantee. The address of the registered office is Victoria House, 26 Tilehouse Street, Hitchin, Hertfordshire, SG5 2DY.

The financial statements are prepared in pound sterling (£) and the figures are rounded to the nearest £1.

### 2 Accounting policies

The principal accounting policies adopted, judgements and sources of estimation or uncertainty in the preparation of the financial statements are as follows:

#### (a) Basis of preparation

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective January 2019) – (Charities SORP FRS 102) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity is a company limited by guarantee. The members of the Charity are the Trustees named on page 2. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

#### (b) Going concern

The Trustees confirm that at the time of approving the financial statements, there are no material uncertainties regarding the Charity's ability to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have taken account of current and anticipated financial performance in the current economic conditions and its reserves position.

This includes consideration of the impact of COVID-19. Investment income has not yet been adversely affected by COVID-19. The Charity has sufficient funds to manage itself for the foreseeable future. The principal item of expenditure is grants for the conduct of scholarships. Each project is subject to a formal application and, on each occasion, the Trustees decide whether to make the grant and its amount, taking account of the financial situation of the Charity. The Trustees consider that the Charity can sustain a comparable level of activity for the next two years at least. For this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements.

In October 2021 the Charity had approximately £4,835 of cash available. The trustees have prepared a stress test and this confirms that should no further income be received, because of the assets in the US portfolio, the charity is able to meet its liabilities as they fall due at a minimum until the end of 2022.

#### (c) Income

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind are included at the value to the Charity where this can be quantified and a third party is bearing the cost.

# The Lorana Sullivan UK Foundation

## Notes to the accounts for the year ended 31 March 2021 (*continued*)

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### 2 Accounting policies (*continued*)

#### (d) *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under heading that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with Governance of the Charity and compliance with constitutional and statutory requirements.

#### (e) *Reserves*

Reserves are unrestricted funds generated for the objects of the charity without further specified purpose and are available as general funds.

#### (f) *Investment property*

Investment property is carried at fair value determined annually by the trustees, taking in to account any external valuations, and derived from current market indices and trends for commercial office property, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Every few years the value of the property is determined by an independent valuer.

#### (g) *Investments*

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid market value at the close of business on the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

#### (h) *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### (i) *Creditors*

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using effective interest method.

#### (j) *Financial instruments*

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

# The Lorana Sullivan UK Foundation

## Notes to the accounts for the year ended 31 March 2021 (continued)

### (k) Foreign currency translation

#### Functional and presentation currency

The charity's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined

### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Investment properties are valued annually using methodology based on figures available publicly relating to the changes in market value of property but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

### 4 Investment income

	2021 £	2020 £
Dividends receivable	36,130	49,723

### 5 Other income

	2021 £	2020 £
Reimbursement of insurance and other costs	1,069	3,572
Interest	1	5
	1,070	3,577

# The Lorana Sullivan UK Foundation

Notes to the accounts  
for the year ended 31 March 2021 (continued)

## 6 Total expenditure

	2021 £	2020 £
Raising funds (see below)	14,550	21,826
Charitable expenditure	172,664	113,168
	<b>187,214</b>	<b>134,994</b>
Costs relating to raising funds comprise:		
Insurance	1,662	1,726
Investment management fees	12,888	17,536
Surveyors	-	2,564
	<b>14,550</b>	<b>21,826</b>
Costs relating to charitable expenditure comprise:		
Donations:		
Centre for Investigative Journalism		
- Lyra McKee investigative journalism training bursary	-	10,000
- Newcastle University event	-	10,000
- Conference brochure	-	1,720
- Handbook reprints	-	2,694
Craig Newmark Grad School	108,719	
Pro Publica		
- Fellowships	54,375	92,305
Write back of Columbia University pledge	-	(8,065)
Archive costs	300	300
Legal fees	5,288	900
	<b>168,682</b>	<b>109,854</b>
Support costs:		
Independent examiner fees	2,028	1,754
Accountancy fees	1,800	1,500
Tax withheld	78	-
Bank charges	76	60
	<b>172,664</b>	<b>113,168</b>

## 7 Trustees

None of the Trustees received reimbursement for expenses (2020 - £Nil).



# The Lorana Sullivan UK Foundation

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 8 Employees

The charity does not employ any staff. During the year there were 6 Trustees (2020 – 6). None of the Trustees received any remuneration for their services (2020 - £Nil)

### 9 Investment property

£

Cost or valuation:

At 1 April 2020 at fair value	850,000
Impairment charge for the year	-

At 31 March 2021	850,000
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The investment property was valued by an independent valuer in 31 March 2020. At 31 March 2021 the trustees determined the value to be unchanged.

A seven year lease was signed in August 2020 and runs to February 2027.

### 10 Investments

	Value at 31 March 2020 £	Foreign exchange movements £	Purchases at cost £	Disposals at Cost £	Revaluation gains £	Value at 31 March 2021 £
Equities - US quoted	1,209,847	(122,546)	497,570	(376,595)	212,016	1,420,292
Cash deposits	50,413	(5,107)	608,402	(626,580)	-	27,128
	1,260,260	(127,653)	1,105,972	(1,003,175)	212,016	1,447,420

Fidelity Limited, a company registered in the United States of America, provides brokerage and custody services.

The historical cost of the investments (including cash deposits) at 31 March 2021 was £1,110,121 (2020 - £1,082,770).

### 11 Cash and cash equivalents

	2021 £	2020 £
Cash and cash equivalents	2,249	2,532

# The Lorana Sullivan UK Foundation

## Notes to the accounts for the year ended 31 March 2021 (continued)

### 12 Creditors

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Other creditors and accruals	59,693	3,028

### 13 Designated funds

The Trustees have designated a fund to represent the carrying value of investment property. This comprises two elements; the original deemed cost (the probate value of the property when originally gifted) and the increase or decrease in value as a result of revaluation.

### 14 Funds

	Balance at 1 April 2020 £	Incoming Resources £	Resources Expended £	Transfer between funds £	Balance at 31 March 2021 £
Property reserve	850,000	-	-	-	850,000
General reserve	1,259,764	37,200	93,012	-	1,389,976
	<u>2,109,764</u>	<u>37,200</u>	<u>93,012</u>	<u>-</u>	<u>2,239,976</u>

	Balance at 1 April 2019 £	Incoming Resources £	Resources Expended £	Transfer between funds £	Balance at 31 March 2020 £
Property reserve	925,000	-	(75,000)	-	850,000
General reserve	1,371,030	53,300	(164,566)	-	1,259,764
	<u>2,296,030</u>	<u>53,300</u>	<u>(239,566)</u>	<u>-</u>	<u>2,109,764</u>

### 15 Related party transactions

During the year there have been no related party transactions which require disclosure.