

THE JMCMRJ SORRELL FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5th APRIL 2022

Only proposals and submissions sent electronically will be taken in consideration.

THE JMCMRJ SORRELL FOUNDATION

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THE JMCMRJ SORRELL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Charity registration number	1118913
Trustees	Sir Martin Sorrell (Chairman) Cristiana Falcone, Lady Sorrell (CEO) M.R.A. Sorrell R.A. Sorrell J.E.H. Sorrell
Principal office	19 Wilton Row, London, SW1X 7NS
Auditors	Purcells, Statutory Auditors, Chartered Accountants, 4 Quex Road, London, NW6 4PJ
Bankers	HSBC Private Bank (UK) Limited, 78 St. James's Street, London, SW1A 1JB UBS Wealth Management 5 Broadgate London EC2M 2QS Citibank 153 East 53 rd Street Floor 24 New York NY 10022
Solicitors	Wrigleys LLP, 19 Cookridge Street, Leeds, LS2 3AG UK

The trustees present their report and audited financial statements for the year ended 5th April 2022.

Structure, governance and management

The JMCMRJ Sorrell Foundation is a registered charity constituted by trust deed, dated 13th March 2007.

The charity is managed by its trustees, whose number must be at least three and those who served during the year were Sir Martin Sorrell, Cristiana Falcone Lady Sorrell, M.R.A. Sorrell, R.A. Sorrell and J.E.H Sorrell.

Appointment of trustees is governed by the trust deed and any new trustee must be appointed by a resolution at a special meeting. In selecting individuals for appointment, the trustees must have regard to the skills, knowledge and experience needed for the effective administration of the charity.

The trustees communicate regularly and meet as relevant to review the progress and policies of the charity and to determine the allocation of grants.

The trustees have assessed the major risks to which the charity is exposed and feel that the principal risk is a fall in value of its listed investments. Those risks related to governance and the operations and finance of the charity are considered to be low, yet the trustees, acknowledging the increasing giving capabilities of the charity, are constantly striving to proactively improve the processes and systems in place to mitigate risk while ensuring operational impact.

Objectives and activities

The objectives of the charity, as detailed in the trust deed, are to apply its income to such legally charitable trusts, companies, associations or institutions or for such legally charitable purpose or purposes as the trustees shall from time to time in their absolute discretion determine.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Financial review

The Charity's total holding in WPP plc, at the balance sheet date was 5,475,936 shares with a market value of £54,469,841. The charity does not seek donations from the general public.

Dividend income of £1,451,123 and interest of £755 was received during the year.

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THE JMCMRJ SORRELL FOUNDATION

TRUSTEES' REPORT for the year ended 5th April 2022 (continued)

Under the terms of the trust deed, the charity has the power to make any investment which the trustees in their discretion see fit. Currently, the charity holds UK listed investments with a view to producing dividend income which can be applied for charitable purposes. The charity has also invested £64,439 (US\$100,000) in the common stock of a New York benefit corporation which has developed a low cost renewable energy lighting product which it markets in underdeveloped countries.

Achievements, performance and future plans

The JMCMRJ Foundation supports projects which uphold the Foundation's vision and mission of empowering communities and improving humanity through innovative inter-disciplinary interventions by supporting pioneering initiatives in health, inter-faith dialogue, education and poverty alleviation worldwide.

During the year the charity made grants of £nil (2021: £1,090,308) (see note 4.1) primarily for the advancement of education, the improvement of health standards, the alleviation of poverty worldwide and the promotion of inter-religious dialogue and understanding. In accordance with the charity's objectives and the trustees plan to make similar grants in the forthcoming years.

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THE JMCMRJ SORRELL FOUNDATION

TRUSTEES' REPORT for the year ended 5th April 2022 (continued)

Statement of trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires to prepare financial statements for each financial year which give a true and fair view of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Charity SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Messrs. Purcells, were re-appointed as the charity's auditors for the year and have expressed their willingness to continue in office.

Sir Martin Sorrell
Chairman

M.R.A. Sorrell
Trustee

on behalf of the Board of Trustees

Date 2023

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THE JMCMRJ SORRELL FOUNDATION

INDEPENDENT AUDITORS' REPORT

To the trustees of The JMCMRJ Sorrell Foundation

Opinion on the financial statements

We have audited the financial statements of The JMCMRJ Sorrell Foundation for the year ended 5th April 2022 set out on pages 7 to 16. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5th April 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 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.

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
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of the trustees and auditors

As set out in the statement of trustees' responsibilities on page 4, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, or for the opinions we have formed.

Purcells,
Statutory Auditors,
Chartered Accountants,
4 Quex Road,
London,
NW6 4PJ

Date:

THE JMCMRJ SORRELL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 5th April 2022

	Note	Unrestricted Fund £	Endowment Fund £	2022 Total £	2021 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	-	-	-	-
Investment income	3	<u>1,451,878</u>	<u>-</u>	<u>1,451,878</u>	<u>548,356</u>
Total incoming resources		<u>1,451,878</u>	<u>-</u>	<u>1,451,878</u>	<u>548,356</u>
Resources expended					
Charitable activity:					
Grants payable	4	-	-	-	(1,093,804)
Governance costs	4	<u>(3,190)</u>	<u>-</u>	<u>(3,190)</u>	<u>(8,640)</u>
Total resources expended		<u>(3,190)</u>	<u>-</u>	<u>(3,190)</u>	<u>(1,102,444)</u>
Net incoming/(outgoing)resources before other recognised gains and losses					
		1,448,688	-	1,448,688	(554,088)
Other recognised gains and losses					
Unrealised gain/ (loss) on revaluation of listed investments		<u>-</u>	<u>3,504,599</u>	<u>3,504,599</u>	<u>(24,658,140)</u>
Net movement in funds		1,448,688	3,504,599	4,953,287	(24,104,052)
Funds brought forward		<u>259,501</u>	<u>51,145,242</u>	<u>51,404,743</u>	<u>27,300,691</u>
Funds carried forward		<u>1,708,189</u>	<u>54,649,841</u>	<u>56,358,030</u>	<u>51,404,743</u>

The Statement of Financial Activities includes all gains and losses in the year and all incoming resources and resources expended derive from/relate to continuing activities.

The notes form part of these financial statements.

THE JMCMRJ SORRELL FOUNDATION

BALANCE SHEET at 5th April 2022

	Note	Unrestricted Fund £	Endowment Fund £	2022 Total £	2021 Total £
FIXED ASSETS					
Investments	5	64,439	54,649,841	54,714,280	51,209,681
CURRENT ASSETS					
Sundry debtors		-	-	-	-
Cash at bank		1,706,590	-	1,706,590	262,342
		1,706,590	-	1,706,590	262,342
CREDITORS: amounts falling due Within one year	6	(42,840)	-	(42,840)	(47,280)
Net current assets/(liabilities)		1,663,750	-	1,663,750	215,602
Total assets less current liabilities		1,728,189	54,649,841	56,378,030	51,424,743
CREDITORS: amounts falling due after more than one year	7	(20,000)	-	(20,000)	(20,000)
Net assets/(liabilities)		1,708,189	54,649,841	56,358,030	51,404,743
FUNDS					
General unrestricted income fund		1,708,189	-	1,708,189	259,501
Expendable endowment fund		-	54,649,841	54,649,841	51,145,242
		1,708,189	54,649,841	56,358,030	51,404,743

These financial statements were approved by the Board of Trustees on 2023 and signed on its behalf by:

Sir Martin Sorrell
Chairman

M.R.A. Sorrell
Trustee

The notes form part of these financial statements.

THE JMCMRJ SORRELL FOUNDATION

CASH FLOW STATEMENT for the year ended 5th April 2022

		2022 Total £	2021 Total £
Cash flow from operating activities:	Notes A		
Cash generated from operations		(7,630)	(1,093,804)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities		(7,630)	(1,093,804)
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		755	762
Dividends received		1,451,123	547,594
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		1,451,878	548,356
		<hr/>	<hr/>
Change in cash and cash equivalent in the reporting period		1,444,248	(545,448)
Cash and cash equivalents at the beginning of the reporting period		262,342	807,790
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,706,590	262,342
		<hr/> <hr/>	<hr/> <hr/>

THE JMCMRJ SORRELL FOUNDATION

NOTES TO THE CASH FLOW STATEMENT for the year ended 5th April 2022

	2022 Total £	2021 Total £
Net income for the reporting period		
(as per the statement of financial activities)	4,953,287	24,104,052
Adjustments for:		
Interest received	(755)	(762)
Dividends from investments	(1,451,123)	(547,594)
Unrealised (gain)/ loss on revaluation of listed investments	(3,504,599)	(24,658,149)
Decrease in debtors	-	-
Decrease in creditors	(4,440)	8,640
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(7,630)	(1,093,804)
	<hr/>	<hr/>

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value as modified by the revaluation of certain assets.

1.2 Incoming resources

Donations and any associated Gift Aid claimed, dividends and bank interest are accounted for on a receivable basis. Donated investments are recorded as income at market value on the date of receipt. Services donated by the trustees are not accounted for unless the benefit to the charity is reasonably quantifiable and measurable.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and allocated directly to the appropriate activity cost. Grants payable, which represent donations to charitable causes in furtherance of the charity's objectives, are accounted for when they are paid or when future grants have been committed in writing by the trustees.

1.4 Fixed asset Investments

Listed investments are stated at market value at the balance sheet date and any unrealised gains and losses are included in the statement of financial activities. Programme related investments, which represent equity interests, are stated at cost less provision for permanent diminution in value.

1.5 Expendable endowment fund

The expendable endowment fund comprises shares gifted to the Charity over several years by Sir Martin Sorrell, with a market value at the 5th April 2022 of £54,649,841.

1.6 General unrestricted income fund

The charity maintains an unrestricted income fund at a level which provides sufficient funds to cover management and administration and direct charitable expenditure. The income from the investments held in the expendable endowment fund is not restricted and, accordingly, is credited to the unrestricted income fund.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. All exchange differences are dealt with in the statement of financial activities

THE JMCMRJ SORRELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5th April 2022 (continued)

	<u>2022</u>	<u>2021</u>
	£	£
2. VOLUNTARY INCOME		
Donation	-	-
Gift in kind	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
3. INVESTMENT INCOME		
Dividends receivable	1,451,123	547,594
Interest receivable	<u>755</u>	<u>762</u>
	<u>1,451,878</u>	<u>548,356</u>

4. RESOURCES EXPENDED

	<u>Grants to institutions</u>	<u>Governance</u>	<u>2022 Total</u>	<u>2021 Total</u>
	£	£	£	£
Costs directly allocated to activities				
Charitable distributions (note 4.1)	-	-	-	1,090,308
Audit and accountancy	-	4,200	4,200	8,640
Management fees	-	-	-	-
Bank charges	-	12	12	11
General expenses	-	-	-	-
Exchange (gains)/losses	<u>-</u>	<u>(1,022)</u>	<u>(1,022)</u>	<u>3,485</u>
	-	3,190	3,190	1,102,444
	<u>-</u>	<u>3,190</u>	<u>3,190</u>	<u>1,102,444</u>

THE JMCMRJ SORRELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5th April 2022 (continued)

5.	FIXED ASSET INVESTMENTS	
	<u>2022</u>	<u>2021</u>
	£	£
UK listed investments		
Market value at beginning of year	51,145,242	26,487,102
Market value of donated investments	-	-
Gain/ (Loss) on revaluation	<u>3,504,599</u>	<u>24,658,140</u>
Market value at end of year	54,649,841	51,145,242
Programme related investment		
Equity interest	<u>64,439</u>	<u>64,439</u>
	<u>54,714,280</u>	<u>51,209,681</u>

All the UK listed investments are held in WPP plc.

The programme related investment represents the charity's minority interest in the common stock of a New York benefit corporation, MpowerD Inc.

	<u>2022</u>	<u>2021</u>
	£	£
6. CREDITORS: amounts falling due within one year		
Grants payable	30,000	30,000
Other creditors	8,640	8,640
Accruals	<u>4,200</u>	<u>8,640</u>
	<u>42,840</u>	<u>47,280</u>
7. CREDITORS: amounts falling due after more than one year		
Grants payable	<u>20,000</u>	<u>20,000</u>

8. TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees, nor any persons connected with them, received remuneration or reimbursement of expenses during the year.

9. MOVEMENT IN FUNDS

	At 6.4.21 £	Net movement in funds £	At 5.4.22 £
Unrestricted Fund	259,501	1,448,688	1,708,189
Endowment Fund	51,145,242	3,504,599	54,649,841
TOTAL FUNDS	<u>51,404,743</u>	<u>4,953,287</u>	<u>56,358,030</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains losses £	Move in funds £
Unrestricted Fund	1,451,878	(3,190)	-	1,448,688
Endowment Fund	-	-	3,504,599	3,504,599
TOTAL FUNDS	<u>1,451,878</u>	<u>(3,190)</u>	<u>3,504,599</u>	<u>4,953,287</u>

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.20 £	Net movement in funds £	At 5.4.21 £
Unrestricted Fund	813,589	(554,088)	259,501
Endowment Fund	26,487,102	24,658,140	51,145,242
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>27,300,691</u>	<u>24,104,052</u>	<u>51,404,743</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains/ losses £	Move in funds £
Unrestricted Fund	548,356	(1,102,444)	-	(554,088)
Endowment Fund	-	-	24,658,140	24,658,140
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>548,356</u>	<u>(1,102,444)</u>	<u>24,658,140</u>	<u>24,104,052</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.20 £	Net movement in funds £	At 5.4.22 £
Unrestricted Fund	813,589	894,600	1,708,189
Endowment Fund	26,487,102	28,162,739	54,649,841
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>27,300,691</u>	<u>29,057,339</u>	<u>56,358,030</u>

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains losses £	Move in funds £
Unrestricted Fund	2,000,234	(1,105,634)	-	894,600
Endowment Fund	-	-	28,162,739	28,162,739
	_____	_____	_____	_____
TOTAL FUNDS	2,000,234	(1,105,634)	28,162,739	29,057,339

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2022.