

THE SCOULOUDI FOUNDATION
REGISTERED CHARITY NO: 205685
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 7 FEBRUARY 2023

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

THE SCOULUDI FOUNDATION

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THE SCOULUDI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 7 FEBRUARY 2023

Reference and Administration

The Scouludi Foundation is constituted by a Deed of Trust dated 8 February 1962 incorporating amendments made by a scheme dated 19 October 2022 and by resolution dated 9 February 2023. The Scouludi Foundation is a registered charity.

Charity Number
205685

Trustees

Mrs Sarah E Baxter - Chairman
Mr J David Marnham
Mr James R Sewell
Ms Wendy Proctor - Appointed 14 May 2023

Principal and Registered Address

10 Queen Street Place, London, EC4R 1AG

Administration and Accountants

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Auditors

Leonard Jones & Co, 1 Printing House Yard, London, E2 7PR

Solicitors

BDB Pitmans LLP, One Bartholomew Close, London, EC1A 7BL

Bankers

Lloyds TSB Bank Plc, 6 Holborn Circus, London, EC1N 2HP. - Account Closed during the year.
AIB, 1st Floor, Berkeley Square House, Mayfair, London W1J 6BR

Investment Managers

James Hambro & Partners LLP, 45 Pall Mall, London SW1Y 5JG

History of the Foundation

The founder of the Foundation was Miss Irene Scouludi, who was an historian and philanthropist.

Objectives and activities for the public benefit

The Deed of Trust does not impose any specific restrictions on the way the Foundation can operate and gives the trustees unrestricted powers of investment and allows investment in freehold and leasehold land. The Foundation's objective is to distribute its income to Charities recognised by English Law.

The Foundation has general charitable purposes set out in its trust deed. The trustees confirm that they have complied with section 4 of the Charities Act 2011, the trust deed and the Statement of Recommended Practice, Accounting and Reporting by Charities (second Edition, effective 1 January 2019), when reviewing the Foundation's aims and objectives and in planning future activities and setting the donation making policy.

Structure, governance and management

The statutory power of appointment of trustees is exercisable by the present trustees.

New trustees, when required, will be found by the existing trustees. When recruiting new trustees the trustees look for individuals with skills and experience which are of value to the Foundation and which are not necessarily represented by existing trustees. Any potential trustees will be interviewed by the existing trustees and if appointed will be provided with a pack of information including accounts and a copy of the trust deed.

The trustees are experienced individuals and have a good understanding of what is involved in being a trustee of a charitable trust. Where appropriate the Foundation supports the training of trustees including attendance at seminars.

The trustees meet annually to consider recommendations for, and make final decisions on, the awarding of donations. The day to day administration of the Foundation is carried out by Haysmacintyre in consultation with the trustees, as appropriate.

THE SCOULUDI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 7 FEBRUARY 2023

Accounts

The trustees present their annual report and accounts for the year ended 7 February 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document deed, the Charities Act 2011, 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 and Financial Reporting Standard 102.

Total return approach to investments

The trustees were conscious that whilst the capital value of the Permanent Endowment, which benefits future beneficiaries, has significantly appreciated in recent years the income yield, which benefits current beneficiaries, has remained broadly flat to the extent the Permanent Endowment restriction rendered it increasingly challenging for the trustees to be even handed between the Foundation's current and future beneficiaries. Consequently they resolved, pursuant to section 104A(2) of the Charities Act 2011, that with effect from 8 February 2022 the Foundation would adopt a total return approach to investment in relation to its Permanent Endowment. The total return approach permits funds to be invested without the need to maintain a balance between income and capital returns and removes the restrictions as to expenditure of capital that would normally apply.

The Foundation's unapplied total return at 8 February 2022 was calculated by deducting the Original Permanent Endowment Valuation, being the original gifts made by Irene Scouloudi, the Foundation's founder, from the Permanent Endowment at that date. The trustees carried out a valuation exercise and prepared a valuation report dated 28 March 2022, explaining the process carried out in attributing an estimated value of £850,000 to the Original Permanent Endowment. An advice letter dated 28 March 2022 from Haysmacintyre, the Foundation's accountants, concluded that the steps taken and the conclusion reached by the trustees in valuing the Original Permanent Endowment were reasonable. The Foundation's Permanent Endowment was valued at £8,776,914 at 8 February 2022 giving an initial unapplied total return at that date of £7,926,914.

In determining what percentage of the unapplied total return to transfer to income on an annual basis the trustees received an advice letter dated 28 September 2022 from James Hambro & Partners LLP (JH&P), the Foundation's FCA- authorised investment manager. The advice anticipated that in pursuing a total return approach up to two-thirds of the total return will derive from capital growth with the balance from income generation, although this may vary from time to time depending on market conditions and is not guaranteed. The advice also showed that the historic annualised total return on a nominal basis for a Mandate 3 Portfolio for the period 31st December 1969 to 30th June 2022 is +9.8%. JH&P noted that the effect of inflation is expected to reduce the overall nominal return over time and that they use historic returns as a guide. JH&P's expectation is that forecasts can improve over longer periods of time but over shorter periods can be disrupted quite significantly and particularly so for example over the coming 10-year period when they might reasonably expect a recession and arguably higher levels of inflation than have been the case in the recent past. Their analysis therefore purposefully uses a period from the end of 1969 to encompass numerous market cycles and drawdowns. Having due regard to the advice received the trustees resolved to take each year to income 5% of the unapplied total return, as valued at the date of the trustee meeting to agree the donations for the year. This policy will be subject for a review for the year commencing 8 February 2025. An amount of £379,239 has been transferred from the unapplied total return to income for the year ended 7 February 2023 and no amounts have been allocated to the Trust for Investment.

Donation making policy and review of activities

The current distribution policy of the trustees reflect the interests and intentions of the founder. Annual distributions are divided between two categories of donations:

1. An annual donation is made to the Institute of Historical Research ("IHR"), University of London, to allow it to provide fellowships tenable at the IHR and to support research and publications in the field of history and to enable the IHR to administer the Historical Awards. The Committee that awards the research and publications awards includes at least one of the trustees. One trustee usually attends the interview day for the fellowships.

The Institute receives and monitors all applications and regulations and application forms may be obtained from:

The Scouloudi Foundation Historical Awards Committee,
c/o Institute of Historical Research,
University of London,
Senate House,
Malet Street,
London, WC1E 7HU

2. Donations to registered charities which are decided by trustees annually.

THE SCOULUDI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 7 FEBRUARY 2023

Donation making policy and review of activities (con't)

The distribution of donations during the year was as follows:

Category	Total £	%
Children & Youth	10,000	3
Environment & Humanities	194,956	68
Overseas Aid	10,000	3
Handicapped & Disabled	20,000	7
Medicine, Health & Hospices	25,000	9
Social Welfare	30,000	10
	<hr/> 289,956	<hr/> 100

In prior years when the trustees awarded a donation during the year, rather than at their annual donations meeting, usually to a humanities special appeal the donation was shown in the accounts as a special donation. Since these donations are like the Foundation's other one-off donations the trustees have decided to discontinue the special donations classification and such donations are now included in the accounts with the Foundation's other donations.

The cumulative total of donations made by the trustees since the Trust was established up to the 7 February 2023 is £7,170,781.

Achievements and performance

The trustees' objective for the year was to be in a position to increase the amount the Foundation could distribute to worthy causes. By adopting a total return approach to investments in relation to the permanent endowment the restriction of being able to distribute only the Foundation's investment income has been removed. For the year ended 7 February 2023 the Foundation made donations of £289,956 an increase of £182,952 on the prior year's donations of £107,004. The trustees are delighted that the adoption of a total return approach has enabled them to significantly increase the amount of donations they can make to worthy causes. The trustees consider the objective for the year has been fully achieved.

Investment Policy and Performance

With effect from 8 February 2022 the trust adopted a total return approach to investments, in relation to the permanent endowment, including the returns from investments. The trustees have resolved to transfer 5% of the unapplied total return to income this year and for the next two years following which the policy will be subject to review. In accordance with the Trust Deed, the trustees have the power to invest in such stocks, shares, investments and property as they see fit. The trustees engage James Hambro & Partners LLP as investment managers with the brief to adopt a medium risk total return investment strategy and have agreed on a composite benchmark by which to judge performance and whilst the performance was slightly below the benchmark for the year the trustees understand the reasons for the under performance and believe that an appropriate investment strategy has been adopted for the longer term. The investment portfolio generated income for the year of £202,384 (2022: £178,368) and made net losses of £56,203 (2022: gains £240,386) on the disposal of investments during the year and the revaluation of the portfolio at the year end.

Financial Review

The income for the year amounted to £202,384 (2022: £178,368) comprising investment income and as such under total return accounting has been taken to the Foundation's Endowment Fund. The increase of £24,016 reflects a general improvement in the ability of companies to reestablish the level of their dividends to pre pandemic levels. An investment management fee of £31,130, investment losses of £56,203 and a transfer to the Income fund of £379,239 have been charged to the Endowment Fund resulting in a reduction in the Foundation's Permanent Endowment Fund at 8 February 2022, which following the adoption of total return became the Foundation's Endowment Fund, of £264,188 to £8,512,726 at 7 February 2023. The £379,239 transfer is the 5% per annum of the unapplied total return the trustees have resolved to transfer during the year as explained in note 1(b) to the accounts.

Previously the Foundation had two unrestricted funds, the General Fund and the Designated Fund, which at 7 February 2022 amounted to £71,907. As explained in note 1(j) to the accounts the Designated Fund is no longer required and the Foundation now has just the one Income Fund amounting to £96,319 at 8 February 2023, an increase of £24,412. The increase comprises the transfer in from the Endowment Fund of £379,239 less an investment change of £31,779 and charitable expenditure of £323,048 of which £289,956 (2022: £107,004) comprises donations to registered charities.

THE SCOULUDI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 7 FEBRUARY 2023

Financial Review (con't)

The Financial statements show investments at market value. The unrealised and realised gains and losses on the revaluation and disposal of investment assets for the year was a net loss of £56,203 (2022: gain £240,386). Net assets at the balance sheet date amounted to £8,609,045 (2022: £8,848,821) including investments and cash at bank and on deposit of £8,700,591 (2022: £8,865,859)

Reserves Review Including Policy

At the balance sheet date the Foundation had an unrestricted Income Fund of £96,319 (2022: General and Designated funds combined £ 71,907), an unapplied total return Endowment Fund of £7,662,726 (2022: £Nil), and a restricted Trust for Investment of £850,000 (2022: Permanent Endowment Fund £8,776,914). As a result of the trustee's decision to adopt a total return approach, the current level of the Income Fund is higher than it has been previously and it is the trustee's intention to reduce the level of the Income Fund over the next year as additional charities for donations are identified.

Risk management

The trustees have assessed the major risks to which the Foundation is exposed, in particular, those related to the operation and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to the major risks.

Going Concern

The Foundation had accessible funds of £7,759,045, comprising unrestricted income funds and unapplied total return at 7 February 2023, no donation commitments not provided for at that date and all of the Foundation's distributions are discretionary. Consequently, given the level of the Foundation's accessible funds and the discretionary nature of its distributions, the trustees are of the opinion that the Foundation is a going concern for the coming year and the foreseeable future.

Plans for the future

Now that the Foundation is on a total return basis and has more funds available to distribute to worthy causes, the trustees aim to carry out an extensive review to reassess both the existing charities they give donations to and to identify potential new charities.

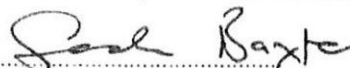
Statement of Trustees' Responsibilities

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 & 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 of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

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


Mrs Sarah E Baxter
on behalf of the trustees

15 November 2023
Date

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SCOULUDI FOUNDATION**

Independent auditor's report to the Trustees of The Scouloudi Foundation

Opinion

We have audited the financial statements of Scouloudi Foundation for the year ended 7 February 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- o give a true and fair view of the state of the Charity's affairs as at 7 February 2023 and of its income and expenditure for the year then ended;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- o 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 Charity's ability to continue as a going concern for period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SCOULUDI FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- o sufficient accounting records have not been kept;
- o the financial statements are not in agreement with the accounting records and returns;
- o we have not obtained all the information and explanations necessary for the purposes of our audit, or
- o the information given in the Trustees' Report is inconsistent in any material respect with the financial statements.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- o the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- o we identified the laws and regulations applicable to the Charity through discussions with trustees and their professional advisers, and from our commercial knowledge and experience of Charity; sector;
- o we focused on specific laws and regulations which we considered may have direct material effect on the financial statements or the operations of the trust, including Charity and Trust Law;
- o we assessed the extent of compliance with the laws and regulations identified above through making enquires of trustees and their accountants; and
- o identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SCOULOUDI FOUNDATION**

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining and understanding of how fraud might occur, by;

- o making enquiries of trustees and their accountants as to where they considered there was susceptibility to fraud, their knowledge if actual, suspected and alleged fraud; and
- o considering the internal controls on place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override controls we:

- o performed analytical procedures to identify any unusual or unexpected relationships; and
- o tested and reviewed the nominal ledger entries, including journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- o agreeing financial statement disclosures to underlying supporting documentation;
- o reading the minutes of trustees' meetings and minutes of relevant committee meetings;
- o enquiring of trustees and their accountants as to actual and potential litigation and claims;
- o reviewing legal and professional fee invoices for indications of actual or potential disputes and claims; and
- o requesting copies of any non-routine correspondence with regulatory bodies, including HMRC and the Charity Commission in England and Wales.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of audit report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Leonard Jones x6

Leonard Jones & Co
Chartered Accountants and Statutory Auditors

2023, 16th November

1 Printing House Yard
London
E2 7PR

THE SCOULUDI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 7 FEBRUARY 2023

	Notes	Unrestricted Funds Income £	Designated £	Endowment Fund £	Total 2023 £	Total 2022 £
INCOME FROM						
Income from Investments	2	-	-	202,384	202,384	178,368
Total Income		-	-	202,384	202,384	178,368
EXPENDITURE ON						
Investment management fee	6	31,779	-	31,130	62,909	65,627
Charitable Activities	9	301,592	21,456	-	323,048	143,115
Total Expenditure		333,371	21,456	31,130	385,957	208,742
Net (Expenditure)/Income before gains and losses on Investments		(333,371)	(21,456)	171,254	(183,573)	(30,374)
Net (losses)/gains on Investments	2	-	-	(56,203)	(56,203)	240,386
Net (Expenditure)/income		(333,371)	(21,456)	115,051	(239,776)	210,012
Gross transfers between Funds:						
Transfer - allocation of total return	1 (b) & 3	379,239	-	(379,239)	-	-
Transfer - other	1 (j)	2,544	(2,544)	-	-	-
NET MOVEMENT IN FUNDS		48,412	(24,000)	(264,188)	(239,776)	210,012
Fund balances brought forward at 8 February 2022		47,907	24,000	8,776,914	8,848,821	8,638,809
Fund balances carried forward at 7 February 2023		96,319	-	8,512,726	8,609,045	8,848,821

All transactions during the year are derived from continuing activities.

All recognised gains and losses are included in the statement of financial activities.

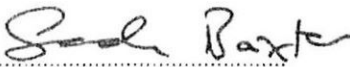
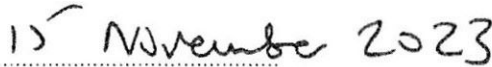
The notes on pages 10 to 16 form part of these financial statements.

THE SCOULUDI FOUNDATION

BALANCE SHEET AS AT 7 FEBRUARY 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Investments	2		8,660,820		8,776,914
CURRENT ASSETS					
Cash at bank and on deposit		39,771		88,945	
		<u>39,771</u>		<u>88,945</u>	
Creditors: Amounts falling due within one year					
Creditors	5	91,546		17,038	
		<u>91,546</u>		<u>17,038</u>	
NET CURRENT (LIABILITIES)/ASSETS			(51,775)		71,907
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,609,045</u>		<u>8,848,821</u>
TOTAL NET ASSETS	4		<u>8,609,045</u>		<u>8,848,821</u>
THE FUNDS OF THE CHARITY					
Income Fund - unrestricted	7		96,319		47,907
Designated Fund - Historical Awards	7		-		24,000
Endowment Fund	3 & 7		8,512,726		-
Permanent Endowment	7		-		8,776,914
TOTAL CHARITY FUNDS			<u>8,609,045</u>		<u>8,848,821</u>

Approved by the board of trustees and signed on its behalf by:

Mrs Sarah E. Baxter, Trustee

Date

The notes on pages 10 to 16 form part of these financial statements.

THE SCOULUDI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

1 Principal Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for charities (Second Edition, effective, 1 January 2019) and Financial Reporting Standard 102.

The Foundation meets the definition of a public benefit entity under FRS 102. The Foundation is a Trust constituted by a Deed of Trust under English law. The Charity's principal address and administrative address is 10 Queen Street Place, London, EC4R 1AG. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Total Return Accounting

With effect from 8 February 2022, pursuant to Section 104A (2) of the Charities Act 2011, the Foundation adopted a total return approach to investment in relation to the Foundation's permanent endowment, including the returns from investments. In calculating the Foundation's unapplied total returns at that date the original permanent endowment, which has been attributed with an estimated value of £850,000, was deducted from the Foundation's permanent endowment. The Foundation's unapplied total returns can be used in accordance with the Foundation's objectives. The trustee policy is to transfer 5% of the unapplied total return, as valued at the date of the trustee meeting to agree the donations for the year, each year to income.

(c) Going Concern

The Foundation had accessible funds of £7,759,045, comprising unrestricted income funds and unapplied total return at 7 February 2023, no donation commitments not provided for at that date and all of the Foundation's distributions are discretionary. Consequently, given the level of the Foundation's accessible funds and the discretionary nature of its distributions, the trustees are of the opinion that the Foundation is a going concern for the coming year and the foreseeable future.

(d) Investments and Financial Instruments

The Foundation holds only basic financial instruments, which are held as listed investments. Investments are stated at middle-market values ruling at the balance sheet date.

A continuous revaluation approach is adopted for investment assets. All realised and unrealised gains and losses on the revaluation and disposal of investment assets are included in the Statement of Financial Activities and in the notes to the accounts.

(e) Income

Income arising from investments is accounted for when it is receivable.

(f) Donations

Regular and Historical Award donations are charged to the Statement of Financial Activities when awarded and a commitment is entered into.

(g) Expenditure

Expenditure is recognised on an accruals basis. Governance costs comprise those for the running of the charity.

(h) Investment Management fee

Prior to 19 October 2023 the investment management fee was charged to income in accordance with the requirements of the Foundation's Deed of Trust dated 8 February 1962. Following an application by the trustees the Charity Commission ordered, under the power given in the Charities Act 2011, that from 19 October 2022 the clause in the 8 February 1962 Deed of Trust requiring the investment management charge be charged to income be replaced with a clause stating that any cost or expense incurred in relation to the management of the Charity's investments may be met from the capital of the Permanent Endowment Fund of the Charity. Consequently, with effect from 19 October 2022 any investment management fee incurred has been charged to the Endowment Fund.

THE SCOULUDI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(i) Endowment Fund/Permanent Endowment Fund

Following the adoption on 8 February 2022 of a total return approach to investments in relation to the Foundation's Permanent Endowment, the Foundation's Permanent Endowment Fund became the Foundation's Endowment Fund at that date comprising the Original Permanent Valuation of £850,000, which is now shown as the Trust for Investment, and an Unapplied Total Return Fund of £7,926,914

Any income and capital gains or losses arising on the Foundation's investments form part of the Endowment Fund's unapplied total return, which can be used in accordance with the Foundation's objectives.

(j) Designated Fund

In prior years the trustees allocated an amount to the Institute of Historical Research for potential historical awards during the following year, depending on suitable applications being received, and this amount was taken to a Designated Fund. As from 8 February 2022 any amounts donated to the Institute of Historical Research will not be dependent on suitable applications being received and will be charged direct to income in the year the donation is agreed by the trustees. A designated fund is therefore no longer required.

(k) Material judgements and uncertainties

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements.

2 Investments

The investment portfolio is managed on a discretionary basis by James Hambro & Partners. Following the adoption of a total return approach to investments the Foundation's investments are now managed on a total return approach whereas they were previously managed on an income mandate basis.

The Foundation's investments are registered in the name of RBC Investor Services (UK Branch) or Allfunds Bank SA, the nominee company of James Hambro & Partners.

Investments are revalued by reference to market values as at the 7 February 2023

	2023	2022
	£	£
UK investments at market value	3,457,709	3,189,420
Overseas quoted investments	5,037,214	5,033,274
Cash held as part of the investment portfolio	165,897	554,220
	<u>8,660,820</u>	<u>8,776,914</u>
Market value at 8 February 2022	8,222,694	8,370,888
Additions at cost	4,489,212	417,012
Market value of disposals	(4,160,780)	(805,592)
Net (losses)/gains on revaluation and disposals	<u>(56,203)</u>	<u>240,386</u>
Market value at 7 February 2023	8,494,923	8,222,694
Cash held in the investment portfolio	165,897	554,220
	<u>8,660,820</u>	<u>8,776,914</u>
Income		
UK quoted investments	84,572	69,159
Overseas quoted investments	114,824	109,209
Brokers interest	2,897	-
Bank interest	91	-
	<u>202,384</u>	<u>178,368</u>

THE SCOULUDI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

3 Endowment Fund

The investment fund and application of total return to permanent endowment funds.

	2023
	£
Opening value of permanent endowment	8,776,914
Less: Original permanent endowment-Trust for Investment	(850,000)
Unapplied total return brought forward	7,926,914
Add	
Investment return - Income from Investments	202,384
Investment return - losses	(56,203)
Investment management fee	(31,130)
Unapplied total return before transfer to income	8,041,965
Less	
Total return applied	(379,239)
Unapplied total return as at 7 February 2023	7,662,726
Add	
Trust for Investment	850,000
Endowment fund at 7 February 2023	8,512,726

The Original Permanent Endowment derives from the original gift and four subsequent additions made by the founder of the Foundation, Irene Scouloudi. Having carried out a valuation exercise the trustees estimate the value of the Original Permanent Endowment to be £850,000 and which becomes the Trust for Investment and is not available for distribution.

The trustees' policy is to transfer 5% of the unapplied total return, as valued at the date of the trustees' meeting to agree the donations for the year, to income which for the year ended 7 February 2023 amounted to £379,239.

4 (a) Analysis of Fund Balances Between the Net Assets for the year ended 7 February 2023

	Income Fund	Endowment Fund	Total Funds
	£	£	£
Investments	148,094	8,512,726	8,660,820
Net current liabilities	(51,775)	-	(51,775)
	96,319	8,512,726	8,609,045

4 (b) Analysis of Fund Balances Between the Net Assets for the year ended 7 February 2022

	Unrestricted Funds	Permanent Endowment Fund	Total Funds
	£	£	£
	-	8,776,914	8,776,914
Investments	71,907	-	71,907
Net current assets	71,907	8,776,914	8,848,821

THE SCOULUDI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

5	Creditors	Income Fund £ 2023	Funds £ 2022
	Administration (Unrestricted)	2,700	2,700
	Audit (Unrestricted)	4,800	6,360
	IHR	84,046	7,978
		<u>91,546</u>	<u>17,038</u>

6	Investment management fee - 2023	Income Fund £	Endowment Fund £	2023 Total Funds £
	Investment Management fees	31,779	31,130	62,909
		<u>31,779</u>	<u>31,130</u>	<u>62,909</u>

As detailed in note 1(h) there has been a change in the basis of accounting for the investment management fee during the year.

6 (a)	Investment management fee - 2022	General Fund £	Endowment Fund £	Total Funds £
	Investment Management fees	65,627	-	65,627
		<u>65,627</u>	<u>-</u>	<u>65,627</u>

7 (a)	Fund Analysis - 2023	Balance at 8 Feb 2022 £	Movements in income including transfers in £	Movements in expenditure, investment losses and transfers out £	Balance at 7 Feb 2023 £
	Endowment Fund	8,776,914	202,384	(466,572)	8,512,726
	Income Fund	47,907	381,783	(333,371)	96,319
	Designated Fund	24,000	-	(24,000)	-
		<u>8,848,821</u>	<u>584,167</u>	<u>(823,943)</u>	<u>8,609,045</u>

Following the adoption of a total return approach to investments on 8 February 2022 the Foundation's Permanent Endowment Fund became the Foundation's Endowment Fund and the General Fund became the Income Fund.

7 (b)	Fund Analysis - 2022	Balance at 8 Feb 2021 £	Movements in income including transfers in & investment gains £	Movements in expenditure and transfers out £	Balance at 7 Feb 2022 £
	Permanent Endowment Fund	8,536,528	240,386	-	8,776,914
	General Fund	33,177	178,368	(163,638)	47,907
	Designated Fund	69,104	12,650	(57,754)	24,000
		<u>8,638,809</u>	<u>431,404</u>	<u>(221,392)</u>	<u>8,848,821</u>

THE SCOULUDI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

8 Decennial Financial Record

**Year ended
7 February**

	1963	1973	1983	1993	2003	2013	2023
	£	£	£	£	£	£	£
Permanent Endowment	55,186	477,385	1,156,290	3,380,405	3,909,393	5,995,385	-
Endowment Fund	-	-	-	-	-	-	8,512,726
Total Income	1,931	12,237	70,853	193,490	217,812	223,146	-
Unapplied total return transferred	-	-	-	-	-	-	379,239
Indirect Expenditure	(53)	(474)	(6,118)	(42,056)	(26,086)	(20,018)	(64,871)
Net Income before donations	1,878	11,763	64,735	151,434	191,726	203,128	314,848
Donations:							
Historical Awards	-	5,000	32,000	60,000	65,562	66,788	106,456
Other Donations	1,425	5,765	31,000	89,700	127,500	121,500	183,500
	1,425	10,765	63,000	149,700	193,062	188,288	289,956
Cumulative total of donations	1,425	69,904	410,214	1,535,714	3,325,093	5,362,472	7,170,781

9 Analysis of Charitable Expenditure

	Total 2023 £	Total 2022 £
Donations:		
Children & Youth		
Doorstep Library Network	5,000	-
Literacy Pirates Limited	5,000	-
Straight Talking Peer Education	-	4,000
	10,000	4,000
Environment & Humanities		
BIG Give	52,500	-
Campaign to Protect Rural England	5,000	-
Friends of the National Libraries	5,000	-
Historical Association	5,000	1,250
University of London, Institute of Historical Research	106,456	62,754
London Record Society	2,000	-
London Topographical Society	2,000	1,250
London Wildlife Trust	5,000	-
Textile Conservation at Glasgow University	5,000	1,250
Tree Council	5,000	1,250
	194,956	69,004

THE SCOULUDI FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

9	Analysis of Total Expenditure (continued)	Total	Total
		2023 £	2022 £
	Overseas Aid		
	Vision Aid Overseas	5,000	4,000
	Zane	5,000	-
		<hr/>	<hr/>
		10,000	4,000
	Handicapped & Disabled		
	Action for Kids	-	2,000
	Canine Partners	5,000	2,000
	The Vision Foundation (formerly Greater London Fund for the Blind)	5,000	-
	Royal Association in Aid of Deaf People	5,000	-
	Revitalises Respite Holidays (formerly Winged Fellowship Trust)	5,000	4,000
		<hr/>	<hr/>
		20,000	8,000
	Medicine, Health & Hospices		
	SHINE (Association for Spina Bifida and Hydrocephalus)	5,000	2,000
	Mental Health Foundation	-	2,000
	RAFT	-	4,000
	St. Francis Leprosy Guild	5,000	2,000
	Together for Shorter Lives	15,000	4,000
		<hr/>	<hr/>
		25,000	14,000
	Welfare		
	Connection at St Martin-in-the-Fields	5,000	-
	Fine Cell Work	5,000	2,000
	National Benevolent Fund for the Aged	-	2,000
	Professional Classes Aid Council	5,000	2,000
	St Peter & St James Hospice	5,000	-
	Turtle Key Arts	5,000	2,000
	Aggies Weston	5,000	-
		<hr/>	<hr/>
		30,000	8,000
	Donations	<hr/>	<hr/>
		289,956	107,004
	Other		
	Governance costs - Audit	4,800	5,760
	Accountancy fees	20,940	20,400
	Legal Fees	7,232	9,936
	Sundry	120	15
		<hr/>	<hr/>
		323,048	143,115
		<hr/>	<hr/>

The Historical Awards figure of £106,456 (2022: £62,754) comprises awards made in the current year of £23,589 (2022: £60,000) less awards written back for earlier years of £2,133 (2022: £2,246) from the bought forward designated fund and a general donation of £85,000 (2022: £5,000).

10 Trustees' Remuneration, benefits, expenses and related party transactions

None of the trustees has been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No trustee expenses have been reimbursed (2022: None). There were no other related party transactions (2022: None).

THE SCOULUDI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

11 Prior Year Statement of Financial Activities	Unrestricted Funds		Permanent	Total 2022
	General	Designated	Endowment Fund	
	£	£	£	£
INCOME FROM				
Income from Investments	178,368	-	-	178,368
Total Income	178,368	-	-	178,368
EXPENDITURE ON				
Raising Funds	65,627	-	-	65,627
Charitable Activities	85,361	57,754	-	143,115
Total Expenditure	150,988	57,754	-	208,742
Net Income/(Expenditure) before gains and losses on Investments	27,380	(57,754)	-	(30,374)
Net gains on Investments	-	-	240,386	240,386
Net Income/(Expenditure)	27,380	(57,754)	240,386	210,012
Gross transfers between Funds:				
Historical Awards Fund	(12,650)	12,650	-	-
NET MOVEMENT IN FUNDS	14,730	(45,104)	240,386	210,012
Fund balances brought forward at 8 February 2021	33,177	69,104	8,536,528	8,638,809
Fund balances carried forward at 7 February 2022	47,907	24,000	8,776,914	8,848,821

All recognised gains and losses are included in the statement of financial activities.