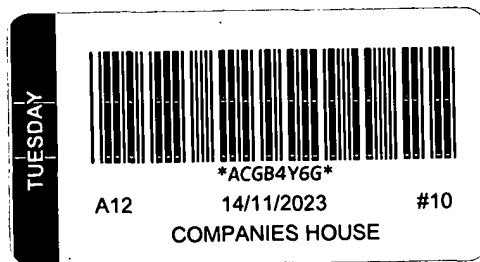


**THE VARRIER-JONES FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)**

**COMPANY REGISTRATION NO 03377965  
REGISTERED CHARITY NO 1064595**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**



**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Trustees</b>	R Norton (Chair to 5 September 2022 - retired) D Lowther (Chair from 6 September 2022)) P Agar (Retired 23 February 2023) M Alexander S Beach (Vice Chair) D Browne J Bugg S Crouch (Appointed 23 February 2023) S Lewis (resigned 24 August 2023) A Lynch (Appointed 23 February 2023) C Sheasby (Hon Treasurer)	
<b>Company Secretary</b>	M Blake	
<b>Registered Office</b>	Upper Pendrill Court Ermine Street North Papworth Everard Cambridge CB23 8UY	
<b>Auditors</b>	Ensors Accountants LLP Incubator 2, The Boulevard Enterprise Campus Alconbury Weald Huntingdon PE28 4XA	
<b>Bankers</b>	National Westminster Bank PLC 92 High Street Huntingdon PE29 3DT	
<b>Solicitors</b>	Ellisons Solicitors Headgate Court Head Street Colchester C01 1NP	
<b>Property advisers</b>	Bidwells LLP Trumpington Road Cambridge CB2 9LD  Peck Property Consultants College Farm Hatchet Lane Stonely Cams PE19 5EG	
<b>Investment Managers</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	
<b>Status</b>	A registered charity A company limited by guarantee	No. 1064595 No. 03377965

## **THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT**

#### **INTRODUCTION**

The Trustees of The Varrier-Jones Foundation ("the Foundation") present their report and the audited financial statements of the charity for the year ended 31 March 2023.

The company was incorporated on 29 May 1997. The company registration number is 03377965 and the registered charity number is 1064595.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

#### **DIRECTORS AND TRUSTEES**

The Directors of the company are the Trustees of the Foundation for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signature of the financial statements were as follows:

R Norton (Chair to 5 September 2022 - retired)  
D Lowther (Chair from 6 September 2022))  
P Agar (Retired 23 February 2023)  
M Alexander  
S Beach (Vice Chair)  
D Browne  
J Bugg  
S Crouch (Appointed 23 February 2023)  
S Lewis (Resigned 24 August 2023)  
A Lynch (Appointed 23 February 2023)  
C Sheasby (Hon Treasurer)

#### **OBJECTIVES AND ACTIVITIES**

The principal objective of the Foundation is to provide support for the work of the Papworth Trust, whose mission is for disabled people to have equality, choice and independence. The Trust delivers this through the provision of supported housing, care services, support to access employment and a range of day services provision. The Foundation meets its commitment by maintaining investments, in both market investments via its appointed investment managers, and in land and property assets, mostly situated within the village of Papworth Everard, with a view to making a financial return which can be used to support the work of The Papworth Trust.

In addition to its principal objective the Foundation also aims to support disabled people more generally and achieves this through making grants towards the work of other organisations providing services for disabled people.

In meeting its obligations to provide grants to organisations that deliver benefits to disabled people, the Foundation seeks to manage its investment and property portfolios to generate sufficient return to allow regular grants to be made whilst also seeking to preserve, in real terms, the long-term capital value of its assets, notwithstanding it is free to distribute any or all of its capital in order to best meet these primary objects.

## **THE VARRIER-JONES FOUNDATION**

### **(A COMPANY LIMITED BY GUARANTEE)**

#### **TRUSTEES' REPORT**

##### **APPOINTMENT AND TRAINING OF NEW TRUSTEES**

The Board of Trustees is responsible for the appointment of any new trustees and for ensuring that a broad range of relevant skills and expertise are represented on the Board. In reviewing the membership of the Board, and any nominations for new trustees or for the election of the Chair, the Board seeks to:

1. Ensure a good distribution of skills and experience amongst Trustees;
2. Ensure the timely and effective succession of the Chair of the Board;
3. Implement an induction programme and ensure relevant information is provided to new Trustees, and monitor on any on-going training needs for all Trustees.

In order to carry this out effectively, the Foundation has established an Appointments Committee, which seeks to facilitate the above, recognising the desire to achieve equality and diversity at Board level and ensuring recruitment to the Board is transparent and objective.

The Foundation is also continually developing its induction programme for Board members, and uses resources supplied by its key property and investment advisors to provide incoming Trustees with the information they need to deliver their roles effectively. The Foundation is also seeking to develop its internal systems more fully to provide Trustees with access to information digitally and utilises technology to hold Board and Sub-Committee meetings virtually, where appropriate.

##### **PUBLIC BENEFIT**

The Trustees confirm they have considered their duties and have regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities. The Foundation supports work to provide equality, choice and independence for disabled people, ensuring access to facilities and opportunities that may be available to the public in general.

The Foundation fulfils this purpose through the awarding of grant funding, largely but not exclusively, to the Papworth Trust, in support of programmes and activities that improve the lives of disabled people. The trustees consider applications for funding, from the Trust via consideration of its strategic plan and budgets, and from other organisations via a formal applications process, and reviews the outcomes achieved via the submission of regular reports and presentations to the Board. The Trustees are therefore confident that the activities of the Foundation are carried out for the benefit of others, monitored by regular reporting on impact and effectiveness of activities undertaken by beneficiary organisations and the Trustees have due regard to public benefit tests when making decisions.

##### **FIXED ASSETS**

Fixed assets are held in order to achieve the objectives of the Foundation. The movements in fixed assets during the year are set out in notes 9 and 10 to these financial statements.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### TRUSTEES' REPORT

#### ACHIEVEMENTS AND PERFORMANCE

In the Trustees' Report for the year ended 31 March 2022, The Foundation set out the following objectives for the year to March 2023 and achievement against these is shown in the table below:

<b>Objective</b>	<b>Achievement</b>
Pursue planning enquiries with local authorities to seek to bring potential development sites into being.	Currently awaiting decision on planning application submitted in Jan 2023.
Review the offering at Pendrill Court to utilise currently vacant space.	Lettings and interest have picked up on vacant space and we have also agreed a model for more flexible letting arrangements to improve occupancy. No further reconfiguration planned at this present time.
Continue the active marketing of Papworth Hall to secure a suitable occupant.	Lease agreement completed April 2023.
Build on the Business Plan and Reserves work to develop and embed a long-term strategy for the Foundation, suitably considering returns required over the long-term, and the risks to delivery of these.	Grants and Distributions policies developed, and external advice received to progress. Anticipated to be formally agreed by the Board during 2023-24.
Formalise a distribution policy that better supports the long-term sustainability plans for the Foundation.	Distribution policy to be formally agreed during 2023-24. Funding for 2023-24 for Papworth Trust formally agreed.
Manage the transition to Debbie Lowther, as new chair, following the retirement of Richard Norton at the end of his term of office, as well as recruiting further trustees to maintain the target compliment	Debbie Lowther has now taken over as Chair and two additional Trustees appointed, strengthening the Board and providing suitable skills and balance.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### TRUSTEES' REPORT

#### FINANCIAL REVIEW

The charity made an operating deficit for the year of £34,612 (2022: deficit of £889,512). The deficit on operations is stated after direct grants of £1,330,000 (2022 £1,785,574). The Foundation manages its financial performance and distribution policy on a total return basis, in order to provide the best opportunity to meet its objectives over the medium to long term. In the financial year to 31 March 2023, total movement in funds was a loss of £2,383,486 (2022 gain of £2,143,261)

The value of listed market and property investments still held decreased by £2,848,874 in the year (2022: increase of £3,032,773), including the withdrawal of £500,000 from the portfolio in the year.

The Foundation made grants as follows:

	£
The Papworth Trust	1,300,000
NARA The Breathing Charity	3,000
Ipswich Opportunity Group	5,000
Strongbones Children's Charitable Trust	10,000
Stepping Stones	3,000
Rowan Humberstone Limited	9,000
<b>Total</b>	<b>1,330,000</b>

#### Reserves policy

The Trustees hold all the reserves of the Foundation as unrestricted funds. The Trustees seek to ensure sustainability of their grants and therefore, as far as possible, seek to protect the underlying capital held by the Foundation. In seeking to do this, the Trustees regularly review the reserves policy of the charity and have developed the reserves policy to better reflect the Foundation's Total Return approach to reserves management. This policy, going forward, will seek to designate elements of the reserves held as described below, in order to improve the visibility of the resilience of the funds at their disposal.

#### Designated Income Fund

The Foundation aims to maintain a designated income fund, consisting of Income Reserves, funded from the planned distribution from its assets on a total return basis, with a view to sustaining charitable activities for a minimum of six months and a target of twelve months.

#### Designated Investment Fund

The Foundation aims to maintain a designated investment fund, consisting of Foundation Capital, which is the real-term value of the underlying assets used to establish the Foundation, and Capital Reserves, which represent unapplied total return on investments.

The level of reserves to be retained is subject to annual review and will be linked to the VJF business plan and budget cycles. The Foundation is free to adopt any approach to reserves management it deems appropriate, subject to general charitable principles under CC19.

For the 2022/23 financial year the fund balances held, compared to the target level, at the reporting date are as follows, and are further reported in note 16:

£'000s	Fund balance	Target range
Foundation Capital	49,455	49,455
Capital Reserves	6,846	0
Income Reserves	213	674 – 1,348
<b>Total Unrestricted Funds</b>	<b>56,514</b>	

The Foundation Capital and Capital Reserves is targeted to maintain the real value of the underlying assets used to establish the Foundation. This has been calculated by taking the value in 2010, at which point assets had been transferred and investments established and indexing that forward to the present day. The funds are currently ahead of target range, reflecting the strong historical growth of the fund in line with global markets, with the surplus on this anticipated to become less material as the foundation's total return policy is deployed and to tend to zero over successive business cycles.

## **THE VARRIER-JONES FOUNDATION**

### **(A COMPANY LIMITED BY GUARANTEE)**

#### **TRUSTEES' REPORT**

The income reserves target is based on the charitable activity and other support costs (see note 5 and 6) and income reserves are anticipated to reach target over the next 12 – 24 months as the revised distribution policy is deployed.

#### **Comments on events that have affected financial performance**

Income has strengthened in the year, with both rental income from investment properties and income generated from the listed investment portfolio showing improvement. Investment property income has strengthened on the establishment of new leases at the Business Park, secured at market rates, with voids at Pendrill Court remaining through most of the year, though interest has started to pick up with a couple of the smaller units recently being let. The market for small to medium-sized office space in rural locations remains suppressed as organisations continue to maintain hybrid / home-working approaches, though we are starting to see more interest, and we have also considered our operating model to offer more flexible terms to traditional office leasing.

Income from the listed Investment portfolio has recovered well, increasing by 31% over the prior year, reflecting improved distributions from equities and improvements in fixed income.,

Operational costs have largely remained stable during the year, with additional costs of supporting the maintenance of void properties, and unrecoverable service charges and council tax, being offset by lower than anticipated planning fees and below budget planned maintenance expenditure. Investment management fees have been lower than the previous year due to the decreased value of the portfolio.

Underlying operating costs remain high due to the ongoing costs of maintaining and operating sites at Papworth Hall and void units in Pendrill Court, which should reduce in the forthcoming year.

Distribution levels were significantly reduced as we sought to rebalance the distributions made to accord better with our total return and distribution policy as we seek to establish a structured basis to ensure long-term stability, whilst maximising impact.

The value of the market investment funds held decreased by £3,010,374, reflecting withdrawal of funds of £500,000 and a decrease in value of £2,510,374. This needs to be considered in the light of long-term movements in the fund valuation, and the policies being established are such as to allow elements of market volatility to occur without disturbing long-term distribution plans.

#### **Investment policy**

The Trustees have discretionary powers to invest the Foundation's monies in the purchase of investments or property. The Foundation seeks to produce the best risk adjusted total financial returns from its financial investments.

The property assets are actively managed, yielding a rental return and surplus which, together with returns generated from the listed investment portfolio, are used to meet the Foundation's charitable objectives by providing grants to the Papworth Trust and to other charities.

The property portfolio is managed to achieve a commercial rate of return, whilst preserving the long-term value of the assets.

Listed investments are managed on a Total Return basis. The investment and distribution objectives, and the asset allocation parameters, are agreed by the Board, through the Investment Committee, and encapsulated in a Statement of Investment Policy, which is implemented by external investment managers. The investment objective is to maintain the real value of the assets over the long term, thus preserving the purchasing power of distributions.

The Foundation decreased its grant to the Papworth Trust by £455,000 in the year, as the Foundation sought to rebalance distributions in line with its long-term sustainability plan. A small number of other grants were made, in support of the objects of the Foundation.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### TRUSTEES' REPORT

#### Risk Management

The Foundation manages the risks that it faces by considering the key risks anticipated at each Committee meeting, escalating these to the Board where necessary. The Foundation uses a risk register to record the key risks faced by the Foundation and the activities that are employed to mitigate those risks. This register is reviewed at least annually by the Trustees.

The Trustees retain oversight of the activities of the Foundation through a system of internal controls and delegation, designed to manage key risks, to give reasonable assurance as to the accuracy of financial information and to safeguard the Foundation's assets and reputation.

#### Principal risks faced by the Foundation

The Foundation's key risks are as follows:

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Loss of key skills</b> to manage and govern the Foundation.	The Foundation relies on a small number of individuals with key skills to manage complex property and investment portfolios. Loss of those skills could impact on performance and result in lower returns.	The Board considers governance and succession planning regularly. The Board ensures it employs appropriate staff and establishes strategic partnerships with key advisors to ensure the Trustees are properly advised. The Foundation also purchases services from external parties to support operations, where required. Board resilience has been strengthened with additional Trustees.
Empty property, open woodland and unadopted roads etc. present a potential <b>public liability risk</b> to the Foundation.	Potential public liability claims due to accident or injury caused.	Contractor appointed to regularly survey and manage woodland / open spaces. Risk assessments undertaken and action plans developed and executed. Suitable insurance cover maintained.
<b>Limited internal controls</b> , formal systems and segregation of duties due to a low number of key staff increases the potential scope for fraud.	Financial – loss of funds.	Appropriate scheme of delegations of authority have been established, with key payments and investment instructions approved by Trustees. Close monitoring by management via regular management accounts and on-line access to investment reports and transaction information is maintained, and any issues or risks reported to Trustees.

**THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT**

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Investment Value:</b> Significant fall in real capital value of listed investment portfolio.	VJF endowment shrinks in real terms. Reduced absolute level of funds available for distribution.	Appropriate distribution policy is set at 3.25% of average NAV over previous 12 quarters and is considered in light of the expected forward-looking return on the investment portfolio. Investment policy states guideline asset class ranges intended to deliver a 3.25% real return over the long term.
<b>Below target investment returns:</b> Macroeconomic factors (high inflation, high interest rates, poor economic growth/recession) cause poor or negative returns on risk assets.	If returns are below the 3.25% real target, the real value of the capital is eroded if the distribution rate is maintained.	Appropriate investment manager selection that invests in a portfolio that is diversified across asset classes with appropriate concentration limits intended to deliver 3.25% real returns over the long term. Active review of distribution policy by the Investment Committee for suitability. Appropriate reserves policy maintained.
<b>Portfolio liquidity:</b> Lack of cash and other liquid assets to fund distributions and expenditure.	Forced to sell assets to meet cashflow requirements at distressed prices which destroys value.	External investment manager selection prioritises funds with daily liquidity. The Statement of Investment Policy contains appropriate cash allocation and benchmark currency exposure ranges, noting 100% of VJF's expenditure is in sterling. The Board reviews the VJF forward-looking cashflow projections quarterly. An informal policy is to maintain approximately £250k cash and cash equivalents buffer outside the Sarasin investment portfolio.
<b>Inability to improve rental property occupancy,</b> post Covid-19, and the subsequent changes to the wider economic environment and demand for office space, affecting rental yields and increasing unrecovered costs.	Empty property will result in lost rents, service charge and rates costs. This may impact the ability to maintain granting at the current level	The Property Committee closely manages the property portfolio, with support and input from our property advisors, and looks to mitigate future voids by developing plans well in advance. Active consideration and options appraisals are prepared for vacant sites, but short-term challenge remains.
Fail to secure adequate <b>planning approvals</b> and disposal proceeds from development sites to mitigate loss of hospital income.	Planned capital receipts not achieved in year, not giving the portfolio growth planned, adversely impacting cash flow.	Positive engagement maintained with planners, via experienced property development Trustees. Sympathetic schemes sought of sufficient scale to attract developers.
<b>Material downgrade in property valuations</b> due to difficult lettings market leads to potential impairment charge.	Total asset value diminishes, reducing funds available for distribution, and potentially weakening returns.	Diversified property portfolio, with key assets held in currently attractive large-scale industrial units. Mixture of tenancy periods also supports maintaining pace with the market.

## **THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT**

#### **Internal Controls**

The organisation procures the services of Papworth Trust for management accounting, IT and Human Resources support, and utilises the support of professional firms to support property management and health & safety governance. It is recognised that there are inherent risks with a small staff team, therefore a scheme of delegation has been established to address the difficulty of achieving suitable segregation of duties, and appropriate authorisation levels, which also involves the participation of the Trustees. The Trustees maintain a risk register, which is reviewed at least annually, and the Board also receives quarterly management accounts reporting, comparing actual results to budget and forecasts, to ensure appropriate budgetary control is being maintained. The Trustees have reviewed the internal controls in operation during the period and are satisfied that there are no issues leading to any material uncertainty regarding these financial statements.

#### **PLANS FOR FUTURE PERIODS**

*In the next financial year, The Foundation plans to:*

- Secure the planning consent for the existing application at Jubilee Green
- Increase the occupancy at Pendrill Court, deploying more flexible terms as necessary
- Establish clear plans for other vacant buildings / space in Papworth Everard
- Finalise the grants and distribution policies to support the long-term sustainability plans for the Foundation
- Review and revise the operational support for the Foundation in line with governance recommendations and best practice

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. It is a registered charity with the Charity Commission. The Foundation is governed by its Board of Trustees, consisting of the Trustees, as stated on page 1 of the financial statements, which meets quarterly.

The Trustees, assisted by staff, are responsible for formulating the strategy and policies of the charity, including the approval of budgets and exercising of financial control. In addition, the Foundation procures support and advice from external advisors in key areas of its operations including investment and property management.

The Trustees also maintain Committees to oversee individual elements of its operation. The Committees currently in operation are as follows:

##### Property Committee

The Property Committee oversees the property portfolio of the Foundation, working with external advisors to set the strategy, report on performance and to make recommendations to the Board. The terms of engagement of these advisors, and their performance, are reviewed regularly to ensure the primary objectives are being met. This Committee reports to the Board at each Board meeting.

##### Investment Committee

The Joint Investment Committee oversees the investment portfolio of the Foundation, and also that of the Papworth Trust, with the funds invested with similar strategies to maximise synergies and efficiencies. The Committee reviews the investment strategy, monitors investment performance and makes recommendations to the Board with regard to investment policy and asset allocation. The Statement of Investment Policy is reviewed regularly to ensure it remains suitable for the organisation. The Committee monitors the performance of the investment manager, and reports on investment performance to the Board at each Board meeting.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### TRUSTEES' REPORT

#### Appointments Committee

An Appointments Committee manages the process of recruiting new Trustees and electing officers for the Foundation. This meets periodically, as required, and brings recommendations to the Board for new appointments, based upon an assessment of skills required and contributions new Trustees may bring.

#### Grants Committee

A Committee has been established to set the criteria and consider grant awards to Papworth Trust and to other organisations that apply to the Foundation. This Committee meets twice a year and considers applications on their strategic fit, viability, and impact, as well as undertaking necessary due diligence on potential beneficiaries. The Committee makes recommendations to the Board for approval, and monitors the awards made via the collection of reports on expenditure made and impact achieved.

#### **Fundraising approach**

The Foundation's income is generated mainly through returns on its investment and property portfolios that are appropriately managed to fully meet with the objectives of the charitable organisation. No formal fundraising activity is deployed to generate income from members of the public. Whilst members of the public are able to donate contributions voluntarily if they so wish, the trust does not promote fund raising. No professional fundraisers are employed by the Foundation.

#### **Responsibilities for day to day management of the Foundation**

Debbie Lowther is Chair of the Foundation, overseeing the overall governance and operation of the Foundation. Michael Alexander oversees all property matters as Chair of the Property Committee, and Joanne Bugg oversees financial investments as Chair of the Joint Investment Committee. Chris Sheasby, as Treasurer, supports the Board and Committees as appropriate. The Trustees are supported by employed staff, as well as outsourced governance and financial management support from the Papworth Trust.

#### **Trustees' responsibilities**

The Trustees (who are also directors of The Varrier-Jones Foundation for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

**THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT**

**AUDITORS**

Ensors Accountants LLP were reappointed as auditors of the charitable company and in accordance with section 485 of the Companies Act 2006 a resolution proposing that they be reappointed will be put at a general meeting.

**OUR THANKS**

Finally, the Trustees would like to thank the staff for their dedication, hard work and commitment to the work of the Foundation.

**Registered office:**

**Upper Pendrill Court  
Ermine Street North  
Papworth Everard  
Cambridge  
CB2 3UY**

**By order of the Board**

  
DLowther (Nov 9, 2023 18:08 GMT)

**D Lowther  
Chair**

**Date: 09/11/2023**

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION

#### Opinion

We have audited the financial statements of The Varrier-Jones Foundation for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet and Cash Flow Statement and related notes. 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:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 charitable company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION (continued)

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

*In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:*

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale behind significant transactions outside the normal course of business;
- assessed accounting estimates within the financial statements in order to assess their reasonableness to determine whether there is any bias in the estimate;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION  
(continued)**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**James Francis (Senior Statutory Auditor)  
for and on behalf of Ensors Accountants LLP**

**Chartered Accountants  
Statutory Auditor**

Date: 10/11/2023

*James Francis*  
James Francis (Nov 10, 2023 13:42 GMT)

Incubator 2,  
The Boulevard  
Enterprise Campus  
Alconbury Weald  
Huntingdon  
PE28 4XA

**THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)**

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Total Unrestricted Funds  2023 £	Total Unrestricted Funds  2022 £
<b>Income:</b>			
Investment income	2	1,964,865	1,568,124
Other income	3	19,004	15,276
<b>Total income</b>		<u>1,983,869</u>	<u>1,583,400</u>
<b>Expenditure</b>			
<i>Costs of raising funds:</i>			
Investment management costs	4	670,187	669,586
<i>Expenditure on charitable activities:</i>			
Grants and support costs	5	1,335,031	1,790,372
Other costs	6	13,263	12,954
<b>Total expenditure</b>		<u>2,018,481</u>	<u>2,472,912</u>
<b>Movement in total funds for the year - Net (outgoing) resources for the year before Investments</b>		(34,612)	(889,512)
(Losses) / Gains on investment funds		<u>(2,510,374)</u>	<u>1,303,270</u>
Net income for the year		(2,544,986)	413,758
Revaluation of investment properties		161,500	1,729,503
<b>Net movement in funds</b>		(2,383,486)	2,143,261
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April		58,897,316	56,754,055
<b>Total funds carried forward at 31 March</b>		<u><u>56,513,830</u></u>	<u><u>58,897,316</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All of the above results derive from continuing operations.

The notes on pages 18 to 26 form part of these financial statements.

**THE VARRIER-JONES FOUNDATION**

**COMPANY REGISTRATION NUMBER 03377965**

**(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Investment properties	9	18,211,752	18,050,252
Market investments	10	37,960,516	40,970,890
		<u>56,172,268</u>	<u>59,021,142</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	11	230,561	228,769
Cash at bank and in hand		497,679	302,368
		<u>728,240</u>	<u>531,137</u>
<b>Creditors – amounts falling due within one year</b>	12	<u>(179,228)</u>	<u>(444,222)</u>
<b>Net current assets</b>		<u>549,012</u>	<u>86,915</u>
<b>Total assets less current liabilities</b>		<u>56,721,280</u>	<u>59,108,057</u>
<b>Creditors – amounts falling due after more than one year</b>	13	<u>(207,450)</u>	<u>(210,741)</u>
<b>Net assets</b>		<u><u>56,513,830</u></u>	<u><u>58,897,316</u></u>
<b>Funds</b>			
Unrestricted funds	16	<u>56,513,830</u>	<u>58,897,316</u>
<b>Total funds</b>		<u><u>56,513,830</u></u>	<u><u>58,897,316</u></u>

Approved by the Board of Trustees on 11/2023

and signed on its behalf by:



**Chris Sheasby**  
Honorary Treasurer

  
DLowther (Nov 9, 2023 18:08 GMT)

**Debbie Lowther**  
Chair

The notes on pages 18 to 26 form part of these financial statements.

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b> £	<b>2022</b> £
<b>Reconciliation of operating deficit to net cash outflow from operating activities</b>		
Operating (deficit)	(34,612)	(889,512)
(Increase) / Decrease in debtors	(1,790)	434,549
(Decrease) / Increase in creditors	(262,287)	47,667
Deferred income released	(6,000)	(6,000)
	<hr/>	<hr/>
Net cash outflow from operating activities	(304,689)	(413,296)
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash flow</b>		
Net cash outflow from operating activities	(304,689)	(413,296)
Withdrawals from Sarasin Portfolio	500,000	
	<hr/>	<hr/>
Increase / (Decrease) in cash	195,311	(413,296)
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase / (Decrease) in cash in the year	195,311	(413,296)
	<hr/>	<hr/>
Change in net funds	195,311	(413,296)
Net funds brought forward at 1 April	302,368	715,664
	<hr/>	<hr/>
Net funds carried forward at 31 March	497,679	302,368
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 26 form part of these financial statements.

## **THE VARRIER-JONES FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

#### **1 Accounting Policies**

##### **Accounting convention and standards**

The Varrier-Jones Foundation is a company limited by guarantee incorporated in England & Wales. The registered office is Upper Pendrill Court, Papworth Everard, Cambridge CB23 8UY.

The financial statements have been prepared in accordance with 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), (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Varrier-Jones Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

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

##### **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future.

##### **Incoming resources**

All incoming resources capable of accurate financial measurement are accounted for when receivable.

##### **Deferred income**

Where applicable, deferred income is credited to Incoming Resources equally over the period to which it relates.

##### **Resources expended**

All expenditure is accounted for on an accruals basis and includes any irrecoverable VAT.

##### **Direct charitable expenditure, management and administration**

Direct charitable expenditure comprises all expenditure directly relating to the objects of the charity. When necessary, costs are allocated between direct charitable expenditure, fund raising and management and administration on an actual basis.

##### **Investments**

Listed investments are stated at fair value. A full professional revaluation of investment properties is conducted every four years as part of a rolling valuation programme of the total property portfolio. The statement of financial activities includes realised and unrealised gains / (losses) on revaluations and disposals throughout the year.

## THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies (continued)

##### **Fixed assets**

Fixed assets are included at cost less accumulated depreciation. Fixed assets with a cost of less than £5,000 are written off to the statement of financial activities on acquisition.

##### **Depreciation**

Depreciation is provided to write off on a straight-line basis the cost or valuation, less estimated residual value, of all fixed assets over their expected useful lives, calculated on a daily basis from acquisition date.

Investment properties are stated at fair value and are not depreciated. Although this is in accordance with FRS 102 it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. Investment properties are held for their investment potential and therefore their current value is of prime importance. The departure from the provisions of the Act is considered to be necessary in order to present a true and fair view.

##### **Creditors and provisions**

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably. These include anticipated future liabilities for repair and maintenance work which is contributed to by current tenants, to reflect their obligation to contribute to the maintenance and upkeep of the infrastructure.

##### **Capitalisation of finance costs**

All finance costs that are directly attributable to investment properties are capitalised as part of those assets.

##### **Defined contribution pension scheme**

Contributions to a money purchase pension scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### **Fund accounting**

Funds held by the Foundation are unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

##### **Company status**

The Foundation is a company limited by guarantee and has no share capital. The liability of each member in the event of the Foundation being wound up is limited to £1.

##### **Judgements and estimates**

In the application of the charitable company's accounting policy, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 Investment income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Rent receivable	826,640	700,669
Income from investment portfolio	1,138,225	867,455
	<u>1,964,865</u>	<u>1,568,124</u>

**3 Other income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other income	19,004	15,276
	<u>19,004</u>	<u>15,276</u>

**4 Investment management costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Property portfolio	398,904	390,621
Listed Investment portfolio	175,694	187,822
Support costs	95,589	91,143
	<u>670,187</u>	<u>669,586</u>

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5 Charitable activity costs**

	<b>2023</b> £	<b>2022</b> £
Support costs	5,031	4,798
Direct grants (as explained in the Trustees' report)	1,330,000	1,785,574
	<u>1,335,031</u>	<u>1,790,372</u>

**6 Other costs**

	<b>2023</b> £	<b>2022</b> £
Audit fees	7,450	7,450
Trustees indemnity insurance	4,629	4,316
Other professional fees	1,184	1,188
	<u>13,263</u>	<u>12,954</u>

**7 Staff costs**

	<b>2023</b> £	<b>2022</b> £
<b>Staff costs:</b>		
Staff salaries	38,889	36,839
Pension costs	1,413	1,477
	<u>40,302</u>	<u>38,316</u>

**Staff numbers**

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	<b>2023</b>	<b>2022</b>
Support & administration	<u>1</u>	<u>1</u>

**Defined contribution pension scheme**

During the year the Foundation paid contributions into one employee's personal pension scheme. The pension cost charge represents contributions payable by the Foundation to the funds and amounted to £1,413 (2022: £1,477).

Outstanding contributions to the fund of £244 were due at 31 March 2023 (2022: £230).

THE VARRIER-JONES FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

**8 Net expenditure for the year**

	2023 £	2022 £
Stated after charging: Auditors' remuneration: Audit services	7,450	7,450

**9 Investments**

**Investment Properties**

	2023 £	2022 £
At 1 April	18,050,252	16,320,749
Unrealised gains in the year	161,500	1,729,503
At 31 March	<u>18,211,752</u>	<u>18,050,252</u>
Included in Fixed assets	<u>18,211,752</u>	<u>18,050,252</u>
	<u>18,211,752</u>	<u>18,050,252</u>

All investments are included in unrestricted funds.

<b>Summary:</b>	<b>2023</b> £	<b>2022</b> £
Property: Freehold	<u>18,211,752</u>	<u>18,050,252</u>

The historical cost of all the investment properties at 31 March 2023 was £13,603,078 (2022: £13,603,078).

Investment properties are re-valued based on a professional valuation by Peck Property Consultants on a 4-year rolling review. Those properties not included in the professional valuation at 31 March 2023, have been reviewed by the trustees who are of the opinion that the valuation included in the accounts is consistent with the current fair value for these properties.

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**10 Market Investments**

**Market value**

	<b>2023</b>	<b>2022</b>
	£	£
At 1 April	40,970,890	39,667,000
Realised gains	1,460,219	3,220,257
Unrealised (losses)/gains in the year	(3,970,593)	(1,916,987)
Cash withdrawn	(500,000)	-
	<u>37,960,516</u>	<u>40,970,890</u>
At 31 March	<u><u>37,960,516</u></u>	<u><u>40,970,890</u></u>

**Market value represented by:**

	<b>2023</b>	<b>2022</b>
	£	£
Historical cost of assets	36,282,297	35,982,755
Unrealised gains	1,678,219	4,988,135
	<u>37,960,516</u>	<u>40,970,890</u>
At 31 March	<u><u>37,960,516</u></u>	<u><u>40,970,890</u></u>

**Investments held as:**

	<b>2023</b>	<b>2022</b>
	£	£
Cash & cash equivalents	977,259	1,215,863
Fixed Income	6,446,723	4,424,490
UK Equities	7,252,694	8,746,701
Global Equities	17,858,541	20,089,094
Alternative Investments	5,425,299	6,494,742
	<u>37,960,516</u>	<u>40,970,890</u>
At 31 March	<u><u>37,960,516</u></u>	<u><u>40,970,890</u></u>

Included in  
Fixed assets

37,960,516	40,970,890
<u>37,960,516</u>	<u>40,970,890</u>
<u><u>37,960,516</u></u>	<u><u>40,970,890</u></u>

As at 31 March 2023, the portfolio included two investments that individually comprised more than 5% of the portfolio value. Both investments were in unlisted investment funds managed by third party investment fund managers and were diversified across several equity and non-equity investments. As such, the Trustees do not consider either investment to represent an inappropriate concentration of counterparty risk.

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**11 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	40,465	94,225
Bad Debts provided for	(3,434)	(16,359)
Prepayments & Accrued income	158,074	140,167
Other debtors	35,456	10,736
	<u>230,561</u>	<u>228,769</u>

**12 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	39,446	40,642
Rents received in advance	47,719	164,245
Other creditors and accruals	65,582	232,433
Taxation and social security	20,481	685
Deferred income (note 15)	6,000	6,217
	<u>179,228</u>	<u>444,222</u>

**13 Creditors: amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deferred income (note 15)	8,000	14,000
Other creditors and accruals	150,800	150,800
Building repair receipts in advance	48,650	45,941
	<u>207,450</u>	<u>210,741</u>

Other creditors and accruals represent potential compensation claims arising from the development of the Papworth bypass.

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**14 Lessor**

The operating leases represent leases to third parties. The leases are negotiated over various terms

At the reporting end date, the company had contracted with tenants for the following minimum lease payments:

	<b>2023</b>	<b>2022</b>
	£	£
Within one year	789,566	820,959
Between two and five years	2,257,255	2,618,425
In over five years	1,613,214	1,800,110
	<u>4,660,035</u>	<u>5,239,494</u>

**15 Deferred income**

	<b>2023</b>	<b>2022</b>
	£	£
Balance at 1 April	20,000	26,000
Amount released in year	(6,000)	(6,000)
Balance at 31 March	<u>14,000</u>	<u>20,000</u>

Deferred income relates to monies received for the granting of a 25-year lease. Amounts have been deferred to spread the income over the remaining term of the lease.

**16 Unrestricted funds**

	<b>2023</b>	<b>2022</b>
Foundation Capital	49,454,830	44,957,316
Capital Reserves	6,846,000	13,940,000
Income Reserves	213,000	-
Balance at 31 March	<u>56,513,830</u>	<u>58,897,316</u>

**17 Trustees indemnity insurance**

During the year insurance was purchased to indemnify the trustees against default on their part. The amount paid was £4,629 (2022: £4,629).

**THE VARRIER-JONES FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**18 Controlling party**

The charity is controlled by the Board of Trustees, who are also the members, and the directors under company law.

**19 Related party transactions**

During the year the charity was charged costs of £44,137 (2022: £43,000) by Papworth Trust in order to provide financial management, HR and IT support. All of the transactions were carried out on an arm's length basis and no amounts were outstanding as at the year end.

The Foundation charged The Papworth Trust rental costs of £20,256 (2022: £17,668) during the year, also carried out at arm's length.

At 31 March 2023 the amount due to Papworth Trust was £nil (2022: £146,250). The amount due from Papworth Trust was £nil (2022: £nil)

During the year, the Foundation awarded grants to Papworth Trust of £1,300,000 (2022: £1,755,000).

**20 Transactions with Trustees**

During the year no Trustee received any remuneration. Expenses totalling £310 were reimbursed to 2 Trustees. In 2022 a total of £nil in expense payments was reimbursed to Trustees.