

Registered number: 03377965
Charity number: 1064595

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	D Lowther, Chair S W Beach, Vice Chair M P Alexander, Chair of Property Investment Committee C M Baldasare (appointed 23 November 2023) D H R Browne, Chair of Grants Committee J L Bugg, Chair of Investment Committee S Crouch S J Lewis (resigned 24 August 2023) A K Lynch C Sheasby, Treasurer
Company registered number	03377965
Charity registered number	1064595
Registered office	Upper Pendrill Court Ermine Street North Papworth Everard Cambridge CB23 8UY
Company secretary	M Blake (resigned 10 November 2023)
Independent auditors	Ensors Accountants LLP Chartered Accountants Statutory Auditors Incubator 2, The Boulevard Enterprise Campus Alconbury Weald Huntingdon PE28 4XA
Bankers	National Westminster Bank plc 92 High Street Huntingdon PE29 3DT
Solicitors	Ellisons Solicitors Headgate Court Head Street Colchester C01 1NP
Property Advisers	Bidwells LLP Trumpington Road Cambridge CB2 9LD

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

	Peck Property Consultants College Farm Hatchet Lane Stonely Cambridgeshire PE19 5EG
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Accountants	Green and Purple Building 1000 Cambridge Research Park Waterbeach Cambridge CB25 9PD
	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA

THE VARRIER-JONES FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

INTRODUCTION

The Trustees of The Varrier-Jones Foundation ("the Foundation") present their report and the audited financial statements of the Foundation for the year ended 31 March 2024.

The Foundation was incorporated on 29 May 1997. The Foundation's registration company 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 Foundation 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:

D Lowther (Chair)
S W Beach (Vice Chair)
M P Alexander (Chair of Property Investment Committee)
C M Baldasare (appointed 23 November 2023)
D H R Browne (Chair of Grants Committee)
J L Bugg (Chair of Investment Committee)
S Crouch
S J Lewis (resigned 24 August 2023)
A K Lynch
C Sheasby (Treasurer)

OBJECTIVES AND ACTIVITIES

The Foundation supports people living with disabilities by pursuing the following objectives:

- making grants to the Papworth Trust, a UK-based charity providing supported housing, care services, employment support and a range of day services to people living with disabilities; and
- supporting disabled people more generally by making grants towards the work of other organisations providing services for disabled people.

In meeting these objectives, 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 that it is free to distribute any or all of its capital in order to best meet these primary objects.

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 diverse 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-going training needs for all Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

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 has also developed 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 of the Foundation consider applications for funding from the Trust via consideration of its strategic plan and budgets, and from other organisations via a formal applications process which includes due diligence based on information in the public domain, 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 the 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 12 and 13 to these financial statements.

ACHIEVEMENTS AND PERFORMANCE

In the Trustees' Report for the year ended 31 March 2023, The Foundation set out the following objectives for the year to March 2024 and achievement against these is shown in the table below:

Objective	Achievement
Pursue planning enquiries with local authorities to seek to bring potential development sites into being.	Outline planning application submitted and now permitted at Jubilee Green for a disposal in the year to March 2025. Development strategy updated to reflect current planning policy and to identify priorities for future planning promotion work.
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.
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.	The Grants and Distributions Policies were developed during the year, and external advice received to progress with a view to formal adoption by the Board during 2024-25. This also aligned with work to update the Reserves Policy which is now approved by Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Formalise a distribution policy that better supports the long-term sustainability plans for the Foundation.	As above, the Board has fully adopted and implemented the Foundation's Distribution Policy so that it aligns with the Foundation's Total Return Investment Strategy.
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FINANCIAL REVIEW

The Foundation suffered an operating deficit for the year of £661,725 (2023: deficit of £34,612). The deficit on operations is stated after direct grants of £1,480,058 (2023: £1,330,000) and the recognition of a £475,000 provision for remedial work to investment properties. 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 2024, total movement in funds was an increase of £2,277,451 (2023: decrease of £2,383,486).

The value of listed market and property investments still held increased by £2,431,861 in the year (2023: decreased by £2,848,874).

The Foundation made grants as follows:

	£
The Papworth Trust	1,431,300
Able Kidz	3,000
Bedford Disabled Horse Riding Association (BDHRA)	5,000
Burwell Print Centre	5,000
Hamelin Trust	7,785
Tom's Trust	4,215
The Back-Up Trust	6,000
Children's Charitable Trust	8,398
Stowmarket ASD Saturday Club	6,000
Branching Out	3,000
Other	360
Total	1,480,058

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 Foundation 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 Core 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 Foundation's business plan and budget cycles. The Foundation is free to adopt any approach to reserves management it deems

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

appropriate, subject to general charitable principles under *charity reserves: building resilience (CC19)*.

The Income Fund at the year end was £249,378 (2023: £212,337). This was below the Foundation's reserves policy target of 12 months of charitable expenditure (2024: £1,566,459; 2023: £1,335,694). The Trustees aim to gradually build this Income Fund over a ten-year period from the implementation date of the total return strategy in April 2021. The gradual building of the Income Fund aims to balance strengthening organisational resilience while minimising any adverse impact on the annual distribution of grants to the Foundation beneficiaries.

Comments on events that have affected financial performance

Income has increased by 14% this year compared to prior year, mainly driven by improved rental income yield from investment properties. 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, but improving over previous years. The market for small to medium-sized office space in rural locations remains suppressed as organisations continue to maintain hybrid/home-working approaches.

Expenditure on raising funds related mainly to third party investment management fees with regards to the Foundation's property and market investment portfolios. Property management fees increased from £398,904 in 2023 to £569,040 in 2024 due to increase property maintenance costs.

Charitable activities increased by 17% this year (2024: £1,566,459; 2023: £1,335,694). This was largely due to an 11% increase in charitable grants (2024: £1,480,058; 2023: £1,330,000), which reflected the high prevailing inflation rate during the early part of the financial year and the need for the Foundation to increase its granting in line with inflation to support its grantees who were experiencing substantial cost pressures due to inflation.

During the year, the Foundation reviewed its support cost allocation methodology, which resulted in an increase in support costs being allocated to charitable activities compared to previous years (2024: 45%; 2023: 5%).

Net expenditure before investment gains was £661,725 (2023: £34,612). Net gains on investments during the year were £2,939,176 (2023: £2,348,874 losses), largely driven by gains on the market investment portfolio of £3,466,926 (2023: £2,500,000 losses) which were partly offset by £527,750 of losses on the property investment portfolio (2023: £200,000 gain). Net movement in funds, after investment gains, was a £2,277,451 surplus (2023: £2,383,486 deficit), representing a 4% surplus on opening net assets (2023: 4% deficit).

Investment policy

The Trustees have discretionary powers to invest the Foundation's monies in the purchase of investments or property. The investment property portfolio consists largely of legacy assets originally donated to the Foundation by the Papworth Trust, which have been developed, and in some cases disposed of, over time. Surplus cash thus generated has been used to establish the portfolio of listed market investments.

The overall investment objective of the Foundation is to maintain the real value of the assets over the long term, thus preserving the purchasing power of distributions, and subject to this, to produce the best risk adjusted total financial returns from its investments, which are used to meet the Foundation's charitable objectives by providing grants to the Papworth Trust and to other charities.

The investment property portfolio is actively managed by a third party property management firm to generate a commercial return and the listed market investment portfolio is managed by an external asset manager in accordance with the Statement of Investment Policy approved by the Trustees.

Distribution Policy

The Foundation seeks to distribute as charitable grants the maximum amount of funds available after providing for the maintenance of the real value of its investment assets and subject to the reserves policy set out above. During the year, the Foundation transferred £1,603,500 from the Investment Fund to the Income Fund for future expenditure on charitable purposes (2023: £1,470,000), which represented 3.25% of the average quarterly gross value of investment assets (less provisions and non-charitable support costs) over a trailing three-year period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Risk Management

The Foundation aims to manage 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 risk faced by the Foundation

The Foundation's key risks are as follows:

Risk	Impact	Mitigation
Loss of key skills 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 aims to employ appropriate staff and establish 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. The ongoing recruitment of new trustees to replace those retiring in accordance with the Articles provides a regular opportunity to strengthen Board resilience.
Empty property, open woodland and unadopted roads etc. present a potential public liability risk 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.
Limited internal controls , 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. Internal policies and procedures for financial and non-financial controls were developed further during the year, including implementation of revised grantee due diligence and monitoring procedures

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<p>Investment value: Significant fall in real capital value of listed investment portfolio.</p>	<p>The Foundation's endowment shrinks in real terms. Reduced absolute level of funds available for distribution.</p>	<p>The Foundation aims to invest in a diverse range of assets and an appropriate distribution policy is set at 3.25% of the average gross value of investment assets over previous 12 quarters. Investment policy states guideline asset class ranges intended to deliver a 3.25% real return over the long term.</p>
<p>Below target investment returns: Macroeconomic factors (high inflation, high interest rates, poor economic growth/recession) cause poor or negative returns on risk assets.</p>	<p>If long term average returns are below the 3.25% real target, the real value of the capital will be eroded if the distribution rate is maintained.</p>	<p>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.</p>
<p>Portfolio liquidity: Lack of cash and other liquid assets to fund distributions and expenditure.</p>	<p>Forced to sell assets to meet cashflow requirements at distressed prices which destroys value.</p>	<p>External investment manager selection prioritises funds with appropriate liquidity. The Statement of Investment Policy contains appropriate cash allocation and benchmark currency exposure ranges, noting 100% of the Foundation's expenditure is in sterling. The Board reviews the Foundation's forward-looking cashflow projections quarterly. An informal policy is to maintain approximately £250k in cash and cash equivalents outside the investment portfolio.</p>
<p>Inability to improve rental property occupancy, post Covid-19, and the subsequent changes to the wider economic environment and demand for office space, affecting rental yields and increasing unrecovered costs.</p>	<p>Empty property will result in lost rents, service charge and rates costs. This may impact the ability to maintain granting at the current level.</p>	<p>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.</p>
<p>Failure to secure adequate planning approvals and disposal proceeds from development sites to mitigate loss of Papworth Hospital income.</p>	<p>Planned capital receipts not achieved in year, adversely impacting cash flow.</p>	<p>Positive engagement maintained with planners, via experienced property development Trustees. Sympathetic schemes sought of sufficient scale to attract developers. Agents appointed to assist with land disposals by informal tender or at auction.</p>

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FOR THE YEAR ENDED 31 MARCH 2024

Material downgrade in property valuations 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.
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Internal Controls

As in previous years, the organisation procured the services of Papworth Trust for management accounting, IT and Human Resources support, and utilised the support of professional firms to support property management and health & safety governance. In order to manage the inherent conflict of interest, the Trustees have initiated during the year a transition to independent providers of these services, which is expected to take effect fully in 2024-25. It is also recognised that there are inherent risks with a small 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.

PLANS FOR FUTURE PERIODS

In the next financial year, the Foundation plans to:

- Secure the planning consent for the existing application at Jubilee Green and sell the land at arm's length on the open market
- Increase the occupancy at Pendrill Court, deploying more flexible terms as necessary
- Establish clear plans for other vacant buildings/space in Papworth Everard
- Embed the grants and distribution policies to support the long-term sustainability plans for the Foundation
- Further review and continue to revise the operational support for the Foundation in line with governance recommendations and best practice
- Review the internal and external risk and assurance framework of the Foundation

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 and professional contractors, are responsible for formulating the strategy and policies of the Foundation, 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 Investment Committee oversees the investment portfolio of the Foundation. 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 Foundation. The Committee monitors the performance of the investment manager, and reports on investment performance to the Board at each Board meeting.

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FOR THE YEAR ENDED 31 MARCH 2024

Appointments Committee

An Appointments Committee manages the process of recruiting new Trustees and electing officers for the Foundation. This meets 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 Grants 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 at least twice a year and considers applications in accordance with the Foundation's Grant-Making Policy 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 meet the objectives of the charitable organisation. No formal fund-raising 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, and the Trustees are empowered to accept such donations, the Foundation 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 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.

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.

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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.

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 their staff and professional contractors for their dedication, hard work and commitment to the work of the Foundation.

Approved by order of the members of the board of Trustees and signed on their behalf by:



D Lowther
Chair

Date: 20/01/24.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION

OPINION

We have audited the financial statements of The Varrier-Jones Foundation (the 'foundation') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2024 and of its incoming resources and application of resources, including 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION
(CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees 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.

OPINION 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.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION
(CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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.

AUDITORS' 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 Auditors' 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:

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 company operates in and how the company is 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; and
- 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.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE VARRIER-JONES FOUNDATION
(CONTINUED)

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 Auditors' 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 its 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 Auditors

Incubator 2, The Boulevard

Enterprise Campus

Alconbury Weald

Huntingdon

PE28 4XA

Date: *21st November 2024*

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Investment Fund 2024 £	Income Fund 2024 £	Total funds 2024 £	As restated Total funds 2023 £
INCOME FROM:					
Investments	4	2,242,011	-	2,242,011	1,964,865
Other income	5	17,594	-	17,594	19,004
TOTAL INCOME		2,259,605	-	2,259,605	1,983,869
EXPENDITURE ON:					
Raising funds	6	1,354,871	-	1,354,871	682,787
Charitable activities	7	-	1,566,459	1,566,459	1,335,694
TOTAL EXPENDITURE		1,354,871	1,566,459	2,921,330	2,018,481
NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		904,734	(1,566,459)	(661,725)	(34,612)
Net gains/(losses) on investments		2,939,176	-	2,939,176	(2,348,874)
NET INCOME/(EXPENDITURE)		3,843,910	(1,566,459)	2,277,451	(2,383,486)
Transfers between funds	19	(1,603,500)	1,603,500	-	-
NET MOVEMENT IN FUNDS		2,240,410	37,041	2,277,451	(2,383,486)
RECONCILIATION OF FUNDS:					
Total unrestricted funds brought forward		56,301,493	212,337	56,513,830	58,897,316
Net movement in funds		2,240,410	37,041	2,277,451	(2,383,486)
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		58,541,903	249,378	58,791,281	56,513,830

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 36 form part of these financial statements.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03377965

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
FIXED ASSETS			
Market investments	13	41,028,127	37,960,516
Investment property	12	17,576,002	18,211,752
		<u>58,604,129</u>	<u>56,172,268</u>
CURRENT ASSETS			
Debtors	14	164,857	76,441
Cash at bank and in hand		1,098,633	651,799
		<u>1,263,490</u>	<u>728,240</u>
Creditors: amounts falling due within one year	15	(399,235)	(179,228)
NET CURRENT ASSETS		864,255	549,012
TOTAL ASSETS LESS CURRENT LIABILITIES		59,468,384	56,721,280
Creditors: amounts falling due after more than one year	16	(51,303)	(56,650)
Provisions for liabilities	17	(625,800)	(150,800)
TOTAL NET ASSETS		58,791,281	56,513,830
UNRESTRICTED CHARITY FUNDS			
Investment Fund	19	58,541,903	56,301,493
Income Fund	19	249,378	212,337
TOTAL UNRESTRICTED FUNDS		58,791,281	56,513,830

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03377965

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



D Lowther
Chair



C Sheasby
Treasurer

Date: 2.10.24.

The notes on pages 20 to 36 form part of these financial statements.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	As restated 2023 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	(2,303,177)	(2,269,554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, Interests and rents from Investments		2,242,011	1,964,865
Withdrawals from investment portfolio		400,000	500,000
Proceeds from sale of investment property		108,000	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,750,011	2,464,865
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		651,799	456,488
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	1,098,633	651,799

The notes on pages 20 to 36 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 2024

1. GENERAL INFORMATION

The Varrier-Jones Foundation is a private company limited by guarantee and incorporated in England and Wales. The liability of each member in the event of the Foundation being wound up is limited to £1. The registered office is Upper Pendrill Court, Papworth Everard, Cambridge, CB23 8UY.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard 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 or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

2.3 INCOME

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Foundation recognises rental income from properties let out under operating leases on a straight-line basis over the term of the lease. Rental income is included in the statement of financial activities in the period to which the income relates.

Dividend income is recognised on a receivable basis.

Income from studio hire is recognised in the period in which the studio is used. If payment is received in advance, it is recorded as deferred income and recognised in the statement of financial activities in the period in which the studio is used.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure directly incurred by the Foundation on managing its investment properties and its portfolio of listed investments. Also included is an allocation of support and governance costs based on the time spent on investment management.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Foundation's objectives, as well as any associated support and governance costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investment properties are stated at fair value and are not depreciated. A full professional valuation of investment properties is conducted every four years as part of a rolling valuation programme of the total property portfolio. Although not depreciating investment property 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.

Investments held as fixed assets are shown at cost less provision for impairment.

2.6 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.8 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be 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.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 FINANCIAL INSTRUMENTS

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 PENSIONS

The Foundation enrolls staff into a defined contribution pension scheme and the pension charge represents the amounts payable by the Foundation to the scheme in respect of the year.

2.11 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment properties

The valuation of the Investment properties requires the use of several estimates and judgements. Changes in these estimates and judgements can lead to material changes in the valuation. The value of investment property at the year-end was £17,576,002 (2023: £18,211,752).

Papworth bypass and remedial property costs provisions

The provisions for potential compensation claims and remedial works to investment property are subject to a number of assumptions; changes in these assumptions can lead to material changes in the provision. The value of the provision at the year-end was £625,800 (2023: £150,800).

4. INVESTMENT INCOME

	Investment	Total Funds	Total Funds
	Fund	2024	2023
	2024	2024	2023
	£	£	£
Rent receivable	1,108,130	1,108,130	826,640
Income from investment portfolio	1,133,881	1,133,881	1,138,225
	<u>2,242,011</u>	<u>2,242,011</u>	<u>1,964,865</u>

All investment income in the current and prior years is unrestricted.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. OTHER INCOMING RESOURCES

	Investment Fund 2024 £	Total Funds 2024 £	Total Funds 2023 £
Management fees	-	-	3,657
Studio and room hire	7,297	7,297	7,584
Solar panel income	7,673	7,673	7,763
Wayleave income	2,624	2,624	-
	<u>17,594</u>	<u>17,594</u>	<u>19,004</u>

All other incoming resources in the current and prior years are unrestricted.

6. INVESTMENT MANAGEMENT COSTS

	Investment Fund 2024 £	Total Funds 2024 £	As restated Total Funds 2023 £
Property portfolio management costs	569,040	569,040	398,904
Property disposal costs	30,342	30,342	-
Remedial cost provision on properties	475,000	475,000	-
Market investment portfolio management costs	175,507	175,507	175,694
Support costs - staff	48,756	48,756	38,287
Support costs - governance	6,670	6,670	12,600
Support costs - other	49,556	49,556	57,302
	<u>1,354,871</u>	<u>1,354,871</u>	<u>682,787</u>

All investment management costs in the current and prior years are unrestricted.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities (note 8) 2024 £	Support costs 2024 £	Total Funds 2024 £	Total Funds 2023 £
Supporting disability charities	1,480,058	86,401	1,566,459	1,335,694
TOTAL 2023	1,330,000	5,694	1,335,694	

ANALYSIS OF SUPPORT COSTS

	Supporting disability charities 2024 £	Total Funds 2024 £	As restated Total Funds 2023 £
Staff costs	34,676	34,676	2,015
Repairs & maintenance	612	612	22
Accountancy fees	26,291	26,291	2,245
Bank charges	966	966	116
Office costs	5,940	5,940	633
Travel	115	115	-
Governance costs	17,801	17,801	663
	86,401	86,401	5,694

8. ANALYSIS OF GRANTS

	Grants to charities 2024 £	Total Funds 2024 £	Total Funds 2023 £
Supporting people with disabilities	1,480,058	1,480,058	1,330,000

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. ANALYSIS OF GRANTS (CONTINUED)

Grants to charities comprise the following:

	2024 £	2023 £
The Papworth Trust	1,431,300	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
Able Kidz	3,000	-
Bedford Disabled Horse Riding Association (BDHRA)	5,000	-
Burwell Print Centre	5,000	-
Hamelin Trust	7,785	-
Tom's Trust	4,215	-
The Back-Up Trust	6,000	-
Children's Charitable Trust	8,398	-
Stowmarket ASD Saturday Club	6,000	-
Branching Out	3,000	-
Other	360	-
	<u>1,480,058</u>	<u>1,330,000</u>

9. GOVERNANCE COSTS

	2024 £	2023 £
Trustees' indemnity insurance	4,748	4,629
Other professional fees	9,748	1,184
Audit fee	9,975	7,450
	<u>24,471</u>	<u>13,263</u>

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. STAFF COSTS

	2024 £	2023 £
Wages and salaries	41,870	38,889
Contribution to defined contribution pension schemes	1,570	1,413
Contractually employed staff costs	<u>43,440</u>	<u>40,302</u>
Temporary staff costs	39,992	-
Total staff costs	<u><u>83,432</u></u>	<u><u>40,302</u></u>

The average number of persons employed by the Foundation during the year was as follows:

	2024 No.	2023 No.
Support & administration	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Trustees and the Operations Manager. The total amount of employee benefits paid to key management personnel during the year was £42,921 (2023: £40,084).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year, expenses totalling £309 were reimbursed or paid directly to 3 Trustees (2023 - £310 to 2 Trustees). These expenses related to travel and subsistence.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2023	18,211,752
Disposals	(50,000)
Unrealised loss in the year	(585,750)
At 31 March 2024	17,576,002

The historical cost of all the investment properties at 31 March 2024 was £13,166,365 (2023: £13,603,078).

Investment properties are revalued 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 2024 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.

13. FIXED ASSET INVESTMENTS

	Market investments £	Investment cash £	Total £
VALUATION			
At 1 April 2023	37,051,039	909,477	37,960,516
Additions	19,825,384	-	19,825,384
Disposals	(20,138,575)	-	(20,138,575)
Unrealised gain	3,673,507	-	3,673,507
Cash movement	-	(292,705)	(292,705)
At 31 March 2024	40,411,355	616,772	41,028,127

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. FIXED ASSET INVESTMENTS (CONTINUED)

Market value represented by:

	2024 £	2023 £
Historical cost of assets	36,068,668	36,282,297
Unrealised gains	4,959,459	1,678,219
	<u>41,028,127</u>	<u>37,960,516</u>

Investments held as:

	2024 £	2023 £
Cash & cash equivalents	616,772	977,259
Fixed income	6,637,115	6,446,723
UK equities	2,718,840	7,252,694
Global equities	27,320,193	17,858,541
Alternative investments	3,735,207	5,425,299
	<u>41,028,127</u>	<u>37,960,516</u>

As at 31 March 2024, the portfolio included one investment that individually comprised more than 5% of the portfolio value. This investment was a corporate bond fund professionally managed by third-party investment fund managers and diversified across several corporate entities. As such, the Trustees do not consider this investment to represent an inappropriate concentration of counterparty risk.

14. DEBTORS

	2024 £	As restated 2023 £
DUE WITHIN ONE YEAR		
Trade debtors	52,136	37,031
Other debtors	85,527	35,456
Prepayments and accrued income	27,194	3,954
	<u>164,857</u>	<u>76,441</u>

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	As restated 2023
	£	£
Trade creditors	23,020	39,446
Other taxation and social security	51,738	20,481
Other creditors	91,472	45,941
Accruals and deferred income	233,005	73,360
	399,235	179,228
	399,235	179,228
	2024	As restated 2023
	£	£
Deferred income at 1 April 2023	17,395	184,462
Resources deferred during the year	124,153	3,395
Amounts released from previous periods	(9,395)	(170,462)
	132,153	17,395
	132,153	17,395

Deferred income amounting to £124,153 relates to rental income received in advance.

Also included is deferred income amounting to £8,000 in respect of 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. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Building repair receipts in advance	49,303	48,650
Deferred income	2,000	8,000
	51,303	56,650
	51,303	56,650

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. PROVISIONS

	Papworth Bypass £	Remedial property costs £	Total £
At 1 April 2023	150,800	-	150,800
Additions	-	475,000	475,000
	<u>150,800</u>	<u>475,000</u>	<u>625,800</u>

Papworth Bypass

The provision represents potential compensation claims arising from the development of the Papworth bypass. The timing and amount of these claims are uncertain.

Remedial property costs

The provision represents the estimated net cost of reinstating property to its former state.

18. PRIOR YEAR RECLASSIFICATIONS

The following reclassifications have been made to the 2023 comparative figures. None of these changes has an impact on the net expenditure and funds reported in the 2023 financial statements.

Sarasin income account

The balance in the Sarasin income account was treated as accrued income and disclosed as a debtor. As this balance meets the definition of cash and cash equivalents, it has been reclassified to cash at bank and in hand. This has decreased debtors and increased cash at bank and in hand by £154,120.

Statement of cash flows

Dividend and rental income generated from the Sarasin portfolio and investment properties, respectively, was classified as a cash flow from operating activities. As this is a cash flow from investment activities, it has been reclassified to investing activities. This has increased cash flow from investing activities and decreased cash flow from operating activities by £1,964,865.

Other costs

Governance costs totalling £13,263 were classified as other costs and shown separately on the Statement of Financial Activities. These costs have been reclassified to charitable activities (£663) and fundraising activities (£12,600) in proportion to the relative time spent on each activity.

Rent deposits

Rent deposits amounting to £44,324 were classified as deferred income in previous years. These have been reclassified to other creditors, which better reflects their nature.

Funds

The brought forward Income Fund balance has been restated to show £78,031, which is the funds that were freely available to spend on charitable activities on 1 April 2022. In addition, expenditure allocated to the Income Fund has been increased by £663, reflecting the governance costs allocated to charitable activities. These changes to funds reflect the Foundation's total return policy, which was in place at the time.

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
INCOME FUND						
Income Account	212,337	-	(1,566,459)	1,603,500	-	249,378
INVESTMENT FUND						
Core Capital Account	49,454,830	-	-	1,872,110	-	51,326,940
Capital Reserves Account	6,846,663	2,259,605	(1,354,871)	(3,475,610)	2,939,176	7,214,963
	<u>56,301,493</u>	<u>2,259,605</u>	<u>(1,354,871)</u>	<u>(1,603,500)</u>	<u>2,939,176</u>	<u>58,541,903</u>
TOTAL UNRESTRICTED FUNDS	<u><u>56,513,830</u></u>	<u><u>2,259,605</u></u>	<u><u>(2,921,330)</u></u>	<u><u>-</u></u>	<u><u>2,939,176</u></u>	<u><u>58,791,281</u></u>

THE VARRIER-JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. STATEMENT OF FUNDS (CONTINUED)

Income Fund

The Income Fund represents funds that are freely available to spend on charitable activities. The transfer to this account represents an allocation of funds from the Investment Fund (Capital Reserves Account) to fund charitable activities during the year. The amount transferred represents 3.25% of the quarterly investment assets (less provisions and certain other costs) over a trailing three-year period. The Trustees believe that this represents the appropriate funds required to achieve a sustainable level of charitable activities.

Investment Fund

The Investment Fund represents designated funds that have been invested to provide a long-term source of total return to fund the Foundation's charitable activities.

Core Capital Account

The Core Capital Account represents the real value of the original gift made by The Papworth Trust to the Foundation. The Trustees aim to preserve the value of this fund to ensure the gift can continue to generate sufficient total return funding for charitable activities over the long term. The transfer to this account represents the increase in CPI during the year.

Capital Reserves Account

The Capital Reserves Account represents the unapplied total return, being the surplus of investment funds over the real value of the original gift from The Papworth Trust. This account is the portion of the Investment Fund that can be transferred to the Income Fund without diminishing the real value of the original gift. The transfer from this fund represents a transfer to the Core Capital Account (to align the Core Capital Account with the real value of gifted assets) and a transfer to the Income Fund to fund charitable activities.

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19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 March 2023 £
INCOME FUND						
Income Account	78,031	-	(1,335,694)	1,470,000	-	212,337
INVESTMENT FUND						
Core Capital Account	44,957,316	-	-	4,497,514	-	49,454,830
Capital Reserves Account	13,861,969	1,983,869	(682,787)	(5,967,514)	(2,348,874)	6,846,663
	<u>58,819,285</u>	<u>1,983,869</u>	<u>(682,787)</u>	<u>(1,470,000)</u>	<u>(2,348,874)</u>	<u>56,301,493</u>
TOTAL UNRESTRICTED FUNDS	<u>58,897,316</u>	<u>1,983,869</u>	<u>(2,018,481)</u>	<u>-</u>	<u>(2,348,874)</u>	<u>56,513,830</u>

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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	As restated 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	2,277,451	(2,383,486)
ADJUSTMENTS FOR:		
Gains/(losses) on investments	(2,939,176)	2,348,874
Dividends, interests and rents from investments	(2,242,011)	(1,964,865)
Non-cash investment transactions	(685)	-
Increase in debtors	(88,416)	(1,790)
Increase/(decrease) in creditors	214,660	(268,287)
Increase in provisions	475,000	-
NET CASH USED IN OPERATING ACTIVITIES	(2,303,177)	(2,269,554)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	As restated 2023 £
NatWest cash	968,709	497,679
Sarasin Income Account cash	129,924	154,120
TOTAL CASH AND CASH EQUIVALENTS	1,098,633	651,799

22. PENSION COMMITMENTS

During the year, the Foundation paid contributions into one employee's personal pension scheme (2023: one employee). The pension cost charge represents contributions payable by the Foundation to the funds and amounted to £1,570 (2023: £1,413). There were no outstanding contributions at 31 March 2024 (2023: £244).

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23. LESSOR

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

At the reporting end date, the Foundation had contracted with tenants for the following minimum lease payments.

	2024	2023
	£	£
Within one year	842,405	789,566
Between two and five years	1,456,035	2,257,255
In over five years	1,309,880	1,613,214
	<u>3,608,320</u>	<u>4,660,035</u>

24. RELATED PARTY TRANSACTIONS

During the year, the Foundation was charged costs of £45,630 (2023: £44,137) 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 at the year-end.

The Foundation charged Papworth Trust rental costs of £11,500 (2023: £20,256) during the year, also carried out at arm's length.

At 31 March 2024, the amount due to Papworth Trust was £nil (2023: £nil). The amount due from Papworth Trust was £33 (2023: £nil).

During the year, the Foundation awarded grants to Papworth Trust of £1,431,300 (2023: £1,300,000)

25. CONTROLLING PARTY

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