

THE VARRIER-JONES FOUNDATION

England & Wales · Charity number 1064595

Details

Other names THE VARRIER JONES FOUNDATION

Status Registered

Legal form Charitable company

Company number [03377965](#)

Registered 1997-09-25

Register [View on the Charity Commission register](#)

Contact

Address The Varrier-Jones Foundation
Upper Pendrill Court
Ermine Street North
Papworth Everard
Cambridge
CB23 3UY

Phone 01480 831801

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Activities

Objects: THE OBJECTS ("THE OBJECTS") OF THE CHARITY ARE TO SUPPORT THE PAPWORTH TRUST (REGISTERED CHARITY NUMBER 211234) IN SUCH WAYS THAT ARE FOR THE BENEFIT OF THE PUBLIC AND CHARITABLE ACCORDING TO ENGLISH LAW AND SUBJECT THERETO TO GENERALLY PROVIDE RELIEF TO DISABLED PEOPLE IN SUCH WAYS THAT ARE FOR THE BENEFIT OF THE PUBLIC AND CHARITABLE ACCORDING TO ENGLISH LAW.

Activities: The charity's objective is to provide financial support for the work of the Papworth Trust, whose mission is for disabled people to have equality, choice and independence. The charity meets this commitment through the development and investment of its assets. The charity also makes financial contributions towards the work of other charities providing services for people with disabilities.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Disability
- **Who:** People With Disabilities

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,205,270	£2,634,906	£59,018,264	2
2024-03-31	£2,259,605	£2,921,330	£58,791,281	2
2023-03-31	£1,983,869	£2,018,481	£56,513,830	1
2022-03-31	£1,583,400	£2,472,912	£58,897,316	1
2021-03-31	£2,111,852	£2,311,717	£56,754,055	2

Trustees

Name	Role	Appointed
Alan Kevin Lynch		2023-02-23
Carli Maree Baldasare		2023-11-23
Daniel Browne		2021-05-27
Deborah Lowther		2019-02-14
Dr Lesley Rowena Sherratt		2025-04-11
Steven Beach		2017-11-09
Stuart Crouch		2023-02-23

THE VARRIER-JONES FOUNDATION

England & Wales - Charity number 1064595

Accounts

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 2025



THE VARRIER-JONES FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	D Lowther, Chair S W Beach, Vice Chair and Chair of Appointments Committee M P Alexander, Chair of Property Investment Committee C M Baldasare D H R Browne, Chair of Grants Committee J L Bugg, Chair of Investment Committee, resigned 21 November 2024 S Crouch, Chair of Investment Committee from 22 November 2024 A K Lynch C Sheasby, Treasurer, resigned 31 August 2025 L R Sherratt, appointed 11 April 2025
Company registered number	03377965
Charity registered number	1064595
Registered office	Upper Pendrill Court Ermine Street North Papworth Everard Cambridge CB23 BUY
Independent auditors	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Natwest Bank Plc 92 High Street Huntingdon PE29 3DT
Solicitors	Howes Percival Terrington House 13-15 Hills Road Cambridge CB2 1NL
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 2025

Peck Property Consultants
College Farm
Hatchet Lane
Stanely
Cambridgeshire
PE19 5EG

Investment Managers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Cazenove
Juxon House
100 St Paul's Churchyard
London
EC4m 8BU

Accountants

Green and Purple
Building 1000
Cambridge Research Park
Waterbeach
Cambridge
CB25 9PD

THE VARRIER-JONES FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

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 2025.

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 and Chair of Appointments Committee
M P Alexander, Chair of Property Committee
C M Baldasare
D H R Browne, Chair of Grants Committee
J L Bugg, Chair of Investment Committee, resigned 21 November 2024
S Crouch, Chair of Investment Committee from 22 November 2024
A K Lynch
C Sheasby, Treasurer, resigned 31 August 2025
L R Sherratt, appointed 11 April 2025

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 order to meet 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 program, 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 2025

In order to carry this out effectively, the Foundation has 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 program 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 developed its internal systems 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 programs 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 2024, The Foundation set out the following objectives for the year to 31 March 2025 and achievement against these is shown in the table below:

Objective	Achievement
Secure the planning consent for the existing application at Jubilee Green and sell the land at arm's length on the open market.	Planning consent was successfully obtained and the land was successfully sold in August 2025.
Increase the occupancy at Pendrill Court, deploying more flexible terms as necessary	Pendrill Court occupancy has not improved. The office market remains challenging following the pandemic and the increase in home-based working.
Establish clear plans for other vacant buildings/space in Papworth Everard	An outline strategic plan for all of the Foundations land and property assets has been developed and will be reviewed on an annual basis.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Embed the grants and distribution policies to support the long-term sustainability plans for the Foundation.	A grants management agreement has now been agreed with Papworth Trust and an Independent Expert appointed to attend the Grants Committee.
Further review and continue to revise the operational support for the Foundation in line with governance recommendations and best practice.	Management has been strengthened with the appointment of a Chief Executive with effect from Q3 2025/26.
Review the internal and external risk and assurance framework of the Foundation	The risk framework has been reviewed and a risk appetite statement created. This will now be reviewed on an annual basis.

IMPACT STATEMENT

Over the past year, the Foundation has been privileged to support a wide range of charities and community organisations, awarding £1,400,786 in grants and donations. Each grant reflects our commitment to improving lives the lives of disabled people.

The Foundation's largest grant this year was £1.35 million awarded to the Papworth Trust, one of the UK's leading disability charities. Their work is far-reaching, providing essential support to disabled people and their families across multiple areas of life including the following:

- Independent Living: Papworth Trust delivers personalised care and supported housing, enabling disabled people to live independently, safely, and with dignity in their own homes or community settings.
- Employment and Skills: The charity runs training, volunteering, and employment programs that give people the confidence, skills, and opportunities to access the workplace. This not only improves financial independence but also fosters inclusion and self-worth.
- Community Participation: Through day services and accessible activities, Papworth Trust reduces social isolation and builds stronger connections, ensuring that disabled people have equal opportunities to enjoy fulfilling lives.
- Advocacy and Advice: The Trust also provides information, guidance, and practical support on issues such as welfare rights and accessible housing, helping individuals and families navigate complex systems.

The scale of Papworth Trust's impact is significant: every year, thousands of disabled people benefit from their services, gaining greater independence, improved wellbeing, and the chance to participate fully in society. The Foundation is proud to contribute to this work, recognising that systemic, long-term support for disabled people requires sustained investment. Their own impact report for 2024/25 is available on their website, www.papworthtrust.org.uk.

Alongside this, we provided targeted grants to smaller charities making a difference locally and nationally. From Cauldwell Children, offering essential equipment and therapies, to Make Them Smile, bringing joy to children facing life-limiting conditions.

We are proud to have supported education and opportunity through Rowan Humberstone, Pear Tree Specialist School, and Ipswich Opportunity Group, ensuring that children and young people with additional needs can learn, create, and thrive. Grants to groups such as Power2Inspire, Listening Books, and Life Path Trust have promoted access, inclusion, and wellbeing across diverse communities.

Importantly, many of our grants have provided immediate, practical help. Whether funding respite services, creative programmes, or family support, these contributions enable charities like Marches Family Network, Side by Side, Stepping Stones, and Step by Step to deliver care and connection where it matters most.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The Foundation is proud to play a part in sustaining the passion and dedication of these charities, and we remain committed to working alongside them to create brighter futures.

FINANCIAL REVIEW

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 2025, total movement in funds was an increase of £226,983 (2024: increase of £2,277,451). The value of listed market and property investments still held decreased by £469,946 in the year (2024: increased by £2,431,861). Because the Foundation seeks to balance income and expenditure over the longer term, using a total return spending rule to determine affordability, and the cyclical nature of markets, it is not always possible to balance annual income and expenditure. Annual operating deficits therefore can and do arise in the normal course of business.

The Foundation recorded an operating deficit for the year of £429,637 (2024: deficit of £661,725). The deficit on operations is stated after direct grants of £1,400,786 (2024: £1,480,058). Expenditure on raising funds for the year to 31 March 2024 included the recognition of a £475,000 provision for remedial work to investment properties.

The Foundation made grants as follows:	£
The Papworth Trust	1,350,000
Cauldwell Children	1,670
Helping Disabilities Trust	3,000
Make Them Smile	3,911
Rowan Humberstone	10,000
Marches Family Network	5,280
Pear Tree specialist School	3,400
Ipswich Opportunity Group	5,000
Side by Side	5,176
Step by Step	349
Power2Inspire	5,000
Listening Books	3,000
Stepping Stones	3,000
Life Path Trust	2,000
Total	<u>1,400,786</u>

Reserves policy

The Foundation is free to adopt any approach to reserves management it deems appropriate, subject to general charitable principles under charity reserves: building resilience (CC19). The Trustees hold all the reserves of the Foundation as unrestricted funds. The Trustees aim 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 reflect the Foundation's total return approach to reserves management. This policy designates elements of the reserves as described below in order to improve visibility of the resilience of the funds at the Foundation's disposal.

The Foundation's property and land assets were originally transferred from Papworth Trust on 29th December 1997 along with £1.7 million in cash

Designated Income Fund

The Foundation aims to maintain a designated income fund, consisting of income reserved 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.

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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 Income Fund at the 31 March 2025 was £1,654,778 (2024: £249,378). This was slightly above the Foundation's reserves policy target of 6 to 12 months of charitable expenditure (12 months being - 2025: £1,452,600; 2024: £1,516,947). The Trustee's aim is to maintain this Income Fund over time from the implementation date of the total return strategy in April 2021. The Income Fund aims to strengthen 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

Total income has decreased by 2.4% this year compared to the prior year. Rental income increased by 11.4% mainly driven by improved rental income yield from investment properties. Despite this overall improvement, the market for small to medium-sized office space in rural locations remains suppressed as organisations continue to maintain hybrid/home-working approaches. Investment portfolio income is lower by 19%.

Expenditure on raising funds related mainly to third party investment management fees with regards to the Foundation's property and market investment portfolios. The overall cost has reduced to £1,182,307 (2024: £1,404,383) mainly due to a provision of £475,000 for remedial works to investment properties made in the year to 31 March 2024. The provision is retained at £475,000 (see note 17) as the remedial works have yet to be carried out. Property portfolio management fees increased from £569,040 in 2024 to £652,643 in 2025.

Charitable activities decreased slightly by 4.2% this year (2025: £1,452,600; 2024: £1,516,947). This was largely due to an 5.4% decrease in charitable grants (2025: £1,400,786; 2024: £1,480,058). Grants are expected to increase next year with increased levels of grants in our forecasts.

During the year, the Foundation carried out a detailed review of its support cost allocation methodology, which resulted in an increase in support costs being allocated to investment activities of 90%. This has also been reflected in the adjusted numbers for the year to 31 March 2024.

Net expenditure before investment gains was £429,637 (2024: £661,725). Net gains on investments during the year were £656,619 (2024: £2,939,176 gains), driven by gains on the market investment portfolio of £282,043 (2024: £3,673,507 gains) and gains of £240,998 on the property investment portfolio (2024: £585,750 losses). Net movement in funds, after investment gains, was a £226,983 surplus (2023: £2,277,451 surplus), representing a 0.4% surplus on opening net assets (2024: 4.0% surplus).

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 professional 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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 a total of £2,858,000 (2024: £1,603,500), from the Investment Fund to the Income Fund for future expenditure on charitable purposes, including a one-off transfer of £1,100,000 to boost the level of the Income Fund to the targeted reserves level. The transfer of £1,758,000 represented 3.25% of the average quarterly value of net assets over a trailing three-year period.

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:

Key Risk	Impact	Mitigation
Continued political and economic uncertainty and disruption could adversely affect financial returns yielded	Distributable funds may need to be reduced, or greater withdrawals made from the portfolio than planned, impacting current and future service delivery by our grantees	Adoption of total return approach to limit distributions to a long-term sustainable level. Seek to diversify the portfolio adequately to avoid concentration risk. Active broadening of the Trustee skills base to provide greater breadth of skills to manage property opportunities
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 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. Trustees continue to commit additional time to key projects. Co-opted Grants Committee member is being recruited.
Portfolio liquidity: 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 investment portfolio.

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TRUSTEES' REPORT (CONTINUED)
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Key risks (continued)

Key Risk	Impact	Mitigation
Fail to secure adequate planning approvals 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
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
Change in key personnel and advisors could lead to loss of institutional memory	Loss of institutional memory, inconsistent handover or documentation	Clear handover meetings; documented processes and structured archives.
Investment Value: Significant fall in real capital value of listed investment portfolio	VJF endowment shrinks in real terms below core capital. 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.
Relationship with main beneficiary is not appropriately governed	Charity Commission intervention; reputational damage.	Grant Management Agreement framework in place between Papworth Trust the Foundation which sets out clear process and responsibilities.

Internal Controls

The organisation successfully transitioned to independent providers of management accounting, IT and Human Resources support and utilises the support of professional firms to support property management and health & safety governance. 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.

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PLANS FOR FUTURE PERIODS

In the next financial year, the Foundation plans to:

- Relet Business Park unit 2A which became vacant during the year.
- Continue to explore ways to increase the occupancy at Pendrill Court.
- Further develop a property strategy for all property and land assets.
- Recruit a director to provide executive management and resource.
- Embed the new processes and controls created this year.

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 the Foundation's operation. The Committees currently in operation are as follows:

Property Investment Committee

The Property Investment 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Fundraising approach

The Foundation's income is generated mainly through returns on its investment and property portfolios which are appropriately managed to meet the objectives of the charitable organisation in full. 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 oversaw all property matters as Chair of the Property Investment Committee until his retirement as a Trustee in November 2025, at which point Steven Beach became Chair of the Property Investment Committee, and Joanne Bugg (prior to 21 November 2024) and Stu Crouch (post 22 November 2024) have overseen financial investments as successive Chairs of the Investment Committee. Chris Sheasby, as Treasurer, supported the Board and Committees as appropriate until his resignation in August 2025. 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.

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.

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AUDITORS

UHY Hacker Young LLP were appointed 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:

Deborah Lowther

D Lowther
Chair

02-12-2025

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

OPINION

We have audited the financial statements of The Varrier-Jones Foundation (the 'charitable company') for the year ended 31 March 2025 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 2025 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.

**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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the charitable company and the industry in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

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

Other Matters

During the year, UHY Hacker Young LLP were appointed as auditors to The Varrier-Jones Foundation, replacing Ensors Accountants LLP following a periodic review of audit services.

In accordance with auditing standards, UHY Hacker Young LLP have audited the financial statements for the year ended 31 March 2025. The comparative figures for the year ended 31 March 2024 were audited by Ensors Accountants LLP, who expressed an unqualified opinion. UHY Hacker Young LLP do not express an opinion on the prior year figures.

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.

Harriet Hodgson-Grove

Harriet Hodgson-Grove (Senior Statutory Auditor)

for and on behalf of

UHY Hacker Young LLP

Chartered Accountants

Date: 08-12-2025

THE VARRIER JONES FOUNDATION
{A Company Limited by Guarantee}
REGISTERED NUMBER: 03377965

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Investment Fund 2025 £	Income Fund 2025 £	Total funds 2025 £	Total funds 2024 £
INCOME FROM:					
Investments	4	2,190,254	-	2,190,254	2,242,011
Other income	5	15,016	-	15,016	17,594
TOTAL INCOME		2,205,270	-	2,205,270	2,259,605
EXPENDITURE ON:					
Raising funds	6	1,182,306	-	1,182,306	1,404,383
Charitable activities	7	-	1,452,600	1,452,600	1,516,947
TOTAL EXPENDITURE		1,182,306	1,452,600	2,634,906	2,921,330
NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		1,022,964	(1,452,600)	(429,636)	(661,725)
Net gains/(losses) on investments		656,619	-	656,619	2,939,176
NET INCOME/(EXPENDITURE)		1,679,583	(1,452,600)	226,983	2,277,451
Transfers between funds	19	(2,858,000)	2,858,000	-	-
NET MOVEMENT IN FUNDS		(1,178,417)	1,405,400	226,983	2,277,451
RECONCILIATION OF FUNDS:					
Total unrestricted funds brought forward		58,541,903	249,378	58,791,281	56,513,830
Net movement in funds		(1,178,417)	1,405,400	226,983	2,277,451
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		57,363,486	1,654,778	59,018,264	58,791,281

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

The notes on pages 21 to 37 form part of these financial statements.

THE VARRIER JONES FOUNDATION
{A Company Limited by Guarantee}
REGISTERED NUMBER: 03377965

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
FIXED ASSETS			
Market investments	13	40,342,183	41,028,127
Investment property	12	17,792,000	17,576,002
		58,134,183	58,604,129
CURRENT ASSETS			
Debtors	14	242,211	164,857
Cash at bank and in hand		1,660,268	1,098,633
		1,902,479	1,263,490
Creditors: amounts falling due within one year	15	(342,601)	(399,235)
		1,559,878	864,255
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		59,694,061	59,468,384
Creditors: amounts falling due after more than one year	16	(49,997)	(51,303)
Provisions for liabilities	17	(625,800)	(625,800)
		59,018,264	58,791,281
TOTAL NET ASSETS			
UNRESTRICTED CHARITY FUNDS			
Investment Fund	19	57,363,486	58,541,903
Income Fund	19	1,654,778	249,378
		59,018,264	58,791,281
TOTAL UNRESTRICTED FUNDS			

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 2025**

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

Deborah Lowther

**D Lowther
Chair**

Date: 02-12-2025

The notes on pages 21 to 37 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 2025

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	(2,688,953)	(2,303,177)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		2,150,588	2,242,011
Withdrawals from investment portfolio		1,100,000	400,000
Proceeds from sale of investment property		0	108,000
NET CASH PROVIDED BY INVESTING ACTIVITIES		3,250,588	2,750,011
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		1,098,633	651,799
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	1,660,268	1,098,633

The notes on pages 21 to 37 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 2025

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 BUY.

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 2025

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 attached 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 2025

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 2025

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 £17,792,000 (2024: £17,576,002).

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 (2024: £625,800).

4. INVESTMENT INCOME

	Investment Fund 2025 £	Total Funds 2025 £	Total Funds 2024 £
Rent receivable	1,275,133	1,275,133	1,108,130
Income from investment portfolio	915,121	915,121	1,133,881
	<hr/> 2,190,254	<hr/> 2,190,254	<hr/> 2,242,011

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 2025

5. OTHER INCOMING RESOURCES

	Investment Fund 2025 £	Total Funds 2025 £	Total Funds 2024 £
Studio and room hire	7,329	7,329	7,297
Solar panel income	7,687	7,687	7,673
Wayleave income	-	-	2,624
	15,016	15,016	17,594

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

6. INVESTMENT MANAGEMENT COSTS

	Investment Fund 2025 £	Total Funds 2025 £	Total Funds 2024 £
Property portfolio management costs	652,642	652,642	569,040
Property disposal costs	27,510	27,510	30,342
Remedial cost provision on properties	-	-	475,000
Market investment portfolio management costs	209,869	209,869	175,507
Support costs - staff	44,176	44,176	75,089
Support costs - governance	64,160	64,160	22,024
Support costs - other	183,949	183,949	57,381
	1,182,306	1,182,306	1,404,383

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 2025

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities (note 8) 2025 £	Support costs 2025 £	Total Funds 2025 £	Total Funds 2024 £
Supporting disability charities	1,400,786	51,814	1,452,600	1,516,947
TOTAL 2024	<u>1,480,058</u>	<u>36,889</u>	<u>1,516,947</u>	

ANALYSIS OF SUPPORT COSTS

	Supporting disability charities 2025 £	Total Funds 2025 £	Total Funds 2024 £
Staff costs	4,908	4,908	8,343
Governance costs	7,130	7,130	2,447
Other	39,776	39,776	26,099
	<u>51,814</u>	<u>51,814</u>	<u>36,889</u>

8. ANALYSIS OF GRANTS

	Grants to charities 2025 £	Total Funds 2025 £	Total Funds 2024 £
Supporting people with disabilities	1,400,786	1,400,786	1,480,058

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. ANALYSIS OF GRANTS (CONTINUED)

Grants to charities comprise the following:

	2025	2024
	£	£
The Papworth Trust	1,350,000	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
Caudwell Children	1,670	-
Helping Disabilities Trust	3,000	-
Make Them Smile	3,911	-
Rowan Humberstone	10,000	-
Marches Family Network	5,280	-
Ipswich Opportunity Group	5,000	-
Side by Side (Children) Ltd	5,176	-
Pear Tree Special School	3,400	-
Power2Inspire	5,000	-
Other	8,349	360
	1,400,786	1,480,058

9. GOVERNANCE COSTS

	2025	2024
	£	£
Trustees' indemnity insurance	4,361	4,748
Other professional fees	44,197	8,546
	22,731	11,177
Audit fee	71,289	24,471

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	43,872	41,870
Employer's national insurance	624	-
Contribution to defined contribution pension schemes	4,588	1,570
Contractually employed staff costs	49,084	43,440
Temporary staff costs	-	39,992
Total staff costs	49,084	83,432

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

	2025	2024
	No.	No.
Support & administration	2	2

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

Key management personnel comprise the Operations Manager. The total amount of employee benefits paid to key management personnel during the year was £49,084 (2024: £42,921).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year, expenses totaling £1,032 were reimbursed or paid directly to 4 Trustees (2024 - £309 to 3 Trustees). These expenses relate to travel and subsistence, postage, and staff appreciation costs.

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

12. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2024	17,576,002
Disposals	(25,000)
Unrealised gain in the year	240,998
	17,792,000
At 31 March 2025	17,792,000

The historical cost of all the investment properties at 31 March 2025 was £13,166,365 (2024: £13,166,365).

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 2025 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 2024	40,411,355	616,772	41,028,127
Additions	52,388,011		52,388,011
Disposals	(53,945,090)		(53,945,090)
Unrealised gain	282,042		282,042
Cash movement		589,093	589,093
	39,136,318	1,205,865	40,342,183
At 31 March 2025	39,136,318	1,205,865	40,342,183

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. FIXED ASSET INVESTMENTS (CONTINUED)

Market value represented by:

	2025 £	2024 £
Historical cost of assets	38,667,777	36,068,668
Unrealised gains	1,674,406	4,959,459
	<u>40,342,183</u>	<u>41,028,127</u>

Investments held as:

	2025 £	2024 £
Cash & cash equivalents	1,205,865	616,772
Fixed income	7,855,484	6,637,115
Equities	27,510,538	30,039,033
Alternative investments	3,770,296	3,735,207
	<u>40,342,183</u>	<u>41,028,127</u>

As at 31 March 2025, the portfolio had no investments that amounted to more than 5% of the portfolio value (2024: There was 1 investment greater than 5%).

14. DEBTORS

	2025 £	2024 £
DUE WITHIN ONE YEAR		
Trade debtors	34,044	52,136
Other debtors	146,479	85,527
Prepayments and accrued income	61,688	27,194
	<u>242,211</u>	<u>164,857</u>

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	57,310	23,020
Other taxation and social security	41,831	51,738
Other creditors	44,464	91,472
Accruals and deferred income	198,996	233,005
	342,601	399,235
	2025	2024
	£	£
Deferred income at 1 April 2024	132,153	17,395
Resources deferred during the year	80,251	124,153
Amounts released from previous periods	(130,153)	(9,395)
	82,251	132,153

Deferred income amounting to £80,251 (2024: £124,153) relates to rental income received in advance.

Also included is deferred income amounting to £2,000 (2024: £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, with the remaining portion to be fully released within one year.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Building repair receipts in advance	49,997	49,303
Deferred income	-	2,000
	49,997	51,303

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

17. PROVISIONS

	Papworth Bypass £	Remedial property costs £	Total £
As at 1 April 2024	150,800	475,000	625,800
Change in year	-	-	-
As at 31 March 2025	<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

Support Costs

The method for allocating support costs between Investment Management and Charitable activity has been reviewed during the year based on the volume of transactions undertaken by the organisation. The outcome is that 90% of support costs are now allocated to Investment Management activity and 10% to Charitable activity. This apportionment method has been adopted for the year ending 31 March 2025 and applied to the prior year to 31 March 2024. The ratio will be reviewed annually going forwards.

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
INCOME FUND						
Income Account	249,378	-	(1,452,600)	2,858,000	-	1,654,778
INVESTMENT FUND						
Core Capital Account	51,326,940	-	-	1,745,116	-	53,072,056
Capital Reserves Account	7,214,963	1,315,248	(292,284)	(4,603,116)	656,619	4,291,430
	58,541,903	1,315,248	(292,284)	(2,858,000)	656,619	57,363,486
TOTAL UNRESTRICTED FUNDS	58,791,281	1,315,248	(1,744,884)	-	656,619	59,018,264

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 average quarterly investment assets {less provisions and certain other costs} over a trailing three-year period. The Trustees believe that this represents the appropriate spending rule 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. Within this:

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.

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	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
	56,301,493	2,259,605	(1,354,871)	(1,603,500)	2,939,176	58,541,903
TOTAL UNRESTRICTED FUNDS	56,513,830	2,259,605	(2,921,330)	-	2,939,176	58,791,281

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Income Fund £	Core Capital £	Capital Reserve £	Total Funds £
Fixed Assets	-	53,072,056	5,062,127	58,134,183
Current Assets	1,654,778	-	247,701	1,902,479
Creditors due <1 year	-	-	(342,601)	(342,601)
Creditors due >1 year	-	-	(675,797)	(675,797)
Net Assets	1,654,778	53,072,056	4,291,430	59,018,264

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

	2025	2024
	£	£
Net income for the period (as per Statement of Financial Activities)	226,983	2,277,451
ADJUSTMENTS FOR:		
Gains/(losses) on investments	(630,054)	(2,939,176)
Dividends, interests and rents from investments	(2,150,588)	(2,242,011)
Non-cash investment transactions	-	(685)
Increase in debtors	(77,354)	(88,416)
Increase/(decrease) in creditors	(57,940)	214,660
Increase in provisions	-	475,000
NET CASH USED IN OPERATING ACTIVITIES	(2,688,953)	(2,303,177)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
NatWest cash	537,832	968,709
Sarasin Income Account cash	22,436	129,924
Cazenove Cash Reserve Account	1,100,000	-
TOTAL CASH AND CASH EQUIVALENTS	1,660,268	1,098,633

23. PENSION COMMITMENTS

During the year, the Foundation paid contributions into one employee's personal pension scheme (2024: one employee). The pension cost charge represents contributions payable by the Foundation to the funds and amounted to £4,588 (2024: £1,570). There were no outstanding contributions at 31 March 2025 (2024: £Nil).

THE VARRIER JONES FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. 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.

	2025 £	2024 £
Within one year	815,890	842,405
Between two and five years	1,598,881	1,456,035
In over five years	1,031,384	1,309,880
	3,446,155	3,608,320

25. RELATED PARTY TRANSACTIONS

The Varrier-Jones Foundation has a longstanding relationship with The Papworth Trust, a UK-based charity supporting people with disabilities. The Foundation was originally established with assets gifted by The Papworth Trust and continues to make significant grants to support its work.

During the year, the Foundation awarded grants totalling £1,350,000 (2024: £1,431,300) to The Papworth Trust. These grants were made in accordance with the Foundation's Grant-Making Policy and were subject to appropriate due diligence and Board approval.

In addition, the Foundation procured services from The Papworth Trust totalling £23,521 (2024: £45,630), which included IT support, accountancy services, telephone costs, and administrative support. These services were provided on an arm's length basis. The Foundation also charged The Papworth Trust rental income of £84 (2024: £11,500), also on an arm's length basis.

At the year end, the Foundation had a balance due to The Papworth Trust of £12,000 (2024: £Nil) and a balance due from The Papworth Trust of £62 (2024: £33).

To manage potential conflicts of interest, the Foundation has undertaken a transition to independent providers for operational support services previously delivered by The Papworth Trust. All related party transactions are reviewed and approved by non-conflicted Trustees.

26. CONTROLLING PARTY

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

THE VARRIER-JONES FOUNDATION

England & Wales - Charity number 1064595

Accounts

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

SATURDAY



A14 *ADHXUVGI* 14/12/2024 #145
COMPANIES HOUSE

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

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

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

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

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
(A Company Limited by Guarantee)

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.

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

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.

THE VARRIER-JONES FOUNDATION
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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

THE VARRIER-JONES FOUNDATION
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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.

THE VARRIER-JONES FOUNDATION
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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

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

<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>

THE VARRIER-JONES FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
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.

THE VARRIER-JONES FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
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.

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

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

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.

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

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.

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

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.

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

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.

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)

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><u>58,897,316</u></u>	<u><u>1,983,869</u></u>	<u><u>(2,018,481)</u></u>	<u><u>-</u></u>	<u><u>(2,348,874)</u></u>	<u><u>56,513,830</u></u>

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

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

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).

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

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

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.

THE VARRIER-JONES FOUNDATION

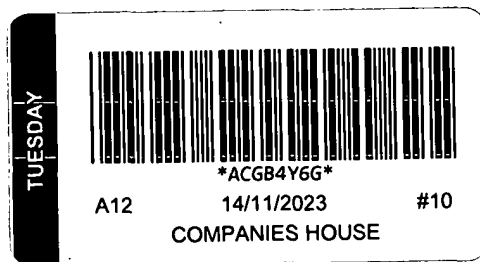
England & Wales - Charity number 1064595

Accounts

**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

Trustees	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)	
Company Secretary	M Blake	
Registered Office	Upper Pendrill Court Ermine Street North Papworth Everard Cambridge CB23 8UY	
Auditors	Ensors Accountants LLP 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 Peck Property Consultants College Farm Hatchet Lane Stonely Cams PE19 5EG	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	
Status	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:

Objective	Achievement
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
Total	1,330,000

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
Total Unrestricted Funds	56,514	

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:

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 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 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.

THE VARRIER-JONES FOUNDATION

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TRUSTEES' REPORT

Risk	Impact	Mitigation
Investment Value: 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.
Below target investment returns: 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.
Portfolio liquidity: 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.
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.	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 planning approvals 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.
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.

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


D Lowther (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.

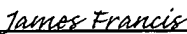
Use of our report

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 (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 £
Income:			
Investment income	2	1,964,865	1,568,124
Other income	3	19,004	15,276
Total income		<u>1,983,869</u>	<u>1,583,400</u>
Expenditure			
<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
Total expenditure		<u>2,018,481</u>	<u>2,472,912</u>
Movement in total funds for the year - Net (outgoing) resources for the year before Investments		(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		<u>161,500</u>	<u>1,729,503</u>
Net movement in funds		(2,383,486)	2,143,261
Reconciliation of funds			
Total funds brought forward at 1 April		58,897,316	56,754,055
Total funds carried forward at 31 March		<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 £
Fixed assets			
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>
Current assets			
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>
Creditors – amounts falling due within one year	12	<u>(179,228)</u>	<u>(444,222)</u>
Net current assets		<u>549,012</u>	<u>86,915</u>
Total assets less current liabilities		<u>56,721,280</u>	<u>59,108,057</u>
Creditors – amounts falling due after more than one year	13	<u>(207,450)</u>	<u>(210,741)</u>
Net assets		<u><u>56,513,830</u></u>	<u><u>58,897,316</u></u>
Funds			
Unrestricted funds	16	<u>56,513,830</u>	<u>58,897,316</u>
Total funds		<u><u>56,513,830</u></u>	<u><u>58,897,316</u></u>

Approved by the Board of Trustees on 09/11/2023

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

	2023 £	2022 £
Reconciliation of operating deficit to net cash outflow from operating activities		
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)
	<u>(304,689)</u>	<u>(413,296)</u>
Cash flow		
Net cash outflow from operating activities	(304,689)	(413,296)
Withdrawals from Sarasin Portfolio	500,000	
	<u>195,311</u>	<u>(413,296)</u>
Reconciliation of net cash flow to movement in net funds		
Increase / (Decrease) in cash in the year	195,311	(413,296)
	<u>195,311</u>	<u>(413,296)</u>
Change in net funds	195,311	(413,296)
Net funds brought forward at 1 April	302,368	715,664
Net funds carried forward at 31 March	<u>497,679</u>	<u>302,368</u>

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

	2023	2022
	£	£
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

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

4 Investment management costs

	2023	2022
	£	£
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

	2023 £	2022 £
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

	2023 £	2022 £
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

	2023 £	2022 £
Staff costs:		
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:

	2023	2022
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
	<u>7,450</u>	<u>7,450</u>

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
	<u>18,211,752</u>	<u>18,050,252</u>
At 31 March	<u>18,211,752</u>	<u>18,050,252</u>
Included in		
Fixed assets	18,211,752	18,050,252
	<u>18,211,752</u>	<u>18,050,252</u>

All investments are included in unrestricted funds.

Summary:	2023	2022
	£	£
Property:		
Freehold	18,211,752	18,050,252
	<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

	2023 £	2022 £
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:

	2023 £	2022 £
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:

	2023 £	2022 £
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><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

	2023	2022
	£	£
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

	2023	2022
	£	£
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

	2023	2022
	£	£
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:

	2023	2022
	£	£
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

	2023	2022
	£	£
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

	2023	2022
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.

THE VARRIER-JONES FOUNDATION

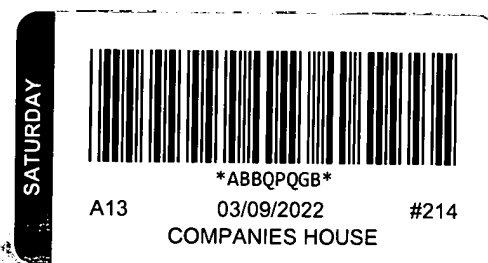
England & Wales - Charity number 1064595

Accounts

**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 2022**



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

Trustees
R Norton (Chair)
D Lowther (Vice-Chair)
M Alexander
P Agar
S Beach
S Lewis
C Sheasby (Hon Treasurer appointed 27 May 2021)
J Bugg (Appointed 27 May 2021)
D Browne (Appointed 27 May 2021)

Company Secretary M Blake

Registered Office
Upper Pendrill Court
Ermine Street North
Papworth Everard
Cambridge
CB23 8UY

Auditors
Ensors Accountants LLP
Warwick House
Ermine Business Park
Spitfire Close
Huntingdon
Cambridge
PE29 6XY

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

Investment Managers
Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Status
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") have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31 March 2022.

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) (effective 1 January 2015).

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 were as follows:

R Norton (Chair)
M Alexander
P L Agar
S Beach
D Lowther (Vice Chair)
S Lewis
D Browne (Appointed 27 May 2021)
J Bugg (Appointed 27 May 2021)
C Sheasby (Appointed 27 May 2021)

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 financial contributions towards the work of other organisations providing services for disabled people.

In meeting its obligations to provide finance 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 contributions 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, as well as utilising technology to hold Board and Sub-Committee meetings virtually, which has been particularly important during the pandemic.

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 2021, The Foundation set out the following objectives for the year to March 2022 and achievement against these is shown in the table below:

<i>Objective</i>	<i>Achievement</i>
Pursue planning enquiries with local authorities to seek to bring potential development sites into being	Progress has been made on developing plans for one of our vacant sites, with a view to submitting a planning application in the coming financial year
Review the offering at Pendrill Court to utilise currently vacant space	Initial scoping to reconfigure some of the office space to accommodate more flexible arrangements has been undertaken, though the model needs further development in order to be sustainable
Continue the active marketing of Papworth Hall in order to secure a suitable occupant.	Marketing has been on-going, and we are currently discussing Heads of Terms with interested parties, with a view to securing a tenancy or sale in the coming financial year
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	A sub-group of the Board has been developing more detailed reserves and distribution policies, which are designed to ensure the long-term affordability of the donations made whilst continuing to maximise impact
Maintain the real value of donations to the Papworth Trust	The value of the donation to Papworth Trust was maintained in the year, supporting the Business Plan of the Trust. The donation for 2022/23 to Papworth Trust is reduced from that in previous years, reflecting the assessment of short-term requirements and the affordability for the Foundation. During the course of 2022/23 we anticipate establishing a framework to support the longer term setting of donation levels

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FINANCIAL REVIEW

The charity made an operating deficit for the year of £889,512 (2021: deficit of £199,865). The deficit on operations is stated after direct grants of £1,785,574 (2021 £1,749,112). 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 2022, total movement in funds was a gain of £2,143,261 (2021 gain of £11,216,944)

The value of listed market and property investments still held increased by £3,032,773 in the year (2021: increase of £11,416,809).

The Foundation made donations as follows:

	£
The Papworth Trust	1,755,000
Helping Disabilities Trust	5,000
Pear Tree Special School	10,000
Papworth Community Group	228
Kingsbury Special School	7,000
Disability Advice Service	2,500
The Back-Up Trust	5,846
Total	1,785,574

Reserves policy

The Trustees hold all of the reserves of the Foundation as unrestricted funds. The Trustees seek to ensure sustainability of their donations 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 currently designate elements of the reserves held as described below, in order to improve the visibility of the resilience of the funds at their disposal. The Trustees intend to review this policy during the course of 2022/23.

Designated funds – core capital

The Foundation uses its assets to generate income to support the work of Papworth Trust, and disabled people more generally, and seeks to do this by investing funds in market investments and property holdings to generate a return over the long-term. The Foundation, therefore, seeks to preserve the real value of the estimated original capital and the Trustees have designated funds to reflect this objective. This is calculated from a 2010 baseline, indexed annually by CPI.

Designated funds – volatility risk

The requirement for, and level of, reserves is reviewed regularly by the Trustees, to ensure that they adequately reflect the risks faced by the Foundation. The Trustees consider that volatility in investment and property valuations constitutes the Foundation's most significant financial risk. Accordingly, they seek to hold a reserve amounting to 15% of the total asset valuation at each balance sheet date. The Trustees consider this to be a reasonable reflection of the volatility that has been experienced in recent years, and therefore provides some insulation against asset valuation movements.

General reserves

General reserves are the amount of total funds remaining after deducting designated funds and any other specified reserves, if required. The Trustees regularly review the level of general reserves to satisfy themselves that they are not excessive. These funds are invested in order to produce a return to support beneficiaries. These general reserves enable the Foundation to manage fluctuations in income and expenditure obligations. General reserves currently stand at 8.7% of total reserves.

The unrestricted funds at 31 March 2022 totalled £58,897,316 (2021: £56,754,055). These are analysed as follows:

Reserve Type	Value £'000s
Designated funds – core capital	44,959
Designated funds – volatility risk	8,835
General reserves	5,103
Total	58,897

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Comments on events that have affected financial performance

The total income for the year shows a significant reduction from the prior year, driven by the ending of some tenancies, and the subsequent challenge of finding new tenants during pandemic-affected periods, and also a significant reduction in investment income, reflecting lower distributions, a strategic shift away from UK listed assets to protect value, and reduced options income. Where possible we have worked with our tenants to support the long-term sustainability of ongoing leases but we did have had some tenants who didn't renew leases, and we continue to hold vacant space, which is proving difficult to let at present. No alternative income streams have yet been identified from sites previously let out to Papworth hospital, though prospects for Papworth Hall are being explored.

Operational costs have shown some increase in the year, largely property related. Essential repair works were carried out at Pendrill Court, which were not covered by service charge fees, and we have also borne the cost of professional fees in supporting lease renewals secured for properties at the Business Park, with the three main tenants all renewing this year. Underlying operating costs remain high due to the ongoing costs of maintaining and operating sites at Papworth Hall and void units in Pendrill Court.

The value of the market investment funds held increased by £1,303,270 representing an increase in value of 3% on the previous year. This growth supports the total return targets of the Foundation and allowed donation levels to be maintained during the year.

Investment policy

The Foundation seeks to produce the best risk adjusted financial returns from its financial investments. These are invested both in property assets and listed market investments. The property assets are actively managed, yielding a rental return and surplus which, together with income generated from the listed investment portfolio, is used to meet its charitable objectives by providing grants to the Papworth Trust and to other charities.

The Trustees have discretionary powers to invest the Foundation's monies in the purchase of investments or property of whatever nature. 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, agreed with external investment advisors. 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 increased its donation to the Papworth Trust by 2% in the year. A small number of other donations 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 identify the key risks faced by the Foundation and the methods 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 by their day-to-day involvement in the operations of the Foundation, as required, and 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:

Risk	Impact	Mitigation
Continued global financial uncertainty, impacted by the Covid-19 pandemic, fallout from Brexit, the Ukraine conflict and other political disruptions	Financial uncertainty can lead to a reduction in income from the market investment and property portfolios, and a reduction in valuations across our portfolio, adversely impacting our ability to maintain donations	The Foundation has a broad asset allocation and the Joint Investment Committee closely monitors the performance of its portfolio and market conditions/risks with help from investment professionals. The portfolio is invested with a view to producing the desired total return over the long term. The property portfolio is diversified, serving to protect overall valuations
Inability to let currently vacant property.	Reduction in rental income generated as a result of less than target occupancy levels could result in insufficient cash generation to meet planned donations	Steps are being taken to ensure the retention of existing tenants, and consideration is being given to alternative uses for spaces with longer voids. Sources of capital receipts are being explored, to yield funds to invest for a return, retaining the focus on our total return target. Donation levels will need to be considered in line with the real return we can generate
Loss of key skills to manage and govern the Foundation.	Failure to retain adequate resource of suitably skilled Trustees and staff, as a result of failing to recruit new trustees, or to plan for staff cover, could lead to poor decisions on the property or market investment portfolios, resulting in capital loss	The Board has been strengthened by the addition of three new Trustees in the year with complementary skills and experience, deepening the cover that we have. The Board considers governance and succession planning regularly, to ensure that this skill set is retained, and also ensures it employs appropriate staff to support. Strategic partnerships with key advisors have been established to ensure the Trustees are properly advised. The Foundation also purchases services from external parties to support operations, where required.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Risk	Impact	Mitigation
Reliance on third party support for key systems and processes	Disruption to services that we do not control could lead to a failure of provision, giving rise to an inability to undertake core requirements	With significant reliance on external systems and third-party provision of services, governing these with effective service level agreements, including performance requirements, helps to mitigate risk. We will continue to develop information systems on hosted platforms to enable wide access and increased resilience
Fraud or control risk due to small numbers of staff employed, with significant assets under management.	Material financial loss, impacting the value of capital held by the Foundation, caused by the misappropriation of funds, resulting in a significantly reduced capital base, and therefore reduced ability to make donations in the future	Appropriate delegations of authority drafted, 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.
Inability to generate capital receipts from development land currently held	Reduction in potential disposal value of identified development sites, due to failure to secure planning consent, could result in failure to build capital adequately to maintain current donation levels	Recruitment of Trustees with property experience, including development experience, coupled with the procurement of professional advice, positions us appropriately to mitigate this risk.
Public liability risk due to ownership of woodland and open spaces, along with some empty properties	Accident or injury sustained by a Trustee / staff member / member of the public resulting in significant injury could lead to significant damages / compensation claim if we were deemed to be negligent in our management of our property	Risk assessments have been undertaken across the estate, including the woodland, and action plans developed and actioned to mitigate risk. Regular inspections and patrols are maintained to ensure that there is no material deterioration in assets. Appropriate insurance is also maintained

Internal Controls

The Board utilises the support of Papworth Trust for management accounting and Human Resources support, for which it pays an appropriate fee. 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 periodically, and the Board also regularly receives 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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

PLANS FOR FUTURE PERIODS

In the next financial year, The Foundation plans to:

- Pursue planning enquiries with local authorities to seek to bring potential development sites into being
- Review the offering at Pendrill Court to utilise currently vacant space
- Continue the active marketing of Papworth Hall in order to secure a suitable occupant.
- Build on the Business Plan and Reserves work to embed the long-term strategy for the Foundation, suitably considering returns required over the long-term, and the risks to delivery of these
- Formalise a distribution policy that better supports the long-term sustainability plans for the Foundation
- 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 complement

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 as a whole, including the approval of budgets and exercising of financial control. In addition, the Foundation commissions external advisors for support and advice 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, reporting performance and making 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 works with external advisors to set the strategy, to report on performance and to make recommendations to the Board with regard to policy and asset allocation. The terms of engagement of these advisors are reviewed regularly to ensure the primary objectives are being met, and the appointments are re-tendered periodically in line with good governance practice. The Committee monitors the performance of the advisors, and reports on investment performance to the Board at each Board meeting.

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.

Grant Awarding Committee

A Committee has been established to set the criteria and consider grant awards to organisations that apply to the Foundation. This Committee meets twice a year and considers applications on their strategic fit, viability and impact, and makes recommendations to the Board for approval.

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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Name of the trustee who manages the Foundation on a day to day basis

Richard Norton is Chair of the Foundation, overseeing the day to day operations. Michael Alexander oversees all property matters as Chair of the Property Committee, and Debbie Lowther oversees financial investments as Chair of the Joint Investment Committee. Chris Sheasby was appointed as Treasurer in the year, and 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.

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.

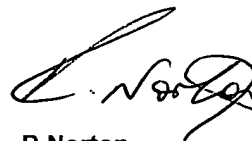
OUR THANKS

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



R Norton
Chair

Date: 18 August 2022

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 2021 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 2021, 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.

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 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;
- 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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

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

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
for and on behalf of Ensors Accountants LLP

.....

Chartered Accountants
Statutory Auditor

Warwick House
Ermine Business Park
Spitfire Close
Huntingdon
PE29 6XY

Date: *15th August 2022*

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Income:			
Investment income	2	1,568,124	2,100,135
Other income	3	15,276	11,717
Total income		<u>1,583,400</u>	<u>2,111,852</u>
Expenditure			
<i>Costs of raising funds:</i>			
Investment management costs	4	669,586	544,715
<i>Expenditure on charitable activities:</i>			
Grants and support costs	5	1,790,372	1,753,835
Other costs	6	12,954	13,167
Total expenditure		<u>2,472,912</u>	<u>2,311,717</u>
Movement in total funds for the year - Net (outgoing) resources for the year before Investments		(889,512)	(199,865)
Gains on investment funds		1,303,270	7,493,861
Net income for the year		413,758	7,293,996
Revaluation of investment properties		1,729,503	3,922,948
Net movement in funds		2,143,261	11,216,944
Reconciliation of funds			
Total funds brought forward at 1 April		56,754,055	45,537,111
Total funds carried forward at 31 March		<u><u>58,897,316</u></u>	<u><u>56,754,055</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 17 to 25 form part of these financial statements.

THE VARRIER-JONES FOUNDATION

COMPANY REGISTRATION NUMBER 03377965

(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET AT 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Investment properties	9	18,050,252	16,320,749
Market investments	10	40,970,890	39,667,620
		<u>59,021,142</u>	<u>55,988,369</u>
Current assets			
Debtors:			
Amounts falling due within one year	11	228,769	663,318
Cash at bank and in hand		302,368	715,664
		<u>531,137</u>	<u>1,378,982</u>
Creditors – amounts falling due within one year	12	<u>(444,222)</u>	<u>(399,062)</u>
Net current assets		<u>86,915</u>	<u>979,920</u>
Total assets less current liabilities		<u>59,108,057</u>	<u>56,968,289</u>
Creditors – amounts falling due after more than one year	13	<u>(210,741)</u>	<u>(214,234)</u>
Net assets		<u><u>58,897,316</u></u>	<u><u>56,754,055</u></u>
Funds			
Unrestricted funds		<u>58,897,316</u>	<u>56,754,055</u>
Total funds		<u><u>58,897,316</u></u>	<u><u>56,754,055</u></u>

Approved by the Board of Trustees on 18 August 2022 and signed on its behalf by:



Debbie Lowther
Trustee



Richard Norton
Chair

The notes on pages 17 to 25 form part of these financial statements.

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Reconciliation of operating deficit to net cash outflow from operating activities		
Operating (deficit)	(889,512)	(199,865)
Decrease / (Increase) in debtors	434,549	(118,023)
Increase in creditors	47,667	45,539
Deferred income released	(6,000)	(6,000)
	<u>(413,296)</u>	<u>(278,349)</u>
Net cash outflow from operating activities	<u>(413,296)</u>	<u>(278,349)</u>
Cash flow		
Net cash outflow from operating activities	(413,296)	(278,349)
Withdrawals from Sarasin Portfolio	-	500,000
	<u>(413,296)</u>	<u>221,651</u>
Increase / (Decrease) in cash	<u>(413,296)</u>	<u>221,651</u>
Reconciliation of net cash flow to movement in net funds		
(Decrease) / Increase in cash in the year	(413,296)	221,651
	<u>(413,296)</u>	<u>221,651</u>
Change in net funds	<u>(413,296)</u>	<u>221,651</u>
Net funds brought forward at 1 April	715,664	494,013
	<u>715,664</u>	<u>494,013</u>
Net funds carried forward at 31 March	302,368	715,664
	<u>302,368</u>	<u>715,664</u>

The notes on pages 17 to 25 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 2022

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) (effective 1 January 2015) – (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 market value. A full professional revaluation of investment properties is conducted every three years as part of a five-year 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 2022

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.

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Investment income

	2022 £	2021 £
Rent receivable	700,669	840,175
Income from investment portfolio	867,455	1,259,960
	<u>1,568,124</u>	<u>2,100,135</u>

3 Other income

	2022 £	2021 £
Other income	15,276	11,717
	<u>15,276</u>	<u>11,717</u>

4 Investment management costs

	2022 £	2021 £
Property portfolio	390,621	260,516
Listed Investment portfolio	187,822	194,468
Support costs	91,143	89,731
	<u>669,586</u>	<u>544,715</u>

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activity costs

	2022 £	2021 £
Support costs	4,798	4,723
Direct grants (as explained in the Trustees' report)	1,785,574	1,749,112
	<u>1,790,372</u>	<u>1,753,835</u>

6 Other costs

	2022 £	2021 £
Audit fees	7,450	7,500
Trustees indemnity insurance	4,316	3,320
Other professional fees	1,188	2,347
	<u>12,954</u>	<u>13,167</u>

7 Staff costs

	2022 £	2021 £
Staff costs:		
Staff salaries	36,839	35,580
Pension costs	1,477	1,336
	<u>38,316</u>	<u>36,916</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:

	2022	2021
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 £1,477 (2021: £1,336).

Outstanding contributions to the fund of £230 were due at 31 March 2022 (2021: £224).

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8 Net expenditure for the year

	2022	2021
	£	£
Stated after charging:		
Auditors' remuneration:		
Audit services	7,450	7,500
	<u>7,450</u>	<u>7,500</u>

9 Investments

Investment Properties

	2022	2021
	£	£
At 1 April	16,320,749	12,397,801
Unrealised gains in the year	1,729,503	3,922,948
	<u>18,050,252</u>	<u>16,320,749</u>
At 31 March	<u>18,050,252</u>	<u>16,320,749</u>
Included in		
Fixed assets	18,050,252	16,320,749
	<u>18,050,252</u>	<u>16,320,749</u>

All investments are included in unrestricted funds.

Summary:	2022	2021
	£	£
Property:		
Freehold	18,050,252	16,320,749
	<u>18,050,252</u>	<u>16,320,749</u>

The historical cost of all the investment properties at 31 March 2022 was £13,603,078 (2021: £13,603,078).

Investment properties are re-valued based on a professional valuation by Bidwells LLP on a 3 or 5-year rolling review. Those properties not included in the professional valuation at 31 March 2022, 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 2022

10 Market Investments

Market value

	2022 £	2021 £
At 1 April	39,667,620	32,673,759
Realised gains	3,220,257	1,091,358
Unrealised (losses)/gains in the year	(1,916,987)	6,402,503
Cash withdrawn	-	(500,000)
	<u>40,970,890</u>	<u>39,667,620</u>
At 31 March	<u>40,970,890</u>	<u>39,667,620</u>

Market value represented by:

	2022 £	2021 £
Historical cost of assets	35,982,754	33,108,882
Unrealised gains	4,988,136	6,558,738
	<u>40,970,890</u>	<u>39,667,620</u>
At 31 March	<u>40,970,890</u>	<u>39,667,620</u>

Investments held as:

	2022 £	2021 £
Cash & cash equivalents	1,215,863	245,354
Fixed Income	4,424,490	4,936,709
UK Equities	8,746,701	8,217,569
Global Equities	20,089,094	22,135,662
Alternative Investments	6,494,742	4,132,326
	<u>40,970,890</u>	<u>39,667,620</u>
At 31 March	<u>40,970,890</u>	<u>39,667,620</u>

Included in
Fixed assets

40,970,890	39,667,620
<u>40,970,890</u>	<u>39,667,620</u>

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11 Debtors

	2022	2021
	£	£
Trade debtors	94,225	47,855
Bad Debts provided for	(16,359)	(6,309)
Prepayments & Accrued income	140,167	15,027
Other debtors	10,736	606,745
	<u>228,769</u>	<u>663,318</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	40,642	33,744
Rents received in advance	164,245	110,042
Other creditors and accruals	232,433	106,724
Taxation and social security	685	142,552
Deferred income (note 15)	6,217	6,000
	<u>444,222</u>	<u>399,062</u>

13 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Deferred income (note 15)	14,000	20,000
Other creditors and accruals	150,800	150,800
Building repair receipts in advance	45,941	43,434
	<u>210,741</u>	<u>214,234</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 2022

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;

	2022	2021
	£	£
Within one year	820,959	773,534
Between two and five years	2,618,425	1,245,495
In over five years	1,800,110	1,959,034
	<u>5,239,494</u>	<u>3,978,063</u>

15 Deferred income

	2022	2021
	£	£
Balance at 1 April	26,000	32,000
Amount released in year	(6,000)	(6,000)
Balance at 31 March	<u>20,000</u>	<u>26,000</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 Trustees indemnity insurance

During the year insurance was purchased to indemnify the trustees against default on their part. The amount paid was £4,316 (2021: £3,320).

17 Controlling party

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

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18 Related party transactions

During the year the charity was charged costs of £43,000 (2021: £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 £17,668 (2021: £20,167) during the year, also carried out at arm's length.

At 31 March 2022 the amount due to Papworth Trust was £146,250 (2021: £nil). The amount due from Papworth Trust was £nil (2021: £4,363)

During the year, the Foundation awarded grants to Papworth Trust of £1,755,000 (2021: £1,720,000).

19 Transactions with Trustees

During the year no Trustee received any remuneration or expenses. In 2021 a total of £nil in expense payments was reimbursed to Trustees.

THE VARRIER-JONES FOUNDATION

England & Wales - Charity number 1064595

Accounts

**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 2021**

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

Trustees	R Norton (Chair) D Lowther (Vice-Chair) M Alexander P Agar S Beach S Lewis (Appointed 27 Aug 2020) C Sheasby (Hon Treasurer, appointed 27 May 2021) J Bugg (Appointed 27 May 2021) D Browne (Appointed 27 May 2021)	
Company Secretary	M Blake	
Registered Office	Upper Pendrill Court Ermine Street North Papworth Everard Cambridge CB23 8UY	
Auditors	Ensors Accountants LLP Warwick House Ermine Business Park Spitfire Close Huntingdon Cambridge PE29 6XY	
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	
Investment Managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	
Status	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") have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31 March 2021.

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) (effective 1 January 2015).

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 were as follows:

R Norton (Chair – from 28th May 2020)
A Thompson (Resigned as Chair and Trustee 28th May 2020)
M Alexander
P L Agar
S Beach
D Lowther
S Lewis (Appointed 27th August 2020)
D Atkinson (Resigned 28th May 2020)

The Trustees would like to express their thanks to Andrew Thompson for his service on the Board over a number of years, including 18 months as Chair, where he led a review of the governance of the Foundation. He was always a source of wise counsel for the other Trustees.

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 financial contributions towards the work of other organisations providing services for disabled people.

In meeting its obligations to provide finance 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 contributions 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 sub-Committee, who seek to facilitate the above, recognising the need to achieve effective equality and diversity at Board level and ensuring recruitment to the Board is transparent and objective. Following an agreed recruitment process, four new Trustees have been appointed, strengthening the Board's skills in finance, investment management and property development.

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, as well as utilising technology to hold Board and Sub-Committee meetings virtually, which has been particularly important during the pandemic.

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 10 and 11 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 2020, The Foundation set out the following objectives for the year to March 2021 and achievement against these is shown in the table below:

<i>Objective</i>	<i>Achievement</i>
Further develop a long-term business plan, in the light of current events, to take full account of likely impacts on the property portfolio, following Papworth Hospital's relocation, the change in appetite for office accommodation and potential impact on market investment yield, and mitigate appropriately	New leases agreed on key elements of the portfolio at Papworth Business Park. Potential development opportunities reviewed and initial enquiries commenced. Long term plan being developed to support property, investment and distribution strategy
Develop a plan to replace lost income streams across the portfolio as a result of the hospital closure	Addressed by looking at sources of capital generation that could be reinvested to produce a return
Manage the Trust's Property and Investment Assets in order to maximize their long-term value, developing suitable strategies to minimize risk	The general funds of the organisation increased by 25% (£11,217k) in the year, largely driven by a significant improvement in the value of the investment portfolio, both market investments and commercial property, supporting the three-year plan and also our reserves policy.
Maintain the real value of donations to the Papworth Trust	The value of the donation to Papworth Trust was maintained in the year, against a background of low inflation, and we have undertaken to maintain this in 2021-22. The donation has been set following presentation and review of the outcomes planned in the 3-year Business Plan prepared by the Trust, together with the achievements made in 2020/21.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FINANCIAL REVIEW

The charity made an operating deficit for the year of £199,865 (2020: deficit of £182,821). The deficit on operations is stated after direct grants of £1,749,112 (2020: £1,710,115).

The value of listed market and property investments still held increased by £11,416,809 in the year (2020: decrease of £1,675,881).

The Foundation made donations as follows:

	£
The Papworth Trust	1,720,000
Disability Huntingdonshire	8,000
Tikva	7,000
Mahadevi Yoga Centre	5,000
Able Kidz	3,000
The Brainwave Centre	3,000
Handicapped Childrens Association Group	3,000
TLC & JL Pinnock	112
Total	1,749,112

Reserves policy

The Trustees hold all of the reserves of the Foundation as unrestricted funds. However, they are conscious of the fact that they wish to ensure sustainability of their ability to make donations and therefore, as far as possible, protect the underlying capital held by the Foundation in order to achieve this. In seeking to do this, the Trustees regularly review the reserves policy of the charity, and currently 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 funds – core capital

The Foundation uses its assets to generate income to support the work of Papworth Trust, and disabled people more generally, and seeks to do this by investing funds in market investments and property holdings to generate a return over the long-term. The Foundation, therefore, seeks to preserve the real value of the estimated original capital and the Trustees have designated funds to reflect this objective. This is calculated from a 2010 baseline, indexed annually by CPI.

Designated funds – volatility risk

The requirement for, and level of, reserves is reviewed regularly by the Trustees, to ensure that they adequately reflect the risks faced by the Foundation. The Trustees consider that volatility in investment and property valuations constitutes the Foundation's most significant financial risk. Accordingly, they seek to hold a reserve amounting to 15% of the total asset valuation at each balance sheet date. The Trustees consider this to be a reasonable reflection of the volatility that has been experienced in recent years, and therefore provides some insulation against asset valuation movements.

Free reserves

Free reserves are the amount of total funds remaining after deducting designated funds and specified reserves. The Trustees regularly review the level of free reserves to satisfy themselves that they are not excessive. These funds are invested in order to produce a return to support beneficiaries. These free reserves enable the Foundation to manage fluctuations in income and expenditure obligations. Free reserves currently stand at 11% of total reserves.

The total unrestricted funds at 31 March 2021 totalled £56,754,055 (2020: £45,537,111). These are analysed as follows:

Reserve Type	Value £'000s
Designated funds – core capital	42,018
Designated funds – volatility risk	8,513
Free reserves	6,223
Total	56,754

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Comments on events that have affected financial performance

The total income for the year is broadly in line with the prior year despite all the challenges of the last twelve months. Where possible we have worked with our tenants to support the long-term sustainability of ongoing leases but we have had some tenants who have not renewed leases, which will impact income levels in the next financial year due to the current challenging environment in letting small office units. No alternative income streams have yet been identified from sites previously let out to Papworth hospital.

Operational costs have reduced from the prior year, which included significant dilapidations works at Papworth Hall. Underlying operating costs remain higher than previous levels due to the ongoing costs of maintaining and operating sites at Papworth Hall and void units in Pendrill Court. In addition, we have taken the opportunity to complete elements of cyclical repairs and maintenance in the year, including replacing the boilers at Pendrill Court.

The value of the market investment funds held increased by £7,493,861, representing an increase in value of 22% on the previous year, recognising that the investments fell significantly in March of the previous year following the outbreak of the Covid-19 pandemic. This growth has significantly improved the overall reserves levels held.

Investment policy

The Foundation seeks to produce the best risk adjusted financial returns from its financial investments. These are invested both in property assets and listed market investments. The property assets are actively managed, yielding a rental return and surplus which, together with income generated from the listed investment portfolio, is used to meet its charitable objectives by providing grants to the Papworth Trust and to other charities.

The Trustees have discretionary powers to invest the Foundation's monies in the purchase of investments or property of whatever nature. 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, whilst recognising the income targets for the Foundation. 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, agreed with external investment advisors. 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 increased its donation to the Papworth Trust by 2% in the year. A small number of other donations were made, in support of the primary 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 identify the key risks faced by the Foundation and the methods 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 by their day-to-day involvement in the operations of the Foundation, as required, and 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:

Risk	Impact	Mitigation
Continued global financial uncertainty, impacted by the Covid-19 pandemic, Brexit and other political disruptions	Financial uncertainty can lead to a reduction in income from the market investment portfolio, adversely impacting our ability to maintain donations	The Foundation has a broad asset allocation and the Joint Investment Committee closely monitors the performance of its portfolio and market conditions/risks with help from investment professionals. The portfolio is invested with a view to producing the desired return over the long term.
Inability to let currently vacant property.	Reduction in rental income generated as a result of less than target occupancy levels could result in insufficient cash generation to meet planned donations	Steps are being taken to ensure the retention of existing tenants, and consideration is being given to alternative uses for spaces with longer voids. Sources of capital receipts being explored, to yield funds to invest for a return. Ultimately, we may need to reduce the level of donations made in the longer term
Loss of key skills to manage and govern the Foundation.	Failure to retain adequate resource of suitably skilled Trustees and staff, as a result of failing to recruit new trustees, or plan for staff cover, could lead to poor decisions on the property or market investment portfolios, resulting in capital loss	The Board has been strengthened by the addition of four new Trustees with complementary skills and experience over the past twelve months. The Board considers governance and succession planning regularly, to ensure that this skill set is retained, and also ensures it employs appropriate staff to support. Strategic partnerships with key advisors have been established to ensure the Trustees are properly advised. The Foundation also purchases services from external parties to support operations, where required.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Risk	Impact	Mitigation
Reliance on third party support for key systems and processes	Disruption to services that we do not control could lead to a failure of provision, giving rise to an inability to undertake core requirements	With significant reliance on external systems and third party provision of services, governing these with effective service level agreements, including performance requirements, helps to mitigate risk. We will continue to develop information systems on hosted platforms to enable wide access and increased resilience
Fraud or control risk due to small numbers of staff employed, with significant assets under management.	Material financial loss, impacting the value of capital held by the Foundation, caused by the misappropriation of funds, resulting in a significantly reduced capital base, and therefore reduced ability to make donations in the future	Appropriate delegations of authority drafted, 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.
Inability to generate capital receipts from development land currently held	Reduction in potential disposal value of identified development sites, due to failure to secure planning consent for identified development sites could result in failure to build capital adequately to maintain current donation levels	Recruitment of Trustees with property experience, including development experience, coupled with the procurement of professional advice and participation in the call for sites under the Cambridge local plan, positions us appropriately to mitigate this risk.
Public liability risk due to ownership of woodland and open spaces, along with some empty properties	Accident or injury sustained by a Trustee / staff member / member of the public resulting in significant injury could lead to significant damages / compensation claim if we were deemed to be negligent in our management of our property	Risk assessments have been undertaken across the estate, including the woodland, and action plans developed and actioned to mitigate risk. Regular inspections and patrols are maintained to ensure that there is no material deterioration in assets. Appropriate insurance is also maintained

Internal Controls

The Board utilises the support of Papworth Trust for management accounting and Human Resources support, for which it pays an appropriate fee. 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 periodically, and the Board also regularly receives 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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

PLANS FOR FUTURE PERIODS

In the next financial year, The Foundation plans to:

- Pursue planning enquiries with local authorities to seek to bring potential development sites into being
- Review the offering at Pendrill Court to utilise currently vacant space
- Continue the active marketing of Papworth Hall in order to secure a suitable occupant.
- 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
- Maintain the real value of donations to Papworth Trust

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, which consists 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 as a whole, including the approval of budgets and exercising of financial control, through regular financial reporting. In addition, the Foundation commissions external advisors for support and advice 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, reporting performance and making recommendations to the Board. The terms of engagement of these advisors are reviewed regularly to ensure the primary objectives are being met, and the appointments are re-tendered periodically in line with good governance practice. 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 works with external advisors to set the strategy, to report on performance and to make recommendations to the Board with regard to policy and asset allocation. The terms of engagement of these advisors are reviewed regularly to ensure the primary objectives are being met, and the appointments are re-tendered periodically in line with good governance practice. The Committee monitors the performance of the advisors, and reports on investment performance to the Board at each Board meeting.

Appointments Committee

An Appointments Committee has been established to manage 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.

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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Name of the trustee who manages the Foundation on a day to day basis

R Norton was appointed as Chair of the Foundation, succeeding A Thompson, who resigned on 28th May 2020. As Chair, Richard oversees the day to day operations of the Foundation. M Alexander oversees all property matters as Chair of the Property Committee, and D Lowther oversees financial investments as Chair of the Joint Investment Committee. 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.

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.

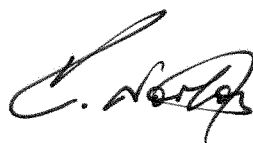
OUR THANKS

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



R Norton
Chair

Date: 26 August 2021

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 2021 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 2021, 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.

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 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;
- 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.

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

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

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

**James Francis
for and on behalf of Ensors Accountants LLP**

**Chartered Accountants
Statutory Auditor**

Date: *26th August 2021*

.....
Warwick House
Ermine Business Park
Spitfire Close
Huntingdon
PE29 6XY

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income:			
Investment income	2	2,100,135	1,978,643
Other property income	3	-	313,500
Other income	4	11,717	18,979
Total income		<u>2,111,852</u>	<u>2,311,122</u>
Expenditure			
<i>Costs of raising funds:</i>			
Investment management costs	5	544,715	765,846
<i>Expenditure on charitable activities:</i>			
Grants and support costs	6	1,753,835	1,714,735
Other costs	7	13,167	13,362
Total expenditure		<u>2,311,717</u>	<u>2,493,943</u>
Movement in total funds for the year - Net (outgoing) resources for the year before Investments		(199,865)	(182,821)
Gains / (Losses) on investment funds		7,493,861	(1,326,881)
Net income / (expenditure) for the year		7,293,996	(1,509,702)
Revaluation of investment properties		3,922,948	(349,000)
Net movement in funds		11,216,944	(1,858,702)
Reconciliation of funds			
Total funds brought forward at 1 April		45,537,111	47,395,813
Total funds carried forward at 31 March		<u><u>56,754,055</u></u>	<u><u>45,537,111</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 17 to 25 form part of these financial statements.

THE VARRIER-JONES FOUNDATION

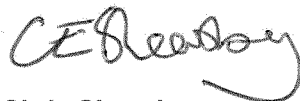
COMPANY REGISTRATION NUMBER 03377965

(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed assets			
Investment properties	10	16,320,749	12,397,801
Market investments	11	39,667,620	32,673,759
		<u>55,988,369</u>	<u>45,071,560</u>
Current assets			
Debtors:			
Amounts falling due within one year	12	663,318	545,295
Cash at bank and in hand		715,664	494,013
		<u>1,378,982</u>	<u>1,039,308</u>
Creditors – amounts falling due within one year	13	<u>(399,062)</u>	<u>(356,038)</u>
Net current assets		<u>979,920</u>	<u>683,270</u>
Total assets less current liabilities		<u>56,968,289</u>	<u>45,754,830</u>
Creditors – amounts falling due after more than one year	14	<u>(214,234)</u>	<u>(217,719)</u>
Net assets		<u><u>56,754,055</u></u>	<u><u>45,537,111</u></u>
Funds			
Unrestricted funds		<u>56,754,055</u>	<u>45,537,111</u>
Total funds		<u><u>56,754,055</u></u>	<u><u>45,537,111</u></u>

Approved by the Board of Trustees on 26 August 2021 and signed on its behalf by:



Chris Sheasby
Honorary Treasurer



Richard Norton
Chair

The notes on pages 17 to 25 form part of these financial statements.

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Reconciliation of operating deficit to net cash outflow from operating activities		
Operating (deficit)	(199,865)	(182,821)
Increase in debtors	(118,023)	(390,232)
Increase in creditors	45,539	161,003
Deferred income released	(6,000)	(6,000)
	<u>(278,349)</u>	<u>(418,050)</u>
Net cash outflow from operating activities	<u>(278,349)</u>	<u>(418,050)</u>
Cash flow		
Net cash outflow from operating activities	(278,349)	(418,050)
Withdrawals from Sarasin Portfolio	500,000	-
	<u>221,651</u>	<u>(418,050)</u>
Increase / (Decrease) in cash	<u>221,651</u>	<u>(418,050)</u>
Reconciliation of net cash flow to movement in net funds		
Increase / (Decrease) in cash in the year	221,651	(418,050)
	<u>221,651</u>	<u>(418,050)</u>
Change in net funds	221,651	(418,050)
Net funds brought forward at 1 April	494,013	912,063
	<u>715,664</u>	<u>494,013</u>
Net funds carried forward at 31 March	<u>715,664</u>	<u>494,013</u>

The notes on pages 17 to 25 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 2021

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) (effective 1 January 2015) – (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. The Foundation has considered the impact of COVID19 and the impact on its forecasts and working capital requirements for a period of 12 months from the date of these financial statements. Thus, the Trustees have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

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 market value. A full professional revaluation of investment properties is conducted every three years as part of a five-year 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 2021

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.

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2 Investment income

	2021 £	2020 £
Rent receivable	840,175	1,045,800
Income from investment portfolio	1,259,960	932,843
	<u>2,100,135</u>	<u>1,978,643</u>

3 Other property income

	2021 £	2020 £
Other property income	-	313,500
	<u>-</u>	<u>313,500</u>

In the prior year one off receipts of £263,500 relating to the sale of land assets and rights connected to the Papworth Hospital site were received. In addition, £50,000 of deferred income was released following the completion of works carried out at the hospital site. No amounts were received in the current year.

4 Other income

	2021 £	2020 £
Other income	11,717	18,979
	<u>11,717</u>	<u>18,979</u>

5 Investment management costs

	2021 £	2020 £
Property portfolio	260,516	540,518
Listed Investment portfolio	194,468	137,544
Support costs	89,731	87,784
	<u>544,715</u>	<u>765,846</u>

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activity costs

	2021 £	2020 £
Support costs	4,723	4,620
Direct grants (as explained in the Trustees' report)	1,749,112	1,710,115
	<u>1,753,835</u>	<u>1,714,735</u>

7 Other costs

	2021 £	2020 £
Audit fees	7,500	7,400
Trustees indemnity insurance	3,320	3,018
Other professional fees	2,347	2,944
	<u>13,167</u>	<u>13,362</u>

8 Staff costs

	2021 £	2020 £
Staff costs:		
Staff salaries	35,580	28,308
Pension costs	1,336	384
	<u>36,916</u>	<u>28,692</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:

	2021	2020
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 £1,336 (2020: £384).

Outstanding contributions to the fund of £224 were due at 31 March 2021 (2020: £176).

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9 Net expenditure for the year

	2021	2020
	£	£
Stated after charging:		
Auditors' remuneration:		
Audit services	<u>7,500</u>	<u>7,400</u>

THE VARRIER-JONES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10 Investments

Investment Properties

	2021 £	2020 £
At 1 April	12,397,801	12,746,801
Unrealised gains/(losses) in the year	3,922,948	(349,000)
At 31 March	<u>16,320,749</u>	<u>12,397,801</u>
Included in Fixed assets	<u>16,320,749</u>	<u>12,397,801</u>
	<u>16,320,749</u>	<u>12,397,801</u>

All investments are included in unrestricted funds.

Summary:	2021 £	2020 £
Property: Freehold	<u>16,320,749</u>	<u>12,397,801</u>

The historical cost of all the investment properties at 31 March 2021 was £13,603,078 (2020: £13,603,078).

Investment properties are re-valued based on a professional valuation by Bidwells LLP on a 3- or 5-year rolling review. Those properties not included in the professional valuation at 31 March 2021, 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 2021

11 Market Investments

Market value

	2021 £	2020 £
At 1 April	32,673,759	34,000,639
Realised gains	1,091,358	451,921
Unrealised gains/(losses) in the year	6,402,503	(1,778,801)
Cash withdrawn	(500,000)	-
	<u>39,667,620</u>	<u>32,673,759</u>

Market value represented by:

	2021 £	2020 £
Historical cost of assets	33,108,882	32,050,922
Unrealised gains	6,558,738	622,837
	<u>39,667,620</u>	<u>32,673,759</u>

Investments held as:

	2021 £	2020 £
Cash & cash equivalents	245,354	1,237,847
Fixed Income	4,936,709	4,947,966
UK Equities	8,217,569	5,794,373
Global Equities	22,135,662	15,835,585
Alternative Investments	4,132,326	4,857,988
	<u>39,667,620</u>	<u>32,673,759</u>

Included in		
Fixed assets	39,667,620	32,673,759
	<u>39,667,620</u>	<u>32,673,759</u>

THE VARRIER-JONES FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £	2020 £
Trade debtors	47,855	23,388
Bad Debts provided for	(6,309)	-
Prepayments & Accrued income	15,027	65,468
Taxation	-	23,003
Other debtors	606,745	433,436
	<u>663,318</u>	<u>545,295</u>

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	33,744	105,376
Rents received in advance	110,042	124,538
Other creditors and accruals	106,724	119,536
Taxation and social security	142,552	588
Deferred income (note 15)	6,000	6,000
	<u>399,062</u>	<u>356,038</u>

14 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deferred income (note 15)	20,000	26,000
Other creditors and accruals	150,800	150,800
Building repair receipts in advance	43,434	40,919
	<u>214,234</u>	<u>217,719</u>

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

THE VARRIER-JONES FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2021

15 Deferred income

	2021	2020
	£	£
Balance at 1 April	32,000	88,000
Amount released in year	(6,000)	(56,000)
Balance at 31 March	<u>26,000</u>	<u>32,000</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 Trustees indemnity insurance

During the year insurance was purchased to indemnify the trustees against default on their part. The amount paid was £3,320 (2020: £3,018).

17 Controlling party

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

18 Related party transactions

During the year the charity was charged costs of £43,000 (2020: £43,000) by Papworth Trust in order to provide financial management, HR and IT support, of which £nil (2020: £nil) was outstanding at year end. 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 £20,167 (2020: £6,250) and other costs of £nil (2020: £590) during the year.

During the year, the Foundation paid grants to Papworth Trust of £1,720,000 (2020: £1,685,004).

19 Transactions with Trustees

During the year no Trustee received any remuneration or expenses. In 2020 a total of £1,300 in expense payments was reimbursed to two Trustees.