

THE JOHN STRUTT MEMORIAL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE JOHN STRUTT MEMORIAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr R F de Robeck
Mr P McCormick OBE
Mr C Metcalfe-Gibson
Mr E M F Penrose
Mr W Telfer-Smollett
Mr R K Greaves

Charity number

1147602

Company number

07996550

Registered office

John G Hills
The Estate Office
Leyburn
North Yorkshire
DL8 5EW

Independent examiner

Deborah Fletcher-McVay FCA
Xeinadin
Accountants
Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ

Bankers

Barclays Bank Plc
31 High Row
Darlington
County Durham
DL3 7QS

Solicitors

McCormicks
Wharfedale House
35/37 East Parade
Harrogate
North Yorkshire
HG1 5LQ

THE JOHN STRUTT MEMORIAL FOUNDATION

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THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 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 2019).

Objectives and activities

The charity's objects are to support registered charities in the achievement of their charitable objectives within the counties of Cumbria and Derbyshire, in particular those charities or charitable objectives that have a connection with The John Strutt Conservation Foundation, The John Strutt Charity and The John Strutt Centre for Parrot Conservation.

In order to meet its charitable objectives the charity is involved in providing grants to individuals and organisations.

Long term aims and objectives

The charity's objects are specifically restricted to the following:

1. To benefit such other exclusively charitable objectives and purposes within the counties of Cumbria and/or Derbyshire, as the charity may determine from time to time, in particular those charitable objectives and purposes that have a connection with:
 - a. The John Strutt Conservation Foundation
 - a. The John Strutt Charity; and
 - b. The John Strutt Centre for Parrot Conservation; and
2. to support registered charities in the achievement of their charitable objectives within the county of Cumbria, in particular those charities or charitable objectives that have a connection with:
 - a. The John Strutt Conservation Foundation
 - a. The John Strutt Charity; and
 - b. The John Strutt Centre for Parrot Conservation.

These aims and objectives involve the consolidation and enhancement of the charity's capital value base, involving the retention and on-going improvement of charity assets.

Public benefit statement

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The trustees recognise the Strutt family were the key benefactors in the building of the town of Belper. This commenced at the start of the cotton industry with Jedediah Strutt (1726 – 1797) who started purchasing land in 1777 to build his first Cotton Mill in Belper, which was a hamlet of framework Knitters and nail-makers and this led on to the building of mill workers houses and now forms an important part of the history of the town of Belper in Derbyshire.

THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The benefits conveyed by this performance, are primarily reflected in the capacity of the charity to provide financial support to associated charities, and thereby to the wider public, but also on a more local level to enhance and improve the environment in and around their south Derbyshire base of Belper.

The trustees review their portfolio of assets annually and this has led to certain properties which do not form part of the core estate and are considered for sale on the open market. The trustees manage a wide range of properties including commercial, residential and agricultural farms and land. The trustees' policy is to identify the original Strutt built properties and mill houses in the trust to be retained, improved and leased. The trustees will continue a wider basis with their policy for their on-going review of the charity's assets to establish the true capital value of these, and also understand how these might be utilised to their full advantage by retention, improvement and in some cases by small scale disposals and re-investment.

The trustees held their annual meeting on 21 October 2022 which included a full on-site review of all properties owned by the charity and those under renovation. Current delays continue at the Land Registry are preventing ownership of several properties and land being transferred from the estate of the late John Strutt to that of the charity, but once all matters are finalised, the trustees can work towards more substantial plans in line with the charity's objectives. Currently, the trustees are concentrating their efforts on providing upkeep to the charity of the John Strutt Centre for Parrot Conservation in Cumbria along with increased security and improvements to the property at Eden Place and associated aviaries to allow a steady increase in the number of birds owned by the charity for the public benefit and study.

Investment Assets

The Foundation own a portfolio of houses, farms, buildings, land and allotments. These are all leased to provide income to support the charity's objectives. During the year there has been significant maintenance work undertaken on the portfolio of properties to return them to a marketable condition. These properties include No's 38 and 69 Hopping Hill were renovated and leased during the year 2022 – 2023. Properties that remain to be re-furbished are at 64 Long Row, 46 Short Row and No. 2 Knoll Top. The trustees are considering the future of the mill house at No. 46 Short Row which is leased on short term holiday lets. This is the property where the trustees turned the clock back to an original mill house but unfortunately following the pandemic the demand for it as holiday let has fallen.

Financial review

The Statement of Financial Activities shows net income of £1,168,005 (2023 net income of: £93,272), including donations of properties with a value of £775,000 (2023: £nil) from the estate of the late John Strutt. Revaluation gains on the charity's investment properties amounted to £370,607 (2023: £154,172).

Total funds at 31 March 2024 were £5,656,391 compared with £4,488,386 in 2023.

The principal funding source during the current year was rental income and the donation of properties.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Due to the expenditure incurred in ongoing improvement work to the charity's investment properties it has not been possible to meet this level of reserves. The trustees believe that once the improvement work has been completed the enhanced rent will allow reserves to be increased to the desired level.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment property, and its capacity to generate income, is the charity's most important asset. As such the principal risks to which the charity is exposed are those associated with this type of property.

THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Legal & political risks - Due to changes in the legal framework governing investment property, and/or the wider political framework affecting rural and residential property. These risks are more difficult to mitigate, but paying close attention to developments in these areas and taking advice from the relevant professionals, as part of the management function, will limit any negative impacts.

Physical Loss - Due to natural or man-made damage, is the most direct risk, and the property asset is thus properly insured against such occurrences, proper maintenance is carried out together with regular property inspections.

Loss of income - As a result of lack of tenants, or tenants inability to pay, is also a risk, which is met by undertaking proper management to secure occupation and maintain control of debt.

Plans for future periods

There is an on-going review of the charity's assets, to establish the full capital value of these, and also understand how these might be utilised to full advantage, by retention and improvement, or in some cases by small-scale disposal and re-investment. The programme of improvement to existing properties is also set to continue, to drive forward the aims and objectives of raising income, and asset value, to enable the charity to support its associated charitable endeavours.

Structure, governance and management

The charity is a company limited by guarantee, and is governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R F de Robeck

Mr P McCormick OBE

Mr C Metcalfe-Gibson

Mr E M F Penrose

Mr W Telfer-Smollett

Mr R K Greaves

The board of trustees has the power to appoint additional trustees as it considers appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is operated as a company controlled by a board of Trustees. Major strategic and policy decisions, and those involving major areas of expenditure are made by the full board, currently consisting of five Trustees. Lower level management decisions are delegated to the Trustee in charge of the estate management role, currently Mr R F De Robeck, with day to day management delegated to the estates managing agents, John G Hills & Partners, working with other professional advisors.

No formal training is given to the trustees but recruitment is only made from those who support the charity's objectives and are considered well qualified to contribute to its work.

All trustees give their time freely and no trustee remuneration was paid in the year,

The trustees' report was approved by the Board of Trustees.

.....
Mr R F de Robeck

Trustee

Date:

THE JOHN STRUTT MEMORIAL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE JOHN STRUTT MEMORIAL FOUNDATION

I report to the trustees on my examination of the financial statements of The John Strutt Memorial Foundation (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of [ENTER IN DATABASE cy1015], which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Deborah Fletcher-McVay FCA

Xeinadin
Accountants
Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ

Dated:

THE JOHN STRUTT MEMORIAL FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	2	775,000	-
Investments	3	110,840	85,585
Total income		885,840	85,585
Expenditure on:			
Raising funds	4	58,067	134,596
Charitable activities	5	30,375	11,889
Total expenditure		88,442	146,485
Net gains/(losses) on investments	9	370,607	154,172
Net income and movement in funds		1,168,005	93,272
Reconciliation of funds:			
Fund balances at 1 April 2023		4,488,386	4,395,114
Fund balances at 31 March 2024		5,656,391	4,488,386

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT MEMORIAL FOUNDATION**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investment property	11	5,740,000		4,585,000	
Current assets					
Debtors	12	8,060		3,520	
Cash at bank and in hand		25,101		16,271	
		33,161		19,791	
Creditors: amounts falling due within one year	14	(116,770)		(16,405)	
Net current (liabilities)/assets			(83,609)		3,386
Total assets less current liabilities			5,656,391		4,588,386
Creditors: amounts falling due after more than one year	15		-		(100,000)
Net assets			5,656,391		4,488,386
The funds of the charity					
Unrestricted funds			5,656,391		4,488,386
			5,656,391		4,488,386

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on

.....
Mr R F de Robeck
Trustee

Company registration number 07996550 (England and Wales)

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The John Strutt Memorial Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is John G Hills, The Estate Office, Leyburn, North Yorkshire, DL8 5EW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grant income is recognised when receivable except when the donor imposes conditions which have yet to be fulfilled before the charity becomes entitled to use such income.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds represent those costs associated with generating the investment income.

THE JOHN STRUTT MEMORIAL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****1 Accounting policies**

(Continued)

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	775,000	-

3 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	110,840	85,585

4 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment property running costs	14,960	22,922
Investment property management and legal fees	17,855	29,196
Investment property repairs	16,208	76,175
Finance costs	9,044	6,303
	58,067	134,596

THE JOHN STRUTT MEMORIAL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****5 Expenditure on charitable activities**

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Grant funding of activities (see note 6)	21,820	3,632
Support	8,555	8,257
	<u>30,375</u>	<u>11,889</u>

Support costs include amounts payable in relation to the independent examination of £1,750 (2023: £1,680) and £2,294 (2023: £2,250) in relation to accountancy services provided.

6 Grants payable

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Grants to institutions:		
The John Strutt Centre for Parrot Conservation	21,820	3,632
	<u>21,820</u>	<u>3,632</u>

7 Trustees

Three Trustees were reimbursed travel expenses totalling £171 during the current year and no remuneration (2023: Trustees received no expenses or remuneration).

8 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

9 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investment properties	370,607	154,172
	<u>370,607</u>	<u>154,172</u>

THE JOHN STRUTT MEMORIAL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****10 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

11 Investment property

	2024 £
Fair value	
At 1 April 2023	4,585,000
Additions through external acquisition	784,393
Net gains or losses through fair value adjustments	370,607
At 31 March 2024	<u>5,740,000</u>

Full valuations were undertaken of all properties by ART & Associates, an independent RICS registered valuer, in 2018 after the properties were gifted to the charity. These values were updated by the valuer as at 31 March 2023 to reflect the latest comparable market data. The fair values are most sensitive to comparable market prices in the local area.

12 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	4,453	439
Prepayments and accrued income	3,607	3,081
	<u>8,060</u>	<u>3,520</u>

13 Loans and overdrafts

	2024 £	2023 £
Other loans	100,000	100,000
Payable within one year	100,000	-
Payable after one year	-	100,000

Included within borrowings is a loan from The Arthur Strutt Testamentary Trust. The loan is secured by a fixed charge over one of the charity's investment properties.

During the year ending March 2023, the Trustees of The Arthur Strutt Testamentary Trust agreed to extend the loan to be repayable in August 2024.

THE JOHN STRUTT MEMORIAL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****14 Creditors: amounts falling due within one year**

	2024	2023
	£	£
Borrowings	100,000	-
Trade creditors	1,193	1,557
Accruals and deferred income	15,577	14,848
	<u>116,770</u>	<u>16,405</u>

15 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Borrowings	-	100,000
	<u>-</u>	<u>100,000</u>

16 Related party transactions

During the year the charity entered into the following transactions with related parties:

The charity incurred legal fees of £3,036 (2023: £8,671) to McCormicks Solicitors, a firm in which Mr Peter McCormick OBE, trustee, is a partner.

The charity incurred management fees and expenses of £19,159 (2023: £29,541) to J G Hills, a firm in which Mr Richard de Robeck, a trustee, is a partner. At the year end there was an amount owed to J G Hills of £1,193 (2023: £1,193).

The charity has a loan from The Arthur Strutt Testamentary Trust, a trust in which Mr Richard de Robeck, a trustee, is also a trustee. At the year end the outstanding balance was £100,000 (2023: £100,000). Details of the loan are included in Note 13.