

Annual Report

Annual Report and Accounts 2024





David Forbes-Nixon Family Charitable Foundation

Annual report and financial statements for the year ended 31 December 2024



Legal and administrative information

| | |
|---------------------------|---|
| Trustees | Mr D Forbes-Nixon OBE Mr J D L Dickson Mr S N Konsta Mr E W Low OBE Mr H P Forbes-Nixon Mr T O'Beirne Ms N C Brentnall MVO (appointed 20 June 2024) |
| Executive Director | Philippa Charles OBE |
| Charity number | 1155919 |
| Company number | 08906571 |
| Principal address | 8–10 Grosvenor Gardens London SW1W 0DH |
| Registered office | 8–10 Grosvenor Gardens London SW1W 0DH |
| Auditor | Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS |
| Bankers | Barclays 1 Churchill Place Canary Wharf London E14 5HP CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ Killik & Co 46 Grosvenor Street Mayfair London W1K 3HN |
| Accountants | Humphrey & Co 7–9 The Avenue Eastbourne East Sussex BN21 3YA |
| Solicitors | Macfarlanes LLP 20 Cursitor Street London EC4A 1LT |



Contents

| | |
|--|----|
| Chairman's introduction | 4 |
| Executive Director's report | 6 |
| Introduction | 8 |
| Trustees report | 17 |
| Statement of Trustees responsibilities | 24 |
| Independent auditors report | 25 |
| Statement of financial activities | 29 |
| Balance sheet | 30 |
| Statement of cash flows | 32 |
| Notes to the financial statements | 33 |



Chairman's introduction

I am delighted to introduce this year's annual report, rounding off eleven years of the David Forbes-Nixon Family Charitable Foundation (DFN Foundation) and heralding a fresh new chapter, which is very exciting. When I established the DFN Foundation in 2014, I was keen to focus on issues that I and my family have knowledge and experience of, and where there was a clear, unmet need to which our funding, business mindset and strategic support could make a positive difference. We've held onto that vision and it's still the case today.

The areas we focus on are the education and employment of those with disabilities, myeloma cancer research, and wildlife conservation, as these are the areas we know and care deeply about. Where possible, we find strategic partners to build on what already exists to avoid duplicating effort and, alongside our funding, we use our knowledge and contacts to help organisations develop their strategy, funding and operating model for greater impact.

If a suitable partner or existing infrastructure doesn't already exist in an area where we wish to make a difference, we may initiate or build an organisation ourselves. In disability education, we worked with local partners to create the Undershaw Education Trust which, just as this report is being finalised, has been rated as Outstanding across the board by Ofsted – a testament to the skill and dedication of the talented staff, the hard work of the students and the support of the local community. In disability employment, we also began a new organisation with DFN Project SEARCH, which is now the largest and most successful independent charity supporting young people with special needs to gain paid employment through supported internships across the country.

Whilst we have established a track record of success and have retained close relationships with our key strategic partners, there is still much to do and we are now looking to build on our experience to 'move the dial' on our key priorities. I anticipate launching new partnerships in addition to strengthening others we already have. We aim to create a series of Scholarships for talented young disabled people who are studying for a master's degree. These scholars will be exceptional individuals who aspire to careers in business, policy or government and, over time, can develop into a cadre of powerful leaders who inspire others, shape policy and create opportunities for disabled people.



I am also delighted to welcome, as our first Executive Director, Philippa Charles who joined us in November 2024, and whose experience across business and the charity sector will enable us to deepen the roots of our work. We are thrilled to have her on board. Also, I would like to thank our talented Board for giving their time and expertise so generously; they bring a range of experiences from across education, business, conservation and the charity sector to support and challenge us to make the most positive difference possible. While there will be challenges ahead, we are optimistic about the opportunities to build new partnerships, collaborate well and create greater impact in our work. I hope you enjoy this annual report.

David Forbes-Nixon OBE



Executive Director's report

I am delighted to have joined the DFN Foundation and to have the opportunity to work with such high-quality partners, a small but experienced team and a highly engaged Chair and Board, all of whom create a vibrant and very special combination.

I've been fortunate to have worked with some wonderful organisations and people across both the business and charity sectors and, over the past 17 years in philanthropy, I've had the extraordinary privilege of giving away over £1 billion in funding, so it feels very exciting to have joined the DFN Foundation at such a pivotal time as we look ahead to our next ten years.

As I have been finding my feet, I have been very struck by how much there is to build on – the DFN Foundation has deep experience and credibility having initiated and scaled up successful interventions which, ten years later, are now independent organisations making a significant difference in their respective fields.

As David said in his introduction, we have much to do but there are many reasons to approach our work with positivity and vigour – we are clear about the areas we focus on, and these are built on the knowledge and experience of our Chair and his family. We also have the resources and knowledge to support our expert partners who demonstrate excellence in their fields and from whom we learn every day.

I am grateful for the welcome I have received and for the generosity of so many kind and talented people who have given me their time and advice as I develop my knowledge further – the supportive nature of our sector never ceases to inspire me, and I have no doubt these connections will forge new collaborations and partnerships in future.

On the following pages we have included some information to showcase the important work of our partners; we hope you enjoy reading about what they do and why we believe in them.

Philippa Charles OBE



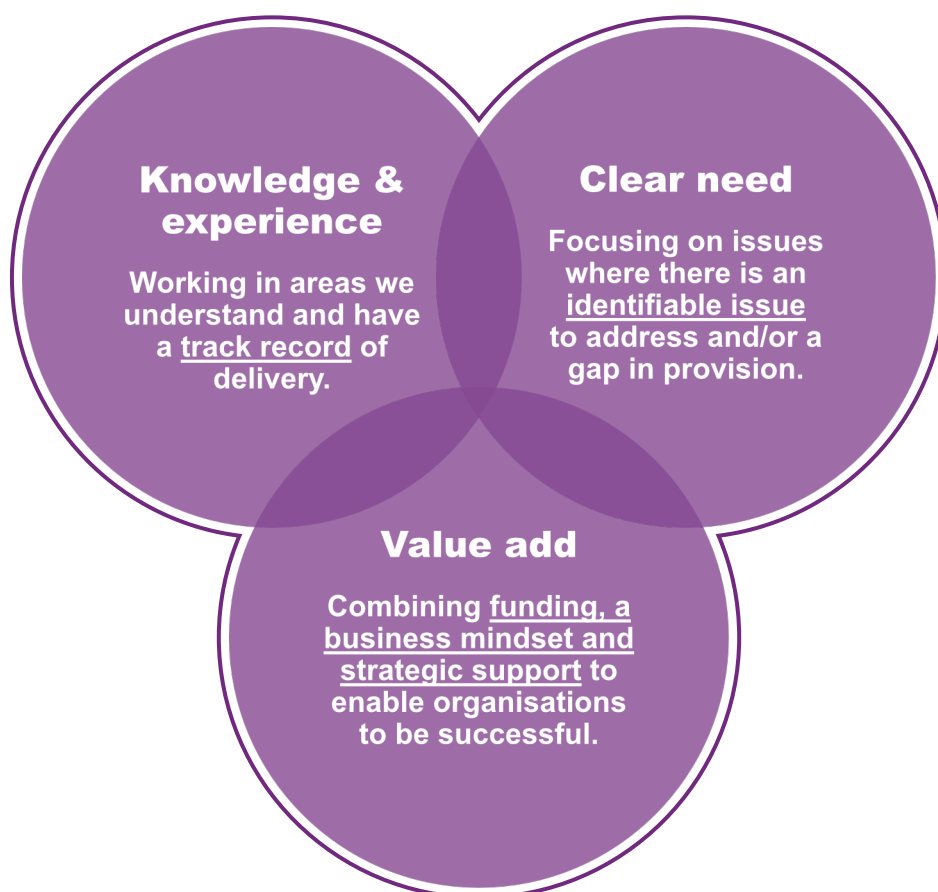
Undershaw Education Trust



Introduction

For over a decade, the DFN Foundation has focused on issues relating to the knowledge and experience of our founder and his family, and a Board and small team with relevant expertise to complement our focus areas. These areas, which we call our 'pillars' are disability education, disability employment, myeloma cancer research, and conservation.

Our approach to creating positive change is underpinned by three things: issues we understand; identifying a clear need; and working where we believe our funding, skills and resources can add the most value. By combining funding, a business mindset and strategic support, the DFN Foundation is proud to have built impactful partnerships. Last year we were proud to celebrate our tenth anniversary and held a special event to mark the occasion. We also released an Impact Report which is available on our website. On the following pages we showcase our partnerships and their important work.





Undershaw Education Trust

Undershaw is a unique school dedicated to providing an outstanding education for students with special educational needs and disabilities.

In 2016, following a £7.5 million investment by the DFN Foundation, the school opened at Undershaw in Surrey in the former home of Sir Arthur Conan Doyle, the creator and author behind Sherlock Holmes. The DFN Foundation is proud of its partnership with Undershaw and continues to support the school and promote the development of best practice in special needs education to deliver effective, life-altering outcomes for young people with learning difficulties, disabilities and autism. The school is well-established, with a dedicated team of staff supporting over 100 students and their families every year and, just as this report was being finalised, it was rated as 'Outstanding' across the board by Ofsted. The DFN Foundation is delighted to thank and acknowledge the dedication and support of the staff, families, pupils, volunteers and local community, all of whom have played key roles in Undershaw's success.

Undershaw offers a nurturing, yet ambitious environment; its specialised education balances personalised support with an innovative approach to learning and a strong focus on life skills and employability. The curriculum, which is flexible and tailored to meet the individual needs of each student, includes bespoke qualification pathways, personalised pastoral care and integrated therapeutic support and work experience.

Reflecting the DFN Foundation's commitment to creating opportunities for those with disabilities, the school also places a strong emphasis on employability education, aiming to motivate students and guide them in considering a range of future options. This includes post-16 education pathways and transitioning to the workforce, with impartial, inclusive guidance tailored to each student's needs and aspirations.

The DFN Foundation continues to support the school, ensuring that Undershaw can maintain its high standards and continue offering a supportive and tailored education for its students.



“

The partnership between the DFN Foundation and Undershaw is at the heart of our mission to provide an inspiring, inclusive and nurturing learning environment for students with SEND. As the owners of the historic Undershaw building, the DFN Foundation ensures that our students have a truly unique place to learn – one that fosters growth, ambition, and a sense of belonging. We are proud to align with the DFN Foundation, particularly through DFN Project SEARCH, as employability remains central to our ethos and the Undershaw Diploma is a standout feature of our provision that ensures that pupils gain essential workplace skills while also becoming active and valued members of the local community.

Emma West, Headteacher, Undershaw School



DFN Project SEARCH

Established by the DFN Foundation in 2018, DFN Project SEARCH is now a national, independent charity that addresses the significant gap in employment for young adults with a learning disability or autism spectrum condition.

The charity delivers a one-year transition-to-work programme for young adults with learning disabilities, autism or both, with a mission to reduce the stark contrast between the 4.8% of people with a learning disability in England (or 4.1% in Scotland) who secure paid employment versus 80% of their non-disabled peers.

The charity now works with over 200 public and private sector organisations across the UK, offering supported internships to over 1,400 young people annually, in their last year of education, empowering them to enter the workforce with confidence. On average, over 60% of DFN Project SEARCH graduates move into full-time permanent roles following their supported internship, with 70% securing jobs overall, significantly surpassing the national average employment rate for people with disabilities. Since it was founded, DFN Project SEARCH has supported over 2,600 interns into full-time meaningful employment and aims to help 10,000 young adults into paid employment by 2030, and 20,000 by 2034.

The charity continues to grow through its involvement in wider initiatives like the Internship Work Consortium, backed by the Department for Education, and the creation of the Supported Internship Quality Assurance Framework. As a force for change, DFN Project SEARCH continues to meaningfully engage with policymakers, employers and colleges to create more opportunities for people with disabilities.



We are incredibly grateful to the DFN Foundation for supporting our work and its longstanding commitment to our ambitions as a charity to make a real difference to the lives of young adults with a learning disability and/or autism. The DFN Foundation's provision of unrestricted support has meant that we have had the flexibility to invest those funds where they are most needed, and has been critical in enabling us to continue to expand our programmes across the UK and support more young adults than ever. Their early support and endorsement has also been instrumental in enabling us to grow our fundraised income.

Kirsty Matthews, CEO, DFN Project SEARCH



Disability Employment Charter

At the DFN Foundation, our mission to create life-changing employment opportunities for young adults with a learning disability is at the heart of our work. One of the main initiatives in advancing this mission has been our role as a founding member and funder of the Disability Employment Charter (DEC), launched in 2021, aiming to drive systemic change.



The DFN Foundation's commitment for the Disability Employment Charter is extremely welcome. The Charter has made significant strides in promoting the adoption of a set of government policies aimed at addressing the disadvantage disabled people experience in the labour market. The support from the DFN Foundation is critically important in enabling us to continue this work.

Kim Hoque, Professor of Human Resource Management, King's Business School

Developed in collaboration with Disability Rights UK, Disability@Work, Leonard Cheshire, Scope, the Shaw Trust Foundation, UNISON and the University of Warwick, the Charter outlines a comprehensive framework aimed at addressing systemic barriers to employment faced by individuals with disabilities. We are delighted to work with Professor Kim Hoque who has given significant impetus to this important work.

The Charter advocates for critical government reforms across nine key areas to improve employment outcomes, including mandatory disability employment and pay gap reporting,

enhancing the Access to Work programme, strengthening the Disability Confident scheme, and ensuring government procurement processes promote inclusive employment practices. Additionally, it emphasises the importance of providing timely and effective reasonable adjustments to support individuals in the workplace.

Since its launch, the Disability Employment Charter has gained significant momentum, with over 230 signatories from across the UK to date, representing a diverse range of organisations. This includes leading disability charities such as Mind, National Autistic Society, Mencap, and Sense, as well as prominent corporations like McDonald's, Herbert Smith Freehills, and PageGroup. The number of signatories continues to grow, and this underscores the widespread support for the Charter's proposals and the potential to create a more inclusive workforce.

The DFN Foundation is proud to be playing a pivotal role in establishing and supporting the Charter, reinforcing our commitment to driving change and ensuring that individuals with disabilities can achieve their career aspirations.



The Pangolin Project



The Pangolin Project

The DFN Foundation has partnered with The Pangolin Project (TPP) to protect the habitat of the Giant Ground Pangolin and other key species. Inspired by the knowledge and experience of the DFN Foundation's Vice Chair Harry Forbes-Nixon, who is a qualified safari guide, the DFN Foundation is committed to habitat preservation and conservation, underpinned by sustainable livelihoods and income for the local community.

Pangolins, especially the Giant Ground Pangolin, are facing a critical risk of extinction. The Great Ground Pangolin, which inhabits the Nyekweri Forest on the western edge of the Maasai Mara in Kenya, is particularly vulnerable due to their target status for poachers, while deforestation and land use changes threaten its habitat and food sources. The focus of the DFN Foundation's partnership with TPP is to support their work to halt deforestation, while engaging with local communities, landowners and conservation organisations to create long-term commitments to protect wildlife and promote sustainable land use.

As part of this effort, TPP aims to secure 10,000 hectares of land for conservation in the Nyekweri Forest, which is an area of exceptionally high biodiversity. Securing the land involves signing 10–15 year extendable leases with local landowners, legally committing them to sustainable and safe land-use, instead of harmful activities like charcoal burning.

In its first grant year, TPP has made significant progress, developing a detailed strategic plan with actions to move towards sustainable funding. It has also built a dedicated staff team to manage and monitor the area, who are creating positive engagement with the local community and introducing measurable indicators to track progress. This will be the most biodiverse area under a community conservancy model, and one of the largest reforestation projects in Kenya, making it a project of national and international significance.

“

Support from the DFN Foundation has been transformational for The Pangolin Project. Thanks to their partnership we have been able to respond to the critical need in Nyekweri and implement programmes to ensure the survival of the Giant Ground Pangolin. They have been an incredible partner and friend to TPP.

Claire Okell, CEO, The Pangolin Project





Advancing breakthrough treatments for high-risk myeloma

The DFN Foundation is deeply committed to advancing healthcare solutions, with a particular focus on myeloma, a form of blood cancer that claimed the life of Jacquelin Forbes-Nixon in 2008.

Inspired by Jacquelin, the DFN Foundation committed to supporting cutting-edge research that offers hope to those diagnosed with this devastating disease. As part of this commitment, the DFN Foundation provided an initial investment of £1 million and forged a strategic partnership with the Institute of Cancer Research (ICR) to advance the pioneering work of a research fellow, Professor Martin Kaiser. High-risk myeloma, which affects between 20% and 25% of newly diagnosed patients, is particularly challenging to identify and treat. Despite advancements in care, the disease remains largely incurable for the approximately 5,800 people diagnosed annually in the UK.

In response to this urgent need, the DFN Foundation established the Jacquelin Forbes-Nixon Research Fellowship, supporting Professor Kaiser's work and one of the most innovative clinical trials to date: *OPTIMUM/MUKnine*.

This groundbreaking trial explored the effectiveness of using combination treatments simultaneously, rather than sequentially, which had been the standard approach. Conducted by Professor Kaiser at ICR and the University of Leeds, with support from Myeloma UK and the DFN Foundation, the trial involved nearly 500 patients across 40 NHS District General Hospitals. Using state-of-the-art diagnostics and genetic profiling, the team identified patients with high-risk myeloma and gave them a treatment of a unique combination of drugs and high dose therapy.

The results were transformative: over 75% of patients remained in remission nearly three years after starting treatment, compared to less than 50% with conventional therapies. This vital research is helping to redefine treatment protocols for high-risk myeloma, offering new hope and improving long-term outcomes for patients across the UK and beyond.



“

Progress would not have been possible without the timely and impactful support of the DFN Foundation which leveraged the work of nearly 40 hospital trials teams around the country, NHS research infrastructure and pharma support to generate a result that delivers hope to myeloma patients in the NHS and worldwide. More than 6 years following the OPTIMUM/MUK*nine* trial, we see nearly treble the remission time and double the survival of patients who would have otherwise had a very poor outcome with standard treatment. We continue to analyse the trial and are informed by the results, planning new large-scale projects towards improving outcomes for myeloma patients and, potentially, a cure.

Professor Martin Kaiser, Institute of Cancer Research

Trustees' report on financial and other statutory matters

for the year ended 31 December 2024

The Trustees of the David Forbes-Nixon Family Charitable Foundation (DFN Foundation) are pleased to present their Annual Report and Financial Statements for the year ended 31 December 2024 which has been prepared to meet the requirements for an Executive Directors' Report and Accounts for Companies Act Purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charity's 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 2019).

The DFN Foundation is a registered charity (No. 1155919) and a company limited by guarantee (No. 08906571) and was incorporated on 21 February 2014.

Charitable objectives

The DFN Foundation's governing document defines the objectives as all purposes that are exclusively charitable under the law of England and Wales. The Trustees have directed the DFN Foundation to focus on four key purposes of education, employability, healthcare and conservation.

Achievements and performance

Our goal is to create a virtuous circle where we can build, refine and scale effective work alongside talented experts. We partner with other organisations where we can, and if we see a gap then we will initiate and grow new organisations. We have highlighted our key partnerships in this report, all of which are making good progress against their charitable objectives. We maintain close connection with our partners to ensure we understand the work they are doing and can provide appropriate support on a timely basis.

Undershaw Education Trust is a specialist setting where children from Year 3 to post-16 with mild to moderate learning difficulties and additional needs, such as ASD, cerebral palsy, hemiplegia, and medical vulnerabilities, can access the national curriculum and qualification pathways in a safe, secure, and friendly environment. Throughout this year, the school has continued to thrive and, as this report has gone to print, it received an Ofsted inspection resulting in an outcome of Outstanding across the board. The inspection particularly noted the ambition and high quality of the education provided, the focus on preparing students for life and employment and the flexible curriculum tailored to each learner's needs. The Trustees of the DFN Foundation would like to acknowledge the exceptional work of the staff at Undershaw and congratulate them on this achievement.

DFN Project SEARCH was developed by the DFN Foundation and established as a separate charity in the UK in 2019. It provides supported internships and employment opportunities to thousands of young people with learning disabilities and autism. Over 60% of young adults graduating from internships are offered permanent employment. This is compared to the average in England of just 4.8% of people with a learning disability or autism, or both, who are in employment of any kind. The organisation has already supported over 2,600 young interns into paid employment and has set a target of 10,000 young people obtaining jobs by 2030.

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

On healthcare, the DFN Foundation continues to support a myeloma research programme at the Institute of Cancer Research in London under the leadership of Dr Martin Kaiser through the Jacquelin Forbes-Nixon Research Fellowship. This work included running a clinical trial, known as OPTIMUM/MUK*nine*, which demonstrated that using treatments in combination, normally given consecutively, was especially effective for patients diagnosed with high-risk myeloma, as over 75% of those involved in the trial were still in remission nearly three years after they started treatment, compared to less than 50% of patients with the current standard of care. Work continues to explore how such impactful results might be used to inform additional avenues of research and to translate into patient care.

In relation to its conservation objective, this year the DFN Foundation focused on support for The Pangolin Project based in Kenya, in an area of forest called Nyekweri, which lies to the west of the Maasai Mara Reserve. The pangolin is the most trafficked mammal in the world and its habitat is also under threat, endangering the survival not only of the pangolin but also the diverse species that rely on this critical forest region. This year has been characterised by the establishment of a robust strategic plan covering all aspects of the work needed to preserve the forest and to monitor the wildlife dependent on it. Significant progress has been made in engaging with the local community and conservancies and to establish funding partnerships and an expert team. The Trustees anticipate extending this partnership in subsequent years.

Demonstrating public benefit

The Trustees are aware of the Charity Commission guidance on Charity and Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. The Trustees consider that the information contained within the Trustees' Report about the Charity's aims, activities and achievements in the four key areas of education, employability, healthcare and conservation demonstrates the benefit to the public.

The Trustees review the purpose, aims and activities of the Charity periodically. When carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Grant making policy

The DFN Foundation considers the making of grants to other organisations and institutions as part of, or to complement, its commitment to deliver its charitable objects for the public benefit. The DFN Foundation's approach to grant making is based on research by the Trustees to carefully select partner organisations and institutions which the DFN Foundation can work with to achieve its charitable objectives. It is not the intention of the DFN Foundation to invite unsolicited applications from other organisations for grant funding.

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

Financial review

The Trustees wish to express their thanks to all staff, partners and colleagues who have worked hard in support of the charitable objectives of the DFN Foundation during the year.

Against this backdrop, the Statement of Financial Activities reports income of £319,012 (2023 £320,068) and total expenditure of £595,604 (2023 £566,940) which, after adjusting for unrealised gains on investments and other costs associated with foreign current exchange differences, resulted in a net inflow of resources of £1,654,536 (2023 £977,488) with a fund balance at the year end of £23,072,939 (2023 £21,418,403).

Other income and raising funds

As set out in note 4, the Board noted income from investments of £62,948 (2023 £61,961), which has been utilised in the funding of the charitable activities.

The DFN Foundation shared the services of a CEO and Director of Finance plus office costs with DFN Project SEARCH during the year. Invoices for these costs raised to DFN Project SEARCH amount to £102,934 (2023 £126,261) as set out in note 5.

Of the costs relating to raising funds, £43,418 (2023 £45,833) represents fees paid to Royal Bank of Canada and Killik & Co for their management of part of the investment portfolio as set out in note 6.

Use of resources

It remains the intention of the Trustees to maintain unrestricted reserves, held primarily within a portfolio of investments, not only as a core fund as detailed in the investment policy but to provide resources which can be called upon as the Trustees explore how best to move the DFN Foundation forward, working with other organisations as necessary towards fulfilling its long-term charitable goals.

At the balance sheet date, the DFN Foundation held funds of £23,072,939 (2023 £21,418,403). Of this £30,191 (2023 £43,964) of funds are set aside in respect of commitments made for Myeloma UK; details of both designated funds are set out in notes 28.

The investment in Undershaw School after the application of depreciation stands at £6,718,823 (2023 £6,731,038) at the balance sheet date.

To satisfy themselves that sufficient free reserves are in hand to meet all expenditure and commitments as they fall due, the Trustees regularly review the resources that have been committed or earmarked over the medium term. In addition, in assessing future projects and the resources which may be absorbed the Trustees also maintain a review of income that may be expected to arise (with a reasonable degree of certainty) over the same period. In this respect the Trustees again acknowledge with gratitude the potential for a future income stream made available to the DFN Foundation by the Executive Chair as set out in note 24.

As noted above, the Board has earmarked funds to support DFN Project SEARCH over the medium term, if required, to a sum of up to £2,000,000.

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

The Trustees note that free reserves (after having regarded all sums already committed or earmarked for future projects) total a sum of £6,000,000 inclusive of readily realisable investments and cash reserves. The Board is satisfied that the level of free cash reserves (in cash or readily realisable investments) remains prudent for the DFN Foundation given the continuing economic uncertainties.

The Board also wish to again express their appreciation to those who have provided administration support to the DFN Foundation on a voluntary basis. Due to the flexible nature of the hours worked and the tasks performed, the Board consider that the value of the support provided by the volunteer cannot be measured reliably. The DFN Foundation's accounts do not therefore reflect a value for donated administration services.

Investment policy

It remains the policy of the Board to invest funds not immediately required for ongoing projects (and to fund the commitments detailed in note 23 through income generation and capital growth) within a portfolio of investments. Investments are made to maintain sufficient liquidity to meet the aforementioned commitments as they fall due.

In the selection of investments, the Board draw on their collective experience and knowledge of the financial markets to provide good quality income generation and capital growth risk-adjusted returns, without geographical, currency, product or industry restriction. It remains the Board's objective, over the medium- to long-term, to build on the existing portfolio to create a core fund capable of delivering good quality investment returns and growth to fund existing and future charitable projects.

At the year-end, after the generation of investment income (other than interest and rental income) of £62,948 (2023 £61,961) and having incurred net realised and unrealised gains of £1,933,030 (2023 £1,229,635) the DFN Foundation held investment funds valued in total at £16,086,435 (2023 £13,762,908). Further breakdown is included within note 7.

The Board are pleased with the performance of the investments in 2024 and the Board have confidence in the balance of the investment portfolio.

Risk management

The DFN Foundation's risk management policy is based around an overarching risk management register. The register identifies the key risks that the organisation is, or potentially could be, exposed to, and establishes a practical risk assessment process and the operational mitigation tasks that emanate from it. Responsibility for each class of risk is reflected within the register.

The Trustees and Executive Director, Philippa Charles, regularly review the register to address any changes in the likelihood and impact of each risk and risk mitigation measures are considered. The register is updated periodically to reflect new and changing risks.

The key risks that currently face the DFN Foundation and principal mitigating strategies follow.

■ Safeguarding failure or adverse regulator opinion

The Trustees keep quality at the forefront of its strategy.

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

■ **Maintaining investment performance to deliver on the investment objective**

The Board collectively has significant experience of the financial markets (as detailed below) to ensure informed judgements are made in the selection and management of the portfolio.

- David Forbes-Nixon has over 30 years' experience in financial markets after retiring as Chairman and Chief Executive at Alcentra, a large Asset Manager (circa US\$34 billion) in the sub investment grade credit space.
- James Dickson has over 20 years' experience as an investment manager in listed equities at Meditor Capital management and two other fund management companies in London.

■ **Reputational risk**

The day-to-day management of the ongoing projects is undertaken by the Executive Director (and advisors as necessary) whilst overseen by the Executive Chair. The Board remains of the view that this hands-on approach serves to identify and respond to any issues that may arise as projects progress. In addition, the close involvement of the Executive Director and oversight by the Executive Chair enables them to be fully appraised of any events which might give rise to unwelcome attention and hence reputational risks.

■ **Selection of projects to deliver the charitable objectives**

The agreed criteria by which the Board judge future projects is set out below, aided by the setting of clear objectives with all partner organisations and monitoring and reporting progress against such agreed criteria. This underlines the Board's established approach in the careful selection of advisors and partners with appropriate experience and a proven track record within their specialist sectors.

The approach of the Board in the selection of projects to provide the most positive impact for the beneficiaries is to address the following key questions.

- Does the project align with the DFN Foundation's focused objectives?
- How many people will benefit and by how much?
- Is this the most effective thing that we can do?
- Is this area neglected?
- What would happen if we were to do nothing?
- What are our chances of success and how good will our success be?

Diversity

Respecting diversity is one of the DFN Foundation's key values and we are committed to being an inclusive organisation where diversity is welcomed and valued. The DFN Foundation, through its support for relevant organisations, strives to promote a culture where people treat each other with mutual respect regardless of age, disability, gender, marital or civil partnership status, pregnancy and maternity, gender reassignment, race, religion and belief, or sexual orientation.

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

Structure, governance & management

The Charity is a company limited by guarantee, incorporated on 21 February 2014 and registered as a charity on 24 February 2014. The company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board of Trustees is responsible for the overall governance of the Charity and meets as a Board at least four times a year. The Trustees, who are also directors for the purposes of company law, and who have served since the end of the previous year are:

Mr D Forbes-Nixon OBE
Mr J D L Dickson
Mr S N Konsta
Mr E W Low OBE
Mr H P Forbes-Nixon
Mr T O'Beirne
Ms N C Brentnall MVO (appointed 20 June 2024)

The number of Trustees shall not be less than two.

None of the Trustees receive remuneration or other benefit from their work for the Charity. Expenses incurred by the Trustees in the performance of their duties are reimbursed. None of the Trustees has any beneficial interest in the company. The Executive Chair is the sole member of the company and guarantees to contribute £1 in the event of a winding up.

The Board of Trustees administers the Charity. In doing so, the Trustees have delegated the day-to-day administration of the Charity to the Executive Chair, Mr David Forbes-Nixon. Trustees receive regular reports on the progress of the projects in hand and meet (formally as noted above and via telephone/virtual meetings) to discuss progress, future projects and to approve current and future expenditure and the funding thereof. As described above, the Charity is working in partnership with an existing school, Undershaw Education Trust in Hindhead (Registered Charity number 1039622), in pursuance of the educational objective. The DFN Foundation's Executive Director, Philippa Charles, and Director of Finance, Jon Robards, are Trustees of Undershaw Education Trust.

Key management personnel in the year consisted of the Executive Director, the Director of Finance, and the former CEO. The pay and remuneration of key management personnel is set at the discretion of the Trustees in line with market rates for similar roles.

Trustee selection and induction

The Trustees regularly review the composition of the Board and its various sub-committees. When a vacancy arises, the Trustees look at the blend of experience and skills of Trustees to ensure that these meet the needs of the Charity and instigate a recruitment process if required. This will involve advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. All new Trustees are invited to attend induction training with the Executive Chair and Executive Director. New Trustees are briefed on their legal obligations under charity and company law, on their role and responsibilities as Trustees, the Charity Commission

Trustees' report on financial and other statutory matters (cont.)

for the year ended 31 December 2024

guidance on public benefit, the content of the governing document, the decision-making process, the business plans and recent financial performance of the Charity.

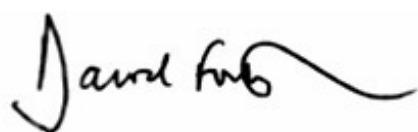
Auditor

Dixon Wilson Audit Services LLP were appointed as auditor to the charitable company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information

The Trustees who were in office on the date of the approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report was approved by the Board of Trustees and signed on its behalf by



Mr D Forbes-Nixon OBE
Executive Chair

8 July 2025

Statement of Trustees responsibilities for the year ended 31 December 2024

The Trustees, who are also the directors of David Forbes-Nixon Family Charitable Foundation for the purpose 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 that 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 accounting 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of DFN Charitable Foundation

Opinion

We have audited the financial statements of David Forbes-Nixon Family Charitable Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 December 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the charitable company in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover

Independent auditor's report to the members of DFN Charitable Foundation

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 24, the Trustees (who are also 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 directors either intend to liquidate the 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 regulations made under section 154 of that Act.

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.

Independent auditor's report to the members of DFN Charitable Foundation

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.

We gained an understanding of the legal and regulatory framework applicable to the charitable company by considering, amongst other things, the sector in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, but recognised that 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.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and the Companies Act 2006.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk management override internal controls, including testing journals and evaluating whether there was any evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

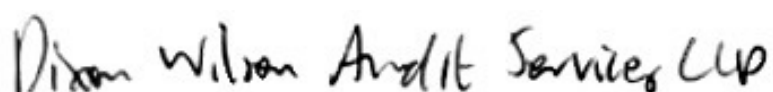
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including 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 auditor's report.

Independent auditor's report to the members of DFN Charitable Foundation

Use of our report

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dixon Wilson Audit Services LLP
Chartered Accountants
Statutory Auditor

8 July 2025

22 Chancery Lane
London
WC2A 1LS

Dixon Wilson Audit Services LLP is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of financial activities including income and expenditure account

for the year ended 31 December 2024

| | | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---|-------|--------------------|------------------|-------------------|--------------------|------------------|-------------------|
| | Notes | 2024 £ | 2024 £ | 2024 £ | 2023 £ | 2023 £ | 2023 £ |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 25,748 | - | 25,748 | 10,800 | - | 10,800 |
| Investments | 4 | 190,330 | - | 190,330 | 183,007 | - | 183,007 |
| Other income | 5 | 102,934 | - | 102,934 | 126,261 | - | 126,261 |
| Total income | | 319,012 | - | 319,012 | 320,068 | - | 320,068 |
| Expenditure on: | | | | | | | |
| Raising funds | 6 | 106,570 | - | 106,570 | 45,833 | - | 45,833 |
| Charitable activities | 7 | 489,034 | - | 489,034 | 366,948 | 154,159 | 521,107 |
| Total expenditure | | 595,604 | - | 595,604 | 412,781 | 154,159 | 566,940 |
| Net gains/(losses) on investments | 14 | 1,933,030 | - | 1,933,030 | 1,229,635 | - | 1,229,635 |
| Net income | | 1,656,438 | - | 1,656,438 | 1,136,922 | (154,159) | 982,763 |
| Transfers between funds | | 73,504 | (73,504) | - | - | - | - |
| Other recognised gains and losses: | | | | | | | |
| Other losses | 15 | (1,902) | - | (1,902) | (5,275) | - | (5,275) |
| Net movement in funds | | 1,728,040 | (73,504) | 1,654,536 | 1,131,647 | (154,159) | 977,488 |
| Reconciliation of funds: | | | | | | | |
| Fund balances at 1 January 2024 | | 21,344,899 | 73,504 | 21,418,403 | 20,213,252 | 227,663 | 20,440,915 |
| Fund balances at 31 December 2024 | | 23,072,939 | - | 23,072,939 | 21,344,899 | 73,504 | 21,418,403 |

All income and expenditure derive from continuing activities.

Balance sheet

as at 31 December 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|--|-------|-------------------|---|-------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 16 | 6,718,823 | | 6,731,038 | |
| Investments | 17 | 16,086,435 | | 13,762,908 | |
| | | <u>22,805,258</u> | | <u>20,493,946</u> | |
| Current assets | | | | | |
| Debtors | 18 | 32,698 | | 15,250 | |
| Cash at bank and in hand | | 381,313 | | 1,150,417 | |
| | | <u>414,011</u> | | <u>1,165,667</u> | |
| Creditors: amounts falling due within one year | 21 | (144,685) | | (206,934) | |
| Net current assets | | <u>269,326</u> | | <u>958,733</u> | |
| Total assets less current liabilities | | <u>23,074,584</u> | | <u>21,452,679</u> | |
| Creditors: amounts falling due after more than one year | 22 | (1,645) | | (34,276) | |
| Net assets | | <u>23,072,939</u> | | <u>21,418,403</u> | |
| Income funds | | | | | |
| Restricted funds | 27 | - | | 73,504 | |
| Unrestricted funds | | | | | |
| Designated funds | 28 | 30,191 | | 43,964 | |
| General unrestricted funds | | 23,042,748 | | 21,300,935 | |
| | | <u>23,072,939</u> | | <u>21,344,899</u> | |
| | | <u>23,072,939</u> | | <u>21,418,403</u> | |

Balance sheet (cont.)

as at 31 December 2024

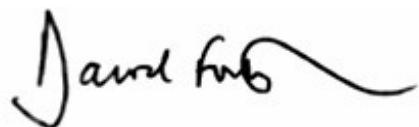
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

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 under the requirements of the Companies Act 2006, 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 8 July 2025.



Mr D Forbes-Nixon OBE
Executive Chair

Company Registration No. 08906571

Statement of cash flows

for the year ended 31 December 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|---|-------|------------------|---|------------------|---|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 33 | (567,305) | | (1,084,507) | |
| Investing activities | | | | | |
| Purchase of investments | | (3,174,461) | | (2,384,169) | |
| Proceeds from disposal of investments | | 2,784,234 | | 3,284,584 | |
| Investment income received | | 190,330 | | 183,007 | |
| Net cash (used in)/generated from investing activities | | (199,897) | | 1,083,422 | |
| Net cash generated from financing activities | | - | | - | |
| Net decrease in cash and cash equivalents | | (767,202) | | (1,085) | |
| Cash and cash equivalents at beginning of year | | 1,150,417 | | 1,156,777 | |
| Effect of foreign exchange rates | | (1,902) | | (5,275) | |
| Cash and cash equivalents at end of year | | 381,313 | | 1,150,417 | |

Notes to the financial statements

for the year ended 31 December 2024

1 Accounting policies

Charity information

David Forbes-Nixon Family Charitable Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 8–10 Grosvenor Gardens, London, SW1W 0DH.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, 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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments 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 had 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 unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used or by the terms or nature of the appeal under which the funds were raised. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

1.4 Incoming resources

Income is recognised when the charitable company 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 charitable company 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.

Where the DFN Foundation has entered into a contract for the supply of services over a period exceeding one year, income received at the commencement of the contract is recognised within the accounts on a time apportioned basis associated with the expected delivery of that service over the life of the contract.

Income arising from investments is generally recognised on receipt. As set out in note 24, a potential income stream (termed carried interest income) has been made available to the DFN Foundation by the Executive Chair arising from the inclusion of the DFN Foundation within the profit share arrangement for a number of investments to which the Executive Chair is a party.

Carried interest income is recognised once the receipt of funds is probable and a reasonable estimate of the amount can be made. This will not be before the time the underlying fund has realised sufficient returns to exceed its hurdle rate. Before income is recognised, that is before receipt of funds is probable and a reasonable estimate of the amount can be made, the Trustees' best estimate of the amount and timing of future carried interest income is disclosed as a contingent asset.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its charitable activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are associated with meeting the constitutional and statutory arrangements of the Charity, including external audit and the cost of preparing statutory accounts, the cost of Trustees' meetings and other costs involved with the Charity's strategic management.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Wherever possible, costs relating to a particular activity are allocated directly; others are apportioned on the basis of the ratio of resources expended in respect of each charitable activity.

Irrecoverable VAT is included with the item of expenditure to which it relates.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------------|-----------------------------|
| Land and buildings | Not depreciated |
| Hydrotherapy pool | 5% straight line |
| Furniture and equipment | 25% reducing balance method |
| IT equipment | 3 year straight line method |
| Charity website | 3 year straight line method |

No depreciation is provided in respect of freehold land and buildings. Please see note 2 for the Trustees' comments.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

Where material the cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The DFN Foundation offers a defined contribution pension scheme for employees whereby the assets of the scheme are held separately within an independently administered fund.

Payments to an employee's personal pension plan can also be made at the Trustees' discretion.

Payments to the defined contribution pension scheme and an employee's personal pension are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/ (expenditure) for the period.

1.15 Activity basis allocation

Support costs are those costs incurred in support of the charitable activities. Where appropriate these costs are allocated directly to the activity concerned. Other costs are allocated between each activity in proportion to the direct expenditure incurred under each activity heading.

1.16 Mixed motive investments

The DFN Foundation has invested in the purchase and development of Undershaw to support the expansion of Undershaw Education Trust in Hindhead by the provision of accommodation to meet the growing demand for places at this special needs school. At the completion of the development work the DFN Foundation entered into a lease with Undershaw Education Trust for which a concessionary level of rent was agreed.

The DFN Foundation recognised the mixed motive nature of its investment (as defined within SORP FRS 102) which is carried at historical cost subject to the application of depreciation and periodic impairment reviews.

2 Critical accounting estimates and judgements

Critical judgements

Undershaw

The Board considers that the evaluation of useful economic life for the Undershaw property and the application of depreciation to be the area of judgement with a significant effect on the financial statements.

The Board consider that the comprehensive maintenance programme in place for Undershaw property will maintain the property in very good order, and on this basis judge that the residual value at the end of the expected useful life of the property will be no less than the carrying value. On this basis no depreciation is applied for the freehold property.

Judgement is applied in evaluating the useful life of each asset. This is based on either the maintenance and servicing programme or the period of obsolescence, and on the expectation that each asset will warrant replacement or substantial refurbishment at the end of its useful life.

Impairment of fixed assets

In addressing the impairment of the Undershaw property the Board considered the value in use of the property. The Board judge that the property meets its intended service potential at the balance sheet date and are not aware of any matters that will diminish this in the foreseeable future. On this basis the value in use is judged to be not less than the construction cost.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

Critical estimates

Funding commitments

The Board have projected the future value of the funding commitments based on the average return of investment rate and projected cash payments. These estimates are based on market conditions and the resources committed which are subject to change annually. Due to the volatility of the market and uncertainty over the timing of future payments, the future movement is uncertain. The Board therefore provide their best estimate at the year end. Further details on the calculation of funding commitments are provided in note 23.

Contingent assets

The contingent asset disclosed within note 24 is based on a number of critical estimates. However the estimated value of the contingent asset is not included within the carrying amount of assets and liabilities due to its uncertain amount and probability. Future cash inflows will be recognised in the Financial Statements when they are considered probable and can be reliably measured. Further information on the contingent asset is contained within note 24 of the Financial Statements.

Unlisted investments

There are critical estimates within the reporting of unlisted investments in note 17. The value of unlisted investments is based on the net asset value as provided by the fund manager. The net asset value determines the unrealised gain or loss on the investment at the year end in addition to the asset carrying amount on the Balance Sheet. The unlisted investments are not traded on a public market and therefore there is a degree of judgement in the net asset value by the fund manager.

3 Donations

| | 2024 £ | 2023 £ |
|-----------|-----------|-----------|
| Donations | 25,748 | 10,800 |

4 Income from investments

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|--------------------------------|---------------------------------|---------------------------------|
| Rental income | 114,638 | 114,458 |
| Income from listed investments | 62,948 | 61,961 |
| Interest receivable | 12,744 | 6,588 |
| | 190,330 | 183,007 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

5 Other incoming resources

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Expenditure recharged to DFN Project SEARCH for office facilities | 18,192 | 4,500 |
| Expenditure recharged to DFN Project SEARCH for the services of the CEO | 82,774 | 121,457 |
| Expenditure recharged to DFN Project SEARCH for other expenses | 1,968 | 304 |
| | 102,934 | 126,261 |

The DFN Foundation raised a monthly invoice at cost for the time that the CEO devotes to DFN Project SEARCH, as set out above. The CEO's employment at DFN Foundation ended in June 2024, leading to the end of this arrangement with DFN Project SEARCH.

DFN Project SEARCH was also invoiced for the cost of office rent and other expenses.

6 Raising funds

| | 2024 £ | 2023 £ |
|----------------------------------|-----------|-----------|
| Fundraising and publicity | | |
| Event costs | 63,152 | - |
| Investment management fees | 43,418 | 45,833 |
| | 106,570 | 45,833 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

7 Charitable activities

| | Education and Employability | Healthcare | Conservation | Total | Education and Employability | Healthcare | Conservation | Total |
|--|--------------------------------|------------|--------------|-----------|--------------------------------|------------|--------------|-----------|
| | 2024 £ | 2024 £ | 2024 £ | 2024 £ | 2023 £ | 2023 £ | 2023 £ | 2023 £ |
| Employability Project | | | | | | | | |
| Employability Project funding | - | - | - | - | 700 | - | - | 700 |
| Sponsorship of Anthropy event | 1,120 | - | - | 1,120 | 25,203 | - | - | 25,203 |
| Sponsorship of DFN Project SEARCH Founder and Patron | 5,000 | - | - | 5,000 | - | - | - | - |
| DFN MoveForward | | | | | | | | |
| MoveForward funding | - | - | - | - | 154,159 | - | - | 154,159 |
| | 6,120 | - | - | 6,120 | 180,062 | - | - | 180,062 |
| Grant funding of activities (note 8) | 1,653 | 3,793 | 156,000 | 161,446 | 8,901 | 5,208 | 16,667 | 30,776 |
| Share of support costs (note 10) | 70,158 | 4,806 | 197,673 | 272,637 | 239,333 | 4,745 | 15,308 | 259,386 |
| Share of governance costs (note 10) | 2,263 | 1,123 | 45,445 | 48,831 | 44,887 | 1,428 | 4,568 | 50,883 |
| | 80,194 | 9,722 | 399,118 | 489,034 | 473,183 | 11,381 | 36,543 | 521,107 |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | 80,194 | 9,722 | 399,118 | 489,034 | 319,024 | 11,381 | 36,543 | 366,948 |
| Restricted funds | - | - | - | - | 154,159 | - | - | 154,159 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

8 Grants payable

| | Education and Employability | Healthcare | Conservation | Total | Education and Employability | Healthcare | Conservation | Total |
|-----------------------------------|--------------------------------|------------|--------------|-----------|--------------------------------|------------|--------------|-----------|
| | 2024 £ | 2024 £ | 2024 £ | 2024 £ | 2023 £ | 2023 £ | 2023 £ | 2023 £ |
| Grants to institutions: | | | | | | | | |
| Himalayan Youth Foundation | - | - | - | - | 3,000 | - | - | 3,000 |
| Myeloma UK | - | 3,793 | - | 3,793 | - | 5,208 | - | 5,208 |
| The Pangolin Project | - | - | 156,000 | 156,000 | - | - | - | - |
| DFN Project SEARCH | 72 | - | - | 72 | 4,818 | - | - | 4,818 |
| Undershaw Education Trust | 1,395 | - | - | 1,395 | 988 | - | - | 988 |
| Big Butterfly Count | - | - | - | - | - | - | 16,667 | 16,667 |
| Clifton College Development Trust | 186 | - | - | 186 | 95 | - | - | 95 |
| | 1,653 | 3,793 | 156,000 | 161,446 | 8,901 | 5,208 | 16,667 | 30,776 |

The figures reflected in the financial statements include the present value calculation of resources committed as required by the Charities SORP and as detailed in note 23. The below table reflects the cash payments made to each charity partner during the year.

| | Cash grant payments | |
|-----------------------------------|---------------------|-----------|
| | 2024 £ | 2023 £ |
| Grants to institutions | | |
| Himalayan Youth Foundation | - | 3,000 |
| Myeloma UK | 17,566 | 161,491 |
| The Pangolin Project | 104,000 | - |
| DFN Project SEARCH | 72 | 4,818 |
| Undershaw Education Trust | 15,000 | 15,273 |
| Big Butterfly Count | - | 16,667 |
| Clifton College Development Trust | 2,000 | 2,000 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

Myeloma UK

During the year £17,566 (2023 £161,491) was paid to Myeloma UK including a payment of £14,916 (2023 £161,491) made as part of the development programme funding commitment focusing on research and an additional payment of £2,650 (2023 Nil) in connection to a fundraising event. A charge of £1,143 (2023 £5,208) has been recognised as part of the unwinding of the commitment detailed in note 23. .

The Pangolin Project

During the year £104,000 (2023 Nil) was paid to The Pangolin Project of a total £156,000, £52,000 (2023 Nil) is payable to The Pangolin Project at the year end.

DFN Project SEARCH

During the year £72 (2023 £4,818) was paid to DFN Project SEARCH.

Undershaw Education Trust

During the year £15,000 (2023 £15,000) was paid to Undershaw Education Trust as part of the funding commitment for an education consultant. In 2023, £273 was additionally paid as support expenses. A charge of £1,395 (2023 £715) has been recognised as part of the unwinding of the commitment detailed in note 23.

Clifton College Development Trust

During the year £2,000 (2023 £2,000) was paid to Clifton College Development Trust as part of the funding commitment. A charge of £186 (2023 £95) has been recognised as part of the unwinding of the commitment detailed in note 23.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Three trustees (2023 Two) were reimbursed, or had expenses paid directly to third parties, a total of £1,246 (2023 £5,720) for expenses incurred throughout the year for various meetings with trustees, management and future business partnerships, and subscriptions in support of their charitable work.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

10 Support costs

| | Support costs | Governance costs | 2024 | 2023 | Basis of allocation |
|--|---------------|------------------|---------|---------|---------------------|
| | £ | £ | £ | £ | |
| Staff costs | 147,432 | - | 147,432 | 146,821 | Resources expended |
| Depreciation | 12,215 | - | 12,215 | 13,817 | Direct allocation |
| Property costs | 26,538 | - | 26,538 | 19,146 | Direct allocation |
| Website hosting | - | - | - | 594 | Resources expended |
| Administration costs | 50,706 | - | 50,706 | 19,288 | Resources expended |
| Education consultancy | 21,553 | - | 21,553 | 48,034 | Direct allocation |
| Public relations | 14,193 | - | 14,193 | 11,686 | Resources expended |
| Audit fees | - | 18,961 | 18,961 | 17,430 | Resources expended |
| Legal and professional fees | - | 10,559 | 10,559 | 14,627 | Resources expended |
| Trustees' expenses | - | 530 | 530 | 963 | Resources expended |
| Management expenses | - | 18,186 | 18,186 | 16,203 | Resources expended |
| Bank charges | - | 211 | 211 | 184 | Resources expended |
| Board expenses | - | 384 | 384 | 1,476 | Resources expended |
| | 272,637 | 48,831 | 321,468 | 310,269 | |
| Analysed between Charitable activities | 272,637 | 48,831 | 321,468 | 310,269 | |

The DFN Foundation initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

Where possible, support and governance costs are allocated directly to the relevant charitable activity. Remaining costs are allocated on the basis of the ratio of resources expended between the charitable activities.

As set out in note 5 the DFN Foundation raised monthly invoices (at cost) for support costs utilised by DFN Project SEARCH.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| | 2024 £ | 2023 £ |
|------------------------------|-----------|-----------|
| Audit of the annual accounts | 18,961 | 17,430 |

12 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 objects.

13 Employees

| Number of employees | 2024 Number | 2023 Number |
|---------------------|----------------|----------------|
| Management | 1 | 1 |

| Employment costs | 2024 £ | 2023 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 92,430 | 117,643 |
| Social security costs | 6,786 | 9,936 |
| Other pension costs | 10,944 | 19,242 |
| | 110,160 | 146,821 |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2024 Number | 2023 Number |
|-------------------|----------------|----------------|
| £70,000–£79,999 | 1 | - |
| £110,000–£119,999 | - | 1 |

In the year to 31 December 2024, one employee received remuneration between £70,000–£79,999 (2023 £110,000–£119,999: one employee). Remuneration for this purpose includes gross salary and the homeworking allowance. Contributions totalling £10,944 (2023 £19,242) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Employment costs noted above represent compensation paid to the Executive Director and the former CEO, who were both considered key management personnel in the year.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

The DFN Foundation shared a joint CEO with DFN Project SEARCH, whose employment at DFN Foundation ended in June 2024, leading to the end of this arrangement. The former CEO received total remuneration of £97,556 (2023 £146,821) for the year to 31 December 2024.

During the year the DFN Foundation raised monthly invoices for the time that the former CEO had devoted to DFN Project SEARCH. The former CEO's employment costs recharged to DFN Project SEARCH amounted to £82,774 (2023 £121,457) for the year.

14 Net gains/(losses) on investments

| | Total | Unrestricted funds |
|--|-----------|--------------------|
| | 2024 £ | 2023 £ |
| Revaluation of investments | 1,455,657 | 938,552 |
| Gains on sale of investments | 547,241 | 340,702 |
| Foreign exchange losses on investments | (69,868) | (49,619) |
| | 1,933,030 | 1,229,635 |

15 Other gains or losses

| | 2024 £ | 2023 £ |
|-------------------------|-----------|-----------|
| Foreign exchange losses | (1,902) | (5,275) |

Foreign exchange losses comprise of £1,902 (2023 £5,275) relating to realised currency losses and exchange rate differences.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

16 Tangible fixed assets

| | Land and buildings £ | Hydrotherapy pool £ | Furniture and equipment £ | IT equipment £ | Charity website £ | Total £ |
|------------------------------------|----------------------------|---------------------------|---------------------------------|----------------------|-------------------------|------------|
| Cost | | | | | | |
| At 1 January 2024 | 6,622,912 | 148,161 | 190,657 | 112,192 | 1,500 | 7,075,422 |
| At 31 December 2024 | 6,622,912 | 148,161 | 190,657 | 112,192 | 1,500 | 7,075,422 |
| Depreciation and impairment | | | | | | |
| At 1 January 2024 | - | 59,264 | 171,428 | 112,192 | 1,500 | 344,384 |
| Depreciation charged in the year | - | 7,408 | 4,807 | - | - | 12,215 |
| At 31 December 2024 | - | 66,672 | 176,235 | 112,192 | 1,500 | 356,599 |
| Carrying amount | | | | | | |
| At 31 December 2024 | 6,622,912 | 81,489 | 14,422 | - | - | 6,718,823 |
| At 31 December 2023 | 6,622,912 | 88,897 | 19,229 | - | - | 6,731,038 |

The carrying value of land included in land and buildings comprises:

| | 2024 £ | 2023 £ |
|----------|-----------|-----------|
| Freehold | 300,000 | 300,000 |

The purchase and renovation of the main Undershaw property, through which the DFN Foundation is delivering on part of its educational charitable objective is termed a mixed motive investment within the SORP FRS 102 as set out in note 19.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

17 Fixed asset investments

| | Listed investments £ | Unlisted investments £ | Total £ |
|-------------------------------------|----------------------------|------------------------------|-------------|
| Cost or valuation | | | |
| At 1 January 2024 | 4,644,053 | 9,118,855 | 13,762,908 |
| Additions | 3,054,530 | 119,931 | 2,925,580 |
| Valuation changes | 382,239 | 1,003,821 | 1,376,140 |
| Realised gains/(losses) on disposal | 547,241 | - | 547,241 |
| Disposals | (2,784,235) | | (2,784,235) |
| At 31 December 2024 | 5,843,828 | 10,242,607 | 16,086,435 |

Carrying amount

| | | | |
|---------------------|-----------|------------|------------|
| At 31 December 2024 | 5,843,828 | 10,242,607 | 16,086,435 |
| At 31 December 2023 | 4,644,053 | 9,118,855 | 13,762,908 |

| Other investments comprise: | Notes | 2024 £ | 2023 £ |
|-----------------------------|-------|-----------|-----------|
| Investments in subsidiaries | 32 | 1 | 1 |
| | | 1 | 1 |

| Investments at fair value comprise: | 2024 £ | 2023 £ |
|-------------------------------------|------------|------------|
| Unlisted investments | 10,242,607 | 9,118,855 |
| Listed investments | 5,843,828 | 4,644,053 |
| | 16,086,435 | 13,762,908 |

Fixed asset investments revalued

The investments held for long term capital growth and income growth potential are valued at the balance sheet date at fair value on the basis of:

Listed investments – year end market valuation

Unlisted investments – underlying net assets as valued by the fund manager

Notes to the financial statements (cont.)

for the year ended 31 December 2024

18 Debtors

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 29,774 | 10,627 |
| Prepayments and accrued income | 2,924 | 4,623 |
| | 32,698 | 15,250 |

19 Mixed motive investments

| | Freehold property | |
|----------------------------|-------------------|------------------|
| | 2024 £ | 2023 £ |
| At 1 January 2024 | 6,322,912 | 6,322,912 |
| At 31 December 2024 | 6,322,912 | 6,322,912 |

As noted in previous reports, in the summer of 2016 the Charity completed the development of Undershaw into a special purpose school to provide facilities to disabled children.

The property is held within fixed assets in accordance with Section 21.15 of the SORP. The carrying value of the social investment as at 31 December 2024 was £6,322,912.

The primary objective of this investment remains the furtherance of the Charity's objective to provide disabled students with access to educational provision improving access to employment, improved life skills and social communication.

The property continues to be leased to Undershaw Education Trust at a below market rate of rental, details of which are provided in note 31, and investment income from this property is considered of secondary importance to the furtherance of the Charity's objectives.

20 Financial instruments

| | 2024 £ | 2023 £ |
|---|------------|------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 29,774 | 10,627 |
| Instruments measured at fair value through profit or loss | 16,086,435 | 13,762,908 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 146,330 | 241,210 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

21 Creditors: amounts falling due within one year

| | 2024 £ | 2023 £ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 955 | 7,752 |
| Trade creditors | 6,577 | 7,496 |
| Other creditors | 92,827 | 53,786 |
| Accruals | 44,326 | 137,900 |
| | 144,685 | 206,934 |

22 Creditors: amounts falling due after more than one year

| | 2024 £ | 2023 £ |
|-----------------|-----------|-----------|
| Other creditors | 1,645 | 34,276 |

23 Funding commitments

Myeloma UK

In 2015, the DFN Foundation entered into a commitment to provide a grant to Myeloma UK (charity registered in Scotland – 026116) of £1,000,000 to fund a development programme focusing on research. An agreement was put in place including a timeline for the payment of the commitment. Myeloma UK raise invoices to the DFN Foundation periodically for the work completed on the research programme.

The ongoing commitment extending beyond the 12 months following the balance sheet date is carried at amortised cost using the effective interest method. Due to overpayments made in earlier periods, the effective interest rate fell from 5% to 2.6% for future periods. A charge of £1,143 has been recognised within the statement of financial activities (SOFA).

Remaining cash payments of £30,770 (discounted value £30,191) are due to Myeloma UK and projected to be made by the year ended 31 December 2025.

At the year end the funding commitment to Myeloma UK due within one year is calculated as £30,191 (2023 £21,700) and shown within other creditors in note 21. The commitment due after one year amounts to £nil (2023 £22,264) and is shown within other creditors note 22.

The DFN Foundation will continue to fund the commitment from current unrestricted cash reserves.

Undershaw Educational Consultant

In 2022, the charity entered into a commitment to jointly fund the position of an educational consultant for Undershaw Education Trust. The commitment was to provide £15,000 per year for three years.

The ongoing commitment extending beyond the 12 months following the balance sheet date is

Notes to the financial statements (cont.)

for the year ended 31 December 2024

calculated by the amortised cost method using an average return of investment rate calculated at 5% per annum. A charge of £1,395 has been recognised within the SOFA.

Remaining cash payments of £10,000 (discounted value £8,638) are due to Undershaw Educational Trust and projected to be made by the year ended 31 December 2025.

At the year end the funding commitment for the educational consultant due within one year is £8,638 (2023 £13,605) and shown within other creditors in note 21. The commitment due after one year amounts to £nil (2023 £8,639) and is shown within other creditors note 22.

Clifton College Development Trust

In 2022, the charity entered into a commitment with Clifton College Development Trust to provide £2,000 annually for five years.

The ongoing commitment extending beyond the 12 months following the balance sheet date is calculated by the amortised cost method using an average return of investment rate calculated at 5% per annum. A charge of £186 has been recognised within the SOFA.

At the year end the funding commitment due within one year is £1,728 (2023 £1,814) and shown within other creditors note 21. The commitment due after one year amounts to £1,645 (2023 £3,373) and is shown within other creditors note 22.

24 Contingent asset

As noted in the Trustees' report, in assessing current and future projects and the resources that may be absorbed, the Board maintain a review over income that may be expected to arise (with a reasonable degree of certainty) over the same period.

The Trustees' report refers to a potential income stream that has been made available to the DFN Foundation by the Executive Chair arising from the inclusion of the DFN Foundation within the profit share arrangements for a number of investments to which the Executive Chair is a party.

It should be noted that the potential for future income is only available if each investment achieves a given level of performance over a minimum hurdle rate of return throughout the investment cycle; failure to achieve the given level will result in no income. It should also be noted that the DFN Foundation is participating in a profit share arrangement and the success (or otherwise) of each investment will not result in any future liability or additional commitment for the DFN Foundation.

At the year end the success (or otherwise) of achieving the given level of performance is unknown.

The bullets below set out the estimated sums and the anticipated time scale. Both the sums and time scale are based on a number of estimates and assumes that the set performance criteria are achieved over the remaining life of each investment. On this basis the Board are of the view that the application of present value calculations to the figures below would not be appropriate.

- Potential receipt in year ended 31 December 2027 £779,158
- Potential receipt between 2025 and 2028 £79,566

Notes to the financial statements (cont.)
for the year ended 31 December 2024

The Board have determined that the estimation of future income for the purposes of the contingent asset note be reviewed annually. At each year end, where it is probable that future cash inflows arising from an investment can be measured reliably the income will be recognised in the Financial Statements.

No cash receipts were received from the above investments during 2024 (2023 £nil). At the year end no income has been recognised in respect of future years (2023 £nil).

25 Retirement benefit schemes

| Defined contribution schemes | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Charge to profit or loss in respect of defined contribution schemes | 10,944 | 19,242 |

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The Charity contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Charity with respect to the scheme is to make the specified contributions.

At the current time the sole employee of the DFN Foundation has chosen to have contributions paid to a separate personal pension, rather than the DFN Foundation's pension scheme. The offered defined contribution pension scheme is therefore not used by any current employees.

26 Financial commitments, guarantees and contingent liabilities

Investments

The DFN Foundation holds a portfolio which includes a range of investments. Within this portfolio are specialist investment vehicles which are held as unquoted fixed asset investments. The nature of this investment fund requires the DFN Foundation to make capital payments over a multi-year period of up to an amount which the DFN Foundation had committed to on application. Within this period, and as other investors join the fund, the DFN Foundation can be entitled to capital repayments as equalisation. Within the overall commitment of funds the timing and magnitude of each capital payment, or any equalisation repayments, are not subject to a set timetable.

At the year end the DFN Foundation had outstanding commitments under two investments of £2,728,779 (2023 two investments of £2,374,203).

Notes to the financial statements (cont.)

for the year ended 31 December 2024

27 Restricted funds

Details of restricted income and expenditure for the current and previous year are detailed below:

| Movement in funds | | | | | | |
|-------------------|---------------------------------|-----------------------|-----------------------|-----------|--------------------------------------|-----------------------------------|
| | Balance at 1 January 2024 | Incoming resources | Resources expended | Transfers | Revaluations, gains and losses | Balance at 31 December 2024 |
| | £ | £ | £ | £ | £ | £ |
| DFN MoveForward | 73,504 | - | - | (73,504) | - | - |
| | 73,504 | - | - | (73,504) | - | - |
| | Balance at 1 January 2023 | Incoming resources | Resources expended | Transfers | Revaluations, gains and losses | Balance at 31 December 2023 |
| | £ | £ | £ | £ | £ | £ |
| DFN MoveForward | 227,663 | - | (154,159) | - | - | 73,504 |
| | 227,663 | - | (154,159) | - | - | 73,504 |

DFN MoveForward

DFN MoveForward was an employability programme built on the tried and tested work of ThinkForward with the purpose to support and help young people with mild to moderate learning disabilities into sustainable paid employment.

As the lead commissioner through a Social Impact Bond, and with the aid of generous donations from supportive partner organisations, the DFN Foundation set aside in total £1,000,000 to assist in the funding of the DFN MoveForward Project over 5 years, commencing in 2018.

The Government's Life Chances Fund worked with the DFN Foundation within the Social Impact Bond to provide match funding in addition to the DFN Foundation's commitment.

Funds were advanced to ThinkForward on the basis of set sums as verified key goals were achieved by each young person as they moved through the programme to sustained paid employment. Were any of the key goals not met, the DFN Foundation and its partners were not obligated to provide funds.

The impact of COVID-19 necessitated a review of the delivery of the programme.

In response to the limitations of the lockdown and social distancing rules, the DFN Foundation worked with ThinkForward to focus the work towards an activities based approach.

The DFN MoveForward programme ended in April 2024 and did not reach the anticipated £1,000,000 commitment. These accounts reflect a transfer of £73,504 to the unrestricted fund.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

28 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations which are not subject to specific conditions by donors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds for specific purposes, as set out below:

| | At 1 January 2024 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 December 2024 |
|---------------|-------------------------|-----------------------|-----------------------|-----------|---------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Myeloma UK | 43,964 | - | (13,773) | - | - | 30,191 |
| General funds | 21,300,935 | 319,012 | (581,148) | 73,504 | 1,931,128 | 23,042,748 |
| | 21,344,899 | 319,012 | (594,921) | 73,504 | 1,931,128 | 23,072,939 |

| | At 1 January 2023 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 December 2023 |
|---------------|-------------------------|-----------------------|-----------------------|-----------|---------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| Myeloma UK | 200,247 | - | (156,283) | - | - | 43,964 |
| General funds | 20,013,005 | 320,068 | (256,498) | - | 1,224,360 | 21,300,935 |
| | 20,213,252 | 320,068 | (412,781) | - | 1,224,360 | 21,344,899 |

Funds have been designated by the Trustees to settle funding commitments to Myeloma UK. The terms of the funding commitment are as specified within note 23.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

29 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Designated funds | Total |
|------------------------------|--------------------|------------------|------------------|------------|
| | 2024 | 2024 | 2024 | 2024 |
| | £ | £ | £ | £ |
| At 31 December 2024 | | | | |
| Tangible assets | 6,718,823 | - | - | 6,718,823 |
| Investments | 16,086,435 | - | - | 16,086,435 |
| Current assets/(liabilities) | 239,135 | - | 30,191 | 269,326 |
| Long term liabilities | (1,645) | - | - | (1,645) |
| | 23,042,748 | - | 30,191 | 23,072,939 |
| | Unrestricted funds | Restricted funds | Endowment funds | Total |
| | 2023 | 2023 | 2023 | 2023 |
| | £ | £ | £ | £ |
| At 31 December 2023 | | | | |
| Tangible assets | 6,731,038 | - | - | 6,731,038 |
| Investments | 13,762,908 | - | - | 13,762,908 |
| Current assets/(liabilities) | 841,265 | 73,504 | 43,964 | 958,733 |
| Long term liabilities | (34,276) | - | - | (34,276) |
| | 21,300,935 | 73,504 | 43,964 | 21,418,403 |

30 Operating lease receipts lessor

The DFN Foundation continued to lease the freehold building and grounds to Undershaw Education Trust. In accordance with the terms of the lease Undershaw Education Trust shall use the Undershaw property for the provision of education.

The current tenant repairing and insuring lease is for a period of 10 years which commenced on 1 September 2019, with future rent payments continuing on 1 January, 1 May and 1 September. The sums charged in the year remain below the full market rate. An additional rental charge is made for reimbursement of the premium to insure the building.

The DFN Foundation has expressed its long term support of Undershaw Education Trust.

At the Balance Sheet date the School had contracted with the DFN Foundation for the following minimum lease payments:

| | 2024 | 2023 |
|----------------------------|---------|---------|
| | £ | £ |
| Within one year | 100,000 | 100,000 |
| Between two and five years | 366,667 | 400,000 |
| In over five years | - | 66,667 |
| | 466,667 | 566,667 |

Notes to the financial statements (cont.)

for the year ended 31 December 2024

31 Transactions with related parties

During the year the DFN Foundation entered into the following transactions with related parties:

| | Leases | |
|----------------------------------|----------------|----------------|
| | 2024 £ | 2023 £ |
| Undershaw Education Trust | | |
| Rental income | 100,000 | 100,000 |
| Reimbursement of insurance | 14,638 | 14,458 |
| | 114,638 | 114,458 |

Undershaw Education Trust

Undershaw Education Trust (Registered Charity – 1039622) is a related party due to the significant influence the Board of Trustees of the DFN Foundation has over the Board of Undershaw Education Trust. Undershaw Education Trust was granted the right to use the property of Undershaw as a school site, under the terms of a lease agreement, for a fee below that of market rental.

Grants of £1,395 were made to Undershaw Education Trust in the year ending 31 December 2024 (2023 £988).

At the year end the DFN Foundation owed £10,000 to Undershaw Education Trust (2023 £25,000) for funding commitments as detailed in note 23.

DFN Project SEARCH

DFN Project SEARCH was considered a related party of the DFN Foundation following the appointment of a joint CEO in 2020.

The transactions between the two organisations are:

A grant of £72 was paid to DFN Project SEARCH by DFN Foundation during the year (2023 £4,818) as reported in note 8.

Charges made at cost for the services of the CEO of £82,774 (2023 £121,457) as reported in note 5. The CEO's employment at DFN Foundation ended in June 2024, leading to the end of this arrangement with DFN Project SEARCH.

Shared office facilities of £18,192 (2023 £4,500) and other expenses of £1,968 (2023 £304) were also recharged to DFN Project SEARCH during the year.

The DFN Foundation received the services of the Director of Finance employed by DFN Project SEARCH for which invoices were raised at cost totalling £17,650 (2023 £15,904) plus irrecoverable VAT relating to the recharges amounting to £473 (2023 £nil). These costs are reported within management expenses in note 10. The Director of Finance is considered key management personnel.

Notes to the financial statements (cont.)

for the year ended 31 December 2024

At the year end the DFN Project SEARCH owed DFN Foundation £29,258 (2023 £10,109). This balance is reported within other debtors in note 18.

32 Subsidiaries

In keeping with its statutory obligations, the Board has arranged for separate Financial Statements for the period to 31 December 2024 to be prepared for the subsidiary. The Board have not prepared consolidated Financial Statements as the relevant thresholds which require such treatment were not exceeded in the year under review.

Details of the charitable company's subsidiaries at 31 December 2024 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct |
|---------------------|-------------------|--------------------|----------------------|---------------|
| DFN Events Limited | UK | Dormant company | Ordinary | 100.00 |

33 Cash generated from operations

| | 2024 £ | 2023 £ |
|---|------------------|--------------------|
| Surplus for the year | 1,656,438 | 982,763 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (190,330) | (183,007) |
| Foreign exchange loss on investments | 69,868 | 49,619 |
| Gain on disposal of investments | (547,241) | (340,702) |
| Fair value gains and losses on investments | (1,455,657) | (938,552) |
| Depreciation and impairment of tangible fixed assets | 12,215 | 13,817 |
| Movements in working capital: | | |
| (Increase) in debtors | (17,448) | (9,297) |
| (Decrease) in creditors | (95,150) | (659,148) |
| Cash absorbed by operations | (567,305) | (1,084,507) |

Fivefields
8–10 Grosvenor Gardens
London
SW1W 0DH

020 3432 3402
info@dfnfoundation.org

© David-Forbes Nixon Family Charitable Foundation
Registered Charity No. 1155919 | Registered Company No. 08906571 (England and Wales)