

THE VANDERVELL FOUNDATION

Annual Report and Accounts

For the Year Ended 31 December 2021

Charity Registration Number: 255651

THE VANDERVELL FOUNDATION
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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THE VANDERVELL FOUNDATION
TRUSTEE'S ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

LEGAL AND ADMINISTRATIVE DETAILS

Full Name of Charity and Registered Number

The Vandervell Foundation
255651

Bankers

Opened February 2021

CAF Bank
25 Kings Hill
West Malling
Kent. ME19 4JQ

Closed July 2021

Coutts & Co
440 The Strand
London
WC2R 0QS

Governing Document

Trust deed created on 5 April 1968 by
The Vandervell Foundation Limited.
The charity is constituted as an
unincorporated association.

Auditors and Accountants

Sawin & Edwards LLP
Studio 16, Cloisters House
8 Battersea Park Road
London
SW8 4BG

Investment Managers

Evelyn Partners (previously Smith & Williamson)
45 Gresham Street
London
EC2V 7BG

Custodian Trustee Company

The Vandervell Foundation Limited
Hampstead Town Hall Centre
213 Haverstock Hill
London
NW3 4QP

Barclays Wealth
1 Churchill Place
London
E14 5HP

Directors of Trustee Company

M E A Bate
H A Mimpriss (resigned 2.12.2021)
D Lewis
M Godfrey (appointed 2.12.2021)

Principal Office

Hampstead Town Hall Centre
213 Haverstock Hill
London
NW3 4QP

Senior Staff Member

V Kaye - Administrator

THE VANDERVELL FOUNDATION

TRUSTEE'S ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustee presents its report together with the financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements. Legal information set out on page 1 form part of this report. The financial statements comply with the charity's trust deed, the Charities Act 2011 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) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Vandervell Foundation is registered as a charity with the Charity Commission, number 255651. The charity is constituted as an unincorporated association, established by a Declaration of Trust dated 5 April 1968 by the Vandervell Foundation Limited, which is the trustee of the charity.

Appointment of trustees

The statutory power of appointing new trustees applies to the charity.

Induction and training of trustees

Trustees are familiar with their legal obligations under charity law. New directors of the Trustee are expected to familiarise themselves with the Trust deed and attendance at meetings is encouraged in order to understand the decision-making processes and recent financial performance of the charity.

Organisation

All activities of the Foundation are directly administered by the directors of the Trustee. The directors of the Trustee meet on a regular basis. The activities are administered at the Principal Office.

The general administration of the charity is undertaken by the administrator, appointed by the directors of the Trustee. The charity delegates the day-to-day management of its investments to two independent investment management companies.

Risk Management

The principal risk faced by the Foundation lies in the performance of investments. The trustee considers variability of the investment returns and fall in the market value of the investments held to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio. The main risks identified by the two investment managers are listed below:

(1) Barclays Wealth

The main risk to the charity from investments arises from the combination of uncertain investment markets and volatility in income. Through providing an investment framework which the professional investment manager is assessed against, this allows them to aim to provide the best return possible through investing in diversified asset classes to achieve the desired investment objectives of the charity.

All the charity's investments are carried at their fair value with investments traded in quoted public markets, primarily the London Stock Exchange and other global stock exchanges. Holdings in common investment funds, unit trusts and open-ended investment companies are at the mid-price. The basis of fair value for quoted investments is equivalent to the market value, using the mid-price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

THE VANDERVELL FOUNDATION

TRUSTEE'S ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management (continued)

(1) Barclays Wealth (continued)

The length of time that investments are held can be seen as a risk and the directors of the Trustee are comfortable investing for the long term and are using the services of a professional investment manager, aimed to make superior returns compared to earning interest from holding cash at a bank. The directors of the Trustee have instructed the professional investment managers to take the view that the investment time horizon for the investment portfolio is to be held for the longer term and historic studies of quoted financial instruments have shown that volatility in any particular five-year period will normally be corrected which should result in steady returns over the long term.

The charity is exposed to liquidity risk, credit risk or other market risks, for example, interest rate or currency risk as some of the investments will be held which may fall or rise in line with markets and the professional investment manager takes these into consideration in their investment decisions. The charity's investment portfolio has a functional currency of Pounds Sterling while several of its investments are held in foreign currencies. As a result, it is subject to foreign currency exchange risk due to exchange rate movements. To manage the foreign exchange risk the investment manager can use certain financial instruments to minimise its exposure to exchange rate movements. The charity's investment portfolio may be exposed to interest rate risk by way of its fixed rate investments that it holds. To manage the risk, the investment portfolio can use interest rate derivatives to minimise its exposure to interest rate movements. Liquidity risk is the risk that the charity may encounter in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the charity's investment holdings. The charity's investment portfolio has minimal exposure to counterparty contractual obligations due to the nature of its investment holdings.

(2) Evelyn Partners

Evelyn Partners consider the following as general risks to the portfolio, which retains the capacity to invest across all asset classes:

i. Liquidity risk

This is the risk that an investment cannot be bought or sold quickly enough to prevent or minimise loss. Under certain trading conditions it may be difficult or impossible to buy or sell an instrument at a reasonable price or at all. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that trading is suspended or restricted by the relevant market. The liquidity of an instrument is directly affected by the supply and demand for that instrument. Liquidity risk can be reflected in large differences between buying and selling prices, and large and rapid price movements. Lack of liquidity can also push assets higher than their asset value leading to gains.

ii. Credit or counterparty risk

This is the risk of loss caused by banks, bond issuers, bond guarantors or counterparties failing to fulfil their obligations, or the risk of their creditworthiness deteriorating.

iii. Market risk

The price of an investment depends on market supply and demand and fluctuations in financial markets. Overseas investments, or investments with an overseas element, may involve risks different from those applying in the domestic market. Price volatility in less developed markets, in particular, can be extreme as they may lack the level of transparency, liquidity, efficiency, market infrastructure and regulation that is found in more developed markets.

THE VANDERVELL FOUNDATION

TRUSTEE'S ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management (continued)

(2) Evelyn Partners (continued)

iv. Currency risk

Transactions in currencies, including securities in currencies other than that in which the portfolio is based, will be affected by movements in exchange rates which can create or increase a loss. Currency movements are linked to many economic, political and social factors and can be rapid. Some countries have foreign exchange controls which may include suspending the ability to exchange or transfer currency, which may cause difficulty in completing transactions in investments denominated in that currency. Hedging aims to reduce or eliminate currency risk.

v. Interest rate risk

The relative value of a security, such as a bond, may fall when interest rates rise. Rising interest rates may particularly affect investments in companies or funds which have high levels of borrowings.

vi. Legal, political and regulatory risk

Legal, political and regulatory risks are unpredictable and depend on many factors. The risks apply anywhere but are greater in less developed overseas markets where there is generally less government supervision of business and industry practices, markets and stock exchanges. The laws and regulations that are familiar in developed markets may not exist in some places and where they do, may be subject to inconsistent or arbitrary application and may be changed with retrospective effect. Investors may encounter difficulties in pursuing legal remedies or in obtaining or enforcing judgements in overseas courts.

vii. Operational risk

Operational risks, such as breakdowns or malfunctioning of essential systems and controls or IT systems, can affect all financial products. Business risk, such as the risk that a business is run incompetently or poorly, could affect investors in any company.

viii. Concentration risk

Concentration risk is the lack of diversification in a portfolio. If a large percentage is invested in any one currency, security, country or issuer then fluctuations in value can have a disproportionate effect.

We retain a significant cash balance within the portfolio at all times in order to meet the Foundation's short term income requirements, given the deficit between these and the portfolio's actual income yield.

OBJECTIVES AND ACTIVITIES

Objects

The Trustee has power to pay or apply all or part of the capital and income of the fund to any one or more of the charitable objects, the charitable objects being such charitable persons or purposes that the Trustee shall in its uncontrolled discretion determine.

In achieving these objects the Trustee awards grants to institutions, primarily in the fields of education, social welfare and medical research.

Aims and objectives for the year

During the year, income has been distributed to, or for, the benefit of various charitable bodies in accordance with the terms of the Settlement deed dated 5 April 1968.

Significant activities

Details of significant grant payments can be found in note 7 of the financial statements.

THE VANDERVELL FOUNDATION

TRUSTEE'S ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES (continued)

Grant Making Policy

The Foundation receives regular applications from a wide range of institutions over a wide spectrum of activities, but primarily in the fields of education, medical care and research, the performing arts, environmental regeneration and social welfare.

All applications are considered individually by one of the directors and by the administrator of the Trustee. Grants are reviewed by the Board of the Trustee which meets every other month. The awarding of grants is based upon the Board's assessment of the degree of need and the merit of the applicants' request.

Particulars of the grants awarded are set out in note 7 to the financial statements.

Public benefit

The Board has due regard to the requirements of Section 17 of the Charities Act 2011 and the guidance issued thereunder by the Charity Commission and is satisfied that the public benefit requirement is complied with having regard to the number and variety of the causes which are supported by the Foundation.

ACHIEVEMENT AND PERFORMANCE

A total value of £364,500 (2020: £352,000) was provided by way of grants to institutions predominantly in the fields of education, medical care and research, the performing arts, environmental regeneration and social welfare. This represented an increase of 3.6% over the corresponding figure for the previous year.

FINANCIAL REVIEW

Investment and Reserves Policy

The Foundation was established and has been funded exclusively by the estate of the late G A Vandervell. The estate was wound up during 2003 and there will therefore be no further donations from the estate.

The trustee therefore considers that the donations from the estate form an expendable endowment of the Foundation.

Those funds are invested in income yielding investments and short-term cash deposits to meet current commitments.

The Trustee expects the yield from investments will be sufficient to cover the Foundation's grant funding activities and therefore wishes to maintain the Foundation's total funds at approximately the current level. The balance of unrestricted funds held at 31 December 2021 amounted to £8,132,139 (2020: £7,679,161), of which £8,132,032 (2020: £7,678,940) are regarded as free reserves, after allowing for funds tied up in tangible fixed assets.

The Foundation has two professional investment advisers as stated on page 1. The investment objective is to provide a balanced return from income and capital growth within the constraints of a medium to low-risk investment portfolio. The total return on all investments, before fees, for 2021 was 3.14% (2020: 3.06%).

Financial Review

Details of Income and Expenditure are given on the Statement of Financial Activities within the financial statements. The charity's principal funding source is investment income. Total incoming resources increased by 6.5% during 2021 to £248,051 (2020: £232,904).

Expenditure on charitable activities during 2021 included £364,500 on grants and donations, an increase of 3.6% on the prior year (2020: £352,000). The proportion of the Foundation's total expenditure attributable to charitable activities has decreased from 90.7% in 2021 to 91.8% in 2020.

THE VANDERVELL FOUNDATION
TRUSTEE'S ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW (continued)

Financial Results

	Year ended 31 December <u>2021</u> £	Year ended 31 December <u>2020</u> £
Net expenditure before other recognised gains and losses	(213,716)	(207,862)
Gains/(losses) on investments	666,694	(160,495)
Net increase/(decrease) in funds for the year	<u>£452,978</u>	<u>£(368,357)</u>

PLANS FOR FUTURE PERIODS

The trustee plans to continue the work of the Foundation in support of the areas which it has traditionally supported. It is their present intention to maintain charitable expenditure at the level achieved in the current year. However, in the current uncertain investment climate, this decision must be kept under review so as to ensure that the Foundation's capital base is not thereby too adversely affected.

This Annual Report was approved by the Trustee on 8 October 2022 and signed on its behalf by:

M E A Bate
 Director – The Vandervell Foundation Limited (Trustee)

THE VANDERVELL FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The charity's trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is 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 the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustee is aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustee has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

THE VANDERVELL FOUNDATION

YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE VANDERVELL FOUNDATION

We have audited the financial statements of The Vandervell Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE VANDERVELL FOUNDATION

YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE VANDERVELL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 7, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or has 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 144/145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made of having effect thereunder.

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

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

- Discussions were held with the directors of the trustee company with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.
- The following laws and regulations were identified as being of significance to the charity:
 - Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Charities Act, Tax and Pensions legislation.
 - It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity.
- Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

THE VANDERVELL FOUNDATION**YEAR ENDED 31 DECEMBER 2021****INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE VANDERVELL FOUNDATION**

- No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the charity's trustee, 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 charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Sawin & Edwards LLP
Statutory Auditor

Studio 16, Cloisters House
8 Battersea Park Road
London
SW8 4BG

8 October 2022

Sawin & Edwards LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of the company under section 1212 of the Companies Act 2006.

THE VANDERVELL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021
UNRESTRICTED FUNDS

		<u>Income Account</u> £	<u>EXPENDABLE ENDOWMENT Trust Fund Account</u> £	<u>2021 Total Funds</u> £	<u>Unrestricted Funds 2020 Total Funds</u> £
	Note				
INCOME					
Investment Income:					
Investment income – from investments traded on the UK Stock Exchange	3	248,048	-	248,048	227,839
Bank interest received		3	-	3	212
Other income		-	-	-	4,853
TOTAL INCOME		<u>248,051</u>	<u>-</u>	<u>248,051</u>	<u>232,904</u>
EXPENDITURE					
Costs of raising funds:					
Investment management costs	4	42,733	-	42,733	35,914
Expenditure on charitable activities	6	419,034	-	419,034	404,852
TOTAL EXPENDITURE		<u>461,767</u>	<u>-</u>	<u>461,767</u>	<u>440,766</u>
NET EXPENDITURE AND NET MOVEMENT IN FUNDS BEFORE LOSSES ON INVESTMENTS					
		(213,716)	-	(213,716)	(207,862)
NET (LOSSES)/GAINS ON INVESTMENTS					
Net unrealised gains/(losses) on investments	11	-	635,702	635,702	(117,644)
Net realised gains/(losses) on sale of investments	11	-	30,992	30,992	(42,851)
NET (EXPENDITURE)/INCOME		<u>(213,716)</u>	<u>666,694</u>	<u>452,978</u>	<u>(368,357)</u>
GROSS TRANSFERS BETWEEN FUNDS					
Transfer Income account deficit		213,716	(213,716)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>-</u>	<u>452,978</u>	<u>452,978</u>	<u>(368,357)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 January 2021		-	7,679,161	7,679,161	8,047,518
Total funds carried forward at 31 December 2021		<u>£ -</u>	<u>£8,132,139</u>	<u>£8,132,139</u>	<u>£7,679,161</u>

THE VANDERVELL FOUNDATION**BALANCE SHEET****AT 31 DECEMBER 2021**

	Notes	<u>2021</u> £	<u>2020</u> £
FIXED ASSETS			
Tangible assets	10	107	221
Investments	11	7,894,972	7,452,412
		<u>7,895,079</u>	<u>7,452,633</u>
CURRENT ASSETS			
Debtors	12	4,135	8,340
Cash at bank and in hand	13	94,329	1,000
Short term deposits	13	166,886	235,561
		<u>265,350</u>	<u>244,901</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(28,290)	(18,373)
NET CURRENT ASSETS		<u>237,060</u>	<u>226,528</u>
NET ASSETS		<u><u>£8,132,139</u></u>	<u><u>£7,679,161</u></u>
FUNDS			
Trust fund account – Expendable Endowment		8,132,139	7,679,161
Income account – Unrestricted fund		-	-
		<u><u>£8,132,139</u></u>	<u><u>£7,679,161</u></u>

The financial statements on pages 11 to 23 were approved by the Trustee on 8 October 2022 and are signed on its behalf by:

M E A Bate
Director - The Vandervell Foundation Limited (Trustee)

THE VANDERVELL FOUNDATION**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	<u>2021</u> £	<u>2020</u> £
Net cash used in operating activities	20	(447,531)	(432,580)
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends		248,048	227,839
Interest income		3	212
Purchase of investments		(1,984,401)	(838,448)
Proceeds from sale of investments		2,208,535	1,079,558
		<hr/>	<hr/>
		472,185	469,161
		<hr/>	<hr/>
Increase in cash and cash equivalents in the year		24,654	36,581
Cash and cash equivalents at the beginning of the year		236,561	199,980
Total cash and cash equivalents at the end of the year	13	<u>£261,215</u>	<u>£236,561</u>

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value, unless otherwise stated in the relevant note to the accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Vandervell Foundation constitutes a public benefit entity, as defined by FRS102.

The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern.

The financial statements cover the individual entity. The functional and presentation currency is Sterling.

With respect to the next reporting period, 2022, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

b) Nature and format of funds

The Trustee has uncontrolled discretion in applying funds of the charity to any charitable purpose or person, and accordingly the funds of the charity are unrestricted. The activities and financial position are disclosed as follows:

Expendable Endowment

These funds represent the sums received from the Vandervell Will Trust, which under the terms of the Will are to be treated as the Foundation's "capital" but can be utilised for the charity's objectives, if there are insufficient funds on the Income Account. The Expendable Endowment consists of:

Trust Fund Account

Realised and unrealised profits and losses on fixed asset investments are taken through the Statement of Financial Activities and then transferred to/from the Trust Fund Account.

Income Account

All other incoming or expended resources not reflected in the Trust Fund Account are taken through the Statement of Financial Activities and then transferred to/from the Income Account.

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

c) Income

Income is included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. Income is categorised as follows:

- Investment income comprises of gross amounts received by way of dividends and interest. It is accounted for on an accruals basis and forms part of the unrestricted income account.
- Other income comprises of the receipts of any resources which the charity has not been able to analyse within the main income categories and forms part of the unrestricted income account. In 2020, other income comprised Government grants from the Coronavirus Job Retention Scheme. Grants that become receivable as compensation for expenses, or losses incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, are recognised in income, in the period in which it becomes receivable.

d) Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be received and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of VAT. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings.

- Costs of raising funds comprise the costs of managing the fixed asset investments of the organisation.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

e) Grants Payable

Grants payable are payments made to third parties, in the furtherance of the charitable objects of the charity.

The liability for grants payable is recognised in the year in which the offer is made. The amount charged to the Statement of Financial Activities for the year comprises both grants paid in the year together with the commitment in respect of future payments due within one year. The commitment in respect of grants payable within one year are included in creditors, where the commitment has been communicated in writing, prior to the balance sheet date.

f) Allocation of governance and support costs

Support costs have been allocated between governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit and legal fees, together with the apportionment of overhead and support costs.

Governance and support costs have been apportioned based on the number of individual grant awards made, in recognition that the administrative costs are broadly equivalent. The allocation of governance and support costs is analysed in note 5.

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

g) Fixed Assets

Fixed assets are initially recognised at cost and are subject to impairment review.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	25% straight line
Plant and machinery	25% straight line

All assets which have a useful economic life of more than one year are capitalised at cost. Assets costing less than £100 are not capitalised.

h) Fixed Asset - Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair values, as at the balance sheet date, using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Income from investments is recognised on an accruals basis and forms part of the unrestricted Income Account.

i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities, as they arise and credited to the Trust Fund account.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value.

j) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

k) Cash and cash equivalent

Cash and cash equivalent includes cash at bank and short term deposits held with the investment managers.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors are normally recognised at their settlement amount.

m) Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the terms of the lease.

n) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments which are subsequently measured at the quoted market value ruling at the balance sheet date.

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2. TAXATION

No provision for taxation has been made as the Foundation is a charity as defined by Section 467 of the Corporation Taxes Act 2010 and as such is exempt from taxation of its income and gains to the extent that they are applied for its charitable purposes.

3. INVESTMENT INCOME

All investment income is derived from investments traded on the UK stock exchange. Investment income is analysed as follows:

	<u>2021</u>	<u>2020</u>
	£	£
UK equities	110,801	112,632
UK unit trusts	76,627	59,221
Property income	4,141	1,421
Overseas equities	56,479	54,565
	<u>£248,048</u>	<u>£227,839</u>

4. INVESTMENT MANAGEMENT COSTS

	<u>2021</u>	<u>2020</u>
	£	£
Investment management charges	42,733	35,914
	<u>£42,733</u>	<u>£35,914</u>

5. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those support costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated to the charitable activity undertaken in the year. Refer to table below for the basis of apportionment and analysis of support and governance costs.

	<u>Other</u>	<u>Governance</u>	<u>Total</u>	<u>Total</u>	<u>Basis of</u>
	<u>Support</u>	<u>Related</u>	<u>2021</u>	<u>2020</u>	<u>Allocation</u>
	Costs	Costs	£	£	
	£	£			
Accountancy	-	9,062	9,062	9,798	Governance
Audit	-	3,000	3,000	3,000	Governance
Professional fees	-	72	72	72	Governance
Management charges	12,000	912	12,912	12,876	Actual
Rent, rates and office expenses	7,612	4,099	11,711	11,412	Usage
Salaries and NI	11,213	6,037	17,250	14,941	Staff time
Bank charges and interest	-	413	413	639	Governance
Depreciation	74	40	114	114	Usage
	<u>£30,899</u>	<u>£23,635</u>	<u>£54,534</u>	<u>£52,852</u>	

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

5. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

The total governance and support costs attributable to charitable activities are then apportioned pro-rata, to the number of grants awarded.

Allocation of governance and other support costs

	<u>2021</u>	<u>2020</u>
	£	£
Advancement of education	5,659	4,939
Medical care and research	18,521	17,288
Performing arts	2,058	3,458
Environmental regeneration	515	988
Social welfare	27,781	26,179
	<u>£54,534</u>	<u>£52,852</u>

6. ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making and awards grants to a number of institutions in furtherance of its charitable activities.

	<u>Grant Funded Activity</u>	<u>Support & Governance Costs</u>	<u>Total 2021</u>	<u>2020</u>
	£	£	£	£
Funded from unrestricted funds:				
Advancement of education	57,500	5,659	63,159	61,939
Medical care and research	100,000	18,521	118,521	105,288
Performing arts	39,000	2,058	41,058	38,458
Environmental regeneration	3,000	515	3,515	5,988
Social welfare	165,000	27,781	192,781	193,179
	<u>£364,500</u>	<u>£54,534</u>	<u>£419,034</u>	<u>£404,852</u>

7. ANALYSIS OF GRANTS

		<u>2021</u>	<u>2020</u>
		£	£
Grants to institutions	(Number of grants: 106 2020: 107)	364,500	352,000
		<u>£364,500</u>	<u>£352,000</u>

All grants have been made in accordance with the Trust Deed and are accounted for when approved.

		<u>2021</u>	<u>2020</u>
		£	£
Analysis of grants to institutions			
Advancement of education	(Number of grants: 11 2020: 10)	57,500	57,000
Medical care and research	(Number of grants: 36 2020: 35)	100,000	88,000
Performing arts	(Number of grants: 4 2020: 7)	39,000	35,000
Environmental regeneration	(Number of grants: 1 2020: 2)	3,000	5,000
Social welfare	(Number of grants: 54 2020: 53)	165,000	167,000
		<u>£364,500</u>	<u>£352,000</u>

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

7. ANALYSIS OF GRANTS (continued)

Material grants made to institutions included in the above were as follows:

	<u>2021</u>	<u>2020</u>
	£	£
Arts Education School Tring Park	15,000	15,000
British Exploring Society	15,000	15,000
King's College London School of Medicine	15,000	15,000
The Outward Bound Trust	-	7,000
Lifeboats	5,000	-
Barts and The London	-	15,000
University of Plymouth	7,500	7,500
University of Exeter	15,000	7,500
English National Ballet	-	5,000
St John's Hospice	5,000	5,000
University of Nottingham	15,000	-
City & Guilds	18,000	-
The Anne Frank Trust UK	-	5,000
Fareshare	-	5,000
Hampstead Theatre	-	5,000
St Joseph's Hospice	5,000	5,000
London's Air Ambulance	7,000	7,000
Prisoner's Education Trust	5,000	5,000
Roy Castle Lung Cancer Foundation	<u>5,000</u>	<u>5,000</u>

8. STAFF SALARIES

	<u>2021</u>	<u>2020</u>
	£	£
Salaries	17,250	17,232
Social security costs	-	(2,291)
	<u>£17,250</u>	<u>£14,941</u>

The charity directly employs one person on a part time basis (2020: 1). The staff costs above also represent the key management personnel remuneration for their services to the charity.

No employee has employee benefits in excess of £60,000 per annum (2020: None).

9. AUDITORS' REMUNERATION

	<u>2021</u>	<u>2020</u>
	£	£
Audit fees	3,000	3,000
Accountancy and other services	9,062	9,798
	<u>£12,062</u>	<u>£12,798</u>

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

10. TANGIBLE FIXED ASSETS	<u>Computer Equipment</u> £	<u>Plant & Machinery</u> £	<u>Total</u> £
Cost			
At 1 January 2021	1,918	300	2,218
Additions	-	-	-
	<u>1,918</u>	<u>300</u>	<u>2,218</u>
At 31 December 2021			
	<u>1,918</u>	<u>300</u>	<u>2,218</u>
Depreciation			
At 1 January 2021	1,697	300	1,997
Charge for year	114	-	114
	<u>1,811</u>	<u>300</u>	<u>2,111</u>
At 31 December 2021			
	<u>1,811</u>	<u>300</u>	<u>2,111</u>
Net book value			
At 31 December 2021	£ <u>107</u>	£ <u>-</u>	£ <u>107</u>
At 31 December 2020	£ <u>221</u>	£ <u>-</u>	£ <u>221</u>

The equipment is used for charitable purposes only.

11. FIXED ASSET INVESTMENTS	<u>2021</u> £	<u>2020</u> £
Quoted UK Investments		
Market value 1 January 2021	7,452,412	7,854,017
Additions at cost	1,984,401	838,448
Disposals at carrying value (proceeds £2,208,535; profit £30,992)	(2,177,543)	(1,122,409)
Net unrealised investment gains/(losses)	635,702	(117,644)
	<u>£7,894,972</u>	<u>£7,452,412</u>
Unrealised gain in above	<u>£1,593,807</u>	<u>£1,298,292</u>
Historical cost as at 31 December 2021	<u>£6,301,165</u>	<u>£6,154,120</u>
Geographical Analysis		
United Kingdom – Fixed Interest /International Bonds	1,249,052	992,281
United Kingdom – Equity	3,455,488	3,235,436
Europe – Equity	537,738	474,492
USA – Equity	1,053,816	1,058,092
Asia/Pacific/Global – Equity	1,598,878	1,692,111
	<u>£7,894,972</u>	<u>£7,452,412</u>

Investments are held primarily to provide an investment return for the charity.

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

12. DEBTORS	<u>2021</u> £	<u>2020</u> £
Other debtors	4,135	8,340
	<u>£4,135</u>	<u>£8,340</u>
13. CASH AND CASH EQUIVALENTS	<u>2021</u> £	<u>2020</u> £
Short term deposits:		
Held by bank cash deposit account	-	94,785
Held by investment managers	166,886	140,776
	<u>166,886</u>	<u>235,561</u>
Cash at bank and in hand	94,329	1,000
	<u>£261,215</u>	<u>£236,561</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2021</u> £	<u>2020</u> £
Other creditors	28,290	18,373
	<u>£28,290</u>	<u>£18,373</u>
15. LEASING COMMITMENTS – Land and Buildings	<u>2021</u> £	<u>2020</u> £
At the year end the Foundation had commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
Within 1 year	16,597	7,184
Within 2-5 years	<u>33,194</u>	<u>=</u>

The operating lease payments recognised as an expense for the year ended 31 December 2021 amounted to £9,579 (2020: £9,579).

16. RELATED PARTIES

During the year, The Vandervell Foundation incurred management fees of £12,912 (2020: £12,876) for the services of the trustee, The Vandervell Foundation Limited. Included in the management fees, remuneration amounting to £12,000 (2020: £12,000) was paid to the Trustee, The Vandervell Foundation Limited, in accordance with the Trust Deed. The remuneration has been paid to the three directors of the Trustee Company for their time and expertise provided to support the charity's day to day activities.

During the year, one director of the Trustee Company was reimbursed general office expenses of £250 (2020: £Nil).

THE VANDERVELL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

17. EXPENDABLE ENDOWMENT

These funds represent the sums received from the Vandervell Will Trust, which under the terms of the Will are to be treated as the Foundations 'capital' but can be utilised for the charity's objectives, if there are insufficient funds on the Income Account.

The Statement of Recommended Practice requires the initial gift and subsequent increases and decreases in the amount of the endowment to be shown in the Statement of Financial Activities as part of these funds. Due to the historical nature of this data and the length of time that the Foundation has been running, the trustee is of the opinion that it is not possible to distinguish between the initial gift and subsequent increases/decreases to that gift. As a result, this information is not disclosed as part of the Statement of Financial Activities and therefore represents a departure from the Statement of Recommended Practice.

The trustee has uncontrolled discretion in applying funds of the charity to any charitable purpose or person and accordingly the funds are unrestricted.

The expendable endowment consists of:

Trust Fund Account

Realised and unrealised profits and losses on fixed asset investments are taken through the Statement of Financial Activities and then transferred to or from the Trust Fund Account.

18. INCOME ACCOUNT

These funds represent all other incoming or expended resources not reflected in the Trust Fund Account. These are taken through the Statement of Financial Activities and then transferred to or from the Income Account.

Any shortfall in the Income Account is supplemented by a transfer from the Expendable Endowment. These funds are treated as unrestricted.

19. FINANCIAL INSTRUMENTS

The charity's principal financial instruments comprise cash, short term deposits and listed investments, the main purpose of which is to finance the charity's operations and activities.

Financial instruments measured at fair value comprise the listed investments. The fair value of the listed investments at the year-end amounted to £7,894,972 (2020: £7,452,412).

The charity does not acquire put options, derivatives or other complex financial instruments.

The main risks arising from the charity's financial instruments are interest rate risk, market risk and liquidity risk. The trustee reviews and agree policies for managing each of these risks and these are summarised below.

Interest rate risks

The charity manages its liquidity through the use of cash deposits at variable rates of interest for a variety of short term periods, depending on cash requirements. The rates are reviewed regularly and the best rate obtained in the context of the charity's need.

Market risk

The main market risk the charity is exposed to is the fall in the market value of the investments and volatility in yield, due to uncertain investment markets. To mitigate this risk the funds are managed by two well-known investment managers, who regularly review the performance and the value of the investments.

THE VANDERVELL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021****19. FINANCIAL INSTRUMENTS (continued)****Liquidity risks**

The charity's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital.

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

	<u>2021</u> £	<u>2020</u> £
Net income/(expenditure) for the year	452,978	(368,357)
Adjustments for:		
Depreciation charges	114	114
Investment income	(248,048)	(227,839)
Interest income	(3)	(212)
Unrealised (gains)/losses on investments	(635,702)	117,644
Realised (gains)/losses on investments	(30,992)	42,851
Decrease/(increase) in debtors	4,205	(4,099)
Increase/ (decrease) in creditors	9,917	7,318
Net cash used in operating activities	<u>£(447,531)</u>	<u>£(432,580)</u>

21. POST BALANCE SHEET EVENT

The market value of investments has fallen significantly after the year end due to unfavourable stock market conditions. The fall in value approximates £262,000 as at 7 September 2022.