

THE VARDY FOUNDATION

England & Wales · Charity number 328415

Details

Status Registered

Legal form Trust

Registered 1989-11-14

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

Contact

Address The Vardy Foundation
110 George Street
Edinburgh
EH2 4LH

Phone 01313747144

Activities

Objects: TO PAY THE INCOME AND CAPITAL AT SUCH TIME OR TIMES AND IN SUCH AMOUNTS AS THE TRUSTEES THINK FIT TO SUCH CHARITY OR CHARITIES AS THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR ABSOLUTE DISCRETION THINK FIT.

Activities: The Vardy Foundation was established to make grants and provide support to a range of charitable causes.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment, Armed Forces/emergency Service Efficiency, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Colombia
- Scotland
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£1,741,646	£2,829,798	£31,982,073	0
2024-04-05	£1,818,448	£1,795,535	£32,501,996	0
2023-04-05	£1,456,113	£2,903,086	£32,120,828	0
2022-04-05	£1,236,058	£2,927,860	£35,813,678	0
2021-04-05	£3,100,611	£5,831,365	£37,352,424	0

Trustees

Name	Role	Appointed
SIR PETER VARDY	Chair	2011-12-02
LADY MARGARET BARR VARDY		
PETER DANIEL DAVID VARDY		
RICHARD ANGUS REGINALD VARDY		
VICTORIA HELEN VARDY		2011-12-23

THE VARDY FOUNDATION

England & Wales - Charity number 328415

Accounts

THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2025

England and Wales Charity Number: 328415
Scottish Charity Number: SC051152

THE VARDY FOUNDATION

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THE VARDY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Sir Peter Vardy, Chairman
Lady Margaret Vardy
Richard A R Vardy
Peter D D Vardy
Victoria H Vardy

Registered Charity numbers

England and Wales: 328415
Scotland: SC051152

Principal office

110 George Street
Edinburgh
EH2 4LH

Independent auditor

MHA
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Barclays Bank Plc
5 St Ann's Street
Newcastle Upon Tyne
NE1 3DX

Investment managers

Rathbones Investment
Management
10 George Street
Edinburgh
EH2 2PF

Barclays Wealth
Level 15
1 Churchill Place
London

Investment advisor

ISIO *
Garment Factory
10 Montrose Street
Glasgow
G1 1RE

* through which investments are held with M&G, Apollo, LGIM, Pantheon, TwentyFour AM and IFM Investors

Legal advisors

Square One Law LLP
Anson House
Fleming Business Centre
Burden Terrace
Newcastle Upon Tyne
NE32 3AE

**THE VARDY FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2025**

CHAIRMAN'S REVIEW

Welcome to the Vardy Foundation's annual report for 2024/25.

I am pleased to be reporting on another successful year in which we have donated £2.5m in grants to 87 outstanding charities or individuals in the UK and internationally which are making very significant changes to the lives of families and children. This year, we continued to focus our grant-making on those charities and individuals which help to alleviate the suffering for the growing number of people who are marginalised in our society. In addition, we have also supported some of our long-standing charitable partners especially those in poorer, developing countries, and in this report, we highlight some of these life-saving projects.

A continuing focus for the Charity over the last year has been our work to improve the lives of care experienced young people through our **Bringing The Children Home** initiative. Partnering with several Scottish Local Authorities, we have developed an approach that will provide practical support, love and encouragement to help them develop into successful young adults and reach their full potential. Our work centres on bringing home young people, who are looked after out of area, into accommodation that will better suit their needs and allow improved support to be built around them in their local community. The initiative will also ensure that there is suitable moving on accommodation as they take their first steps away from the care system. And perhaps the most important aspect of our work is that, along with our Local Authority partners, we are looking to develop an improved support system around young people and their families to help reduce the number of young people going into care in the first place. This report outlines the progress made on this exciting care project.

The Foundation continues to be an efficiently run, family foundation, able to move quickly and adapt to new opportunities. We work with both local and central governments to share best practice and support them in their ever-increasing social needs. We also believe that by working alongside charities, proactively and collaboratively, we can maximise the impact of our funding.

The Foundation's team has enjoyed another busy year in our George Street offices, and it continues to ensure that the Charity's resources are helping those whom we fund achieve their purpose, to the best effect. I would like to thank the whole Foundation team – Graeme, Armored and Alison for their invaluable help and support to the Trustees to ensure that the Charity runs smoothly and meets all its obligations.

I look ahead and continue to focus our attention on working again with the charities we support as well as looking for new opportunities to engage with similar charities in our principal interest areas.



Sir Peter Vardy
Chairman

7 October 2025

**THE VARDY FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2025**

Introduction

The Trustees have pleasure in presenting their annual report and financial statements for the Charity for the year ended 5 April 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011, the Charities and Trustee (Investment) Scotland Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Vardy Foundation has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in England and Wales ("the Charity Commission) and the Office of Scottish Charity Regulator ("OSCR").

The Charity is constituted under Trust Deed dated 25 September 1989 and is registered as a Charity with the Charity Commission and with OSCR. Other reference and administrative details are set out in the previous section.

Objectives and performance

The objectives of the Vardy Foundation are to support initiatives and programmes in social action and faith-based projects, predominantly focused on early intervention programmes committed to strengthening families and the relief of poverty. The Charity also seeks to support ex-offenders and those in prisons, addiction, rehabilitation, the homeless and the unemployed.

The Vardy Foundation was, for some time, committed to supporting work in the North East of England as well as making grants to other parts of the UK and the rest of the world. Since moving its operations to Edinburgh, the Charity has primarily directed its grant-giving to Scottish-based charities. The Peter Vardy Foundation and the Jigsaw Foundation are two designated funds within the Charity, managed respectively by Mr Peter Vardy and Mr Richard Vardy, and are also focussed on charitable activities in Scotland.

The Trustees confirm that they have referred to both the Charity Regulators' guidance on public benefit when reviewing the Charity's aims and objectives, in planning activities and setting the grant making policy for the year. The Charity furthers its charitable purposes for the public benefit through its grant-making policy which aims to support a range of programmes in education, the arts, skills enhancement, mentoring and leadership development.

The Charity makes donations, grants and loans to a range of institutions and individuals at the discretion of the Trustees. It does this mainly by way of direct payments to the beneficiaries, but also through the payment of other expenses to third parties.

The Trustees meet every three months to review the performance of the Charity and develop plans for the achievement of its objectives. This includes the impact and outcome of previous awards, as well as the consideration of new applications.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Structure, governance and management

The Vardy Foundation was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes. The Trustees seek to continue this charitable work through the careful stewardship of its existing resources and by seeking new sources of funding.

The governance of the Charity is the responsibility of the Trustees, and the Charity adopts the appropriate principles and recommended practice of the Governance Codes of both the Charity Regulators. The governing body of the Charity is the Board of Trustees which currently comprises five members. The Trustees who acted during the year and up to the date of this report are shown on page one. There have not been any changes in Trustees during the year. Trustees holding title to Charity property on behalf of the Charity are Sir Peter Vardy, Lady Margaret Vardy, Richard A R Vardy and Peter D D Vardy.

The Trustees are responsible for setting general policy and for the day-to-day management and decision making of the Charity. At the quarterly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance. In their exercise of governance, the Trustees seek regular professional input and advice and meet with the Foundation's investment advisor at least four times a year.

Key management personnel remuneration

The day-to-day management and operational running of the Foundation is managed by Sir Peter Vardy and Mr Richard Vardy, as Trustees, and the Finance Director, the Foundation Director and the Charity Administrator. None of these individuals receive any remuneration through the Foundation. The executives' salaries and ancillary costs are paid for by the Vardy Family Office in order to maximise the level of funding for charitable causes. All Trustees give their time freely and no remuneration nor expenses were paid to them in the year. Details of related party transactions are disclosed in note 22 to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Charity Administrator and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises. No Trustee has a beneficial interest in any of the charities supported.

Achievements and performance

Once again, the Trustees are pleased to report on another successful year of grant-making for The Vardy Foundation. We have been delighted to support so many outstanding charities that have delivered life-changing outcomes for many people. To this end, we have awarded donations of £2.5m to 87 charities or individuals. The total of £2.5m is considerably higher than the previous year's £1.6m grant total for the following three reasons:

- i) In 2024/25 there is one large multi-year grant commitment of £1m;
- ii) In 2023/24, one grant for £320k was written back;
- iii) In 2023/24, the Trustees committed £186k for the purchase of a residential flat in Edinburgh for homeless accommodation. This purchase utilised the Charity's cash available for Charitable Activities.

Achievements and performance (continued)

During this financial year, some significant grants have been made which are outlined below:



The Foundation awarded £250k to support Care for Children in the expansion of their family care strategy for orphans and vulnerable children across the globe.

There are an estimated 8 million children living in institutional care worldwide, although it is likely this figure is significantly understated. The United Nations General Assembly has called for action in its member states to protect the human rights of children without parental care, focusing on the need for there to be a significant improvement in long-term alternative options.

Care for Children has worked tirelessly since 1998 to empower countries to transition from institutional care to family-based care for orphans and vulnerable children. In 2018, the Chinese government confirmed that from 1998, when Care for Children commenced their project in China, over 1 million children in care were living with families. Care for Children has since expanded its initiatives to Thailand, Vietnam and Cambodia and is rolling out a new three year "My Family" strategy which will see its reach into the UK and across the globe to ensure that children in care have the opportunity of growing up in local, loving families.



Two donations totalling £70k were awarded to Bethany Christian Trust, a national charity dedicated to ending homelessness in Scotland.

Their mission is to relieve the suffering and meet the long term needs of homeless and vulnerable people in Scotland. To do this, the charity partners with communities, churches, organisations and government to offer tailored support and services.

The Foundation's funding was part of Bethany's Furniture, Recreation and Transport Project whereby furniture, white goods and food vouchers were offered to people moving from interim accommodation into more secure, long-term tenancies. In addition, recreational activities, community meals and day trips were provided to combat the loneliness and isolation that many people who are homeless experience.

The funding also supported the very practical need of a 7 seater vehicle for transporting women in Bethany's therapeutic supported accommodation for women in North Edinburgh.

Due to restrictions in local authority funding, this type of assistance is vital for helping people stay in safe and permanent homes.

Achievements and performance (continued)



Helping those with care experience to get in, stay in, and return to education.



During the year, the Trustees awarded £50k over two years to support the Edinburgh Napier University Development Trust with their Hub for Success programme.

Hub for Success supports people who are care-experienced to get in, stay in, and return to tertiary education. The Hub is a partnership, bringing together the City of Edinburgh Council and some of the colleges and universities based in Edinburgh and the Lothians. It was set up in recognition that traditional programmes were not reaching those who were care-experienced. Recent findings from the Scottish Funding Council also highlight a continuing decline in retention rates for care-experienced school leavers across Scotland.

The Foundation's grant was directed at the Hub's Student Ambassador Programme which employs up to 18 to 24 care-experienced students in paid roles to offer practical targeted support to other care-experienced students. They are trained and supported throughout the year by the Hub's experienced social work staff. These student ambassadors also work with public, private and third sector organisations across Edinburgh to inform and deliver change while at the same time enhancing their own leadership skills, confidence and employability.



A donation of £1m over four years was made to The Message Trust. Formed in 1991, this UK charity exists to advance the Christian faith through creative arts, enterprise programmes for those at risk of re-offending or with poor employment potential and community-based outreach programmes for those experiencing poverty who are often disadvantaged, deprived and marginalised. This is achieved through education, enterprise, befriending, mentoring, faith-based activities and outreach.

The Foundation's significant grant is directed at The Message Trust's new vision for growth whereby they aim to launch a further five international hub charities, double the impact of their creative mission teams, train more evangelists, increase access to prisons, launch 18 new community groceries to work with struggling families and double the number of ex-offenders who are helped to break free of re-offending.

Achievements and performance (continued)

HOPE *for* --- **Addiction**_{UK}

The Foundation donated £25k to support Hope for Addiction UK. This charity was borne out of the ministry of Hope for Glasgow, which was established in 2016 to provide a Christian response to the addiction issues in Glasgow and beyond.

Their approach is to promote total abstinence, built upon a biblical understanding of addiction. Their hope is that, all those who use their services, will get clean from all substances and get connected to their families, communities and a local church.

The grant was directed at the general work of the charity, through their Road to Recovery Day Programmes, Road to Recovery Evening Meetings, Women's Ministry and Church Partnerships.

The Trustees awarded £10k to the 25th Stirling (Dunblane) Boys' Brigade Company to support Project Malawi 2025, which saw a team from Dunblane travel to Likhubula in Malawi to help renovate four classrooms in Nansato School.



The Boys' Brigade is an international Christian youth organisation for boys and young men aged from 5-18. The 25th Stirling Company have supported community and church links between Dunblane and Likhubula since 2016 and this trip was their third out to the region. The focus of their work is to help improve educational opportunities for young people to help lift them out of poverty.

The funding allowed the team to pay local tradespeople to bring four classrooms that were damaged by cyclones back into use and to significantly reduce chronic overcrowding across the school campus. The boys worked alongside the tradespeople to paint and finish off the work before they were handed back to the school.

The grant allowed the team to help provide the safe and welcoming environment that is vital to ensuring that young people stay in school and that they have the best possible chance of reaching their full potential.

The film of their trip to Malawi is shown in the link below <https://youtu.be/1B3K8tllK4?feature=shared>

Achievements and performance (continued)



The Trustees awarded £5k to the Edinburgh-based charity, the Dean and Cauvin Young People's Trust.

This charity has four flats in Edinburgh which provide and support transition to independent life for young people who have spent their lives in care. The grant is to support the charity to redecorate and update the properties so that the young people can have a modern and inviting space where they can make a home while they learn independent living skills with support.

The flats are a vital resource in the city where there is an official housing emergency. Many of the young people that they work with are homeless or living in temporary accommodation, usually bed and breakfasts, with no cooking facilities, or hostels. Many of the young people they support have experienced physical, mental and sexual abuse, neglect and trauma. For many, it will be the first time they will feel safe, loved and nurtured.

A full list of donations to institutions can be seen in Note 7. There has also been a large number of smaller donations that have amounted to over £419k. The total number of grants made in 2024/25 was 87 which is slightly lower than the previous year's figure of 98.

Many of these grants are set up on a match-funding basis which is proving to be very successful for a number of charities, particularly smaller ones. This method of grant making works on the basis that the Foundation contributes a certain percentage of a fund-raising goal on the condition that the respective charitable organisation then raises the balance. This gives additional comfort to the Trustees that others believe in and support the charity's work as well as increasing the potential funds raised for the donee.

Bringing The Children Home

The Foundation is a charity that supports young and vulnerable people across the UK and is committed to preventing children from entering the care system and maximising opportunities for people leaving it.

The urgent case for change

In 2021, the Scottish Government published "the Promise" which outlined what Scotland must do to make sure its most vulnerable children have the childhood they deserve. The following statistics were identified as part of The Promise and highlight the need for urgent change:

- Care experienced children are 2.5 times more likely to be excluded from school at 16
- Care experienced adults are twice as likely to have no educational qualifications and twice as likely to have poor health
- Care experienced people earn incomes which are 27% lower on average than their non-care experienced peers
- A quarter of prisoners were care experienced in 2019

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Achievements and performance (continued)

- Care experienced adults are 1.5 times more likely to experience multiple disadvantages such as substance use, mental health difficulties or being in conflict with the law
- Care experienced adults are twice as likely to have suffered from homelessness, usually before their 30th birthday.

Key Scottish Government statistics taken in 2021/22, show that there were 12,600 children in care in Scotland with an annual social care cost of £680m.

As a nation, progress on tackling these issues has been slow and the impact on care experienced young people continues to be considerable, leaving many without the love and support that they deserve.

Our Approach

Since 2023, we have been working with Local Authorities to identify how we can tackle the root causes of some of these issues and to put in place a model that will give young people hope for the future.

Our approach is centred around the need to tackle systemic problems with care provision in Scotland and the wider UK. Across the country, local authorities are facing both soaring costs for children's social care and significant pressure on sustaining positive outcomes for children in care.

Our work has identified a ground-breaking approach that generates substantial savings in local authority budgets and allows them to invest in improved care and support for care experienced young people. It tackles the shame of young people being looked after hundreds of miles away from their local areas in private accommodation, where huge profits are being made and not invested back into the care system. It uses local government pension scheme funding to finance the building of new, state of the art, residential and moving on accommodation and provides the local authority with savings that can be invested in a higher standard of wraparound therapeutic care.

Local Authorities have been keen to engage with our **Bringing The Children Home** programme, and work is now underway on the first build for Clackmannanshire Council.

Social Investments

The Charity continues its social investment programme through its charitable loans to a number of charities. The outstanding loans totalled £342k at 5 April 2025.

Financial review

Income

Income for the Foundation this year decreased by 4% to £1.74m (2024: £1.82m). The principal reason for this decrease in income was that income from investments fell to £1,196k (2024: £1,393k).

Donations were made up principally of donated investments of £380k (2024: £314k). Please refer to Note 2.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Financial review (continued)

Expenditure

Expenditure increased to £2.83m (2024: £1.79m). Grants awarded of £2.5m (2024: £1.6m) continue to make up the largest proportion of expenditure (89 %, 2024: 96%) and investment management costs increased to £183k (2024: £56k) following the Trustees' decision to carry out a major divestment programme and recruit a new investment advisor.

There was a decrease in support costs from £136.8k to £112k. The principal drivers of this decrease was a fall in professional fees from £35k to £1k.

Net gains on investments

Due to more favourable global markets during the financial year, the Foundation's shares had gains on revaluation of £568k at 5 April 2025 (2024: £358k). The Trustees continue to monitor closely the Charity's investments and recognise that markets are still very volatile due to the pressures on global economies.

Balance Sheet

The level of cash held has increased from £498k to £511k in the year.

Reserves Policy

The Trustees accept that the Charity must maintain a significant level of reserves, and that a level of free reserves should be retained to enable larger one-off donations to be made without the need for drawdown from capital investments.

Total funds at the end of the financial period were £32.0m (2024: £32.5m), of which £633k (2024: £718k) are designated and the remaining £31.3m (2024: £31.8m) are unrestricted general funds.

Designated funds consist of The Peter Vardy Foundation and the Jigsaw Foundation. Decisions affecting these funds are set out in the section, **Future Plans and Dreams**, below.

Within unrestricted general funds there are social investments of £5.2m, fixed assets of £433k and investments of £27.7m held to generate future income. Investments may be utilised by the Trustees for charitable purposes at their discretion but are not considered to be part of free reserves.

Free reserves have decreased this year to (£1.4m) from (£0.52m). This is because the Foundation has given out grants totalling £2.5m, due to the on-going need for assistance from our charities and has thus depleted its cash resources. However, the Charity continues to hold its assets in the form of investments to maximise income generating potential and these can be realised when needed to provide additional cash.

The Trustees consider that the current level of free reserves is appropriate to provide sufficient funds to respond to application for grants and ensure their support and to cover the Foundation's governance costs.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Risk Management

The Trustees have assessed the risks to which the Charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to risks. The Trustees consider variability of investment returns as one of the major risks and therefore the Charity used the services of ISIO as their principal Investment Advisor. The Trustees have adopted an investment policy under which the financial objective of the Foundation is to at least maintain the real value of the Charity's assets while generating a stable and sustainable return to fund annual grant making. During the year, the Trustees also carried out a review of the Foundation's Risk Register.

Financial Markets

Global equities were broadly flat over the year to 5 April 2025 (FTSE World Index: -0.5%, hedged), with the US dollar weakening by around 2%. Strong corporate earnings supported returns over the period, though gains were tempered by geopolitical tensions and fiscal pressures. Markets sold off sharply in early April, following US Liberation Day, as uncertainty around US tariff policy weighed on sentiment. Emerging markets outperformed over the period (MSCI Emerging Markets Index: +9.9%, hedged), supported by Chinese stimulus measures and optimism around AI developments.

Credit assets delivered mixed results over the period. High-yield outperformed investment grade, supported by lower interest-rate sensitivity and steady demand, while investment-grade credit with greater interest rate sensitivity lagged as government bond yields rose. In regional terms, investment-grade spreads were broadly stable in the US and tightened modestly in Europe and the UK, reflecting improving risk appetite outside the US.

Major economies began cutting interest rates during the period as inflation eased; in the UK, the Bank of England reduced rates three times to 4.5%. UK gilt yields rose amid increased borrowing and fiscal uncertainty, with political and policy developments adding to volatility.

Investment Policy

The Investment Policy takes into account the risk tolerance acceptable to the Foundation as decided by the Trustees and has the objective of a blend of income and capital appreciation. Investments generated £1,196k (2024: £1,393k) of income during the year, representing a yield of 4.3% on average investment value (2024: 5.2%).

The Trustees monitor the performance of the Charity's investment portfolio and formally review performance with its principal investment advisor, ISIO, on a regular basis. The Trustees are satisfied that the performance of The Vardy Foundation's investments is in line with overall market performance.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Future Plans and Dreams

We have achieved some major successes through the Foundation over the years. A very significant number of initiatives have been delivered through the help we have given. Often where, no other alternative was available, we have established a new charity which fulfils the vision of the Trustees. Just three examples demonstrate this:

- The Emmanuel Schools project resulted in the building of five schools in the North East of England which continue to achieve outstanding results and provide greater career opportunities for over 7,000 students.
- We launched the charity, Safe Families for Children, in 2012 as a copy of the US initiative that had achieved a reduction of almost 50% of children entering the care system in Chicago. This was done by building a movement of volunteers, trained to support families in crisis. Safe Families has now merged with another charity, Home for Good, and together they will provide more support and better futures for so many children across the UK. Early intervention has been a fundamental target to achieve social change. The Trustees believe that Government initiatives concentrate too much on the outcomes of problems rather than dealing with the root causes.
- Our latest initiative, **Bringing The Children Home**, which is described earlier on pages 8 and 9, could and should be one of our greatest contributions to children and families across the UK. Radical improvement in the care programmes for families is needed. We have designed and commissioned a programme, to build houses in each town and city and to bring back children who are currently living out of their local authority area, sometimes 300 miles away from their homes and families, and provide a bespoke care programme round each child. There are currently nearly 1,000 children in Scotland in this category and over 18,000 in England. In some cases, the annual costs can run up to £1million per child. **Our Bringing The Children Home** project is capable of saving billions for the public purse but more importantly, it will radically improve the future prospects of thousands of young people by reducing the pathway to prison that so many tread, by improving their chance of good careers, by helping them to become good parents and by giving them hope, love and the prospect of a great future in what is a really difficult society. We believe passionately in the goodwill of people to come forward and volunteer to support people at all ages and stages of life. It brings hope to those who need the help, fulfilment to those who want to do good and finds a community solution to a community problem.

We will continue to support the many great charities who we have worked with over the years as well as look for new opportunities to improve the lives and life chances of the people we seek to serve.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2025**

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the Trustees to prepare financial statements for each financial year that 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.

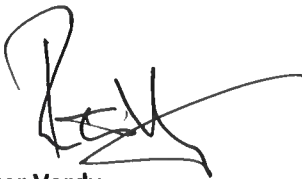
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 (FRS 102);
- Make judgements and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2004 (as amended), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are 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.

Approval

The report was approved by the Trustees on 7 October 2025 and was signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION

Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Charity's affairs as at 5 April 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Basis of 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 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 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 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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Other information (continued)

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.

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 (Scotland) Regulations 2006 and 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
- the Charity has not kept adequate accounting records; 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Charity 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and 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 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

7 October 2025

MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC 455542).

MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VARDY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2025**

	Notes	Unrestricted Funds 2025 £	Designated Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income from:					
Donations and legacies	2	541,353	-	541,353	423,336
Charitable income	3	4,466	-	4,466	2,000
Investments	4	1,195,827	-	1,195,827	1,393,112
Total income		1,741,646	-	1,741,646	1,818,448
Expenditure on:					
Raising funds	5	183,125	-	183,125	55,666
Charitable activities	6	2,560,673	86,000	2,646,673	1,739,869
Total expenditure		2,743,798	86,000	2,829,798	1,795,535
Net (expenditure)/income before gains on investments		(1,002,152)	(86,000)	(1,088,152)	22,913
Net gains on investments	12	568,229	-	568,229	358,255
Net (expenditure)/income and net movement in funds		(433,923)	(86,000)	(519,923)	381,168
Reconciliation of funds:					
Funds brought forward	18,19	31,783,488	718,508	32,501,996	32,120,828
Funds carried forward	18,19	31,349,565	632,508	31,982,073	32,501,996

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

All activities are classed as continuing.

THE VARDY FOUNDATION

**BALANCE SHEET
YEAR ENDED 5 APRIL 2025**

	Notes	2025 £	2024 £
Fixed assets			
Investments	12	27,678,783	26,795,310
Social investments	13	5,203,091	5,262,351
Tangible fixed assets	14	432,633	249,985
		<u>33,314,507</u>	<u>32,307,646</u>
Current assets			
Debtors	15	179,985	138,559
Cash at bank and in hand		511,306	497,730
		<u>691,291</u>	<u>636,289</u>
Creditors: amounts falling due within one year	16	<u>(1,523,725)</u>	<u>(363,605)</u>
Net current (liabilities)/assets		<u>(832,434)</u>	<u>272,684</u>
Total assets less current liabilities		32,482,073	32,580,330
Creditors: amounts falling due in more than one year	17	<u>(500,000)</u>	<u>(78,334)</u>
Net assets		<u>31,982,073</u>	<u>32,501,996</u>
Funds			
Unrestricted funds	18,19	31,349,565	31,783,488
Designated funds	18,19	632,508	718,508
		<u>31,982,073</u>	<u>32,501,996</u>

The financial statements were approved and authorised for issue by the Trustees on 7 October 2025 and signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 5 APRIL 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(2,081,110)</u>	<u>(2,209,432)</u>
Cash flows from investing activities			
Investment income		1,195,827	1,393,112
Payments to acquire fixed assets		(198,602)	(260,511)
Proceeds from the sale of investments		18,875,232	14,395,752
Purchase of investments		(19,375,334)	(12,445,931)
Movement in cash held in the portfolios		562,818	(879,963)
Concessionary loans repaid		61,300	59,800
Net cash provided by investing activities		<u>1,121,241</u>	<u>2,262,259</u>
Cash flows from financing activities			
Loans repaid		(7,319,105)	(7,400,000)
New loans		8,292,550	400,000
Net cash provided/(used in) by financing activities		<u>973,445</u>	<u>(7,000,000)</u>
Change in cash and cash equivalents in the year	21	13,576	(6,947,173)
Cash and cash equivalents at the beginning of the year	21	<u>497,730</u>	<u>7,444,903</u>
Cash and cash equivalents at the end of the year	21	<u>511,306</u>	<u>497,730</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2025

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) General information and basis of preparation

The Vardy Foundation is an unincorporated charitable trust, registered in England and Wales, Charity number 328415. The address of the registered office is 32 Portland Terrace, Newcastle upon Tyne, NE2 1QP.

The Charity was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Vardy Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2025

1 Accounting policies (continued)

(c) Income

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

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

Income from charitable activities relates to rental income from beneficiaries, which is recognised in the Statement of Financial Activities in the period to which the rental income relates.

(d) Expenditure

Expenditure is recognised once 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 obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds includes costs associated with generating income from the Charity through its investment portfolios.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its grant making activities. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on grants is recorded once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Support costs are allocated between governance costs and other support costs. Governance costs include these costs associated with meeting the constitutional and statutory requirements of the Charity and include the statutory audit fees and costs linked to strategic management of the Charity. Other support costs relate to the administrative costs of running the Charity.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2025

1 Accounting policies (continued)

(e) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value 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.

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 their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Social investments include programme related investments which are held in the furtherance of the Charity's objectives. Programme related investments include property and loans, which are recognised at cost less impairment.

(f) Tangible fixed assets

Tangible fixed assets costing more than £250 are capitalised at cost and depreciated over their useful economic lives at the following rates:

Property	- 2% straight line
Computer equipment	- 33% straight line
Fixtures and fittings	- 10% straight line

(g) Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

(h) Cash at bank and in hand

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

(i) Creditors and provisions

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

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2025

(j) Concessionary loans

Concessionary loans include those made by the Charity to third parties, which are interest free or below market interest rates and which are made to advance charitable purposes. These loans are recognised at the amount loaned less provision for irrecoverable amounts, in accordance with the special concessionary loan treatment available to public benefit entities within section 34 of FRS 102.

(k) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

(l) Fund accounting

Unrestricted funds are those funds that can be used in accordance with the objectives of the Charity at the discretion of Trustees.

Designated funds are those unrestricted funds set aside by the Trustees for specific future purposes or projects.

(m) Judgements in applying key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Donations	Unrestricted	Unrestricted
	2025	2024
	£	£
Donated investments	380,000	314,289
Achieving Real Change in Communities CIC (ARCC)	129,987	-
Vardy Property Aberdeen Limited	31,366	33,561
Elim Trust Corporation	-	75,486
	<u>541,353</u>	<u>423,336</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025

3 Charitable income			Unrestricted 2025 £	Unrestricted 2024 £
Property rental income			<u>4,466</u>	<u>2,000</u>
4 Investment income			Unrestricted 2025 £	Unrestricted 2024 £
Income from listed investments			905,909	575,035
Income from bank deposits			<u>289,918</u>	<u>818,077</u>
			<u>1,195,827</u>	<u>1,393,112</u>
5 Cost of raising funds	Unrestricted 2025 £	Designated 2025 £	Total 2025 £	Total 2024 £
Investment advisor's fees	<u>183,125</u>	<u>-</u>	<u>183,125</u>	<u>55,666</u>
6 Charitable activities	Unrestricted 2025 £	Designated 2025 £	Total 2025 £	Total 2024 £
Grants to:				
Institutions (note 7)	2,358,269	86,000	2,444,269	1,411,133
Individuals (20) (2024: 19)	<u>73,500</u>	<u>-</u>	<u>73,500</u>	<u>161,025</u>
Total grants	2,431,769	86,000	2,517,769	1,572,158
Other direct costs:				
Clackmannanshire Project	8,367	-	8,367	30,874
ARCC Legacy Project	8,400	-	8,400	-
Support costs (note 9)	<u>112,137</u>	<u>-</u>	<u>112,137</u>	<u>136,837</u>
	<u>2,560,673</u>	<u>86,000</u>	<u>2,646,673</u>	<u>1,739,869</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025

7 Grants to institutions	Unrestricted 2025 £	Designated 2025 £	Total 2025 £	Unrestricted 2024 £
Aid and Abet	-	-	-	25,000
Bethany Christian Church	70,000	-	70,000	-
Big Church Festival	-	-	-	25,000
British Youth for Christ	40,000	-	40,000	-
Cairn Movement	-	-	-	25,000
Care for Children	250,000	-	250,000	268,066
City on a Hill	100,000	-	100,000	-
Columba 1400	-	-	-	100,000
Edinburgh Napier University Development Trust	50,000	-	50,000	-
Fields of Life Trust Company	39,000	-	39,000	-
Go Global Family	25,000	-	25,000	-
Hope for Addiction	25,000	-	25,000	-
Jamie's Farm	50,000	-	50,000	-
Kids Operating Rooms	-	-	-	250,000
L'Arche UK	-	-	-	90,000
North Music Trust	-	-	-	100,000
Re: Hope Next Generation	-	86,000	86,000	97,188
Redeemer Church, Edinburgh	70,000	-	70,000	-
Revelation Trust	-	-	-	30,000
SAT-7 UK Trust Limited	-	-	-	50,000
Scripture Union Scotland	70,000	-	70,000	-
Steiger International	50,000	-	50,000	35,000
The Evans Trust	25,000	-	25,000	-
The Haven Kilmalcolm	-	-	-	100,000
The Heralds Trust	30,000	-	30,000	-
The Message Trust	1,000,000	-	1,000,000	-
The Social Bite Fund	-	-	-	-
West of Ireland Evangelical Trust	-	-	-	45,011
Youth for Christ North East	45,000	-	45,000	-
Other awards < £25,000	419,269	-	419,269	491,381
Grants returned/written back	-	-	-	(320,513)
	<u>2,358,269</u>	<u>86,000</u>	<u>2,444,269</u>	<u>1,411,133</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025

8	Analysis of grants	2025	2025	2024	2024
		No.	£	No.	£
	DCMS	-	-	16	137,685
	Relief	5	89,000	1	45,011
	Education	3	59,669	21	71,481
	Religion	34	1,831,950	27	396,696
	Welfare	45	537,150	33	921,285
		<u>87</u>	<u>2,517,769</u>	<u>98</u>	<u>1,572,158</u>
9	Support costs	Unrestricted	Designated	Total	Unrestricted
		2025	2025	2025	2024
		£	£	£	£
	FOREX loss	5,087	-	5,087	12,322
	Depreciation	15,954	-	15,954	11,710
	Travel & accommodation	17,392	-	17,392	10,001
	Insurance	3,111	-	3,111	2,408
	Heat and light	84	-	84	159
	Office costs	5,641	-	5,641	3,606
	Computer costs	245	-	245	94
	Property costs	2,767	-	2,767	4,659
	Bank charges	532	-	532	504
	Accountancy	10,902	-	10,902	9,306
	Professional fees	645	-	645	34,730
	Marketing	8,661	-	8,661	4,820
	Rent	31,366	-	31,366	33,560
	Governance costs	9,750	-	9,750	8,958
		<u>112,137</u>	<u>-</u>	<u>112,137</u>	<u>136,837</u>

10 Salary costs

The Charity has no employees. The Charity is managed by its Trustees and three other individuals not employed by the Charity.

11 Trustees' remuneration and expenses

No Trustee received any remuneration or reimbursement of expenses in either the current or prior year.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025

12 Investments	Total 2025 £	Total 2024 £	
At 6 April	26,795,310	27,192,624	
Gifted shares	380,000	314,289	
Purchases at cost	19,373,294	12,445,931	
Disposal proceeds	(18,875,232)	(14,395,752)	
Movement in cash held in the portfolios	(562,818)	879,963	
Gains on revaluation	568,229	358,255	
	<u>27,678,783</u>	<u>26,795,310</u>	
At 5 April	<u>27,678,783</u>	<u>26,795,310</u>	
Historic cost at 5 April	<u>27,984,937</u>	<u>23,523,749</u>	
 13 Social investments	 Charitable loans £	 Charitable property £	 Total investments £
Cost			
At 6 April	403,396	4,858,955	5,262,351
Additions	-	2,040	2,040
Repayments	(61,300)	-	(61,300)
	<u>342,096</u>	<u>4,860,995</u>	<u>5,203,091</u>
At 5 April	<u>342,096</u>	<u>4,860,995</u>	<u>5,203,091</u>
 Charitable loans comprise:		2025 £	2024 £
North East Autism Society (overpayment due for reimbursement)		(2,083)	22,917
Re: Hope Church Glasgow		127,500	157,500
Jason Mayhall, Pastor of the Bethany Christian Centre		216,679	222,979
		<u>342,096</u>	<u>403,396</u>

Charitable loans are made at interest rates and terms significantly lower than those that the recipient charity could obtain commercially. No interest is payable on any loan outstanding at the year end. No security is held in respect of any loan.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025**

14 Tangible fixed assets	Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 6 April 2024	185,850	74,661	1,578	262,089
Additions	<u>182,969</u>	<u>13,616</u>	<u>2,017</u>	<u>198,602</u>
At 5 April 2025	<u>368,819</u>	<u>88,277</u>	<u>3,595</u>	<u>460,691</u>
Depreciation				
At 6 April 2024	3,717	7,466	921	12,104
Charge for the year	<u>6,462</u>	<u>8,294</u>	<u>1,198</u>	<u>15,954</u>
At 5 April 2025	<u>10,179</u>	<u>15,760</u>	<u>2,119</u>	<u>28,058</u>
Net book value				
At 5 April 2025	<u>358,640</u>	<u>72,517</u>	<u>1,476</u>	<u>432,633</u>
At 5 April 2024	<u>182,133</u>	<u>67,195</u>	<u>657</u>	<u>249,985</u>
15 Debtors			2025 £	2024 £
Other debtors			-	250
Prepayments and accrued income			<u>179,985</u>	<u>138,309</u>
			<u>179,985</u>	<u>138,559</u>
16 Creditors: amounts falling due within one year			2025 £	2024 £
Trade creditors			13,229	-
Grant creditors			523,334	326,249
Accruals and deferred income			13,717	29,202
Other creditors			<u>973,445</u>	<u>8,154</u>
			<u>1,523,725</u>	<u>363,605</u>
17 Creditors: amounts falling due in more than one year			2025 £	2024 £
Grant creditors			<u>500,000</u>	<u>78,334</u>

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025**

18 Movement in funds

2024/25	At 6 April 2024 £	Income £	Expenditure £	Gains/ (losses) £	At 5 April 2025 £
Unrestricted	<u>31,783,488</u>	<u>1,741,646</u>	<u>(2,743,798)</u>	<u>568,229</u>	<u>31,349,565</u>
<i>Designated</i>					
Peter Vardy Foundation	717,740	-	(86,000)	-	631,740
Jigsaw Foundation	<u>768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768</u>
	<u>718,508</u>	<u>-</u>	<u>(86,000)</u>	<u>-</u>	<u>632,508</u>
Total	<u>32,501,996</u>	<u>1,741,646</u>	<u>(2,829,798)</u>	<u>568,229</u>	<u>31,982,073</u>

Movement in funds

2023/24	At 6 April 2023 £	Income £	Expenditure £	Gains/ (losses) £	At 5 April 2024 £
Unrestricted	<u>31,117,413</u>	<u>1,818,448</u>	<u>(1,510,628)</u>	<u>358,255</u>	<u>31,783,488</u>
<i>Designated</i>					
Matched Funding	137,685	-	(137,685)	-	-
Peter Vardy Foundation	864,962	-	(147,222)	-	717,740
Jigsaw Foundation	<u>768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768</u>
	<u>1,003,415</u>	<u>-</u>	<u>(284,907)</u>	<u>-</u>	<u>718,508</u>
Total	<u>32,120,828</u>	<u>1,818,448</u>	<u>(1,795,535)</u>	<u>358,255</u>	<u>32,501,996</u>

Purposes of funds:

Designated funds

The Matched Funding designated fund was an unrestricted fund set aside by the Trustees to demonstrate the Charity's contribution to the DCMS community match funded project. The terms of the DCMS project required the Vardy Foundation to disburse their matched funded £2m grant by 31 March 2023. During 2022-23, the Charity made matched funding of £1,862,315 in grants to charities that meet the DCMS objectives. The balance of £137,685 was made during 2023-24.

The Peter Vardy Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

The Jigsaw Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2025

19 Analysis of net assets between funds	Unrestricted £	Designated £	Total £
2024/25			
Investments	27,678,783	-	27,678,783
Social investments	5,203,091	-	5,203,091
Tangible fixed assets	432,633	-	432,633
Net current assets/(liabilities)	(1,464,942)	632,508	(832,434)
Non-current liabilities	(500,000)	-	(500,000)
	<u>31,349,565</u>	<u>632,508</u>	<u>31,982,073</u>
	Unrestricted £	Designated £	Total £
2023/24			
Investments	26,795,310	-	26,795,310
Social investments	5,262,351	-	5,262,351
Tangible fixed assets	249,985	-	249,985
Net current assets/(liabilities)	(445,824)	718,508	272,684
Non-current liabilities	(78,334)	-	(78,334)
	<u>31,783,488</u>	<u>718,508</u>	<u>32,501,996</u>
20 Reconciliation of net movements in funds to cashflows from operating activities			
		2025 £	2024 £
Net (expenditure)/income		(519,923)	381,168
Donated shares		(380,000)	(314,289)
(Gains) on investments		(568,229)	(358,255)
Investment income		(1,195,827)	(1,393,112)
Depreciation		15,954	11,710
Increase/(decrease) in debtors		(41,426)	186,745
Increase/(decrease) in creditors		608,341	(723,399)
Net cash used in operating activities		<u>(2,081,110)</u>	<u>(2,209,432)</u>
21 Analysis of net funds			
	At 6 April 2024 £	Cashflow £	At 5 April 2025 £
Cash at bank and in hand	497,730	13,576	511,306
Borrowings	-	-	-
Net funds	<u>497,730</u>	<u>13,576</u>	<u>511,306</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2025

22 Related party transactions

During the year, donations totalling £12,000 (2024: £4,000) were made to Junction 42 Foundation, a charity of which trustee Richard A R Vardy was also Trustee (until 24 July 2023).

The Charity received a donation of shares amounting to £380,000 (2024: £314,289) from one Trustee (2024: 1) during the year. The Charity also made a donation of £86,000 (2024: £97,188) to Re: Hope Next Generation, a charity in which the wife of Trustee, Peter D D Vardy, is a trustee.

Unsecured, interest-free loans from Trustee, Sir Peter Vardy, of £8,292,550 were received in the year. £7,319,105 of this was repaid during the year and there was £973,445 (2024: £nil) outstanding at the year end and included within creditors.

During the year, costs of £588 (2024: £250) were paid on behalf of Trustee Sir Peter Vardy. £588 (2024: £nil) was repaid during the year and there was £nil (2024: £250) outstanding at the year end.

During the year, a donation of £129,987 was received from ARCC, a Community Interest Company in which Sir Peter Vardy is a director. The Charity also made grants of £8,400 (2024: £Nil) in relation to an ARCC legacy project.

THE VARDY FOUNDATION

England & Wales - Charity number 328415

Accounts

THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2024

THE VARDY FOUNDATION

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THE VARDY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Sir Peter Vardy, Chairman
Lady Margaret Vardy
Richard A R Vardy
Peter D D Vardy
Victoria H Vardy

Register Charity numbers

England and Wales: 328415
Scotland: SC051152

Principal office

110 George Street
Edinburgh
EH2 4LH

Independent auditor

MHA
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Barclays Bank Plc
5 St Ann's Street
Newcastle Upon Tyne
NE1 3DX

Investment managers

Rathbones Investment Management
10 George Street
Edinburgh
EH2 2PF

Barclays Wealth
Level 15
1 Churchill Place
London
E14 5HP

Investment advisor

ISIO
Garment Factory
10 Montrose Street
Glasgow
G1 1RE

Legal advisors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Square One Law LLP
Anson House
Fleming Business Centre
Burden Terrace
Newcastle Upon Tyne
NE32 3AE

**THE VARDY FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2024**

CHAIRMAN'S REVIEW

Welcome to the Vardy Foundation's annual report for 2023/24.

I am pleased to be reporting on another successful year in which we have donated £1.6m in grants to 98 outstanding charities or individuals in the UK and internationally which are making very significant changes to the lives of families and children. This year, we continued to focus our grant-making on those charities and individuals which help to alleviate the suffering for the growing number people who are marginalised in our society. In addition, we have also supported some of our long-standing charitable partners especially those in poorer, developing countries, and in this report, we highlight some of these life-saving projects.

A continuing focus for the Charity over the last year has been our work to improve the lives of care experienced young people. Partnering with Local Authorities, we have developed an approach that will provide practical support, love and encouragement to help them develop into successful young adults and reach their full potential. Our work centres on bringing home young people, who are looked after out of area, into accommodation that will better suit their needs and allow improved support to be built around them in their local community. The initiative will also ensure that there is suitable moving on accommodation as they take their first steps away from the care system. And perhaps the most important aspect of our work is that, along with our Local Authority partners, we are looking to develop an improved support system around young people and their families to help reduce the number of young people going into care in the first place. Our ambition is to roll this work out across the country and make a significant impact on the life chances of care experienced young people. This report outlines the progress made on this exciting Care Project.

The Foundation continues to be an efficiently run, family foundation, able to move quickly and adapt to new opportunities. We work with both local and central governments to share best practice and support them in their ever-increasing social needs. We also believe that by working alongside charities, proactively and collaboratively, we can maximise the impact of our funding.

The Foundation's team has enjoyed another busy year in our George Street offices, and it continues to ensure that the Charity's resources are helping those whom we fund achieve their purpose, to the best effect. I would like to thank the whole Foundation team – Graeme, Armored and Alison for their invaluable help and support to the Trustees to ensure that the Charity runs smoothly and meets all its obligations.

I look ahead and continue to focus our attention on working again with the charities we support as well as looking for new opportunities to engage with similar charities in our principal interest areas.

Sir Peter Vardy
Chairman

3 October 2024

**THE VARDY FOUNDATION
TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2024**

Introduction

The Trustees have pleasure in presenting their annual report and financial statements for the Charity for the year ended 5 April 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011, the Charities and Trustee (Investment) Scotland Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Vardy Foundation has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in England Wales ("the Charity Commission) and the Office of Scottish Charity Regulator ("OSCR").

The Charity is constituted under Trust Deed dated 25 September 1989 and is registered as a Charity with the Charity Commission and with OSCR. Other reference and administrative details are set out in the previous section.

Objectives and performance

The objectives of the Vardy Foundation are to support initiatives and programmes in social action and faith-based projects, predominantly focused on early intervention programmes committed to strengthening families and the relief of poverty. The Charity also seeks to support ex-offenders and those in prisons, addiction, rehabilitation, the homeless and the unemployed.

The Vardy Foundation was, for some time, committed to supporting work in the North East of England as well as making grants to other parts of the UK and the rest of the world. Since moving its operations to Edinburgh, the Charity has increased its grant-giving to Scottish-based charities. The Peter Vardy Foundation and the Jigsaw Foundation are two designated funds within the Charity, managed respectively by Mr Peter Vardy and Mr Richard Vardy, and are primarily focussed on charitable activities in Scotland.

The Trustees confirm that they have referred to both the Charity Regulators' guidance on public benefit when reviewing the Charity's aims and objectives, in planning activities and setting the grant making policy for the year. The Charity furthers its charitable purposes for the public benefit through its grant-making policy which aims to support a range of programmes in education, the arts, skills enhancement, mentoring and leadership development.

The Charity makes donations, grants and loans to a range of institutions and individuals at the discretion of the Trustees. It does this mainly by way of direct payments to the beneficiaries, but also through the payment of other expenses to third parties.

The Trustees meet every three months to review the performance of the Charity and develop plans for the achievement of its objectives. This includes the impact and outcome of previous awards, as well as the consideration of new applications.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Structure, governance and management

The Vardy Foundation was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes. The Trustees seek to continue this charitable work through the careful stewardship of its existing resources and by seeking new sources of funding.

The governance of the Charity is the responsibility of the Trustees, and the Charity adopts the appropriate principles and recommended practice of the Governance Codes of both the Charity Regulators. The governing body of the Charity is the Board of Trustees which currently comprises five members. The Trustees who acted during the year and up to the date of this report are shown on page one. There have not been any changes in Trustees during the year. Trustees holding title to Charity property on behalf of the Charity are Sir Peter Vardy, Lady Margaret Vardy, Richard A R Vardy and Peter D D Vardy.

The Trustees are responsible for setting general policy and for the day-to-day management and decision making of the Charity. At the quarterly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance. In their exercise of governance, the Trustees seek regular professional input and advice and meet with the Foundation's investment manager at least four times a year.

Key management personnel remuneration

The day-to-day management and operational running of the Foundation is managed by Sir Peter Vardy, Mr Richard Vardy, the Finance Director, the Foundation Director and the Charity Administrator. None of these individuals receive any remuneration through the Foundation. All Trustees give their time freely and no remuneration nor expenses were paid to them in the year. Details of related party transactions are disclosed in note 22 to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Charity Administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises. No Trustee has a beneficial interest in any of the charities supported.

Achievements and performance

Once again, the Trustees are pleased to report on another successful year of grant-making for The Vardy Foundation. We have been delighted to support so many outstanding charities that have delivered life-changing outcomes for many people. To this end, we have awarded donations of £1.6m to 98 charities or individuals. The total of £1.6m is down from the previous year's £2.8m grant total for the following three reasons:

- i) In 2022/23, there were three large multi-year grants committed for a total of £1.4m;
- ii) In 2023/24, one grant for £320k was written back;
- iii) In 2023/24, the Trustees committed £186k for the purchase of a residential flat in Edinburgh for homeless accommodation. This purchase utilised the Charity's cash available for Charitable Activities.

Achievements and performance (continued)

During this financial year, some significant grants have been made which are outlined below:



The Foundation awarded £268k to support Care for Children in the expansion of their family care strategy for orphans and vulnerable children across the globe.

There are an estimated 8 million children living in institutional care worldwide, although it is likely this figure is significantly understated. The United Nations General Assembly has called for action in its members states to protect the human rights of children without parental care, focusing on the need for there to be a significant improvement in long-term alternative options.

Care for Children has worked tirelessly since 1998 to empower countries to transition from institutional care to family-based care for orphans and vulnerable children. In 2018, the Chinese government confirmed that from 1998, when Care for Children commenced their project in China, over 1 million care children were living with families. Care for Children has since expanded its initiatives to Thailand, Vietnam and Cambodia and is rolling out a new three year "My Family" strategy which will see its reach in the UK and across the globe to ensure that children in care have the opportunity of growing up in local, loving families.



**Columba
1400**

A donation of £100k, as a double match-fund, was awarded to the Scottish charity, Columba 1400.

The core purpose of Columba 1400 is to work alongside individuals, communities and organisations to transform and empower young people from the toughest backgrounds, such as those living in care or in areas of high deprivation, to realise that they have it within them to lead lives of purpose, meaning and contribution.

Since its inception in 2000, more than 16,000 young people and key adults have taken part in Columba 1400's values-based leadership academies which have regularly proved to be an important turning point in their lives.

The Foundation's support has allowed Columba 1400 to continue these experiences both through the residential programmes at their Centre in Staffin on the Isle of Skye and locally in communities across Scotland. In the latter case, they work with partners to deliver these programmes to parents, carers, guardians and young people in the community as well as front line support teams and leadership teams in the local authority.

Achievements and performance (continued)



During the year, the Trustees awarded £250k to support the charity, Kids Operating Room (“KidsOR”), a global health charity dedicated to ensuring every child has access to safe and timely surgery.

In 2020, KidsOR launched its Africa 2030 strategy, a transformative initiative aiming to deliver 120 paediatric operating rooms and train 100 paediatric surgeons by the end of the decade. This strategy sets out to provide 750,000 children with access to critical surgical care and prevent over 14 million years of disability.

The Vardy Foundation is a key contributor to a wider match-funding project across four African nations. In Zambia, the Foundation’s donation is helping to establish two state-of-the-art paediatric operating rooms at Chipata and Livingstone Hospitals where the need for child-specific surgical care is acute. In Zambia, where nearly half of the 19 million population is under the age of 15, 5 % of children do not survive to their fifth birthday and over 1 million live with disabilities.

Each KidsOR operating room is equipped with over 3,000 pieces of specialised, paediatric surgical equipment. Before installation, all equipment is thoroughly tested at KidsOR’s Global Operations Centre in Scotland. Each operating room is uniquely designed by KidsOR’s architects and engineers to fit the specific needs and available space within each partner hospital.

KidsOR also works closely with local hospital teams to provide vital training and this is provided both remotely and through local biomedical experts, equipping hospital staff with the skills needed to maintain the equipment effectively. Through this collaborative approach, the Foundation’s support is helping to revolutionise paediatric surgical care across Africa, giving thousands of children the opportunity for a healthier future.

A donation of £90k over three years was made to the UK charity, L’Arche.



Established in 1974, L’Arche is a community movement made up of people with and without learning disability, on a mission to build a world where everyone belongs. It aims to be a beacon of excellent care and life-giving community, with a commitment to life-sharing, spirituality, activism and friendship. In 60 houses, in their 11 UK Communities, some 130 skilled leaders make L’Arche’s vision real. There are over 165,000 vacancies in social care due to a societal decline in personal vocations so L’Arche has set up a Future Leadership Programme, which the Foundation’s funding will help deliver, to grow a new generation of leaders who will be in the frontline helping those with learning disabilities. This bespoke recruitment campaign will be promoted to purpose-led and faith-led future leaders in the UK, especially in the mid-20s and mid-career choice points.

Achievements and performance (continued)



**The Glasshouse
International
Centre for Music**

The Foundation donated, as a match-fund, £100k to The North Music Trust, whose operational name is The Glasshouse International Centre for Music (formerly Sage Gateshead). For 20 years, this Gateshead-based charity has been bringing music into the lives of young people in the North East.

As was the case for all cultural charities, the pandemic severely affected The Glasshouse as the building was closed to the public for 18 months which left them facing a very significant financial deficit. They have been able to pull through this with government and philanthropic support, including that of the Vardy Foundation.

The funding was directed to the Glasshouse's "Make Music:Young People" programme which is the only music programme of its kind in the North East. Their 25-room Make Music Centre is the heart of music education in the region and hosts hundreds of children each week, many of whom come from challenging backgrounds. The Glasshouse offers free starter level classes and means-tested bursaries to families who are struggling financially. Music helps these young people through difficult times, to fulfil their potential and offers them a brighter and happier future.

The Trustees awarded £100k to another Scottish charity, The Haven Kilmacolm.

The Haven Kilmacolm has for over 30 years provided support and accommodation for men from age 17 with drug and alcohol abuse issues to help them become free from their addiction.

The Haven Kilmacolm's residential programme, for up to 26 men at a time, runs for 40 weeks and is a needs-led service that is tailored to the specific requirements of each young man. The programme consists of a teaching curriculum (using biblical principles), life skills courses, support sessions, personal health, recreation and education.

The main objectives are for all the residents to be 100% drug and alcohol free within 4 weeks of admission. This then leads to improved family relationships and better life outcomes.

The funding from the Vardy Foundation was directed at funding core costs primarily for staff who support their service users at each stage of their rehabilitation.



**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Achievements and performance (continued)

A full list of donations to institutions can be seen in Note 7 on page 26. There has also been a large number of smaller donations that have amounted to over £491k. The total number of grants made in 2023/24 was 98 which is comparable to the previous year's figure of 100.

Many of these grants are set up on a match-funding basis which is proving to be very successful for a number of charities, particularly smaller ones. This method of grant making works on the basis that the Foundation contributes a certain percentage of a fund-raising goal on the condition that the respective charitable organisation then raises the balance. This gives additional comfort to the Trustees that others believe in and support the charity's work as well as increasing the potential funds raised for the donee.

The Care Project

The Foundation is a charity that supports young and vulnerable people across the UK and is committed to preventing children entering the care system and maximising opportunities for people leaving it.

The urgent case for change

In 2021, the Scottish Government published "the Promise" which outlined what Scotland must do to make sure its most vulnerable children have the childhood they deserved. The following statistics were identified as part of The Promise and highlight the need for urgent change:

- Care experienced children are 2.5 times more likely to be excluded from school at 16
- Care experienced adults are twice as likely to have no educational qualifications and twice as likely to have poor health
- Care experienced people earn incomes which are 27% lower on average than their non-care experienced peers
- A quarter of prisoners were care experienced in 2019
- Care experienced adults are 1.5 times more likely to experience multiple disadvantages such as substance use, mental health difficulties or being in conflict with the law
- Care experienced adults are twice as likely to have suffered from homelessness, usually before their 30th birthday.

Key Scottish Government statistics taken in 2021/22, show that there were 12,600 children in care in Scotland with an annual social care cost of £680m.

Project Overview

The Foundation has identified an opportunity to tackle systemic problems with care provision in Scotland and the wider UK. Across the country, local authorities are facing both soaring costs for children's social care and significant pressure on sustaining positive outcomes for children in care. In 2023, following an invitation from the Chair of the Promise, the Foundation commenced working with a number of Local Authorities to develop an innovative care model to be developed on a pilot basis in partnership with Clackmannanshire Council ("The Clackmannanshire Project").

The pilot programme will address the challenges outlined above and achieve the following benefits:

- Clackmannanshire Council will have local, fit for purpose accommodation and wraparound services
- The children will be able to stay in the local area
- Improved outcomes for children in care in both the long and short term
- The financial savings will be directed to early intervention services and the development of multi-disciplinary therapeutic support and training.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Achievements and performance (continued)

Building the new accommodation

The first phase of the Clackmannanshire Project will see a four-bed residential unit and six-bed moving on accommodation built in Alloa on Council-owned land. The drawings below show the design and layout of the units which have been driven by local care experienced young people, with the input and support of the Care Inspectorate.



Both blocks have been designed to offer optimal space, inside and out, to provide a nurturing environment for the young people and to support the delivery of the wraparound care. Formal planning consent was received for the project on 29 August 2024.

Funding the model

The building project will be funded by investment from Local Government Pension Schemes via a dedicated fund created and managed by a private fund manager. The fund will exist solely to support building projects across the country to re-home care experienced young people in their local area. The model's strength comes from the fact that Local Government Pension Scheme funds are invested back into, and benefit, the very local communities where their members live. The savings generated from reducing the fees paid to external providers will be used to fund the lease costs of the new accommodation, provide an improved wraparound care service for the young people returning to the local area, and invest in preventative schemes that help keep families together.

Social Investments

The Charity continues its social investment programme through its charitable loans to a number of charities. The outstanding loans totalled £403k at 5 April 2024.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Financial review

Income

Income for the Foundation this year increased by 24% to £1.82m (2023: £1.46m). The principal reason for this increase in income was that income from investments rose to £1,393k (2023: £918k), reflecting both the improvement in the earnings of companies and the significantly higher rates of interest earned on bank deposits.

Donations were made up principally of donated investments of £314k (2023: £350k). Please refer to Notes 2 to 3.

Expenditure

Expenditure decreased to £1.79m (2023: £2.90m). Grants awarded of £1.6m (2023: £2.8m) continue to make up the largest proportion of expenditure (96%, 2023: 96%) and investment management costs decreased to £56k (2023: £96k) following the Trustees' decision to divest a large proportion of the equity investments and place the cash in to fixed term deposits.

There was an increase in support costs from £6.3k to £136.8k. The principal drivers of this significant increase were a foreign exchange loss of £12k (2023: gain of £65k) and an increase in professional fees.

Net realised and unrealised losses/(gains) on investments

Due to more favourable global markets during the financial year, the Foundation's shares values increased by £358k at 5 April 2024 compared to the previous year when there were unrealised losses of £2.2m. The Trustees however continue to monitor closely the Charity's investments and recognise that markets are still very volatile due to the pressures on global economies.

Balance Sheet

The level of cash held has decreased from £7.4m to £498k in the year following the repayment of the £7m loan.

Reserves Policy

The Trustees accept that the Charity must maintain a significant level of reserves, and that a level of free reserves should be retained to enable larger one-off donations to be made without the need for drawdown from capital investments.

Total funds at the end of the financial period were £32.5m (2023: £32.1m), of which £718k (2023: £1.0m) are designated and the remaining £31.8m (2023: £31.1m) are unrestricted general funds.

Designated funds consist of The Peter Vardy Foundation and the Jigsaw Foundation. Decisions affecting these funds are set out in the section, **Plans for the Future**, below.

Within unrestricted general funds there are social investments of £5.3m, fixed assets of £250k and investments of £26.8m held to generate future income. Investments may be utilised by the Trustees for charitable purposes at their discretion but are not considered to be part of free reserves.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Reserves Policy (continued)

Free reserves have increased this year to (£0.52m) from (£1.4m). This is because the Foundation has given out grants totalling £1.6m, due to the on-going need for assistance from our charities and has thus depleted its cash resources. However, the Charity continues to hold its assets in the form of investments to maximise income generating potential and these can be realised when needed to provide additional cash.

The Trustees consider that the current level of free reserves is appropriate to provide sufficient funds to respond to application for grants and ensure their support and to cover the Foundation's governance costs.

Risk Management

The Trustees have assessed the risks to which the Charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to risks. The Trustees consider variability of investment returns as one of the major risks and therefore the Charity used the services of Rathbone Investment Management Ltd as their principal Investment Manager. The Trustees have adopted an investment policy under which the financial objective of the Foundation is to at least maintain the real value of the Charity's assets while generating a stable and sustainable return to fund annual grant making. During the year, the Trustees also carried out a review of the Foundation's Risk Register.

Financial Markets

In the last quarter of the financial year, global resilience continued with the US economy growing faster than expected which contributed to a rally in risk assets and high yield bonds. Market expectations around the pathway for interest cuts were heavily revised as markets priced in fewer expected rate cuts for 2024 due to resilient growth, sticky inflation and low unemployment figures.

Equities benefitted from strong earnings and economic data, hitting new highs in the US with the "Magnificent 7" stocks continuing to drive the S&P 500. The UK equity market lagged its global counterparts due to its value-orientated bias, lack of exposure to technology stocks and the underperformance of the UK economy.

In terms of sector trends, energy companies benefitted from rising commodity prices, driven by increased geopolitical tensions and supply/demand imbalances. The financial sector also performed well due to banks benefitting from the higher interest rates and the technology sector from AI-related themes.

Emerging markets lagged their developed counterparts, impacted by the economic deceleration of China and the strengthening of the US dollar.

Investment Policy

The Investment Policy takes into account the risk tolerance acceptable to the Foundation as decided by the Trustees and has the objective of a blend of income and capital appreciation. Investments generated £1,393k (2023: £918k) of income during the year, representing an increased return of 5.2% on average investment value (2023: 3.4%). This reflects the quadrupling of income from bank deposits to £818k due to the rise in interest rates and the interest earned on a loan of £7m.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Investment Policy (continued)

The Trustees monitor the performance of the Charity's investment portfolio and formally review performance with its principal investment manager on a regular basis. The Trustees are satisfied that the performance of The Vardy Foundation's investments is in line with overall market performance.

Plans for the Future

The Vardy Foundation will continue to work in areas of early intervention and seeks to support individuals and families before crisis develops. A home, a family, a community to belong to and meaningful work are of paramount importance. We continue to work with charities, such as Safe Families for Children, who strive to strengthen the family around the children so that they avoid going into care. Their invaluable support and help result in them leading more fulfilling lives.

The Vardy Foundation is in its fourth decade of charitable giving for the public benefit and, although the Trustees continue to focus on supporting a wide range of early intervention, social action, education and training programmes both in the UK and across the world, they are keen to specifically develop a vision and strategy for the next ten years, focussing on projects closer to home.

Looking forward to the year ahead, the Trustees will continue to work closely with Local Authorities and Central Government to accelerate the national rollout of the Care Project. The model will then be rolled out across the UK starting with those local authorities involved in the design stage. The pilot is underpinned by an infrastructure financing model delivering purpose built, cost-effective accommodation for vulnerable children.

Our model will enlist the goodwill of an army of volunteers that will provide support to both young people and their families. This type of community-based support can be very effective in addressing the needs of families whose children are on the edges of the care system and by preventing young people from entering and moving through the care system itself. In this way, the Trustees expect that this work will have a significant impact on the unacceptably high numbers of young people that are in the current care system. The Trustees hope that by this time next year, the pilot project will be well underway, and that work will have begun in an increasing number of Local Authorities in the UK. The need for this type of support is vital if the future lives of the young in care are to change. Their plight has never been of their own doing, and it is the Foundation's ambition to create a better future for them.

The Foundation is based in its principal office in Central Edinburgh which provides a larger base for the Trustees and staff to further its charitable work and for them to link with other grant-making organisations to progress its aims and objectives more efficiently.

Sir Peter and Lady Vardy continue to encourage the active involvement of their children, Richard, Peter and Victoria, all of whom are Trustees and donate to the Foundation, in seeking out their own initiatives. The Charity is always working with its grant holders and the wider third sector to ensure the development of its strategy reflects real world experience and that its support (financial and non-financial) is as effective as it can be.

**THE VARDY FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2024**

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the Trustees to prepare financial statements for each financial year that 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 Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 (FRS 102);
- Make judgements and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2004 (as amended), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are 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.

Approval

The report was approved by the Trustees on 3 October 2024 and was signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION

Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Charity's affairs as at 5 April 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Basis of 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 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 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 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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Other information (continued)

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.

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 (Scotland) Regulations 2006 and 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
- the Charity has not kept adequate accounting records; 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Charity 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and 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 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

3 October 2024

MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC 312313).

MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VARDY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2024**

	Notes	Unrestricted Funds 2024 £	Designated Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Donations and legacies	2	423,336	-	423,336	538,230
Charitable income	3	2,000	-	2,000	-
Investments	4	1,393,112	-	1,393,112	917,883
Total income		1,818,448	-	1,818,448	1,456,113
Expenditure on:					
Raising funds	5	55,666	-	55,666	96,084
Charitable activities	6	1,454,962	284,907	1,739,869	2,807,002
Total expenditure		1,510,628	284,907	1,795,535	2,903,086
Net income/(expenditure) before gains/(losses) on investments		307,820	(284,907)	22,913	(1,446,973)
Net gains/(losses) on investments	12	358,255	-	358,255	(2,245,877)
Net income/(expenditure) and net movement in funds		666,075	(284,907)	381,168	(3,692,850)
Reconciliation of funds:					
Funds brought forward	18,19	31,117,413	1,003,415	32,120,828	35,813,678
Funds carried forward	18,19	31,783,488	718,508	32,501,996	32,120,828

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

All activities are classed as continuing.

THE VARDY FOUNDATION

**BALANCE SHEET
YEAR ENDED 5 APRIL 2024**

	Notes	2024	2023
		£	£
Fixed assets			
Investments	12	26,795,310	27,192,624
Social investments	13	5,262,351	5,322,151
Tangible fixed assets	14	<u>249,985</u>	<u>1,184</u>
		<u>32,307,646</u>	<u>32,515,959</u>
Current assets			
Debtors	15	138,559	325,304
Cash at bank and in hand		<u>497,730</u>	<u>7,444,903</u>
		636,289	7,770,207
Creditors: amounts falling due within one year	16	<u>(363,605)</u>	<u>(7,895,754)</u>
Net current assets/(liabilities)		<u>272,684</u>	<u>(125,547)</u>
Total assets less current liabilities		32,580,330	32,390,412
Creditors: amounts falling due in more than one year	17	<u>(78,334)</u>	<u>(269,584)</u>
Net assets		<u>32,501,996</u>	<u>32,120,828</u>
Funds			
Unrestricted funds	18,19	31,783,488	31,117,413
Designated funds	18,19	<u>718,508</u>	<u>1,003,415</u>
		<u>32,501,996</u>	<u>32,120,828</u>

The financial statements were approved and authorised for issue by the Trustees on 3 October 2024 and signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 5 APRIL 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(2,209,432)</u>	<u>(1,653,297)</u>
Cash flows from investing activities			
Investment income		1,393,112	917,883
Payments to acquire fixed assets		(260,511)	(1,578)
Proceeds from the sale of investments		14,395,752	5,335,661
Purchase of investments		(12,445,931)	(3,982,555)
Movement in cash held in the portfolios		(879,963)	(369,641)
Concessionary loans repaid		59,800	79,800
Net cash provided by investing activities		<u>2,262,259</u>	<u>1,979,570</u>
Cash flows from financing activities			
Loans repaid		(7,400,000)	-
New loans		400,000	7,000,000
Net cash used in/provided by financing activities		<u>(7,000,000)</u>	<u>7,000,000</u>
Change in cash and cash equivalents in the year	21	<u>(6,947,173)</u>	<u>7,326,273</u>
Cash and cash equivalents at the beginning of the year	21	<u>7,444,903</u>	<u>118,630</u>
Cash and cash equivalents at the end of the year	21	<u>497,730</u>	<u>7,444,903</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2024

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) General information and basis of preparation

The Vardy Foundation is an unincorporated charitable trust, registered in England and Wales, Charity number 328415. The address of the registered office is 110 George Street, Edinburgh, EH2 4LH.

The Charity was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Vardy Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2024

1 Accounting policies (continued)

(c) Income

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

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

Income from charitable activities relates to rental income from beneficiaries, which is recognised in the Statement of Financial Activities in the period to which the rental income relates.

(d) Expenditure

Expenditure is recognised once 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 obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds includes costs associated with generating income from the Charity through its investment portfolios.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its grant making activities. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on grants is recorded once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Support costs are allocated between governance costs and other support costs. Governance costs include these costs associated with meeting the constitutional and statutory requirements of the Charity and include the statutory audit fees and costs linked to strategic management of the Charity. Other support costs relate to the administrative costs of running the Charity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

1 Accounting policies (continued)

(e) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value 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.

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 their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Social investments include programme related investments which are held in the furtherance of the Charity's objectives. Programme related investments include property and loans, which are recognised at cost less impairment.

(f) Tangible fixed assets

Tangible fixed assets costing more than £250 are capitalised at cost and depreciated over their useful economic lives at the following rates:

Property	- 2% straight line
Computer equipment	- 33% straight line
Fixtures and fittings	- 10% straight line

(g) Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

(h) Cash at bank and in hand

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

(i) Creditors and provisions

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

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2024

(j) Concessionary loans

Concessionary loans include those made by the Charity to third parties, which are interest free or below market interest rates and which are made to advance charitable purposes. These loans are recognised at the amount loaned less provision for irrecoverable amounts, in accordance with the special concessionary loan treatment available to public benefit entities within section 34 of FRS 102.

(k) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

(l) Fund accounting

Unrestricted funds are those funds that can used in accordance with the objectives of the Charity at the discretion of Trustees.

Designated funds are those unrestricted funds set aside by the Trustees for specific future purposes or projects.

(m) Judgements in applying key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Donations	Unrestricted	Unrestricted
	2024	2023
	£	£
Donated investments	314,289	349,998
Peter Vardy Holdings Limited	-	163,381
Vardy Property Aberdeen Limited	33,561	24,851
Elim Trust Corporation	75,486	-
	<u>423,336</u>	<u>538,230</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

3 Charitable income			Unrestricted 2024 £	Unrestricted 2023 £
Property rental income			<u>2,000</u>	<u>-</u>
4 Investment income			Unrestricted 2024 £	Unrestricted 2023 £
Income from listed investments			575,035	722,849
Income from bank deposits			<u>818,077</u>	<u>195,034</u>
			<u>1,393,112</u>	<u>917,883</u>
5 Cost of raising funds	Unrestricted 2024 £	Designated 2024 £	Total 2024 £	Total 2023 £
Investment manager's fees	<u>55,666</u>	<u>-</u>	<u>55,666</u>	<u>96,084</u>
6 Charitable activities	Unrestricted 2024 £	Designated 2024 £	Total 2024 £	Total 2023 £
Grants to:				
Institutions (note 7)	1,131,249	279,884	1,411,133	2,775,690
Individuals (19) (2023: 14)	<u>156,025</u>	<u>5,000</u>	<u>161,025</u>	<u>36,890</u>
Total grants	1,287,274	284,884	1,572,158	2,800,690
Other direct costs:				
Clackmannanshire Project	30,874	-	30,874	-
Support costs (note 9)	<u>136,814</u>	<u>23</u>	<u>136,837</u>	<u>6,312</u>
	<u>1,454,962</u>	<u>284,907</u>	<u>1,739,869</u>	<u>2,807,002</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

7 Grants to institutions	Unrestricted 2024 £	Designated 2024 £	Total 2024 £	Unrestricted 2023 £
Aberlour Child Care Trust	-	-	-	101,502
Aid and Abet	25,000	-	25,000	-
Alpha Global	-	-	-	300,000
Anchor House – The Neuk	-	-	-	30,000
Biblica Europe	-	-	-	435,538
Big Church Festival	25,000	-	25,000	-
Cairn Movement	25,000	-	25,000	-
Care for Children	268,066	-	268,066	41,400
Columba 1400	100,000	-	100,000	-
Cranmer Hall	-	-	-	100,000
Elim Foursquare Gospel Alliance	-	-	-	45,000
Evangelical Alliance	-	-	-	45,000
Go! Youth Trust	-	-	-	50,000
Good Shepherd Foundation UK	-	-	-	656,437
Hexham Community Church	-	-	-	30,000
Isaiah 61 Movement	-	-	-	25,000
Junction 42	-	-	-	102,000
Keyfund Federation	-	-	-	40,000
Kids Operating Rooms	250,000	-	250,000	-
L'Arche UK	90,000	-	90,000	-
North Music Trust	100,000	-	100,000	-
Philo Trust	-	-	-	42,500
Re: Hope Next Generation	-	97,188	97,188	109,000
Revelation Trust	-	30,000	30,000	30,000
SAT-7 UK Trust Limited	50,000	-	50,000	-
Simon Community Trust	-	-	-	45,000
Steiger International	35,000	-	35,000	-
The Cyrenians (Changing Lives)	-	-	-	50,000
The Haven Kilmalcolm	100,000	-	100,000	-
The Social Bite Fund	-	-	-	50,000
West of Ireland Evangelical Trust	-	45,011	45,011	-
Other awards < £25,000	383,696	107,685	491,381	447,313
Grants returned/written back	(320,513)	-	(320,513)	-
	<u>1,131,249</u>	<u>279,884</u>	<u>1,411,133</u>	<u>2,775,690</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

8	Analysis of grants	2024	2024	2023	2023
		No.	£	No.	£
	DCMS	16	137,685	80	1,532,315
	Relief	1	45,011	1	1,000
	Education	21	71,481	16	125,390
	Religion	27	396,696	1	444,153
	Welfare	33	921,285	2	697,832
		<u>98</u>	<u>1,572,158</u>	<u>100</u>	<u>2,800,690</u>
9	Support costs	Unrestricted	Designated	Total	Unrestricted
		2024	2024	2024	2023
		£	£	£	£
	FOREX loss/(gain)	12,322	-	12,322	(64,853)
	Depreciation	11,710	-	11,710	394
	Travel & accommodation	10,001	-	10,001	4,379
	Insurance	2,408	-	2,408	5,738
	Heat and light	159	-	159	235
	Office costs	3,606	-	3,606	3,220
	Computer costs	94	-	94	222
	Property costs	4,659	-	4,659	10,654
	Bank charges	481	23	504	1,027
	Accountancy	9,306	-	9,306	8,400
	Professional fees	34,730	-	34,730	3,708
	Marketing	4,820	-	4,820	851
	Rent	33,560	-	33,560	24,477
	Governance costs	8,958	-	8,958	7,860
		<u>136,814</u>	<u>23</u>	<u>136,837</u>	<u>6,312</u>

10 Salary costs

The Charity has no employees. The Charity is managed by its Trustees and three other individuals not employed by the Charity.

11 Trustees' remuneration and expenses

No Trustee received any remuneration or reimbursement of expenses in either the current or prior year.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024**

12	Investments		Total 2024 £	Total 2023 £
	At 6 April		27,192,624	30,434,678
	Gifted shares		314,289	349,998
	Purchases at cost		12,445,931	3,619,845
	Disposal proceeds		(14,395,752)	(5,335,661)
	Movement in cash held in the portfolios		879,963	369,641
	(Losses)/gains on revaluation		358,255	(2,245,877)
			<u>26,795,310</u>	<u>27,192,624</u>
	At 5 April		<u>26,795,310</u>	<u>27,192,624</u>
	Historic cost at 5 April		<u>23,523,749</u>	<u>24,421,173</u>
13	Social investments	Charitable loans £	Charitable property £	Total investments £
	Cost			
	At 6 April	463,196	4,858,955	5,322,151
	Repayments	(59,800)	-	(59,800)
		<u>403,396</u>	<u>4,858,955</u>	<u>5,262,351</u>
	At 5 April	<u>403,396</u>	<u>4,858,955</u>	<u>5,262,351</u>
	Charitable loans comprise:		2024 £	2023 £
	North East Autism Society		22,917	47,917
	Re: Hope Church Glasgow		157,500	187,500
	Jason Mayhall, Pastor of the Bethany Christian Centre		222,979	227,779
			<u>403,396</u>	<u>463,196</u>

Charitable loans are made at interest rates and terms significantly lower than those that the recipient charity could obtain commercially. No interest is payable on any loan outstanding at the year end. No security is held in respect of any loan.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

14	Tangible fixed assets	Property £	Fixtures and fittings £	Computer equipment £	Total £
	Cost				
	At 6 April 2023	-	-	1,578	1,578
	Additions	185,850	74,661	-	260,511
	At 5 April 2024	<u>185,850</u>	<u>74,661</u>	<u>1,578</u>	<u>262,089</u>
	Depreciation				
	At 6 April 2023	-	-	394	394
	Charge for the year	3,717	7,466	527	11,710
	At 5 April 2024	<u>3,717</u>	<u>7,466</u>	<u>921</u>	<u>12,104</u>
	Net book value				
	At 5 April 2024	<u>182,133</u>	<u>67,195</u>	<u>657</u>	<u>249,985</u>
	At 5 April 2023	<u>-</u>	<u>-</u>	<u>1,184</u>	<u>1,184</u>
15	Debtors			2024 £	2023 £
	Other debtors			250	-
	Donations receivable			-	163,381
	Prepayments and accrued income			138,309	161,923
				<u>138,559</u>	<u>325,304</u>
16	Creditors: amounts falling due within one year			2024 £	2023 £
	Grant creditors			326,249	860,937
	Accruals and deferred income			29,202	34,728
	Other creditors			8,154	7,000,089
				<u>363,605</u>	<u>7,895,754</u>
17	Creditors: amounts falling due in more than one year			2024 £	2023 £
	Grant creditors			78,334	269,584

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

18 Movement in funds

	At 6 April 2023 £	Income £	Expenditure £	Gains/ (losses) £	At 5 April 2024 £
2023/24					
Unrestricted	<u>31,117,413</u>	<u>1,818,448</u>	<u>(1,510,628)</u>	<u>358,255</u>	<u>31,783,488</u>
<i>Designated</i>					
Matched Funding	137,685	-	(137,685)	-	-
Peter Vardy Foundation	864,962	-	(147,222)	-	717,740
Jigsaw Foundation	768	-	-	-	768
	<u>1,003,415</u>	<u>-</u>	<u>(284,907)</u>	<u>-</u>	<u>718,508</u>
Total	<u>32,120,828</u>	<u>1,818,448</u>	<u>(1,795,535)</u>	<u>358,255</u>	<u>32,501,969</u>
2022/23					
Unrestricted	<u>33,167,948</u>	<u>1,456,113</u>	<u>(1,260,771)</u>	<u>(2,245,877)</u>	<u>31,117,413</u>
<i>Designated</i>					
Matched Funding	1,670,000	-	(1,532,315)	-	137,685
Peter Vardy Foundation	974,962	-	(110,000)	-	864,962
Jigsaw Foundation	768	-	-	-	768
	<u>2,645,730</u>	<u>-</u>	<u>(1,642,315)</u>	<u>-</u>	<u>1,003,415</u>
Total	<u>35,813,678</u>	<u>1,456,113</u>	<u>(2,903,086)</u>	<u>(2,245,877)</u>	<u>32,120,828</u>

Purposes of funds:

Designated funds

The Matched Funding designated fund is an unrestricted fund set aside by the Trustees to demonstrate the Charity's contribution to the DCMS community match funded project. The terms of the DCMS project required the Vardy Foundation to disburse their matched funded £2m grant by 31 March 2023. During 2022-23, the Charity made matched funding of £1,862,315 in grants to charities that meet the DCMS objectives. The balance of £137,685 was made during 2023-24.

The Peter Vardy Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

The Jigsaw Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2024

19	Analysis of net assets between funds	Unrestricted	Designated	Total
		£	£	£
	2023/24			
	Investments	26,795,310	-	26,795,310
	Social investments	5,262,351	-	5,262,351
	Tangible fixed assets	249,985	-	249,985
	Net current assets/(liabilities)	(445,824)	718,508	272,684
	Non-current liabilities	(78,334)	-	(78,334)
		<u>31,783,488</u>	<u>718,508</u>	<u>32,501,996</u>
		Unrestricted	Designated	Total
		£	£	£
	2022/23			
	Investments	27,192,624	-	27,192,624
	Social investments	5,322,151	-	5,322,151
	Tangible fixed assets	1,184	-	1,184
	Net current assets/(liabilities)	(1,128,962)	1,003,415	(125,547)
	Non-current liabilities	(269,584)	-	(269,584)
		<u>31,117,413</u>	<u>1,003,415</u>	<u>32,120,828</u>
20	Reconciliation of net movements in funds to cashflows from operating activities		2024	2023
			£	£
	Net income/(expenditure)		381,168	(3,692,850)
	Donated shares		(314,289)	(349,998)
	(Gains)/losses on investments		(358,255)	2,245,877
	Investment income		(1,393,112)	(917,883)
	Depreciation		11,710	394
	Decrease/(increase) in debtors		186,745	76,214
	Decrease/(increase) in creditors		(723,399)	984,949
	Net cash (used in) operating activities		<u>(2,209,432)</u>	<u>(1,653,297)</u>
21	Analysis of net funds	At 6 April	Cashflow	At 5 April
		2023		2024
		£	£	£
	Cash at bank and in hand	444,903	52,827	497,730
	Borrowings	7,000,000	(7,000,000)	-
	Net funds	<u>7,444,903</u>	<u>(6,947,173)</u>	<u>497,730</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2024

22 Related party transactions

During the year, a donation was made to 1 (2023: 2) charity of which one or more Trustees of the Vardy Foundation are also Trustees:

Organisation	Common Trustees	Value of donation
Junction 42 Foundation	Richard A R Vardy (until 24 July 2023)	£4,000

The Charity received a donation of shares amounting to £314,289 (2023: £349,998) from one Trustee (2023: 1) during the year. The Charity also made a donation of £97,188 (2023: £109,000) to Re: Hope Next Generation, a charity in which the wife of Trustee, Peter D D Vardy, is a trustee.

An unsecured, interest-free loan from Trustee, Sir Peter Vardy, of £7,000,000 was received in the prior year with a further £400,000 received during the year. £7,400,000 of this was repaid during the year and there was £nil (2023: £7,000,000) outstanding at the year end.

During the year, costs of £250 were paid on behalf of Trustee Sir Peter Vardy. The full £250 was outstanding at the year end and is included within debtors. This has been fully repaid since.

23 Post balance sheet event

On 23 September 2024, the Vardy Foundation purchased a residential dwelling in Hexham for £175,000. The property will be used to support vulnerable adults.

THE VARDY FOUNDATION

England & Wales - Charity number 328415

Accounts

THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

THE VARDY FOUNDATION

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THE VARDY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Sir Peter Vardy, Chairman
Lady Margaret Vardy
Richard A R Vardy
Peter D D Vardy
Victoria H Vardy

Register Charity numbers

England and Wales: 328415
Scotland: SC051152

Principal office

110 George Street
Edinburgh
EH2 4LH

Independent auditor

Geoghegans
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Barclays Bank Plc
5 St Ann's Street
Newcastle Upon Tyne
NE1 3DX

Investment manager

Rathbones Investment Management
28 St Andrews Square
Edinburgh
EH2 1AF

Barclays Wealth
Level 15
1 Churchill Place
London
E14 5HP

Legal advisors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Square One Law LLP
Anson House
Fleming Business Centre
Burden Terrace
Newcastle Upon Tyne
NE32 3AE

THE VARDY FOUNDATION

CHAIRMAN'S REVIEW FOR THE YEAR ENDED 5 APRIL 2023

Welcome to the Vardy Foundation's annual report for 2022/23.

I am delighted to be reporting on another successful year in which we have donated £2.8m in grants to 100 charities or individuals in the UK and internationally. This year, we focussed our grant-making on those charities and individuals which help to alleviate the suffering caused by the recent Cost of Living Crisis in the UK and the growing number people who are marginalised in our society. In addition, we have returned to supporting some of our long-standing charitable partners especially those in poorer, developing countries, such as East Africa and India, and in this report we highlight some of these life-saving projects.

A key focus for the Charity over the last year has been our work to improve the lives of care experienced young people. Partnering with Local Authorities, we are developing an approach that will provide practical support, love and encouragement to help them develop into successful young adults and reach their full potential. Our work centres on bringing home young people who are looked after out of area and into accommodation that will better suit their needs and allow improved support to be built around them. The initiative will also ensure that there is suitable moving on accommodation as they take their first steps away from the care system. And perhaps the most important aspect of our work is that, along with our Local Authority partners, we are looking to develop an improved support system around young people and their families to help reduce the number of young people going into care in the first place. Our ambition is to roll this work out across the country and make a significant impact on the life chances of care experienced young people.

The Foundation continues to be an efficiently run, family foundation, able to move quickly and adapt to new opportunities. We work with both local and central governments to share best practice and support them in their ever-increasing social needs. We also believe that by working alongside charities, proactively and collaboratively, we can maximise the impact of our funding.

The Foundation's team has enjoyed another busy year in our George Street offices and it continues to ensure that the Charity's resources are helping those whom we fund achieve their purpose, to the best effect. I would like to thank the whole Foundation team – Graeme, Armorel and Alison for their invaluable help and support to the Trustees to ensure that the charity runs smoothly and meets all its obligations.

I look ahead and continue to focus our attention on working again with the charities we support as well as looking for new opportunities to engage with similar charities in our principal interest areas.

Sir Peter Vardy
Chairman



3 October 2023

THE VARDY FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2023

Introduction

The Trustees have pleasure in presenting their annual report and financial statements for the Charity for the year ended 5 April 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011, the Charities and Trustee (Investment) Scotland Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Vardy Foundation has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and OSCR.

The Charity is constituted under Trust Deed dated 25 September 1989 and is registered as a Charity with the Charity Commission in England and Wales and with the Office of Scottish Charity Regulator ("OSCR") in Scotland. Other reference and administrative details are set out in the previous section.

Objectives and performance

The objectives of the Vardy Foundation are to support initiatives and programmes in social action and faith-based projects, predominantly focused on early intervention programmes committed to strengthening families and the relief of poverty. The Charity also seeks to support ex-offenders and those in prisons, addiction, rehabilitation, the homeless and the unemployed.

The Vardy Foundation has, for some time, been committed to supporting work in the North East of England as well as making grants to other parts of the UK and the rest of the world. Since the move of its operations to Edinburgh, the Charity has increased its grant-giving to Scottish-based charities. The Peter Vardy Foundation and the Jigsaw Foundation are two designated funds within the Charity, managed respectively by Mr Peter Vardy and Mr Richard Vardy, and are primarily focussed on charitable activities in Scotland but are also involved with some international programmes.

The Trustees confirm that they have referred to both the Charity Regulators' guidance on public benefit when reviewing the Charity's aims and objectives, in planning activities and setting the grant making policy for the year. The Charity furthers its charitable purposes for the public benefit through its grant-making policy which aims to support a range of programmes in education, the arts, skills enhancement, mentoring and leadership development.

The Charity makes donations, grants and loans to a range of institutions and individuals at the discretion of the Trustees. It does this mainly by way of direct payments to the beneficiaries, but also through the payment of other expenses to third parties.

The Trustees meet every three months to review the performance of the Charity and develop plans for the achievement of its objectives. This includes the impact and outcome of previous awards, as well as the consideration of new applications.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management

The Vardy Foundation was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes. The Trustees seek to continue this charitable work through the careful stewardship of its existing resources and by seeking new sources of funding.

The governance of the Charity is the responsibility of the Trustees and the Charity adopts the appropriate principles and recommended practice of the Governance Codes of both the Charity Regulators. The governing body of the Charity is the Board of Trustees which currently comprises five members. The Trustees who acted during the year and up to the date of this report are shown on page one. There have not been any changes in Trustees during the year. Trustees holding title to Charity property on behalf of the Charity are Sir Peter Vardy, Lady Margaret Vardy, Richard A R Vardy and Peter D D Vardy.

The Trustees are responsible for setting general policy and also for the day-to-day management and decision making of the Charity. At the quarterly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance. In their exercise of governance, the Trustees seek regular professional input and advice and meet with the Foundation's investment manager at least four times a year.

Key management personnel remuneration

The day-to-day management and operational running of the Foundation is managed by Sir Peter Vardy, Mr Richard Vardy, the Finance Director, the Foundation Director and the Charity Administrator. None of these individuals receive any remuneration through the Foundation. All Trustees give their time freely and no remuneration nor expenses were paid to them in the year. Details of related party transactions are disclosed in note 21 to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Charity Administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises. No Trustee has a beneficial interest in any of the charities supported.

Achievements and performance

Once again, the Trustees are pleased to report on another successful year of grant-making for The Vardy Foundation. We have been delighted to support so many outstanding charities that have delivered life-changing outcomes for many people. To this end, we have awarded donations of £2.8m to 100 charities or individuals.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)

During this financial year, some significant grants have been made which are outlined below:



The Trustees awarded a total of £656k in two grants to The Good Shepherd Foundation UK to assist their work in India. The Good Shepherd Hospital is planned to be an integrated national medical centre and training institute and its in-patient and out-patient facilities will provide antenatal and post-natal services and offer specialised healthcare and systematic treatment for malnourished children up to the age of five. It is anticipated that the hospital will manage up to 3,000 out-patients and 1,500 in-patients per month. The medical facility has already commenced operationally with the provision of virtual health consultations and support for patients who do not have access to a doctor or a healthcare facility.

Their medical teams will also be able to help desperate families virtually, by trained physicians linking with Good Shepherd telehealth centres in outlying, rural villages. These interventions give local people a chance of a better life, not just through the direct medical attention but also through community support of employment and children's schooling. Their efforts are also focussed on preventing sex trafficking, child violence and violence against women.



The Trustees awarded a total of £300k in three grants to the charity, Alpha International.

The primary aim at Alpha is to equip churches and leaders across the globe with resources and training so that they can respond to the ever-changing needs of their communities and help people discover and develop their Christian belief. They have developed a strategy around four key strategies:- reaching emerging nations, developing digital platforms that enable evangelism, contextualising products for global audiences and expanding the global Church network.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)



The Foundation awarded a total of £435k in two grants to Biblica Europe to assist them with their work with illumniNations Europe in the Oromiya region of Ethiopia. The Oromo people are the largest ethnic group in the country and the Evangelical church there has a surging demand for a contemporary bible in their own language. Today over half the population adhere to Christianity and with ongoing conflicts and instability among neighbouring countries, there has been an influx of refugees into Ethiopia, providing an opportunity to share God's word of hope to not only its own people but to millions more.

Biblica Europe aims to complete the translation of two full bibles in Latin and Ethiopic script. The latter is for the elderly and the Latin is aimed for the generation below the age of 30.



The Foundation awarded £102k over three years to Junction 42 to assist them in their work in prisons and communities across North East England and Central Scotland supporting people throughout the journey of custody and rehabilitation. Seeing lives set free, transformed and empowered is the reason Junction 42 exists.

The funds will be used to provide 80,000 Stories of Hope resources per year, produced quarterly and to create Stories of Hope videos and podcasts to be used in prisons and the wider community. By increasing individuals' opportunity to practice their faith, Junction 42 has seen increased reconciliation, a reduction in re-offending and increased employability.



The Foundation made 2 grants totalling £41.4k to Care for Children towards the cost of placing orphans in Cambodia with local, family-based carers. This inspiring charity has recently signed a project agreement with the Ministry of Social Affairs, Veterans and Youth in Phnom Penh that has enabled their operations to interact daily with the Department of Child Welfare to enhance child welfare reform.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)



The Foundation awarded £101.5k in the year to Aberlour Child Care Trust. Of this, £50k was targeted at their Urgent Assistance Fund to help families in Scotland access basic necessities such as food, clothing, bedding and heating. It brought immediate relief to 500 children and their families as they headed into the cold Winter months of 2022/23. The award was match-funded which meant that the true impact was actually doubled.

The other £51.5k was awarded for the work that Aberlour Child Care Trust are doing as part of the Foundation's new initiative, the Care Project. They are working with the Foundation and other partners on the development of a new approach to support care experienced young people as they prepare to leave the support system.

**CHANGING
LIVES**

The Foundation awarded £50k as a match-fund to support The Cyrenians, operating as Changing Lives, in their front-line services in the North East of England, during the current cost of living crisis. Changing Lives help the most marginalised in society, many of whom have suffered trauma in their lives and they work with them to give them hope that their lives can and will improve. The grant was used to provide essential food packs and heating supplies.

Changing Lives works across four areas to address the most common causes of social exclusion and long-term deprivation namely, housing and homelessness, addiction and recovery, women and children, and employment and training.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)



The Foundation granted £50k in three awards as a match fund to Go! Youth Trust which works across Central Scotland with young people aged 7 to 25. This charity has over the last decade, developed a skilled team of staff and volunteers who are passionate about developing long term relationships that empower young people who are disengaged or marginalised to grow in confidence, explore new possibilities and thrive.

They work in partnership with local partners such as schools, statutory services, churches and the wider third sector. Each year, they support 450 young people through their programmes. In 2022, they also trained 150 volunteers in areas such as safeguarding, managing challenging behaviour and mentoring.



The Foundation made two awards to the Simon Community during the year. The first of £20k was towards the costs associated with redeveloping their Access Hub in Edinburgh where about 60 people a day come for support with housing, physical and mental health, immigration status, access to basic needs, IT support and training.

The second match-funded award of £25k was to support the Simon Community with their Winter Crisis Appeal. They saw an increasing number of people requiring support due to rising energy prices, the local cold weather and high inflationary prices of basic foodstuffs. These funds enabled them to provide this additional safety and warmth.

A full list of donations to institutions can be seen in Note 6 on page 26. There has also been a large number of smaller donations that have amounted to over £447k. The total number of grants made in 2022/23 was 100 which is slightly down from the previous year figure of 115 due to the larger size of some of the grants.

Many of these grants are set up on a match-funding basis which is proving to be very successful for a number of charities, particularly smaller ones. This method of grant making works on the basis that the Foundation contributes a certain percentage of a fund-raising goal on the condition that the respective charitable organisation then raises the balance. This gives additional comfort to the Trustees that others believe in and support the charity's work as well as increasing the potential funds raised for the donee.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance (continued)

Social Investments

The Charity continues its social investment programme through its charitable loans to a number of charities. The outstanding loans totalled £463k at 5 April 2023.

Financial review

Income

Income for the Foundation this year increased by 17% to £1.46m (2022: £1.24m).

The principal reason for this increase in income was that income from investments rose to £918k (2022: £684k), reflecting both the improvement in the earnings of companies following the severe, initial impact of Covid-19 and the higher rates of interest earned on bank deposits.

Donations were made up principally of donated investments of £350k (2022: £201k). Please refer to Notes 2 to 3.

Expenditure

Expenditure decreased to £2.90m (2022: £2.93m). Grants awarded of £2.8m (2022: £2.7m) continue to make up the largest proportion of expenditure (96%, 2022: 90%) and investment management costs decreased to £96k (2022: £117k) following the Trustees' recent decision to have the Foundation's investments managed by one principal investment manager and also by the reduction in investments' asset values on which the manager's fees are based.

There was also a reduction in support costs from £155k to £6.3k. The principal drivers of this significant reduction were a foreign exchange gain of £65k (2022: £1k) and a write off of an irrecoverable loan of £80k in 2022.

Net realised and unrealised losses/(gains) on investments

During the last financial year to 5 April 2022, the share values of the Foundation's investments fell back to £30.4m at the year-end. The fall in investment markets due to the impact of rising inflation on growth stock values, led to a significant impairment to the Foundation's funds under management at 5 April 2023, which stood at £27.2m. The Trustees continue to monitor closely the Charity's investments and recognise that markets are still very volatile due to the pressures on global economies.

Balance Sheet

The level of cash held has increased from £120k to £7.4m in the year.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Reserves Policy

The Trustees accept that the Charity must maintain a significant level of reserves, and that a level of free reserves should be retained to enable larger one-off donations to be made without the need for drawdown from capital investments.

Total funds at the end of the financial period were £32.1m (2022: £35.8m), of which £1.0m (2022: £2.6m) are designated and the remaining £31.1m (2022: £33.2m) are unrestricted general funds.

Designated funds consist of The Peter Vardy Foundation, The Jigsaw Foundation and the remaining element of the Foundation's DCMS Match-funding project. Decisions affecting these funds are set out in the section, **Plans for the Future**, below.

Within unrestricted general funds there are social investments of £5.3m and investments of £27.2m held to generate future income. Investments may be utilised by the Trustees for charitable purposes at their discretion but are not considered to be part of free reserves.

After taking account of the £1.0m of funds held in designated funds, free reserves have increased this year to £(1.4)m from £(2.3)m. This is because the Foundation has given out grants totalling £2.8m and has thus depleted its cash resources. However, the Charity continues to hold its assets in the form of investments in order to maximise income generating potential and these can be realised when needed to provide additional cash.

The Trustees consider that the current level of free reserves is appropriate to provide sufficient funds to respond to application for grants and ensure their support and to cover the Foundation's governance costs.

Risk Management

The Trustees have assessed the risks to which the Charity is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems are in place to mitigate exposure to risks. The Trustees consider variability of investment returns as one of the major risks and therefore the Charity uses the services of Rathbone Investment Management Ltd as their principal Investment Manager. The Trustees have adopted an investment policy under which the financial objective of the Foundation is to at least maintain the real value of the Charity's assets while generating a stable and sustainable return to fund annual grant making. During the year, the Trustees also carried out a review of the Foundation's Risk Register.

Financial Markets

The economic outlook remained gloomy for most of the financial year. Global growth was hit by a unique set of headwinds, including Russia's invasion of Ukraine, interest rate hikes to contain inflation and lingering pandemic effects such as China's lockdowns and supply chain disruptions.

The September 2022 mini budget had a significant impact on UK markets, with sterling falling to a 37 year low against the dollar and yields on gilts rising sharply. The markets calmed down afterwards and the gilt market stabilised following the Bank of England's intervention, while sterling recovered some ground against the dollar and the euro.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Financial Markets (continued)

Interest rates moved higher than expected and the impact of tighter monetary policy is being felt. This has led to the slowing of economies and impacted on corporate profitability.

Financial markets thus remain unstable over continuing worries about global growth and security and the global economy has slowed considerably from the breakneck recovery in 2021. However, the Trustees acknowledge their responsibility to continuously monitor the situation, in conjunction with their professional advisors, and evaluate the ongoing impact of policies implemented by the authorities.

More recent indicators suggest there is more weakness to come and in order to be prepared for a further loss in momentum, the Trustees decided, after the year end, to instruct Rathbones Investment Management to carry out a major liquidation exercise of investments to return some 40 per cent of the portfolio to cash to help fund future charitable projects over the next 12 to 18 months. The cash has been re-invested into UK sterling and US dollar time deposits to earn maximum risk-free returns.

To alleviate suffering and stress caused to many people from the COVID-19 Crisis and the subsequent increased cost of living, the Foundation has continued to be able to react swiftly by supporting charities in the UK and abroad that required financial support in their relief efforts.

Investment Policy

The Investment Policy takes into account the risk tolerance acceptable to the Foundation as decided by the Trustees and has the objective of a blend of income and capital appreciation. Investments generated £918k (2022: £684k) of income during the year, representing a return of 3.4% on average investment value (2022: 2.3%). This reflects both the increase in income from listed investments of £107k and the near tripling of income from bank deposits to £195k due to the rise in interest rates.

The Trustees monitor the performance of the Charity's investment portfolio and formally review performance with its principal investment manager on a regular basis. The Trustees are satisfied that the performance of The Vardy Foundation's investments is in line with overall market performance.

Plans for the Future

The Vardy Foundation is continually looking to work in areas of early intervention and seeks to support individuals and families before crisis develops. There are almost 111,000 children and young people in care in the UK - 10,000 of which leave the care system every year to face very uncertain futures. Of those in care, 43% will have served a prison sentence before the age of 21. A home, a community to belong to and meaningful work are of paramount importance, and we are constantly trying to work with charities, such as Safe Families for Children, who strive to strengthen the family around the children so that they avoid going into care. Their invaluable support and help results in them leading more fulfilling lives.

The Vardy Foundation is in its fourth decade of charitable giving for the public benefit and, although the Trustees continue to focus on supporting a wide range of early intervention, social action, education and training programmes both in the UK and across the world, they are keen to specifically develop a vision and strategy for the next ten years, focussing on projects closer to home.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Plans for the Future (continued)

Looking forward to the year ahead, the Trustees are working with a local council in Scotland on a major new care project which will focus on providing support to young people coming out of care. The aim of this initiative is to provide practical support, love and encouragement to help them develop into successful young adults and reach their full potential. Our project, focussing on improving the lives of care experienced children, will continue with increased pace as building work begins on support accommodation in our first Local Authority in Scotland. We are building strong partnerships that will help create a sustainable model capable of being replicated in council areas across the whole of the UK. The work of partners from the third sector such as Safe Families is a key element to our programme, and we will continue to build a model that provides love and support for families to help them cope better with the daily challenges that they may face.

Our model will enlist the goodwill of an army of volunteers that will provide support to both young people and their families. This type of community-based support can be very effective in addressing the needs of families whose children are on the edges of the care system and by preventing young people from entering and moving through the care system itself. In this way, the Trustees expect that this work will have a significant impact on the unacceptably high numbers of young people that are in the current care system. The Trustees hope that by this time next year, the project will be up and running as the need for this type of support is vital if the future lives of the young in care are to change. Their plight has never been of their own doing and it is the Foundation's ambition to create a better future for them.

The Foundation is based in its principal office in Central Edinburgh which provides a larger base for the Trustees and staff to further its charitable work and for them to link with other grant-making organisations to progress its aims and objectives more efficiently.

Sir Peter and Lady Vardy continue to encourage the active involvement of their children, Richard, Peter and Victoria, all of whom are Trustees and donate to the Foundation, in seeking out their own initiatives. The Charity is always working with its grant holders and the wider third sector to ensure the development of its strategy reflects real world experience and that its support (financial and non-financial) is as effective as it can be.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2023

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the Trustees to prepare financial statements for each financial year that 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.

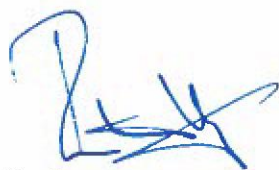
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 (FRS 102);
- Make judgements and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2004 (as amended), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are 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.

Approval

The report was approved by the Trustees on 3 October 2023 and was signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION

Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Charity's affairs as at 5 April 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Basis of 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 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 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 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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Other information (continued)

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.

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 (Scotland) Regulations 2006 and 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
- the Charity has not kept adequate accounting records; 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Charity 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the Charity;
- The requests of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities; and
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the Charity for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the Charity's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011 and the Charity Accounts Regulations 2008.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

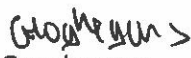
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and 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 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Geoghegan
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

3 October 2023

Geoghegan is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VARDY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2023**

	Notes	Unrestricted Funds 2023 £	Designated Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations and legacies	2	538,230	-	538,230	552,391
Investments	3	917,883	-	917,883	683,667
Total income		<u>1,456,113</u>	<u>-</u>	<u>1,456,113</u>	<u>1,236,058</u>
Expenditure on:					
Raising funds	4	96,084	-	96,084	117,051
Charitable activities	5	1,164,687	1,642,315	2,807,002	2,810,809
Total expenditure		<u>1,260,771</u>	<u>1,642,315</u>	<u>2,903,086</u>	<u>2,927,860</u>
Net income/(expenditure) before gains on investments		195,342	(1,642,315)	(1,446,973)	(1,691,802)
Net (losses)/gains on investments	11	(2,245,877)	-	(2,245,877)	486,973
Net (expenditure)		<u>(2,050,535)</u>	<u>(1,642,315)</u>	<u>(3,692,850)</u>	<u>(1,204,829)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(2,050,535)</u>	<u>(1,642,315)</u>	<u>(3,692,850)</u>	<u>(1,204,829)</u>
Reconciliation of funds:					
Funds brought forward - restated	17,18	33,167,948	2,645,730	35,813,678	37,018,507
Funds carried forward	17,18	<u>31,117,413</u>	<u>1,003,415</u>	<u>32,120,828</u>	<u>35,813,678</u>

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

All activities are classed as continuing.

THE VARDY FOUNDATION

**BALANCE SHEET
YEAR ENDED 5 APRIL 2023**

	Notes	2023 £	2022 £
Fixed assets			
Investments	11	27,192,624	30,434,678
Social investments	12	5,322,151	5,039,241
Tangible fixed assets	13	<u>1,184</u>	<u>-</u>
		32,515,959	35,473,919
Current assets			
Debtors	14	325,304	401,518
Cash at bank and in hand		<u>7,444,903</u>	<u>118,630</u>
		7,770,207	520,148
Creditors: amounts falling due within one year	15	<u>(7,895,754)</u>	<u>(143,139)</u>
Net current (liabilities)/assets		<u>(125,547)</u>	<u>377,009</u>
Total assets less current liabilities		32,390,412	35,850,928
Creditors: amounts falling due in more than one year	16	<u>(269,584)</u>	<u>(37,250)</u>
Net assets		<u>32,120,828</u>	<u>35,813,678</u>
Funds			
Unrestricted funds	17,18	31,117,413	33,167,948
Designated funds	17,18	<u>1,003,415</u>	<u>2,645,730</u>
		32,120,828	35,813,678

The financial statements were approved and authorised for issue by the Trustees on 3 October 2023 and signed on their behalf by:

Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 5 APRIL 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(1,653,297)</u>	<u>(2,903,732)</u>
Cash flows from investing activities			
Investment income		917,883	683,667
Payments to acquire fixed assets		(1,578)	-
Proceeds from the sale of investments		5,335,661	1,845,724
Purchase of investments		(3,982,555)	(4,590,712)
Movement in cash held in the portfolios		(369,641)	3,750,601
Concessionary loans written off		-	80,000
Concessionary loans repaid		79,800	59,800
Net cash provided by investing activities		<u>1,979,570</u>	<u>1,829,080</u>
Cash flows from financing activities			
New loans		<u>7,000,000</u>	-
Net cash used in financing activities		<u>7,000,000</u>	-
Change in cash and cash equivalents in the year	20	7,326,273	(1,074,652)
Cash and cash equivalents at the beginning of the year	20	<u>118,630</u>	<u>1,193,282</u>
Cash and cash equivalents at the end of the year	20	<u>7,444,903</u>	<u>118,630</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2023

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) General information and basis of preparation

The Vardy Foundation is an unincorporated charitable trust, registered in England and Wales, Charity number 328415. The address of the registered office is 32 Portland Terrace, Newcastle Upon Tyne, NE2 1QP.

The Charity was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Vardy Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2023

1 Accounting policies (continued)

(c) Income

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

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

(d) Expenditure

Expenditure is recognised once 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 obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds includes costs associated with generating income from the Charity through its investment portfolios.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its grant making activities. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on grants is recorded once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Support costs are allocated between governance costs and other support costs. Governance costs include these costs associated with meeting the constitutional and statutory requirements of the Charity and include the statutory audit fees and costs linked to strategic management of the Charity. Other support costs relate to the administrative costs of running the Charity.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2023

1 Accounting policies (continued)

(e) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value 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.

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 their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Social investments include programme related investments which are held in the furtherance of the Charity's objectives. Programme related investments include property and loans, which are recognised at cost less impairment.

(f) Tangible fixed assets

Tangible fixed assets costing more than £250 are capitalised at cost and depreciated over their useful economic lives at the following rates:

Computer equipment	- 33% straight line
--------------------	---------------------

(g) Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

(h) Cash at bank and in hand

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

(i) Creditors and provisions

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

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2023

(j) Concessionary loans

Concessionary loans include those made by the Charity to third parties, which are interest free or below market interest rates and which are made to advance charitable purposes. These loans are recognised at the amount loaned less provision for irrecoverable amounts, in accordance with the special concessionary loan treatment available to public benefit entities within section 34 of FRS 102.

(k) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

(l) Fund accounting

Unrestricted funds are those funds that can be used in accordance with the objectives of the Charity at the discretion of Trustees.

Designated funds are those unrestricted funds set aside by the Trustees for specific future purposes or projects.

(m) Judgements in applying key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Donations	Unrestricted	Unrestricted
	2023	2022
	£	£
Donated investments	349,998	201,040
Peter Vardy Holdings Limited	163,381	301,793
Peter Vardy	-	26,081
Vardy Property Aberdeen Limited	24,851	16,957
Gift Aid	-	6,520
	<u>538,230</u>	<u>552,391</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023

3	Investment income			Unrestricted 2023 £	Unrestricted 2022 £
	Income from listed investments			722,849	615,467
	Income from bank deposits			195,034	68,200
				<u>917,883</u>	<u>683,667</u>
4	Cost of raising funds	Unrestricted 2023 £	Designated 2023 £	Total 2023	Unrestricted 2022 £
	Investment manager's fees	<u>96,084</u>	<u>-</u>	<u>96,084</u>	<u>117,051</u>
5	Charitable activities	Unrestricted 2023 £	Designated 2023 £	Total 2023 £	Unrestricted 2022 £
	Grants to:				
	Institutions (note 6)	1,133,375	1,642,315	2,775,690	2,618,849
	Individuals	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>36,890</u>
	Total grants	1,158,375	1,642,315	2,800,690	2,655,739
	Support costs (note 8)	<u>6,312</u>	<u>-</u>	<u>6,312</u>	<u>155,070</u>
		<u>1,164,687</u>	<u>1,642,315</u>	<u>2,807,002</u>	<u>2,810,809</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023

6 Grants to institutions	Unrestricted 2023 £	Designated 2023 £	Total 2023 £	Unrestricted 2022 £
Aberlour Child Care Trust	-	101,502	101,502	-
Alpha Global	-	300,000	300,000	50,000
Anchor House – The Neuk	-	30,000	30,000	-
A Way Out	-	-	-	35,000
Biblica Europe	435,538	-	435,538	100,000
Care for Children	41,400	-	41,400	-
Cranmer Hall	-	100,000	100,000	-
Eastern University Campolo	-	-	-	33,047
Elim Foursquare Gospel Alliance	-	45,000	45,000	-
Empty Kitchen Full Hearts	-	-	-	25,000
Evangelical Alliance	-	45,000	45,000	-
Fields of Life	-	-	-	36,695
Go! Youth Trust	-	50,000	50,000	-
Good Shepherd Foundation UK	656,437	-	656,437	285,950
Hexham Community Church	-	30,000	30,000	-
Isaiah 61 Movement	-	25,000	25,000	-
Junction 42	-	102,000	102,000	-
Keyfund Federation	-	40,000	40,000	-
Kids Operating Rooms	-	-	-	125,000
L'Arche UK	-	-	-	30,000
Mercy Ships	-	-	-	900,000
Philo Trust	-	42,500	42,500	-
Re: Hope Next Generation	-	109,000	109,000	92,400
Revelation Trust	-	30,000	30,000	30,000
Sage Gateshead	-	-	-	300,000
Simon Community Trust	-	45,000	45,000	-
Thana Trust	-	-	-	36,000
The Cinnamon Network	-	-	-	50,000
The Cyrenians (Changing Lives)	-	50,000	50,000	-
The Social Bite Fund	-	50,000	50,000	25,000
Try Praying	-	-	-	25,000
Other awards < £25,000	-	447,313	447,313	439,757
	<u>1,133,375</u>	<u>1,642,315</u>	<u>2,775,690</u>	<u>2,618,849</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023

7	Analysis of grants	2023	2023	2022	2022
		No.	£	No.	£
	DCMS	80	1,532,315	1	300,000
	Arts	-	-	1	10,000
	Relief	1	1,000	-	-
	Education	16	125,390	17	24,890
	Religion	1	435,538	35	528,235
	Welfare	2	697,832	61	1,792,614
		<u>100</u>	<u>2,800,690</u>	<u>115</u>	<u>2,655,739</u>

8	Support costs	Unrestricted	Designated	Total	Unrestricted
		2023	2023	2023	2022
		£	£	£	£
	Salaries (note 9)	-	-	-	1,280
	FOREX gain	(64,853)	-	(64,853)	(1,073)
	Depreciation	394	-	394	-
	Travel & accommodation	4,379	-	4,379	2,134
	Insurance	5,738	-	5,738	6,790
	Heat and light	235	-	235	1,151
	Office costs	3,220	-	3,220	1,916
	Computer costs	222	-	222	173
	Property costs	10,654	-	10,654	16,287
	Bank charges	1,027	-	1,027	923
	Accountancy	8,400	-	8,400	7,920
	Professional fees	3,708	-	3,708	12,662
	Marketing	851	-	851	450
	Rent	24,477	-	24,477	16,957
	Write off of irrecoverable loans	-	-	-	80,000
	Governance costs	7,860	-	7,860	7,500
		<u>6,312</u>	<u>-</u>	<u>6,312</u>	<u>155,070</u>

9 Salary costs

The Charity has no employees. The Charity is managed by its Trustees and three other individuals not employed by the Charity. The salary costs in the prior year were charged to the Vardy Foundation in relation to the DCMS project.

10 Trustees' remuneration and expenses

No Trustee received any remuneration or reimbursement of expenses in either the current or prior year.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023**

11	Investments		Total 2023 £	Total 2022 £
	At 6 April		30,434,678	30,764,248
	Gifted shares		349,998	201,040
	Purchases at cost		3,619,845	4,578,742
	Disposal proceeds		(5,335,661)	(1,845,724)
	Movement in cash held in the portfolios		369,641	(3,750,601)
	(Losses)/gains on revaluation		<u>(2,245,877)</u>	<u>486,973</u>
	At 5 April		<u>27,192,624</u>	<u>30,434,678</u>
	Historic cost at 5 April		<u>24,421,173</u>	<u>25,142,220</u>
12	Social investments	Charitable loans £	Charitable property £	Total investments £
	Cost			
	At 6 April 2022	542,996	4,496,245	5,039,241
	Additions	-	362,710	362,710
	Repayments	<u>(79,800)</u>	<u>-</u>	<u>(79,800)</u>
	At 5 April 2023	<u>463,196</u>	<u>4,858,955</u>	<u>5,322,151</u>
	Charitable loans comprise:		2023 £	2022 £
	Northpoint Fostering CIC		-	20,000
	North East Autism Society		47,917	72,917
	Re: Hope Church Glasgow		187,500	217,500
	Jason Mayhall, Pastor of the Bethany Christian Centre		<u>227,779</u>	<u>237,579</u>
			<u>463,196</u>	<u>542,996</u>

Charitable loans are made at interest rates and terms significantly lower than those that the recipient charity could obtain commercially. No interest is payable on any loan outstanding at the year end. No security is held in respect of any loan.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023**

13	Tangible fixed assets	Computer equipment £	Total £
	Cost		
	At 6 April 2022	-	-
	Additions	1,578	1,578
	At 5 April 2023	1,578	1,578
	Depreciation		
	At 6 April 2022	-	-
	Charge for the year	394	394
	At 5 April 2023	394	394
	Net book value		
	At 5 April 2023	1,184	1,184
	At 5 April 2022	-	-
14	Debtors	2023 £	2022 £
	Donations receivable	163,381	308,314
	Prepayments and accrued income	161,923	93,204
		325,304	401,518
15	Creditors: amounts falling due within one year	2023 £	2022 £
	Trade creditors	-	1,300
	Grant creditors	860,937	102,834
	Accruals and deferred income	34,728	39,005
	Other creditors	7,000,089	-
		7,895,754	143,139
16	Creditors: amounts falling due in more than one year	2023 £	2022 £
	Grant creditors	269,584	37,250

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023

17 Movement in funds

	At 6 April 2022 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 5 April 2023 £
2022/23						
Unrestricted	<u>33,167,948</u>	<u>1,456,113</u>	<u>(1,260,771)</u>	<u>-</u>	<u>(2,245,877)</u>	<u>31,117,413</u>
<i>Designated</i>						
Matched						
Funding	1,670,000	-	(1,532,315)	-	-	137,685
Peter Vardy						
Foundation	974,962	-	(110,000)	-	-	864,962
Jigsaw						
Foundation	768	-	-	-	-	768
	<u>2,645,730</u>	<u>-</u>	<u>(1,642,315)</u>	<u>-</u>	<u>-</u>	<u>1,003,415</u>
Total	<u>35,813,678</u>	<u>1,456,113</u>	<u>(2,903,086)</u>	<u>-</u>	<u>(2,245,877)</u>	<u>32,120,828</u>
	At 6 April 2022 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 5 April 2021 £
2021/22						
Unrestricted	<u>34,200,081</u>	<u>1,236,058</u>	<u>(2,440,164)</u>	<u>(315,000)</u>	<u>486,973</u>	<u>33,167,948</u>
<i>Designated</i>						
Matched						
Funding	1,970,000	-	(300,000)	-	-	1,670,000
Peter Vardy						
Foundation	827,658	-	(157,696)	305,000	-	974,962
Jigsaw						
Foundation	20,768	-	(30,000)	10,000	-	768
	<u>2,818,426</u>	<u>-</u>	<u>(487,696)</u>	<u>315,000</u>	<u>-</u>	<u>2,645,730</u>
Total	<u>37,018,507</u>	<u>1,236,058</u>	<u>(2,927,860)</u>	<u>-</u>	<u>486,973</u>	<u>35,813,678</u>

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2023**

Purposes of funds:

Designated funds

The Matched Funding designated fund is an unrestricted fund set aside by the Trustees to demonstrate the Charity's contribution to the DCMS community match funded project. The terms of the DCMS project required the Vardy Foundation to disburse their matched funded £2m grant by 31 March 2023. The Trustees have, as at the year end, made matched funding of £1,862,315 in grants to charities that meet the DCMS objectives. The balance of £137,685 will be allocated to projects that continue to fully meet these objectives in 2023/24.

The Peter Vardy Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

The Jigsaw Foundation designated fund is an unrestricted fund set up by the Trustees with a focus on charitable activities in Scotland.

18 Analysis of net assets between funds	Unrestricted £	Designated £	Total £
2022/23			
Investments	27,192,624	-	27,192,624
Social investments	5,322,151	-	5,322,151
Tangible fixed assets	1,184	-	1,184
Net current assets/(liabilities)	(1,128,962)	1,003,415	(125,547)
Non-current liabilities	(269,584)	-	(269,584)
	<u>31,117,413</u>	<u>1,003,415</u>	<u>32,120,828</u>
2021/22			
Investments	30,434,678	-	30,434,678
Social investments	5,039,241	-	5,039,241
Net current assets/(liabilities)	(2,268,721)	2,645,730	377,009
Non-current liabilities	(37,250)	-	(37,250)
	<u>33,167,948</u>	<u>2,645,730</u>	<u>35,813,678</u>

19 Reconciliation of net movements in funds to cashflows from operating activities

	2023 £	2022 £
Net (expenditure)	(3,692,850)	(1,204,829)
Donated shares	(349,998)	(201,040)
Losses/(gains) on investments	2,245,877	(486,973)
Investment income	(917,883)	(683,667)
Depreciation	394	-
Decrease/(increase) in debtors	76,214	(78,013)
Increase/(decrease) in creditors	984,949	(249,210)
Net cash (used in) operating activities	<u>(1,653,297)</u>	<u>(2,903,732)</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2023

20	Analysis of net funds	At 6 April	Cashflow	At 5 April
		2022		2023
		£	£	£
	Cash at bank and in hand	118,630	326,273	444,903
	Borrowings	-	7,000,000	7,000,000
	Net funds	<u>118,630</u>	<u>7,326,273</u>	<u>7,444,903</u>

21 Related party transactions

During the year, a donation was made to 2 (2022: 1) charities of which one or more Trustees of the Vardy Foundation are also Trustees:

Organisation	Common Trustees	Value of donation
Junction 42 Foundation	Richard A R Vardy	£102,000
Bethany Christian Centre Property Trust	Sir Peter Vardy	£5,000

The Charity received a donation of shares amounting to £349,998 (2022: £201,040) from one (2022: 1) of its Trustees and a cash donation of £nil (2022: £26,801 from one Trustee) during the year. The Charity also made a donation of £109,000 (2022: £92,400) to Re: Hope Next Generation, a charity in which the wife of Trustee, Peter D D Vardy, is a trustee.

Salary recharges of £nil (2022: £1,280) were recharged by the Vardy Family Office during the year, a company of which Trustees, Sir Peter Vardy and Lady Margaret Vardy, are directors.

During the year, Peter Vardy Holdings Limited, a company in which Sir Peter Vardy and Peter D D Vardy are also directors, donated £163,381 (2022: £301,793) to the Charity which was still outstanding at the year-end and included within debtors (2022: £301,793).

An unsecured, interest-free loan from Trustee, Sir Peter Vardy, of £7,000,000 was received during the year. £7,000,000 of this was still outstanding at the year-end and is included within creditors.

22 Post balance sheet event

On 2 May 2023, the Vardy Foundation entered into a contract to purchase a property on Gillespie Place, Edinburgh for a purchase price of £185,000 which will be used for persons at risk of homelessness.

THE VARDY FOUNDATION

England & Wales - Charity number 328415

Accounts

THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

THE VARDY FOUNDATION

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THE VARDY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Sir Peter Vardy, Chairman
Lady Margaret Vardy
Richard A R Vardy
Peter D D Vardy
Victoria H Vardy

Register Charity numbers

England and Wales: 328415
Scotland: SC051152

Principal office

110 George Street
Edinburgh
EH2 4LH

Independent auditor

Geoghegans
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Barclays Bank Plc
5 St Ann's Street
Newcastle Upon Tyne
NE1 3DX

Investment manager

Rathbones Investment Management
28 St Andrews Square
Edinburgh
EH2 1AF

Barclays Wealth
Level 15
1 Churchill Place
London
E14 5HP

Legal advisors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Square One Law LLP
Anson House
Fleming Business Centre
Burden Terrace
Newcastle Upon Tyne
NE32 3AE

THE VARDY FOUNDATION

CHAIRMAN'S REVIEW FOR THE YEAR ENDED 5 APRIL 2022

Welcome to the Vardy Foundation's annual report for 2021/22.

I am delighted to be reporting on another successful year in which we have donated £2.7m in grants to 115 charities or individuals in the UK and internationally. We continued this year to focus on making grants to those helping to alleviate the suffering caused by the wide-spread effects of COVID-19. The effects of the devastating, global pandemic in the UK severely impacted the homeless, those in our poorest communities and the young but out of this terrible crisis some incredible, uplifting stories have emerged of charities which we support seeking innovative and practical ways of delivering help and assistance. Some of these grants were as a direct result of our participation last year in the Department of Culture, Media and Sport ("DCMS") £85m Community Match Challenge project in the latter half of 2020/21.

During this financial year, we have however also returned to supporting some of our other long-standing charitable partners especially those in poorer, developing countries, such as East Africa and India, and in this report we highlight some of these life-saving projects.

The Foundation continues to be an efficiently run, family foundation, able to move quickly and adapt to new opportunities. We work with both local and central governments to share best practice and support them in their ever-increasing social needs. We also believe that by working alongside charities, proactively and collaboratively, we can maximise the impact of our funding.

The Foundation's team has enjoyed another busy year in our George Street offices and it continues to ensure that the Charity's resources are helping those whom we fund achieve their purpose, to the best effect. I would like to thank Vivienne Taylor, the Charity's Administrator, for her invaluable service since the charity moved to Edinburgh and wish her well in her new position. We welcomed Rachelle Daly in June to take over her role and to support Armored Robinson, Finance Director, and Kenneth Ferguson, Director, as the executive team.

I look ahead and continue to focus our attention on working again with the charities we support as well as looking for new opportunities to engage with similar charities in our principal interest areas.

Sir Peter Vardy
Chairman

6 September 2022

THE VARDY FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022

Introduction

The Trustees have pleasure in presenting their annual report and financial statements for the Charity for the year ended 5 April 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011, the Charities and Trustee (Investment) Scotland Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Vardy Foundation has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and OSCR.

The Charity is constituted under Trust Deed dated 25 September 1989 and is registered as a Charity with the Charity Commission in England and Wales and with the Office of Scottish Charity Regulator ("OSCR") in Scotland. Other reference and administrative details are set out in the previous section.

Objectives and performance

The objectives of the Vardy Foundation are to support initiatives and programmes in social action and faith-based projects, predominantly focused on early intervention programmes committed to strengthening families and the relief of poverty. The Charity also seeks to support ex-offenders and those in prisons, addiction, rehabilitation, the homeless and the unemployed.

The Vardy Foundation has, for some time, been committed to supporting work in the North East of England as well as making grants to other parts of the UK and the rest of the world. The Peter Vardy Foundation and the Jigsaw Foundation are two designated funds within the Charity, managed respectively by Mr Peter Vardy and Mr Richard Vardy, and are primarily focussed on charitable activities in Scotland but are also involved with some international programmes.

The Trustees confirm that they have referred to both the Charity Regulators' guidance on public benefit when reviewing the Charity's aims and objectives, in planning activities and setting the grant making policy for the year. The Charity furthers its charitable purposes for the public benefit through its grant-making policy which aims to support a range of programmes in education, the arts, skills enhancement, mentoring and leadership development.

The Charity makes donations, grants and loans to a range of institutions and individuals at the discretion of the Trustees. It does this mainly by way of direct payments to the beneficiaries, but also through the payment of other expenses to third parties.

The Trustees meet every three months to review the performance of the Charity and develop plans for the achievement of its objectives. This includes the impact and outcome of previous awards, as well as the consideration of new applications.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Structure, governance and management

The Vardy Foundation was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes. The Trustees seek to continue this charitable work through the careful stewardship of its existing resources and by seeking new sources of funding.

The governance of the Charity is the responsibility of the Trustees and the Charity adopts the appropriate principles and recommended practice of the Governance Codes of both the Charity Regulators. The governing body of the Charity is the Board of Trustees which currently comprises five members. The Trustees who acted during the year and up to the date of this report are shown on page one. There have not been any changes in Trustees during the year. Trustees holding title to Charity property on behalf of the Charity are Sir Peter Vardy, Lady Margaret Vardy, Richard A R Vardy and Peter D D Vardy.

The Trustees are responsible for setting general policy and also for the day-to-day management and decision making of the Charity. At the quarterly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance. In their exercise of governance, the Trustees seek regular professional input and advice and meet with the Foundation's investment manager at least four times a year.

Key management personnel remuneration

The day-to-day management and operational running of the Foundation is managed by Sir Peter Vardy, Mr Richard Vardy, the Finance Director, the Foundation Director and the Charity Administrator. With the exception of the remaining balance of one individual's remuneration being allocated to the Foundation for their work relating to last year's DCMS project, none of these individuals receive any remuneration through the Foundation. All Trustees give their time freely and no remuneration nor expenses were paid to them in the year. Details of related party transactions are disclosed in note 22 to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Charity Administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises. No Trustee has a beneficial interest in any of the charities supported.

Achievements and performance

Once again, the Trustees are pleased to report on another successful year of grant-making for The Vardy Foundation. We have been delighted to support so many outstanding charities that have delivered life-changing outcomes for many people. To this end, we have awarded donations of £2.7m to 115 charities or individuals.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance (continued)

During this financial year, some significant grants have been made which are outlined below:



A donation of £900k was made this year to the international charity, Mercy Ships, for the sponsorship of an Eye Clinic on board their new medical ship, the Global Mercy. The grant was made as part of a matched donation and thus helped this global Christian charity raise £1.8m.



Mercy Ships brings hope and healing to those suffering from disability, disfigurement and disease. To do so, they deploy hospital ships and partner with African nations to transform surgical systems and provide free surgery to those most in need. Their work is led by a team of volunteers from up to 50 nations, all of whom give their time and expertise for free.



The Global Mercy, which is the world's largest civilian hospital ship, is already in operation. Along with the existing Mercy Ships fleet, it will double the opportunities for safe and free surgery. Over the next 50 years of Global Mercy's lifespan, it is expected that more than 150,000 lives will be transformed by surgery.

Since 2000, the Vardy Foundation has given over £2.7m to Mercy Ships.

During the year, the Trustees answered the continual, pressing calls for aid and support from India where there was a devastating spread of COVID. Day after day, pictures were relayed round the world of the desperate plight of the Indian people who were dying, with fear and helplessness becoming rampant. This could not be ignored.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance (continued)



The Trustees awarded a total of £286k in two grants to The Good Shepherd Foundation. Both grants were directed to their Ministry's programme to vaccinate as many people as possible.

The Good Shepherd has started work on building a National Medical Centre where medical teams will be able to help desperate families virtually, by trained physicians linking with Good Shepherd telehealth centres in outlying, rural villages. These interventions give local people a chance of a better life, not just through the direct medical attention but also through community support of employment and children's schooling. Their efforts are also focussed on preventing women and girls from exploitation.



The Trustees awarded £125k to the charity, Kids Operating Rooms.

The donation funded 50 per cent of a dedicated Operating Room for children within the AIC Kijabe Hospital in Kenya, again as part of a successful matched funded donation. This donation will mean more children in Kenya have access to safe and timely life-saving surgery.



KidsOR operating rooms are comprised of over 3,000 pieces of specialised paediatric equipment. Each item meets the highest functional, technical and regulatory requirements and is tested in the charity's centre for global operations in Dundee before being shipped to the country in question.

Each operating room, including recovery and waiting rooms, is individually designed by their architects and engineers to meet the needs and available space within partner hospitals. KidsOR then work with local teams to transform the space and install equipment. Training for hospital staff on specific machinery is provided both remotely and through local biomedical experts.



After three years of support, KidsOR hand control over to partner hospitals.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance (continued)



The Foundation, through the Peter Vardy Foundation fund, donated £36.7k to Fields of Life ("FOL") for their Covid-19 Emergency Appeal.

This charity, to whom we have given support several times in the last ten years, partners with churches and communities in East Africa to enable children and young people, especially girls and women, to access quality education and training, empowering them to provide leadership in their communities. It also promotes access to clean water, good sanitation and improved livelihoods.

This donation was directed to helping with Uganda's deadly third wave of Covid where it had spread rapidly. With only 2% of the population vaccinated and an already weakened health system, the situation was very worrying.

With our support, FOL were able to set up an emergency phone service to reach over 35,000 people in rural villages to share public health messages and advice. They also continued to provide vital fresh clean water and urgent emergency supplies, such as PPE.

A donation of £25k was awarded to this enterprising, Edinburgh charity.



Empty Kitchens Full Hearts was set up by a group of furloughed chefs during the first Covid lockdown. They take surplus food from local stakeholders and prepare hot meals which are then given free to anyone in need in the wider Edinburgh community. They also offer the opportunity to volunteers, who may lack employability skills, to work in a busy, professional kitchen.

Since starting, they have prepared, and distributed, over 1.25 million meals. In late 2021, they out-grew their temporary base in the Leith Theatre and The Vardy Foundation partnered with two other funders to fund the capital fit-out of a new kitchen in their permanent premises in Granton. This new base has allowed them to increase the production of meals and to help more people gain important employability skills.

The Trustees, having visited this local charity and seen the work they actively do to improve the daily lives of many people in Edinburgh, are delighted to have supported this new initiative.



THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance (continued)



The Sage Gateshead was awarded a total of £300k in two grants this year, each of £150k. These grants form part of a financial commitment that the Foundation gave to the DCMS in last year's Community Match Challenge project. That unique, new funding project spearheaded our work on the Covid front in the UK.

For the past 19 years, Sage Gateshead has operated a large-scale programme of participatory music-making and education. Much of this work focuses specifically on improving the lives of children and young people from across the North East who face multiple disadvantages.

These two new grants were made to support The Sage Gateshead's project costs in their ongoing work with disadvantaged children and young people.

A full list of donations to institutions can be seen in Note 8 on page 27. There has also been a large number of smaller donations that have amounted to £440k. The total number of grants made in 2021/22 was 115. Last year's figure of 137, included 19 grants made through the one-off DCMS Covid-19 project and thus the total number has not fallen in relation to the previous year.

Many of these grants are set up on a match-funding basis which is proving to be very successful for a number of charities, particularly smaller ones. This method of grant making works on the basis that the Foundation contributes a certain percentage of a fund-raising goal on the condition that the respective charitable organisation then raises the balance. This gives additional comfort to the Trustees that others believe in and support the charity's work as well as increasing the potential funds raised for the donee.

A substantial number of these smaller grants are donated to charities working in and around the rehabilitation of offenders. Not the easiest of tasks, but the Foundation supports a number of local heroes who work diligently to help men and women leaving prison to find a home, a community to belong to and meaningful work.

The Vardy Foundation supports charities and organisations which concentrate on the rehabilitation of ex-offenders and explore opportunities to find alternatives to prison sentences, especially for women. It also supports local charities in Scotland that focus their work on very deprived communities.



Junction 42 work in prisons and communities across North East England and Central Scotland supporting people throughout the journey of custody and rehabilitation. Seeing lives set free, transformed and empowered is the reason Junction 42 exists. The work in Scotland has been established in the Central Belt of Scotland over the last two years, setting up Connect Groups and Job Club support in Edinburgh.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance (continued)

Social Investments

The Charity continues its social investment programme through its charitable loans to a number of charities. The outstanding loans totalled £543k at 5 April 2022.

Financial review

Income

Income for the Foundation this year fell significantly to £1.24m (2021: £3.10m). However, within last year's income was a one off, Covid-19 grant of £2m from the DCMS and thus excluding the latter, income for 2021/22 actually rose by 13%. Income is made up principally of donations of £552k (2021: £427k). The largest donation was from Peter Vardy Holdings Limited for £302k (2021: £257k). Income from investments rose to £684k (2021: £669k) which reflects the improvement in the earnings of companies following the severe, initial impact of Covid-19. Please refer to Notes 2 to 5.

Expenditure

Expenditure decreased to £2.93m (2021: £6.00m) which reflects the DCMS project funding grants and costs in 2020/21. Grants awarded of £2.6m (2021: £5.57m) continue to make up the largest proportion of expenditure (97%, 2021: 98%) and investment management costs decreased to £117k (2021: £144k) following the Trustees' decision last year to have the Foundation's investments managed by one principal investment manager. There was also a reduction in support costs from £186k to £155k.

Net realised and unrealised losses/(gains) on investments

During the last financial year to 5 April 2021, the value of the Foundation's portfolio of investments saw a turnaround following the Covid-19 crisis outbreak which had been coterminous with the Foundation's 2020 year-end. This dramatic recovery in global investments resulted in substantial unrealised gains of £7.51m being recorded last year. During this financial year, the share values of the Foundation's investments continued to rise from £30.7m but due to the global downturn in financial markets at the start of 2022, particularly in growth stocks, the value of the Foundation's investments fell back to £30.4m at the year-end. There was no significant impairment to the Foundation's funds under management at 5 April 2022. The Trustees continue to monitor closely the Charity's investments and recognise that markets are still very volatile due to the recent war in Ukraine and the impact that has had on energy prices and global supply chains which have adversely affected share prices.

Balance Sheet

The level of cash held has reduced from £1.2m to £120k in the year.

Reserves Policy

The Trustees accept that the Charity must maintain a significant level of reserves, and that a level of free reserves should be retained to enable larger one-off donations to be made without the need for drawdown from capital investments.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Reserves Policy (continued)

Total funds at the end of the financial period were £35.8m (2021: £37.0m), of which £2.6m (2021: £2.8m) are designated and the remaining £33.2m (2021: £34.2m) are unrestricted general funds.

Designated funds consist of The Peter Vardy Foundation, The Jigsaw Foundation and the remaining element of the Foundation's DCMS Match-funding project. Decisions affecting these funds are set out in the section, **Plans for the Future**, below.

Within unrestricted general funds there are social investments of £5.0m and investments of £30.4m held to generate future income. Investments may be utilised by the Trustees for charitable purposes at their discretion but are not considered to be part of free reserves.

After taking account of the £2.6m of funds held in designated funds, free reserves have fallen this year to £(2.3)m from £(1.7)m. This is because, in this second, exceptional year of need, the Foundation has given out grants totalling £2.6m and has thus depleted its cash resources. The Charity continues to hold its assets in the form of investments in order to maximise income generating potential and these can be realised when needed to provide additional cash.

The Trustees consider that the current level of free reserves is appropriate to provide sufficient funds to respond to application for grants and ensure their support and to cover the Foundation's governance

Risk Management

The Trustees have assessed the risks to which the Charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to risks. The Trustees consider variability of investment returns as one of the major risks and therefore the Charity uses the services of Rathbone Investment Management Ltd as their principal Investment Manager. The Trustees have adopted an investment policy under which the financial objective of the Foundation is to at least maintain the real value of the Charity's assets while generating a stable and sustainable return to fund annual grant making. During the year, the Trustees also carried out a review of the Foundation's Risk Register.

Financial Markets

In the last quarter of the financial year, the world was shocked by Russia's invasion of Ukraine and the impact that had on the global economy and financial markets. Russia's isolation, following the implementation of economic and political sanctions, has had significant economic repercussions owing to its role as a leading supplier of key commodities.

Central Banks had started to tighten monetary policy before the conflict and have continued to do so by rising interest rates above what had been forecast. Inflation is high and growing, fuelled by rising energy prices. Many growth stocks which were significantly underperforming before the Ukraine situation have continued to do so. However, some of the higher margins of the more profitable companies, which are held within the Foundation's portfolio, provide some resilience against inflation.

In other parts of the world, such as China, where there has been a zero-Covid approach, markets have been particularly badly affected but the Foundation has limited exposure in that geographical market.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Financial Markets (continued)

Gold and Commodities have performed well during this geopolitical instability and the Foundation has holdings in both these asset classes as part of its diversified portfolio.

Financial markets thus remain unstable over continuing worries about global growth and security. However, the Trustees acknowledge their responsibility to continuously monitor the situation, in conjunction with their professional advisors, and evaluate the ongoing impact of policies implemented by the authorities.

To alleviate suffering and stress caused to many people from the COVID-19 Crisis and the subsequent increased cost of living, the Foundation has continued to be able to react swiftly by supporting charities in the UK and abroad that required financial support in their relief efforts. The Foundation also put measures in place to safeguard the health of its employees whilst remaining fully operational and providing business continuity to the charities it supported.

Investment Policy

The Investment Policy takes into account the risk tolerance acceptable to the Foundation as decided by the Trustees and has the objective of a blend of income and capital appreciation. Investments generated £684k (2021: £669k) of income during the year, representing a return of 2.3% on average investment value (2021: 2.2%). This small increase reflects the fact that some companies had reinstated or increased dividends that were stopped or reduced during the Covid crisis.

The Trustees monitor the performance of the Charity's investment portfolio and formally review performance with its principal investment manager on a regular basis. The Trustees are satisfied that the performance of The Vardy Foundation's investments is in line with overall market performance.

Plans for the Future

The Vardy Foundation is continually looking to work in areas of early intervention and seeks to support individuals and families before crisis develops. There are almost 100,000 children and young people in care in the UK - 10,000 of which leave the care system every year to face very uncertain futures. Of those in care, 43% will have served a prison sentence before the age of 21. A home, a community to belong to and meaningful work are of paramount importance, and we are constantly trying to work with charities, such as Safe Families for Children, who strive to strengthen the family around the children so that they avoid going into care. Their invaluable support and help results them in leading more fulfilling lives.

The Vardy Foundation is in its fourth decade of charitable giving for the public benefit and, although the Trustees continue to focus on supporting a wide range of early intervention, social action, education and training programmes both in the UK and across the world, they are keen to specifically develop a vision and strategy for the next ten years, focussing on projects closer to home. These will be co-ordinated and form part of the remaining £2m DCMS Community Matched funding over the shorter term. The Trustees are actively in discussion with potential care providers and local government as to how these funds can be allocated to maximise the outcomes for those in the care system.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Plans for the Future (continued)

Looking forward to the year ahead, it is the Trustees' plan to establish a new charity which will focus on providing support to young people coming out of care. The charity will aim to provide practical support, love and encouragement to help them develop into successful young adults and reach their full potential.

This new charity will enlist the support of volunteers to become mentors for the young people and will work to ensure that they are given practical support with money, accommodation and employment opportunities. To head this prospective new charity, the Trustees have appointed Graeme McEwan, formerly the Chief Executive Officer of MCR Pathways, who has invaluable experience of the care sector.

The Trustees hope that by this time next year, this new charity will be up and running as the need for this type of support is vital if the future lives of the young in care are to change. Their plight has never been of their own doing and it is the Foundation's ambition to create a better future for them.

The Foundation is now well ensconced in its principal office in Central Edinburgh which provides a larger base for the Trustees and staff to further its charitable work and for them to link with other grant-making organisations to progress its aims and objectives more efficiently.

Sir Peter and Lady Vardy continue to encourage the active involvement of their children, Richard, Peter and Victoria, all of whom are Trustees and donate to the Foundation, in seeking out their own initiatives. The Charity is always working with its grant holders and the wider third sector to ensure the development of its strategy reflects real world experience and that its support (financial and non-financial) is as effective as it can be.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2022

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the Trustees to prepare financial statements for each financial year that 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 Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 (FRS 102);
- Make judgements and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2004 (as amended), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are 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.

Approval

The report was approved by the Trustees on 6 September 2022 and was signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION

Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Charity's affairs as at 5 April 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Basis of 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 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 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 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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Other information (continued)

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.

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 (Scotland) Regulations 2006 and 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
- the Charity has not kept adequate accounting records; 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Charity 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the Charity;
- The requests of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities; and
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the Charity for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the Charity's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011 and the Charity Accounts Regulations 2008.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

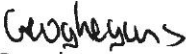
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and 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 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Geoghegan
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

6 September 2022

Geoghegan is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VARDY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	Unrestricted Funds 2022 £	Designated Funds 2022 £	Total Funds 2022 £	Restated Total Funds 2021 £
Income from:					
Donations and legacies	2	552,391	-	552,391	426,503
Charitable activities	3	-	-	-	2,000,000
Investments	4	683,667	-	683,667	669,108
Other income	5	-	-	-	5,000
Total income		1,236,058	-	1,236,058	3,100,611
Expenditure on:					
Raising funds	6	117,051	-	117,051	143,512
Charitable activities	7	2,323,113	487,696	2,810,809	5,856,770
Total expenditure		2,440,164	487,696	2,927,860	6,000,282
Net (expenditure) before gains on investments		(1,204,106)	(487,696)	(1,691,802)	(2,899,671)
Net gains on investments	13	486,973	-	486,973	7,509,837
Net (expenditure)/income		(717,133)	(487,696)	(1,204,829)	4,610,166
Transfers between funds		(315,000)	315,000	-	-
Net movement in funds		(1,032,133)	(172,696)	(1,204,829)	4,610,166
Reconciliation of funds:					
Funds brought forward - restated	18,19	34,200,081	2,818,426	37,018,507	32,408,341
Funds carried forward	18,19	33,167,948	2,645,730	35,813,678	37,018,507

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

All activities are classed as continuing.

THE VARDY FOUNDATION

**BALANCE SHEET
YEAR ENDED 5 APRIL 2022**

	Notes	2022 £	Restated 2021 £
Fixed assets			
Investments	13	30,434,678	30,764,248
Social investments	14	<u>5,039,241</u>	<u>5,167,071</u>
		<u>35,473,919</u>	<u>35,931,319</u>
Current assets			
Debtors	15	401,518	323,505
Cash at bank and in hand		<u>118,630</u>	<u>1,193,282</u>
		520,148	1,516,787
Creditors: amounts falling due within one year	16	<u>(143,139)</u>	<u>(340,015)</u>
Net current assets		<u>377,009</u>	<u>1,176,775</u>
Total assets less current liabilities		35,850,928	37,108,091
Creditors: amounts falling due in more than one year	17	<u>(37,250)</u>	<u>(89,584)</u>
Net assets		<u>35,813,678</u>	<u>37,018,507</u>
Funds			
Unrestricted funds	18,19	33,167,948	34,200,081
Designated funds	18,19	<u>2,645,730</u>	<u>2,818,426</u>
		<u>35,813,678</u>	<u>37,018,507</u>

The financial statements were approved and authorised for issue by the Trustees on 6 September 2022 and signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	2022 £	Restated 2021 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(2,903,732)</u>	<u>(2,858,308)</u>
Cash flows from investing activities			
Investment income		683,667	669,108
Proceeds from the sale of investments		1,845,724	17,387,093
Purchase of investments		(4,590,712)	(10,009,115)
Movement in cash held in the portfolios		3,750,601	(1,856,092)
Concessionary loans made		-	(100,000)
Concessionary loans written off		80,000	-
Concessionary loans repaid		59,800	77,750
Net cash provided by investing activities		<u>1,829,080</u>	<u>6,168,744</u>
Cash flows from financing activities			
Repayment of loans		-	(4,611,600)
Net cash used in financing activities		<u>-</u>	<u>(4,611,600)</u>
Change in cash and cash equivalents in the year	21	<u>(1,074,652)</u>	<u>(1,301,164)</u>
Cash and cash equivalents at the beginning of the year	21	<u>1,193,282</u>	<u>2,494,446</u>
Cash and cash equivalents at the end of the year	21	<u>118,630</u>	<u>1,193,282</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2022

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) General information and basis of preparation

The Vardy Foundation is an unincorporated charitable trust, registered in England and Wales, Charity number 328415. The address of the registered office is 32 Portland Terrace, Newcastle Upon Tyne, NE2 1QP.

The Charity was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Vardy Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Prior year adjustment

The financial statements of the prior year have been adjusted to recognise the charity's constructive obligation to pay multi-year donations where these have been communicated to the beneficiaries, prior to the year end. This involves restating creditors and grant expenditure balances. A reconciliation of the opening reserves is set out overleaf.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022**

1 Accounting policies (continued)

(b) Prior year adjustment (continued)

	6 Apr 2020 Unrestricted £	6 Apr 2020 Designated £	6 Apr 2020 Total £
Reserves as previously stated	29,947,998	2,625,343	32,573,341
Grant expenditure	(165,000)	-	(165,000)
Reserves as restated at 6 April 2020	<u>29,782,998</u>	<u>2,625,343</u>	<u>32,408,341</u>
	5 Apr 2021 Unrestricted £	5 Apr 2021 Designated £	5 Apr 2021 Total £
Reserves as previously stated	34,533,998	2,818,426	37,352,424
Grant expenditure	(333,917)	-	(333,917)
Reserves as restated at 6 April 2021	<u>34,200,081</u>	<u>2,818,426</u>	<u>37,018,507</u>

(c) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(d) Income

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

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2022

1 Accounting policies (continued)

(e) Expenditure

Expenditure is recognised once 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 obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds includes costs associated with generating income from the Charity through its investment portfolios.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its grant making activities. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on grants is recorded once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Support costs are allocated between governance costs and other support costs. Governance costs include these costs associated with meeting the constitutional and statutory requirements of the Charity and include the statutory audit fees and costs linked to strategic management of the Charity. Other support costs relate to the administrative costs of running the Charity.

(f) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value 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.

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 their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Social investments include programme related investments which are held in the furtherance of the Charity's objectives. Programme related investments include property and loans, which are recognised at cost less impairment.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2022

1 Accounting policies (continued)

(g) Tangible fixed assets

Tangible fixed assets costing more than £250 are capitalised at cost and depreciated over their useful economic lives at the following rates:

Fixture and fittings	- 33% straight line
Computer equipment	- 33% straight line

(h) Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

(i) Cash at bank and in hand

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

(j) Creditors and provisions

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

(k) Concessionary loans

Concessionary loans include those made by the Charity to third parties, which are interest free or below market interest rates and which are made to advance charitable purposes. These loans are recognised at the amount loaned less provision for irrecoverable amounts, in accordance with the special concessionary loan treatment available to public benefit entities within section 34 of FRS 102.

(l) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

(m) Fund accounting

Unrestricted funds are those funds that can be used in accordance with the objectives of the Charity at the discretion of Trustees.

Designated funds are those unrestricted funds set aside by the Trustees for specific future purposes or projects.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022

(n) Judgements in applying key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2	Donations	Unrestricted 2022 £	Unrestricted 2021 £
	Donated investments	201,040	170,000
	Peter Vardy Holdings Limited	301,793	256,503
	Peter Vardy	26,081	-
	Vardy Property Aberdeen Limited	16,957	-
	Gift Aid	6,520	-
		552,391	426,503
3	Charitable income	Restricted 2022 £	Restricted 2021 £
	DCMS grant	-	2,000,000
		-	2,000,000
4	Investment income	Unrestricted 2022 £	Unrestricted 2021 £
	Income from listed investments	615,467	648,002
	Income from bank deposits	68,200	21,106
		683,667	669,108

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022

5 Other income			Unrestricted 2022 £	Unrestricted 2021 £
Insurance proceeds			-	5,000
			<u>-</u>	<u>5,000</u>
6 Cost of raising funds	Unrestricted 2022 £	Designated 2022 £	Total 2022	Unrestricted 2021 £
Investment manager's fees	117,051	-	117,051	143,512
	<u>117,051</u>	<u>-</u>	<u>117,051</u>	<u>143,512</u>
7 Charitable activities	Unrestricted 2022 £	Designated 2022 £	Total 2022 £	Unrestricted 2021 £
Grants to:				
Institutions (note 8)	2,132,504	486,345	2,618,849	5,568,945
Individuals	35,640	1,250	36,890	101,340
	<u>2,168,144</u>	<u>487,595</u>	<u>2,655,739</u>	<u>5,670,285</u>
Total grants	2,168,144	487,595	2,655,739	5,670,285
Support costs (note 10)	154,969	101	155,070	186,485
	<u>2,323,113</u>	<u>487,696</u>	<u>2,810,809</u>	<u>5,856,770</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 5 APRIL 2022

8 Grants to institutions	Unrestricted 2022 £	Designated 2022 £	Total 2022 £	Unrestricted 2021 £
Alpha Global	50,000	-	50,000	-
Achterarder Church	-	-	-	80,000
A Way Out	35,000	-	35,000	30,000
Betel UK	-	-	-	175,000
Biblica Europe	100,000	-	100,000	-
Changing Lives	-	-	-	250,000
Cranmer Hall	-	-	-	100,000
Eastern University Campolo	33,047	-	33,047	-
Empty Kitchen Full Hearts	25,000	-	25,000	-
Evangelical Alliance	-	-	-	124,000
Fields of Life	-	36,695	36,695	-
Foundation of Light	-	-	-	210,000
Glenwood Church	-	-	-	80,000
Good Shepherd	285,950	-	285,950	196,315
Handcrafted Projects	-	-	-	33,840
Junction 42	-	-	-	30,000
Kids Operating Room	125,000	-	125,000	-
L'Arche UK	-	30,000	30,000	30,000
Light UK	-	-	-	100,000
Maggie's	-	-	-	107,803
Mercy Ships	900,000	-	900,000	-
Northpoint Care	-	-	-	30,000
Oasis Community House	-	-	-	109,551
Outward Bound Trust	-	-	-	50,000
Peter Vardy Foundation	-	-	-	1,880,000
Philo Trust	-	-	-	40,000
Premier Christian Media	-	-	-	50,000
Re: Hope Next Generation	-	92,400	92,400	84,000
Revelation Trust	30,000	-	30,000	-
Safe Families for Children	-	-	-	300,940
Sage Gateshead	-	300,000	300,000	260,000
Second Sight	-	-	-	25,000
Sowing Seeds Ministries	-	-	-	121,250
Spartans Community	-	-	-	25,000
Thana Trust	36,000	-	36,000	85,000
The Cinnamon Network	50,000	-	50,000	-
The Message Trust	-	-	-	271,093
The Moses Project	25,000	-	25,000	25,000
Try Praying	25,000	-	25,000	-
United Christian Broadcasters	-	-	-	50,000
Other awards < £25,000	412,507	27,250	439,757	615,153
	<u>2,132,504</u>	<u>486,345</u>	<u>2,618,849</u>	<u>5,568,945</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022

9	Analysis of grants	2022	2022	2021	2021
		No.	£	No.	£
	DCMS	1	300,000	16	1,900,000
	Relief	-	-	1	10,000
	Education	17	24,890	5	114,000
	Religion	35	528,235	47	904,856
	Welfare	61	1,792,614	68	2,741,429
	Arts	1	10,000	-	-
		<u>115</u>	<u>2,655,739</u>	<u>137</u>	<u>5,670,285</u>
10	Support costs	Unrestricted	Designated	Total	Unrestricted
		2022	2022	2022	2021
		£	£	£	£
	Salaries (note 11)	1,280	-	1,280	76,144
	FOREX gain	(1,073)	-	(1,073)	20,141
	Travel & accommodation	2,134	-	2,134	3,162
	Insurance	6,790	-	6,790	4,732
	Heat and light	1,151	-	1,151	1,015
	Office costs	1,916	-	1,916	1,999
	Computer costs	173	-	173	605
	Property costs	16,287	-	16,287	7,475
	Bank charges	822	101	923	1,136
	Accountancy	7,920	-	7,920	13,126
	Professional fees	12,662	-	12,662	49,750
	Marketing	450	-	450	-
	Rent	16,957	-	16,957	-
	Write off of irrecoverable loans	80,000	-	80,000	-
	Governance costs	7,500	-	7,500	7,200
		<u>154,969</u>	<u>101</u>	<u>155,070</u>	<u>186,485</u>

11 Salary costs

The Charity has no employees. The Charity is managed by its Trustees and three other individuals not employed by the Charity. The salary costs are those charged to the Vardy Foundation in relation to the DCMS project.

12 Trustees' remuneration and expenses

No Trustee received any remuneration or reimbursement of expenses in either the current or prior year.

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022**

13 Investments	Total 2022 £	Total 2021 £	
At 6 April	30,764,248	28,731,630	
Gifted shares	201,040	170,000	
Purchases at cost	4,578,742	9,883,782	
Disposal proceeds	(1,845,724)	(17,387,093)	
Movement in cash held in the portfolios	(3,750,601)	1,856,092	
Gains/(losses) on revaluation	486,973	7,509,837	
	<u>30,434,678</u>	<u>30,764,248</u>	
At 5 April	<u>30,434,678</u>	<u>30,764,248</u>	
Historic cost at 5 April	<u>25,142,220</u>	<u>25,441,379</u>	
 14 Social investments	 Charitable loans £	 Charitable property £	 Total investments £
Cost			
At 6 April 2021	682,796	4,484,275	5,167,071
Additions	-	11,970	11,970
Written off	(80,000)	-	(80,000)
Repayments	(59,800)	-	(59,800)
	<u>542,996</u>	<u>4,496,245</u>	<u>5,039,241</u>
At 5 April 2022	<u>542,996</u>	<u>4,496,245</u>	<u>5,039,241</u>
 Charitable loans comprise:		2022 £	2021 £
Northpoint Fostering CIC		20,000	100,000
North East Autism Society		72,917	97,917
Re: Hope Church Glasgow		217,500	247,500
Jason Mayhall, Pastor of the Bethany Christian Centre		232,579	237,379
		<u>542,996</u>	<u>682,796</u>

Charitable loans are made at interest rates and terms significantly lower than those that the recipient Charity could obtain commercially. No interest is payable on any loan outstanding at the year end. No security is held in respect of any loan.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022

15	Debtors		2022	2021
			£	£
	Donations receivable		308,314	256,503
	Prepayments and accrued income		93,204	67,002
			<u>401,518</u>	<u>323,505</u>
16	Creditors: amounts falling due within one year		2022	2021
			£	£
	Trade creditors		1,300	43,578
	Grant creditors		102,834	244,333
	Accruals and deferred income		39,005	37,104
			<u>143,139</u>	<u>325,015</u>
17	Creditors: amounts falling due in more than one year		2022	2021
			£	£
	Grant creditors		<u>37,250</u>	<u>89,584</u>
18	Movement in funds			
	Restated			
	At 6 April			
	2021	Income	Expenditure	Transfers
	£	£	£	£
				Gains/ (losses)
				£
				At 5 April
				2022
				£
	2021/22			
	Unrestricted	34,200,081	1,236,058	(2,440,164)
				(315,000)
				486,973
				<u>33,167,948</u>
	<i>Designated</i>			
	Matched			
	Funding	1,970,000	-	(300,000)
	Peter Vardy			-
	Foundation	827,658	-	(157,696)
	Jigsaw			305,000
	Foundation	20,768	-	(30,000)
				10,000
		<u>2,818,426</u>	<u>-</u>	<u>(487,696)</u>
				315,000
				<u>-</u>
				<u>2,645,730</u>
	Total	<u>37,018,507</u>	<u>1,236,058</u>	<u>(2,927,860)</u>
				<u>-</u>
				<u>486,973</u>
				<u>35,813,678</u>

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022**

18 Movement in funds (continued)

	Restated At 6 April 2020 £	Income £	Restated Expenditure £	Transfers £	Gains/ (losses) £	Restated At 5 April 2021 £
2020/21						
Unrestricted	<u>29,782,998</u>	<u>1,100,611</u>	<u>(1,876,862)</u>	<u>(2,316,503)</u>	<u>7,509,837</u>	<u>34,200,081</u>
<i>Designated</i>						
Matched Funding	-	-	(30,000)	2,000,000	-	1,970,000
Peter Vardy Foundation	2,582,036	-	(2,010,881)	256,503	-	827,658
Jigsaw Foundation	<u>43,307</u>	-	<u>(82,539)</u>	<u>60,000</u>	-	<u>20,768</u>
	<u>2,625,343</u>	-	<u>(2,123,420)</u>	<u>2,316,503</u>	-	<u>2,818,426</u>
<i>Restricted</i>						
DCMS	-	<u>2,000,000</u>	<u>(2,000,000)</u>	-	-	-
Total	<u>32,408,341</u>	<u>3,100,611</u>	<u>(6,000,282)</u>	-	<u>7,509,837</u>	<u>37,018,507</u>

Purposes of funds:

Designated funds

The Matched Funding designated fund is an unrestricted fund set aside by the Trustees to demonstrate the Charity's contribution to the DCMS community match funded project by 31 March 2023.

The Peter Vardy Foundation designated fund is an unrestricted fund set by Trustees with a focus on charitable activities in Scotland.

The Jigsaw Foundation designated fund is an unrestricted fund set by the Trustees with a focus on charitable activities in Scotland.

Restricted funds

The DCMS fund is a community match funding project funded by DCMS to give grant awards to other charitable organisations.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2022

19 Analysis of net assets between funds	Unrestricted £	Designated £	Total £
2021/22			
Investments	30,434,678	-	30,434,678
Social investments	5,039,241	-	5,039,241
Net current assets/(liabilities)	(2,268,721)	2,645,730	377,009
Non-current liabilities	(37,250)	-	(37,250)
	<u>33,167,948</u>	<u>2,645,730</u>	<u>35,813,678</u>
2020/21			
Investments	30,764,248	-	30,764,248
Social investments	5,167,071	-	5,167,071
Net current assets/ (liabilities)	(1,608,321)	2,818,426	1,210,105
Non-current liabilities	(122,917)	-	(122,917)
	<u>34,200,081</u>	<u>2,818,426</u>	<u>37,018,507</u>
20 Reconciliation of net movements in funds to cashflows from operating activities			
		2022 £	2021 £
Net (expenditure)/income		(1,204,829)	4,610,166
Equalisations		-	592
Donated shares		(201,040)	(170,000)
(Gains) on investments		(486,973)	(7,509,837)
Investment income		(683,667)	(669,108)
(Increase)/Decrease in debtors		(78,013)	697,418
(Decrease)/increase in creditors		(249,210)	182,461
Net cash (used in) operating activities		<u>(2,903,732)</u>	<u>(2,858,308)</u>
21 Analysis of net funds			
	At 6 April 2021 £	Cashflow £	At 5 April 2022 £
Cash at bank and in hand	1,193,282	(1,074,652)	118,630
Loans due within 1 year	-	-	-
Net funds	<u>1,193,282</u>	<u>(1,074,652)</u>	<u>118,630</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2022

22 Related party transactions

During the year, a donation was made to 1 (2021: 2) charity of which one or more Trustees of the Vardy Foundation are also Trustees:

Organisation	Common Trustees	Value of donation
Junction 42 Foundation	Richard A R Vardy	£12,000

The Charity received a donation of shares amounting to £201,040 (2021: £170,000) from 1 (2021: 1) of its Trustees and a cash donation of £26,801 (2021: £Nil) from 1 (2021: 0) of its Trustees. The charity also made a donation of £92,400 (2021: £84,000) to Re: Hope Next Generation, a Charity in which the wife of Trustee, Peter D D Vardy, is a Trustee.

Salary recharges of £1,280 (2021: £69,678) were recharged by the Vardy Family Office during the year, a company of which Trustees Sir Peter Vardy and Lady Margaret Vardy are Directors. £Nil (2021: £34,278) was outstanding at the year-end and included within creditors.

During the year, Peter Vardy Holdings Limited, a company in which Sir Peter Vardy and Peter D D Vardy are also directors, donated £301,793 (2021: £256,503) to the Charity. £301,793 of this was still outstanding at the year-end and included within debtors (2021: £256,503).

The unsecured, interest-free loan from Trustee Sir Peter Vardy of £4,611,600 was repaid in full during the prior year.

THE VARDY FOUNDATION

England & Wales - Charity number 328415

Accounts

THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

THE VARDY FOUNDATION

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THE VARDY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Sir Peter Vardy, Chairman
Lady Margaret Vardy
Richard A R Vardy
Peter D D Vardy
Victoria H Vardy

Register Charity numbers

England and Wales: 328415

Scotland: SC051152

Registered office

32 Portland Terrace
Newcastle Upon Tyne
NE2 1QP

Principal office

110 George Street
Edinburgh
EH2 4LH

Independent auditor

Geoghegans
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Barclays Bank Plc
5 St Ann's Street
Newcastle Upon Tyne
NE1 3DX

Investment manager

Rathbones Investment Management
28 St Andrews Square
Edinburgh
EH2 1AF

Julius Baer International (until 12 April 2021)
1 St Martin's Le Grand
London
EC1A 4AS

Barclays Wealth
Level 15
1 Churchill Place
London
E14 5HP

Legal advisors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Square One Law LLP
Anson House
Fleming Business Centre
Burden Terrace
Newcastle Upon Tyne
NE32 3AE

THE VARDY FOUNDATION

CHAIRMAN'S REVIEW FOR THE YEAR ENDED 5 APRIL 2021

Welcome to the Vardy Foundation's annual report for 2020/21.

I am delighted to be reporting on another successful year in which we have donated £5.5m in grants to over 135 charities or individuals in the UK and internationally. This has, however, been an unforgettable year in the life of the Foundation as its over-riding objective has been to alleviate the suffering caused by the wide-spread effects of COVID-19. I know full well that everyone on this earth has been touched by this devastating, global pandemic but it has nevertheless severely impacted the homeless, those in our poorest communities and the young more than anyone else.

With their plight foremost in our minds, the Foundation was honoured to be selected as one of HM Government's funders in the Department of Culture, Media and Sport ("DCMS") £85m Community Match Challenge project in the latter half of 2020. This unique, new funding project spearheaded our work on the COVID front in the UK. The Vardy Foundation team had to work quickly and efficiently to ensure the £2m funds received were utilised effectively and where most needed. We achieved these aims by linking with sixteen charities with whom we have worked very closely over many years. The stories and accounts of how this DCMS funding has helped to change lives have been very moving and are testimony to those hard-working individuals in our community who tirelessly give for the betterment of others. The outcomes of these grants helped support over 34,000 people and many will have a lasting impact beyond COVID itself.

The DCMS project illustrates how, as an efficiently run, family foundation, we can move quickly and adapt to new opportunities. We look forward to reaching out more in the future in working with both local and central governments to share best practice and support them in their ever-increasing social needs. We also believe that by working alongside charities, proactively and collaboratively, we can maximise the impact of our funding.

During the year, the Trustees appointed Kenneth Ferguson as a Director, to move forward the Foundation's projects in Scotland and to manage the DCMS funding programme. His experience in the not-for-profit sector is invaluable and I welcome his insight and knowledge. With this being our second year now in Edinburgh, the existing team of Armored Robinson and Vivienne Taylor have built on the new processes and procedures put in place since the move North and have continued to ensure the Foundation's resources are helping those whom we fund achieve their purpose, to the best effect. Last month, we moved our principal office to George Street in Edinburgh where we will be closer to our main advisers and stakeholders. In addition, we were granted charitable status in Scotland by the Office of Scottish Charity Regulator ("OSCR") in the same month and are therefore also now a registered Scottish charity.

I look ahead and continue to focus our attention on working again with the charities we support as well as looking for new opportunities to engage with similar charities in our principal interest areas.

Sir Peter Vardy
Chairman
28 September 2021

THE VARDY FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

Introduction

The Trustees have pleasure in presenting their annual report and financial statements for the Charity for the year ended 5 April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011, the Charities and Trustee (Investment) Scotland Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Vardy Foundation has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Charity is constituted under Trust Deed dated 25 September 1989 and is registered as a Charity with the Charity Commission. During 2019/20, the Charity moved its principal office from Sunderland to Edinburgh and following a cross-border application to OSCR, the Foundation is now also registered as a charity in Scotland. Other reference and administrative details are set out in the previous section.

Objectives and performance

The objectives of the Vardy Foundation are to support initiatives and programmes in social action and faith-based projects, predominantly focused on early intervention programmes committed to strengthening families and the relief of poverty. The Charity also seeks to support ex-offenders and those in prisons, addiction, rehabilitation, the homeless and the unemployed.

The Vardy Foundation has, for some time, been committed to supporting work in the North East of England as well as making grants to other parts of the UK and the rest of the world. The Peter Vardy Foundation and the Jigsaw Foundation are two designated funds within the Charity, managed respectively by Mr Peter Vardy and Mr Richard Vardy, and are primarily focussed on charitable activities in Scotland but are also involved with some international programmes.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning activities and setting the grant making policy for the year. The Charity furthers its charitable purposes for the public benefit through its grant-making policy which aims to support a range of programmes in education, the arts, skills enhancement, mentoring and leadership development.

The Charity makes donations, grants and loans to a range of institutions and individuals at the discretion of the Trustees. It does this mainly by way of direct payments to the beneficiaries, but also through the payment of other expenses to third parties.

The Trustees meet every three months to review the performance of the Charity and develop plans for the achievement of its objectives. This includes the impact and outcome of previous awards, as well as the consideration of new applications.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Structure, governance and management

The Vardy Foundation was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes. The Trustees seek to continue this charitable work through the careful stewardship of its existing resources and by seeking new sources of funding.

The governance of the Charity is the responsibility of the Trustees and the Charity adopts the appropriate principles and recommended practice of the Charity Commission Governance Code. The governing body of the Charity is the Board of Trustees which currently comprises five members. The Trustees who acted during the year and up to the date of this report are shown on page one. There have not been any changes in Trustees during the year. Trustees holding title to Charity property on behalf of the Charity are Sir Peter Vardy, Lady Margaret Vardy, Richard A R Vardy and Peter D D Vardy.

The Trustees are responsible for setting general policy and also for the day-to-day management and decision making of the Charity. At the quarterly Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, reserves and risk management policies and performance. In their exercise of governance, the Trustees seek regular professional input and advice and meet with the Foundation's investment manager at least four times a year.

Key management personnel remuneration

The day-to-day management and operational running of the Foundation is managed by the Sir Peter Vardy, Mr Richard Vardy, the Finance Director, the Foundation Director and the Charity Administrator. During the year, a proportion of these individuals' remuneration was allocated to the Foundation for their work relating to the DCMS project which is described below. All Trustees give their time freely and no remuneration nor expenses were paid to them in the year. Details of related party transactions are disclosed in note 23 to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Charity Administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises. No Trustee has a beneficial interest in any of the charities supported.

Achievements and performance

Once again, the Trustees are pleased to report on another successful year of grant-making for The Vardy Foundation. We have been delighted to support so many outstanding charities that have delivered life-changing outcomes for many people. To this end, we have awarded donations of £5.5m to 135 charities or individuals, of which £1.9m related to the DCMS project below.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)

Department of Digital, Culture, Media & Sport - Community Match Challenge Fund

The Department for Digital, Media, Culture and Sport launched a £85m Community Match Challenge Fund ("CMC Fund") in July 2020 as part of HM Government's £750m package of support for the Voluntary, Community and Social Enterprise sector. The CMC Fund project was aimed at providing a match fund to philanthropists, trusts, foundations and other grant-making organisations for onward distribution to voluntary and community organisations to respond to the needs of the most vulnerable and marginalised people in England affected by the COVID-19 crisis and to ensure that these services continued to be provided.

The Vardy Foundation was one of only 19 recipients of the CMC Fund when it was awarded £2m in October 2020. The Foundation's CMC commitment was to donate to those charities or organisations in the North of England and whose charitable work was involved with the homeless, those at risk of homelessness and ex-offenders – three groups of very vulnerable and disadvantaged people particularly affected by the impact of COVID-19.

The CMC funding was focussed on helping them with their physical and mental health issues, their substance misuse, housing, finance and employment. The Foundation worked in partnership with charities and social enterprises to deliver real outcomes to help those most vulnerable in society.

One of the key, legally binding stipulations was that the DCMS funding had to be expended by the onward grantees by 31 March 2021 which is why the Foundation team had to work quickly and efficiently to ensure this was achieved. With the incredible speed of the UK going in to lockdown and the responsibility of the Charity to ensure that these funds were fully allocated in line with the DCMS' objectives, the Trustees directed the funding to charities with whom they had worked with over a number of years and in whom they could rely would deliver the requisite positive outcomes.

Some of the major grants that were made by the Foundation as part of the DCMS funding project were:-



Safe Families for Children was awarded £300.9k. This charity recruits and trains volunteers in order to help and mentor mothers who, without their support, may see their children taken into the care system. There is clear evidence that the work of Safe Families for Children delivers significant results both through their support for challenged families and the major savings for financially challenged local authorities.

The DCMS grant increased the volunteer resource to meet the significantly higher demand caused by COVID 19 and also the understanding of these recruits of trauma and their ability to support families impacted by it.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)



The Message Trust was awarded £271k. The Message Trust embed themselves in disadvantaged communities where volunteers will live in the community with the sole objective of helping others and building stronger, better places to live. The donation was used to cover the staff and set up costs of developing a community grocery in each of the five Message Trust hubs in the North of England.



The Sage Gateshead was awarded £260k. For the past 18 years, The Sage Gateshead has operated a large-scale programme of participatory music making and education. Much of this work focuses specifically on improving the lives of children and young people from across the North East who face multiple disadvantages. The award was to support the project costs of work with disadvantaged children and young people.



Changing Lives was awarded £250k. The Newcastle based Cyrenians work with people going through difficult times in their lives, including homelessness, addiction, long-term unemployment, domestic abuse and exploitation. The funding enabled a model of the Theory of Change to be developed to influence training and service delivery for the whole organisation. Once developed it will be used in the training of front-line staff in Trauma Informed Practice.



Betel of Britain was awarded £175k towards their core costs to assist with their Hexham and Manchester centres as well as helping towards the set up and promotion of their social enterprises. Betel of Britain is a group of caring, not for profit Christian communities helping broken people to regain control of their health, work potential and independence.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)



Oasis Community Housing was awarded £109.5k. The award was used to fund two projects. The first project “coping with COVID” was focused on immediate support to deal with the impact of COVID-19 and to allow the charity to continue to offer the best possible support to the beneficiaries.

The second project was “Fit for the Future” which focussed on evaluating the impact of COVID and producing a feasibility study on setting up a social enterprise. Both aspects of this project will enhance their ability to provide relevant support to homeless people going forward.



The Foundation of Light was awarded £210k. Through this funding, it was able to deliver essential services that focussed on supporting young people who were not in education, training or employment, those who were isolated as well as safeguarding the overall impact of the Foundation of Light at a time when fund-raising opportunities were reduced due to restrictions surrounding COVID 19.



Maggie Keswick Jencks Cancer Caring Centres Trust (“Maggies”) was awarded £107.8k to fund their programme of support provided by the charity’s centres in Manchester, Oldham, Leeds and Newcastle for the first three months of 2021. The core funding was directed towards the work they do with the most vulnerable and needy in our society.

The other charities that the Foundation supported through the DCMS project were:

- Outward Bound Trust (£50k) – the funding was used to cover the deficit of the Trust’s Ullswater Centre to allow it, on its re-opening post COVID, to offer subsidised places to disadvantaged young people from the North East.
- Sowing Seeds Ministries (£40k) – fed and supported the most vulnerable people of Teesside that could not get out of their homes due to disability, self-isolation or fear of COVID. The project fed over 700 families within the area of the Tees Valley.
- Junction 42 (£35k) – the award was to part fund the core costs of this charity which delivers key services to the lives of offenders and their communities. The charity adapted to the lock down by implementing new and innovative ways of engagement and provided practical and pastoral support at a time when many men and women felt most vulnerable.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)

- Handcrafted Projects (£33.8k) – the funding paid the salaries of four members of their team until the end of March 2021 and the associated overheads and programme costs including food, packaging and non-capital kitchen equipment. The charity provided meals to vulnerable and isolated people.
- The Moses Project (£23.5k) – this fed, each week until the end of March 2021, over 320 disadvantaged people across the Stockton Borough Council.
- REfUSE (£23k) – this funded the salaries of core staff to enable them to open their Social Supermarket four days a week for two months in January and February 2021. In these months they gave out around 1,500 bags of shopping each month to those in need.
- Gateway into Life (£7.5k) - this funded the deficit in running costs of newly established supported accommodation in Alnwick for ex- offenders being released from HMP Northumberland.
- Hope into Action (£3k) - helped with core costs in supporting housing projects for ex-offenders.

Further details of the DCMS funding are given in Note 8 on page 29.

Key outcomes were:

- Total number of people supported: 34,199
- The combined efforts of the Sowing Seeds Ministries, REfUSE, The Message Trust and the Moses Project brought about:
 - 4,557 grocery boxes delivered
 - 254,648 meals provided
 - 340 tonnes of food saved from landfill
- In partnership with Changing Lives, Oasis Community Housing, Safe Families for Children, the DCMS funding resulted in:
 - 425 staff trained
 - 316 service users trained
 - 369 new volunteers recruited
 - 4 introductions made between DCMS charities which make for increased efficiencies and best practice

The Trustees have made, to date, two grants as part of the Foundation's £2m match funding of the CMC project and will ensure that the total amount is carefully targeted and expended before the Charity's financial year end of 2022/23.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)

During this financial year, other significant grants have also been made which are outlined below:



A donation of £1.88m was made this year to the newly constituted, Scottish charity, The Peter Vardy Foundation. This charity was created as a way of distributing 10% of the profits from Peter Vardy Limited to good causes. It exists to improve the lives of vulnerable children and young people both at home and abroad. It believes that “Every Life is Worthy” and that every child should have a safe and secure childhood and works with organisations to see lives and communities transformed through support, education and care.

One of its principal projects currently being rolled out is GenZ, an on-line leadership programme for every secondary pupil in Scotland. Its objective is to better equip our children for the lives they will lead and enhance their employment opportunities.

During the year, the Trustees answered the pressing calls for aid and support from Indian charities who were dealing with the devastating spread of COVID. Day after day, pictures were relayed round the world of the desperate plight of the Indian people which could not be ignored. The Vardy Foundation therefore made donations to two specific charities with whom they have previously worked, to ensure that funds were directed quickly to those in need.



The Trustees awarded a total of £160k in two grants to The Good Shepherd Foundation. The first grant was directed at this charity's emergency food programme in India that was set up as a result of the COVID pandemic. The second donation was for the establishment of 20 virtual medical clinics by the end of 2020 which resulted in 53,000 patients being served through this efficient health project.



The Trustees awarded a total of £85k to Thana Trust UK to provide financial support towards the running costs of the emergency ward for COVID 19 patients within the Bethany Hospital, Thane, in Mumbai, India. The Bethany Hospital has been involved in the front line in providing care to all parts of the Indian community from people living in slum villages to the highest-ranking state officials.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance (continued)

A full list of donations to institutions can be seen in Note 8 on page 29. There has also been a large number of smaller donations that have amounted to £591k. While the total number of grants has fallen, the size of the average grant has increased because the Trustees have focused on fewer but larger donations.

As with last year, many of these are set up on a match-funding basis, which is proving to be very successful for a number of smaller charities. This method of grant making works on the basis that the Foundation contributes a certain percentage of a fund-raising goal on the condition that the respective charitable organisation then raises the balance. This gives additional comfort to the Trustees that others believe in and support the charity's work.

A substantial number of these smaller grants are donated to charities working in and around the rehabilitation of offenders. Not the easiest of tasks, but the Foundation supports a number of local heroes who work diligently to help men and women leaving prison to find a home, a community to belong to and meaningful work.

Jigsaw Foundation

The Jigsaw Foundation supports charities and organisations which concentrate on the rehabilitation of ex-offenders and explore opportunities to find alternatives to prison sentences, especially for women. It also supports local charities in Scotland that focus their work on very deprived communities.



Here for good.

The Spartans Football Club is one of Scotland's top community clubs with over 100,000 people visiting the club every year. Spartans have a state-of-the-art football academy in Edinburgh. Spartans is recognised across Scotland for using sport to deliver social change. They were awarded runner-up in Scottish Social Enterprise of the Year. The Club continues to support the local community by helping them to tackle the challenging health, unemployment and crime issues in North Edinburgh.



Junction 42 work in prisons and communities across North East England and Central Scotland supporting people throughout the journey of custody and rehabilitation. Seeing lives set free, transformed and empowered is the reason Junction 42 exists. The work in Scotland has been established in the Central Belt of Scotland over the last two years, setting up Connect Groups and Job Club support in Edinburgh.

Social Investments

The Charity has extended its social investment programme by granting charitable loans totalling £100k for the work carried on by Northpoint Fostering CIC who provide homes and loving families for young people in the care system within the Teeside region. Their vision is to ensure those in care receive the love, care and support needed through working with individuals, families and the Church.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Financial review

Income

Income for the Foundation this year rose significantly to £3.10m (2020: £2.23m) made up principally of DCMS funding of £2m (2020: £0m) and donations of £427k (2020: £1.42m). The largest donation was from Peter Vardy Holdings Limited for £257k (2020: £968.9k). Income from investments fell to £669k (2020: £806.5k) due to the impact of the COVID epidemic on companies who generally had to cut back their distributions to buttress their balance sheets. Dividend levels are forecast to recover in 2021. Please refer to Notes 2 to 5.

Expenditure

Expenditure increased to £5.83m (2020: £2.36m) which is in line with the additional DCMS project funding. Grants awarded of £5.5m (2020: £1.85m) continue to make up the largest proportion of expenditure (98%, 2020: 78%) and investment management costs remained constant. There was a reduction in support costs from £370k to £186k.

Net realised and unrealised losses/(gains) on investments

The value of the Foundation's portfolio of investments saw a remarkable turnaround from the previous year following the COVID-19 crisis which was coterminous with the Foundation's 2020 year-end. The unrealised gain of £7.51m (2020: loss of £3.4m) shows how since that date, share values have risen dramatically across the world and thus there has been no long-lasting impairment to the Foundation's funds under management. The Trustees have continued to monitor closely the Charity's investments throughout this turbulent period.

Balance Sheet

The level of cash held has reduced from £2.5m to £1.2m in the year.

Reserves Policy

The Trustees accept that the Charity must maintain a significant level of reserves, and that a level of free reserves should be retained to enable larger one-off donations to be made without the need for drawdown from capital investments.

Total funds at the end of the financial period were £37.4m (2020: £32.6m), of which £2.8m (2020: £2.6m) are designated and the remaining £34.6m (2020: £29.9m) are unrestricted general funds.

Designated funds consist of The Peter Vardy Foundation, The Jigsaw Foundation and the remaining element of the Foundation's DCMS Match-funding project. Decisions affecting these funds are set out in the section, **Plans for the Future**, below.

Within unrestricted general funds there are social investments of £5.2m and investments of £30.7m held to generate future income. Investments may be utilised by the Trustees for charitable purposes at their discretion but are not considered to be part of free reserves.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Financial review (continued)

Reserves (continued)

After taking account of the £2.8m of funds held in designated funds, free reserves have fallen this year to £ (1.4m) from £0.8m. This is because, in this exceptional year of need, the Foundation has given out grants totalling £5.5m which is significantly more than in previous years and has thus depleted its cash resources. In addition, it has repaid a related party loan of £4.6m which was previously not considered to be part of the free reserves calculation. The Charity continues to hold its assets in the form of investments in order to maximise income generating potential, particularly when interest rates are so low but these can be realised when needed to provide additional cash.

The Trustees consider that the current level of free reserves is appropriate to provide sufficient funds to respond to application for grants and ensure their support and to cover the Foundation's governance

Risk Management

The Trustees have assessed the risks to which the Charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate exposure to risks. The Trustees consider variability of investment returns as one of the major risks and therefore the Charity uses the services of Rathbone Investment Management Ltd as their Investment Manager. The Trustees have adopted an investment policy under which the financial objective of the Foundation is to at least maintain the real value of the Charity's assets while generating a stable and sustainable return to fund annual grant making. During the year, the Trustees also carried out a review of the Foundation's Risk Register.

COVID-19

At the start of this financial year, the broad onset of COVID-19 was still negatively impacting financial markets caused by fear about the impact of the pandemic on the global economy. Major market indices, including the FTSE100 and S&P 500, had lost more than one-third of their value in what was noted the fastest decline in stock market history. With the US and UK hitting their low points less than two weeks before the Foundation's financial year end, the Trustees duly reported at that time that there was a significant, negative impact on the some of the Foundation's investments which were exposed to these markets.

Fortunately, the speed and extent of the monetary and fiscal response by central banks led market participants to believe that the action taken was likely to be sufficient to get economies moving again. The resulting rally across all risk assets has been one of the fastest ever and the Foundation's investments thus significantly benefited in this broadly-based recovery. However, the Trustees acknowledge their responsibility to continuously monitor the situation, given that the COVID crisis is not yet over, in conjunction with their professional advisors, and evaluate the ongoing impact of policies implemented by the authorities.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Financial review (continued)

To alleviate suffering and stress caused to many people during the COVID-19 Crisis, the Foundation was able to react swiftly by supporting charities in the UK and abroad that required financial support in their relief efforts. The Foundation's prime focus during this critical time in world suffering, was being part of the DCMS's Community Match Funding project that was aimed at COVID relief support. The Foundation also put measures in place to safeguard the health of its employees whilst remaining fully operational and providing business continuity to the charities it supported.

Investment Policy

The Investment Policy takes into account the risk tolerance acceptable to the Foundation as decided by the Trustees and has the objective of a blend of income and capital appreciation. Investments generated £669.1k (2020: £807.2k) of income during the year, representing a return of 2.2% on average investment value (2020: 2.7%). This fall reflects the fact that many companies stopped or reduced their dividends during the crisis. Investments held increased in value by £2.1m which follows the full realisation of the funds under management by Julius Baer in February 2021. After the repayment of a loan of £4.6m, the net proceeds were re-invested with Rathbones Investment Management.

The Trustees monitor the performance of the Charity's investment portfolio and formally review performance with its investment manager on a regular basis. The Trustees are satisfied that the performance of The Vardy Foundation's investments is in line with overall market performance.

Plans for the Future

The Vardy Foundation is continually looking to work in areas of early intervention and seeks to support individuals and families before crisis develops. There are almost 100,000 children and young people in care in the UK - 10,000 of which leave the care system every year to face very uncertain futures. Of those in care, 43% will have served a prison sentence before the age of 21. A home, a community to belong to and meaningful work is of paramount importance, and we are constantly trying to work with charities, such as Safe Families for Children, who strive to strengthen the family around the children so that they avoid going into care. Their invaluable support and help results them in leading more fulfilling lives.

This year, The Vardy Foundation entered its fourth decade of charitable giving for the public benefit and, although the Trustees continue to focus on supporting a wide range of early intervention, social action, education and training programmes both in the UK and across the world, they are keen to specifically develop a vision and strategy for the next ten years, focussing on projects closer to home. These will be co-ordinated and form part of the remaining £2m CMC funding over the shorter term. The Trustees are actively in discussion with potential care providers and local government as to how these funds can be allocated to maximise the outcomes for those in the care system.

Since the end of the last financial year, the Peter Vardy Foundation charity has been fully operational and is at the forefront of charitable efforts that help children and young people reach their full potential. The Trustees are delighted that this new charity, through the hard work and commitment of the employees and other stakeholders of Peter Vardy Holdings Ltd, is further progressing the heart-felt objectives of the Vardy family to provide financial support to those most in need.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Plans for the future (continued)

The Foundation has also recently moved its principal office to central Edinburgh which will provide a larger base for the Trustees and staff to further its charitable work and for them to link with other grant-making organisations to progress its aims and objectives more efficiently.

Sir Peter and Lady Vardy continue to encourage the active involvement of their children, Richard, Peter and Victoria, all of whom are Trustees and donate to the Foundation, in seeking out their own initiatives. The Charity is always working with its grant holders and the wider third sector to ensure the development of its strategy reflects real world experience and that its support (financial and non-financial) offering is as effective as it can be.

THE VARDY FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that 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.

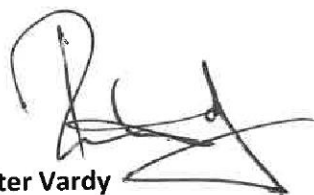
In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 (FRS 102);
- Make judgements and estimate that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are 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.

Approval

The report was approved by the Trustees on 28 September 2021 and was signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION

Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Charity's affairs as at 5 April 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011 and the Charity Accounts Regulations 2008.

Basis of 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 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 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 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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' 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.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Other information (continued)

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.

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 financial statements is inconsistent in any material respect with the Trustees' report; or
- the Charity has not kept adequate accounting records; 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Charity 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the Charity;
- The requests of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities; and
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the Charity for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the Charity's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities Act 2011 and the Charity Accounts Regulations 2008.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE VARDY FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE VARDY FOUNDATION (continued)

Use of our report

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

Geoghegans
Geoghegans
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

28 September 2021

Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VARDY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Restated Total Funds 2020 £
Income from:						
Donations and legacies	2	426,503	-	-	426,503	1,423,120
Charitable activities	3	-	-	2,000,000	2,000,000	-
Investments	4	669,108	-	-	669,108	807,262
Other income	5	5,000	-	-	5,000	-
Total income		<u>1,100,611</u>	<u>-</u>	<u>2,000,000</u>	<u>3,100,611</u>	<u>2,230,382</u>
Expenditure on:						
Raising funds	6	143,512	-	-	143,512	138,402
Charitable activities	7	1,564,433	2,123,420	2,000,000	5,687,853	2,218,147
Total expenditure		<u>1,707,945</u>	<u>2,123,420</u>	<u>2,000,000</u>	<u>5,831,365</u>	<u>2,356,549</u>
Net (expenditure) before gains/(losses) on investments		(607,334)	(2,123,420)	-	(2,730,754)	(126,167)
Net gains/(losses) on investments		7,509,837	-	-	7,509,837	(3,409,465)
Net income/(expenditure)		6,902,503	(2,123,420)	-	4,779,083	(3,535,632)
Transfers between funds		<u>(2,316,503)</u>	<u>2,316,503</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		4,586,000	193,083	-	4,779,083	(3,535,632)
Reconciliation of funds:						
Funds brought forward - restated	18,19	<u>29,947,998</u>	<u>2,625,343</u>	<u>-</u>	<u>32,573,341</u>	<u>36,108,973</u>
Funds carried forward	18,19	<u>34,533,998</u>	<u>2,818,426</u>	<u>-</u>	<u>37,352,424</u>	<u>32,573,341</u>

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

All activities are classed as continuing.

THE VARDY FOUNDATION

**BALANCE SHEET
YEAR ENDED 5 APRIL 2021**

	Notes	2021 £	Restated 2020 £
Fixed assets			
Investments	13	30,764,248	28,731,630
Social investments	14	5,167,071	5,020,080
Tangible fixed assets	15	<u>-</u>	<u>-</u>
		<u>35,931,319</u>	<u>33,751,710</u>
Current assets			
Debtors	16	323,505	1,020,923
Cash at bank and in hand		<u>1,193,282</u>	<u>2,494,446</u>
		1,516,787	3,515,369
Creditors: amounts falling due within one year	17	<u>(95,682)</u>	<u>(4,693,738)</u>
Net current assets /(liabilities)		<u>1,421,105</u>	<u>(1,178,369)</u>
Net assets		<u>37,352,424</u>	<u>32,573,341</u>
Funds			
Unrestricted funds	18,19	34,533,998	29,947,998
Designated funds	18,19	2,818,426	2,625,343
Restricted funds	18,19	<u>-</u>	<u>-</u>
		<u>37,352,424</u>	<u>32,573,431</u>

The financial statements were approved and authorised for issue by the Trustees on 28 September 2021 and signed on their behalf by:



Sir Peter Vardy
Chairman

THE VARDY FOUNDATION

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 5 APRIL 2021**

	Notes	2021 £	Restated 2020 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(2,858,308)</u>	<u>(1,847,128)</u>
Cash flows from investing activities			
Investment income		669,108	807,262
Proceeds from the sale of investments		17,387,093	5,374,200
Purchase of investments		(10,009,115)	(5,982,015)
Movement in cash held in the portfolios		(1,856,092)	699,320
Concessionary loans made		(100,000)	(242,280)
Concessionary loans repaid		<u>77,750</u>	<u>123,401</u>
Net cash provided by investing activities		<u>6,168,744</u>	<u>779,888</u>
Cash flows from financing activities			
Repayment of loans		<u>(4,611,600)</u>	<u>-</u>
Net cash used in financing activities		<u>(4,611,600)</u>	<u>-</u>
Change in cash and cash equivalents in the year	21	<u>(1,301,164)</u>	<u>(1,067,240)</u>
Cash and cash equivalents at the beginning of the year	21	<u>2,494,446</u>	<u>3,561,686</u>
Cash and cash equivalents at the end of the year	21	<u>1,193,282</u>	<u>2,494,446</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2021

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) General information and basis of preparation

The Vardy Foundation is an unincorporated charitable trust, registered in England and Wales, Charity number 328415. The address of the registered office is 32 Portland Terrace, Newcastle Upon Tyne, NE2 1QP.

The Charity was established by Sir Peter Vardy to make grants and provide support to a range of charitable causes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The Vardy Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Prior year adjustment

The financial statements of the prior year have been adjusted to recognise investment income in respect of dividends announced before the financial year end and therefore due to the Charity. This involves restating debtor and investment income balances. A reconciliation of the opening reserves is set out overleaf:

THE VARDY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021**

1 Accounting policies (continued)

(b) Prior year adjustment (continued)

	6 Apr 2019 Unrestricted £	6 Apr 2019 Designated £	6 Apr 2019 Total £
Reserves as previously stated	34,077,928	1,990,635	36,068,563
Accrued investment income	40,410	-	40,410
Reserves as restated at 6 April 2019	<u>34,118,338</u>	<u>1,990,635</u>	<u>36,108,973</u>
	5 Apr 2020 Unrestricted £	5 Apr 2020 Designated £	5 Apr 2020 Total £
Reserves as previously stated	29,906,827	2,625,343	32,532,170
Accrued investment income	41,171	-	41,171
Reserves as restated at 6 April 2020	<u>29,947,998</u>	<u>2,625,343</u>	<u>32,573,341</u>

(c) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(d) Income

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

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource.

Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable and when the amount can be measured reliably. Interest on funds held on deposit is included when receivable; this is normally upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

1 Accounting policies (continued)

(e) Expenditure

Expenditure is recognised once 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 obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on raising funds includes costs associated with generating income from the Charity through its investment portfolios.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its grant making activities. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure on grants is recorded once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Support costs are allocated between governance costs and other support costs. Governance costs include these costs associated with meeting the constitutional and statutory requirements of the Charity and include the statutory audit fees and costs linked to strategic management of the Charity. Other support costs relate to the administrative costs of running the Charity.

(f) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value 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.

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 their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Social investments include programme related investments which are held in the furtherance of the Charity's objectives. Programme related investments include property and loans, which are recognised at cost less impairment.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

1 Accounting policies (continued)

(g) Tangible fixed assets

Tangible fixed assets costing more than £250 are capitalised at cost and depreciated over their useful economic lives at the following rates:

Fixture and fittings	- 33% straight line
Computer equipment	- 33% straight line

(h) Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt. Prepayments are valued at the amount prepaid.

(i) Cash at bank and in hand

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

(j) Creditors and provisions

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

(k) Concessionary loans

Concessionary loans include those made by the Charity to third parties, which are interest free or below market interest rates and which are made to advance charitable purposes. These loans are recognised at the amount loaned less provision for irrecoverable amounts, in accordance with the special concessionary loan treatment available to public benefit entities within section 34 of FRS 102.

(l) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at that settlement value.

(m) Fund accounting

Unrestricted funds are those funds that can be used in accordance with the objectives of the Charity at the discretion of Trustees.

Designated funds are those unrestricted funds set aside by the Trustees for specific future purposes or projects.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

1 Accounting policies (continued)

(n) Judgements in applying key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their useful economic lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are assessed to determine whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Donations	Unrestricted 2021 £	Unrestricted 2020 £
Donated investments	170,000	250,001
Peter Vardy Holdings Limited	256,503	968,913
Peter Vardy Limited	-	204,206
	426,503	1,423,120
3 Charitable income	Restricted 2021 £	Restricted 2020 £
DCMS grant	2,000,000	-
	2,000,000	-
4 Investment income	Unrestricted 2021 £	Unrestricted 2020 £
Income from listed investments	648,002	719,617
Income from bank deposits	21,106	87,645
	669,108	807,262

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

5 Other income				Unrestricted 2021 £	Unrestricted 2020 £
Insurance proceeds				<u>5,000</u>	<u>-</u>
6 Cost of raising funds	Unrestricted 2021 £	Designated 2021 £	Restricted 2021	Total 2021	Unrestricted 2020 £
Investment managers' fees	<u>143,512</u>	<u>-</u>	<u>-</u>	<u>143,512</u>	<u>138,402</u>
7 Charitable activities	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £
Grants to:					
Institutions (note 8)	1,394,502	2,105,526	1,900,000	5,400,028	1,773,449
Individuals	<u>86,000</u>	<u>15,340</u>	<u>-</u>	<u>101,340</u>	<u>75,000</u>
Total grants	1,480,502	2,120,866	1,900,000	5,501,368	1,848,449
Support costs	<u>83,931</u>	<u>2,554</u>	<u>100,000</u>	<u>186,485</u>	<u>369,698</u>
	<u>1,564,433</u>	<u>2,123,420</u>	<u>2,000,000</u>	<u>5,687,853</u>	<u>2,218,147</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

8 Grants to institutions	Unrestricted	Designated	Restricted	Total	Unrestricted
	2021	2021	2021	2021	2020
	£	£	£	£	£
Auchterarder Church	80,000	-	-	80,000	-
A Way Out	30,000	-	-	30,000	30,000
Betel UK	-	-	175,000	175,000	-
Caring for Life	100,000	-	-	100,000	100,000
Changing Lives	-	-	250,000	250,000	-
Charlie House	-	-	-	-	51,000
Children in Need	-	-	-	-	28,918
Christmas gifts drop	-	-	-	-	43,943
Cranmer Hall	33,333	-	-	33,333	-
Durham Cathedral	-	-	-	-	200,000
Emmanuel Church	-	-	-	-	50,000
Evangelical Alliance	112,000	-	-	112,000	-
Foundation of Light	-	-	210,000	210,000	100,000
Glenwood Church	80,000	-	-	80,000	-
Good Shepherd	196,315	-	-	196,315	-
Handcrafted Projects	-	-	33,840	33,840	-
Hope Next Generation	-	-	-	-	25,000
Junction 42	-	-	35,000	35,000	-
L'Arche UK	-	30,000	-	30,000	30,000
Maggie's	-	-	107,803	107,803	-
Mercy Ships	-	-	-	-	100,000
Northpoint Care	30,000	-	-	30,000	-
Oasis Community House	-	-	109,551	109,551	-
Operation Mobilisation	-	-	-	-	25,000
Outward Bound Trust	-	-	50,000	50,000	-
Peter Vardy Foundation	-	1,880,000	-	1,880,000	-
Premier Christian Media	50,000	-	-	50,000	-
Re: Hope Next Generation	-	84,000	-	84,000	-
Safe Families for Children	-	-	300,940	300,940	-
Sage Gateshead	-	-	260,000	260,000	-
Second Sight	25,000	-	-	25,000	-
Sowing Seeds Ministries	-	-	40,000	40,000	-
Spartans Community	-	25,000	-	25,000	25,000
St Luke's Church	50,000	-	-	50,000	-
Thana Trust	85,000	-	-	85,000	-
The Message Trust	-	-	271,093	271,093	-
The Moses Project	25,000	-	-	25,000	25,000
United Christian Broadcasters	50,000	-	-	50,000	-
Urban Saints	-	-	-	-	35,000
Other awards < £25,000	447,854	86,526	56,773	591,153	904,588
	<u>1,394,503</u>	<u>2,105,526</u>	<u>1,900,000</u>	<u>5,400,028</u>	<u>1,773,449</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

9	Analysis of grants	2021	2021	2020	2020
		No.	£	No.	£
	DCMS	16	1,900,000	-	-
	Relief	1	10,000	3	1,483
	Education	5	47,333	4	12,915
	Religion	45	802,606	52	673,551
	Welfare	68	2,741,429	144	1,145,100
	Arts	-	-	4	15,400
		<u>135</u>	<u>5,501,368</u>	<u>207</u>	<u>1,848,449</u>

10	Support costs	Unrestricted	Designated	Restricted	Total	Unrestricted
		2021	2021	2021	2021	2020
		£	£	£	£	£
	Impairment of property	-	-	-	-	300,000
	Salaries (note 11)	-	-	76,144	76,144	-
	FOREX loss	20,141	-	-	20,141	-
	Travel & accommodation	3,087	-	75	3,162	25,864
	Insurance	4,732	-	-	4,732	4,552
	Heat and light	1,015	-	-	1,015	990
	Office costs	1,602	39	358	1,999	1,282
	Computer costs	(18)	-	623	605	493
	Property costs	7,475	-	-	7,475	933
	Bank charges	1,121	15	-	1,136	400
	Accountancy	8,326	-	4,800	13,126	8,475
	Professional fees	29,250	2,500	18,000	49,750	10,284
	Marketing	-	-	-	-	750
	Auditor's remuneration for non-audit services	-	-	-	-	8,475
	Governance costs	7,200	-	-	7,200	7,200
		<u>83,931</u>	<u>2,554</u>	<u>100,000</u>	<u>186,485</u>	<u>369,698</u>

11 Salary costs

The Charity has no employees. The Charity is managed by its Trustees and three other individuals not employed by the Charity. The salary costs are those charged to the Vardy Foundation in relation to the DCMS project.

12 Trustees' remuneration and expenses

No Trustee received any remuneration or reimbursement of expenses in either the current or prior year.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

13 Investments	Total 2021 £	Total 2020 £	
At 6 April	28,731,630	31,982,599	
Gifted shares	170,000	250,001	
Equalisations	(592)	-	
Purchases at cost	9,884,374	5,982,015	
Disposal proceeds	(17,387,093)	(5,374,200)	
Movement in cash held in the portfolios	1,856,092	(699,320)	
Gains/(losses) on revaluation	<u>7,509,837</u>	<u>(3,409,465)</u>	
At 5 April	<u>30,764,248</u>	<u>28,731,630</u>	
Historic cost at 5 April	<u>25,441,379</u>	<u>29,552,940</u>	
14 Social investments	Charitable loans £	Charitable property £	Total investments £
Cost			
At 6 April 2020	660,546	4,359,534	5,020,080
Additions	100,000	124,741	224,741
Repayments	<u>(77,750)</u>	-	<u>(77,750)</u>
At 5 April 2021	<u>682,796</u>	<u>4,484,275</u>	<u>5,167,071</u>
Charitable loans comprise:		2021 £	2020 £
Northpoint Fostering CIC		100,000	-
North East Autism Society		97,917	122,916
Re: Hope Church Glasgow		247,500	277,500
Jason Mayhall, Pastor of the Bethany Christian Centre		237,379	241,379
The Message Trust		-	<u>18,751</u>
		<u>682,796</u>	<u>660,546</u>

Charitable loans are made at interest rates and terms significantly lower than those that the recipient Charity could obtain commercially. No interest is payable on any loan outstanding at the year end. No security is held in respect of any loan.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

15 Tangible fixed assets	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 6 April 2020	10,419	5,792	16,211
Disposals	<u>(10,419)</u>	<u>(5,792)</u>	<u>(16,211)</u>
At 5 April 2021	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 6 April 2020	10,419	5,792	16,211
On disposals	<u>(10,419)</u>	<u>(5,792)</u>	<u>(16,211)</u>
At 5 April 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 5 April 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 5 April 2020	<u>-</u>	<u>-</u>	<u>-</u>
16 Debtors		2021 £	Restated 2020 £
Donations receivable		256,503	968,913
Prepayments and accrued income		<u>67,002</u>	<u>52,010</u>
		<u>323,505</u>	<u>1,020,923</u>
17 Creditors		2021 £	2020 £
Other loans		-	4,611,600
Trade creditors		43,578	39
Grant creditors		15,000	50,158
Accruals and deferred income		<u>37,104</u>	<u>31,941</u>
		<u>95,652</u>	<u>4,693,738</u>

Other loans represent a discretionary loan made by Sir Peter Vardy to the Charity with the purpose of furthering the Foundation's charitable remit. The loan was initially denominated in US Dollars. On 6 April 2019, it was agreed between Sir Peter Vardy and the Vardy Foundation to denominate the loan in Sterling rather than US Dollars and the loan was

restated at its Sterling value using the mid-market rate for conversion from \$ to £ on that date and carried forward at £4,611,600. The full balance of the loan was repaid during the year.

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

18 Movement in funds

	Restated At 6 April 2020 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 5 April 2021 £
2020/21						
Unrestricted	<u>29,947,998</u>	<u>1,100,611</u>	<u>(1,707,945)</u>	<u>(2,316,503)</u>	<u>7,509,837</u>	<u>34,533,998</u>
<i>Designated</i>						
Matched Funding	-	-	(30,000)	2,000,000	-	1,970,000
Peter Vardy Foundation	2,582,036	-	(2,010,881)	256,503	-	827,658
Jigsaw Foundation	<u>43,307</u>	-	<u>(82,539)</u>	<u>60,000</u>	-	<u>20,768</u>
	<u>2,625,343</u>	-	<u>(2,123,420)</u>	<u>2,316,503</u>	-	<u>2,818,426</u>
<i>Restricted</i>						
DCMS	-	<u>2,000,000</u>	<u>(2,000,000)</u>	-	-	-
Total	<u>32,573,341</u>	<u>3,100,611</u>	<u>(5,831,365)</u>	<u>-</u>	<u>7,509,837</u>	<u>37,352,424</u>
2019/20						
Unrestricted	<u>34,118,338</u>	<u>2,230,382</u>	<u>(1,678,139)</u>	<u>(1,313,118)</u>	<u>(3,409,465)</u>	<u>29,947,998</u>
<i>Designated</i>						
Peter Vardy Foundation	1,927,055	-	(518,137)	1,173,118	-	2,582,036
Jigsaw Foundation	<u>63,580</u>	-	<u>(160,273)</u>	<u>140,000</u>	-	<u>43,307</u>
	<u>1,990,635</u>	-	<u>(678,410)</u>	<u>1,313,118</u>	-	<u>2,625,343</u>
Total	<u>36,108,973</u>	<u>2,230,382</u>	<u>(2,356,549)</u>	<u>-</u>	<u>(3,409,465)</u>	<u>32,573,341</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

18 Movement in funds (continued)

Purposes of funds:

Designated funds

The Matched Funding designated fund is an unrestricted fund set aside by the Trustees to demonstrate the Charity's contribution to the DCMS community match funded project by 31 March 2023.

The Peter Vardy Foundation designated fund is an unrestricted fund to which donation income received from Peter Vardy Holdings Limited is allocated.

The Jigsaw Foundation designated fund is an unrestricted fund set by the Trustees with a focus on charitable activities in Scotland.

Restricted funds

The DCMS fund is a community match funding project funded by DCMS to give grant awards to other charitable organisations.

19 Analysis of net assets between funds	Unrestricted £	Designated £	Total £
2020/21			
Investments	30,764,248	-	30,764,248
Social investments	5,167,071	-	5,167,071
Net current assets/(liabilities)	<u>(1,397,321)</u>	<u>2,818,426</u>	<u>1,421,105</u>
	<u>34,533,998</u>	<u>2,818,426</u>	<u>37,352,424</u>
2019/20			
Investments	28,731,630	-	28,731,630
Social investments	5,020,080	-	5,020,080
Net current assets/ (liabilities)	<u>(3,803,712)</u>	<u>2,625,343</u>	<u>(1,178,369)</u>
	<u>29,947,998</u>	<u>2,625,343</u>	<u>32,573,341</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

20 Reconciliation of net movements in funds to cashflows from operating activities

	2021	Restated 2020
	£	£
Net income/(expenditure)	4,779,083	(3,535,632)
Impairment charges	-	300,000
Equalisations	592	-
Donated shares	(170,000)	(250,001)
(Gains)/losses	(7,509,837)	3,409,465
Investment income	(669,108)	(807,262)
Decrease/(increase) in debtors	697,418	(980,513)
Increase in creditors	13,544	16,815
	<u>(2,858,308)</u>	<u>(1,847,128)</u>

21 Analysis of net debt

	At 6 April 2020	Cashflow	At 5 April 2021
	£	£	£
Cash at bank and in hand	2,494,446	(1,301,164)	1,193,282
Loans due within 1 year	<u>(4,611,600)</u>	<u>4,611,600</u>	<u>-</u>
Net debt	<u>(2,117,154)</u>	<u>3,310,436</u>	<u>1,193,282</u>

22 Grant commitments

At 5 April 2021, the Charity has commitments in respect of multi-year grants approved:

	2021	2020
	£	£
Due within one year	204,750	269,820
Due between one and five years	<u>56,250</u>	<u>100,000</u>
	<u>261,000</u>	<u>369,820</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

23 Related party transactions

During the year, donations were made to 2 (2020: 0) charities of which one or more Trustees of the Vardy Foundation are also Trustees:

Organisation	Common Trustees	Value of donation
Peter Vardy Foundation	Sir Peter Vardy and Peter D D Vardy	£1,880,000
Junction 42 Foundation	Richard A R Vardy	£ 50,483

The Charity received a donation of shares amounting to £170,000 (2020: £250,001) from 1 (2020: 1) of its Trustees during the year. The Charity also made a donation of £84,000 to Re: Hope Next Generation, a Charity in which the wife of Trustee, Peter D D Vardy, is a Trustee.

Salary recharges of £69,678 (2020: £nil) were recharged by the Vardy Family Office during the year, a company of which Trustees Sir Peter Vardy and Lady Margaret Vardy are Directors. £34,278 (2020: £Nil) of this was still outstanding at the year-end and is included within creditors.

During the year, Peter Vardy Holdings Limited, a company in which Sir Peter Vardy and Peter D D Vardy are also directors, donated £256,503 (2020: £968,913) to the Charity. Peter Vardy Limited, a company in which Sir Peter Vardy and Peter D D Vardy are also directors, also donated £Nil (2020: £204,206) to the Charity.

The unsecured, interest-free loan from Trustee Sir Peter Vardy of £4,611,600 was repaid in full during the year.