

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

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Scotland: SC051152

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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.



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.

Geoghegan

Geoghegan

Statutory Auditor

6 St Colme Street

Edinburgh

EH3 6AD

28 September 2021

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 2021

		Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Restated Total Funds 2020 £
	Notes					
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		<u>7,509,837</u>	<u>-</u>	<u>-</u>	<u>7,509,837</u>	<u>(3,409,465)</u>
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>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>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><u>1,193,282</u></u>	<u><u>2,494,446</u></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
		<u>426,503</u>	<u>1,423,120</u>
3	Charitable income	Restricted 2021 £	Restricted 2020 £
	DCMS grant	<u>2,000,000</u>	<u>-</u>
4	Investment income	Unrestricted 2021 £	Unrestricted 2020 £
	Income from listed investments	648,002	719,617
	Income from bank deposits	<u>21,106</u>	<u>87,645</u>
		<u>669,108</u>	<u>807,262</u>

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 5 APRIL 2021

5 Other income				Unrestricted 2021 £	Unrestricted 2020 £
Insurance proceeds				5,000	-
6 Cost of raising funds	Unrestricted 2021 £	Designated 2021 £	Restricted 2021	Total 2021	Unrestricted 2020 £
Investment managers' fees	143,512	-	-	143,512	138,402
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	86,000	15,340	-	101,340	75,000
Total grants	1,480,502	2,120,866	1,900,000	5,501,368	1,848,449
Support costs	83,931	2,554	100,000	186,485	369,698
	1,564,433	2,123,420	2,000,000	5,687,853	2,218,147

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
	1,394,503	2,105,526	1,900,000	5,400,028	1,773,449

THE VARDY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 5 APRIL 2021

9	Analysis of grants	2021 No.	2021 £	2020 No.	2020 £
	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
		135	5,501,368	207	1,848,449

10	Support costs	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 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
		83,931	2,554	100,000	186,485	369,698

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	7,509,837	(3,409,465)	
	At 5 April	30,764,248	28,731,630	
	Historic cost at 5 April	25,441,379	29,552,940	
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	(77,750)	-	(77,750)
	At 5 April 2021	682,796	4,484,275	5,167,071
	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	-	18,751	
		682,796	660,546	

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	(10,419)	(5,792)	(16,211)
	At 5 April 2021	-	-	-
	Depreciation			
	At 6 April 2020	10,419	5,792	16,211
	On disposals	(10,419)	(5,792)	(16,211)
	At 5 April 2021	-	-	-
	Net book value			
	At 5 April 2021	-	-	-
	At 5 April 2020	-	-	-
16	Debtors		2021 £	Restated 2020 £
	Donations receivable		256,503	968,913
	Prepayments and accrued income		67,002	52,010
			<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		37,104	31,941
			<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	29,947,998	1,100,611	(1,707,945)	(2,316,503)	7,509,837	34,533,998
<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	43,307	-	(82,539)	60,000	-	20,768
	<u>2,625,343</u>	<u>-</u>	<u>(2,123,420)</u>	<u>2,316,503</u>	<u>-</u>	<u>2,818,426</u>
<i>Restricted</i>						
DCMS	-	2,000,000	(2,000,000)	-	-	-
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>
	Restated At 6 April 2019 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 5 April 2020 £
2019/20						
Unrestricted	34,118,338	2,230,382	(1,678,139)	(1,313,118)	(3,409,465)	29,947,998
<i>Designated</i>						
Peter Vardy						
Foundation	1,927,055	-	(518,137)	1,173,118	-	2,582,036
Jigsaw						
Foundation	63,580	-	(160,273)	140,000	-	43,307
	<u>1,990,635</u>	<u>-</u>	<u>(678,410)</u>	<u>1,313,118</u>	<u>-</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)	(1,397,321)	2,818,426	1,421,105
	<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)	(3,803,712)	2,625,343	(1,178,369)
	<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
Net cash (used in)/provided by operating activities	<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.