

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

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Independent auditor

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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.

EMPTY KITCHENS



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.

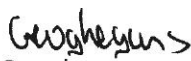
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.


Geoghegans
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

6 September 2022

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 2022**

		Unrestricted Funds 2022 £	Designated Funds 2022 £	Total Funds 2022 £	Restated Total Funds 2021 £
	Notes				
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		<u>59,800</u>	<u>77,750</u>
Net cash provided by investing activities		<u>1,829,080</u>	<u>6,168,744</u>
Cash flows from financing activities			
Repayment of loans		<u>-</u>	<u>(4,611,600)</u>
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	Unrestricted
		2022	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	-
		<u>552,391</u>	<u>426,503</u>
3	Charitable income	Restricted	Restricted
		2022	2021
		£	£
	DCMS grant	-	2,000,000
		<u>-</u>	<u>2,000,000</u>
4	Investment income	Unrestricted	Unrestricted
		2022	2021
		£	£
	Income from listed investments	615,467	648,002
	Income from bank deposits	68,200	21,106
		<u>683,667</u>	<u>669,108</u>

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
6 Cost of raising funds	Unrestricted 2022 £	Designated 2022 £	Total 2022	Unrestricted 2021 £
Investment manager's fees	117,051	-	117,051	143,512
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
Total grants	2,168,144	487,595	2,655,739	5,670,285
Support costs (note 10)	154,969	101	155,070	186,485
	2,323,113	487,696	2,810,809	5,856,770

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	-
	Auchterarder 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			
	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			
	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	33,167,948
<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 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	29,782,998	1,100,611	(1,876,862)	(2,316,503)	7,509,837	34,200,081
<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>32,408,341</u>	<u>3,100,611</u>	<u>(6,000,282)</u>	<u>-</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.