

# THE VARDY FOUNDATION



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

## **THE VARDY FOUNDATION**

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## **THE VARDY FOUNDATION**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Trustees**

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

#### **Register Charity numbers**

England and Wales: 328415  
Scotland: SC051152

#### **Principal office**

110 George Street  
Edinburgh  
EH2 4LH

#### **Independent auditor**

Geoghegans  
6 St Colme Street  
Edinburgh  
EH3 6AD

#### **Bankers**

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

#### **Investment manager**

Rathbones Investment Management  
28 St Andrews Square  
Edinburgh  
EH2 1AF

Barclays Wealth  
Level 15  
1 Churchill Place  
London  
E14 5HP

#### **Legal advisors**

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

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

## **THE VARDY FOUNDATION**

### **CHAIRMAN'S REVIEW FOR THE YEAR ENDED 5 APRIL 2023**

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

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

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

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

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

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

**Sir Peter Vardy**  
Chairman



3 October 2023



## **THE VARDY FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2023**

#### **Introduction**

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

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

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

#### **Objectives and performance**

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

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

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

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

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

## **THE VARDY FOUNDATION**

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

#### **Structure, governance and management**

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

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

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

#### **Key management personnel remuneration**

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

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

#### **Achievements and performance**

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

## THE VARDY FOUNDATION

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

#### Achievements and performance (continued)

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



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

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



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

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

## THE VARDY FOUNDATION

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

#### Achievements and performance (continued)



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

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



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

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



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



## THE VARDY FOUNDATION

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

#### Achievements and performance (continued)



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

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



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

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

## THE VARDY FOUNDATION

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

#### Achievements and performance (continued)



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

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



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

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

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

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

## **THE VARDY FOUNDATION**

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

#### **Achievements and performance (continued)**

##### **Social Investments**

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

##### **Financial review**

###### *Income*

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

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

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

###### *Expenditure*

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

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

###### *Net realised and unrealised losses/(gains) on investments*

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

###### *Balance Sheet*

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

## **THE VARDY FOUNDATION**

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

#### **Reserves Policy**

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

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

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

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

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

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

#### **Risk Management**

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

#### **Financial Markets**

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

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



## **THE VARDY FOUNDATION**

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

#### **Financial Markets (continued)**

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

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

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

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

#### **Investment Policy**

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

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

#### **Plans for the Future**

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

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

## **THE VARDY FOUNDATION**

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

#### **Plans for the Future (continued)**

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

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

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

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

## **THE VARDY FOUNDATION**

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

#### **Statement of Trustees' Responsibilities**

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

The law applicable to charities in Scotland and in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

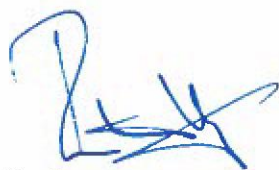
In preparing these financial statements, the Trustees are required to:

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

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

#### **Approval**

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



**Sir Peter Vardy**  
Chairman

## THE VARDY FOUNDATION

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

#### Opinion

We have audited the financial statement of the Vardy Foundation ("the Charity") for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Charity's affairs as at 5 April 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

#### Basis of opinion

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **THE VARDY FOUNDATION**

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

#### **Other information (continued)**

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 and the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

#### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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



## THE VARDY FOUNDATION

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

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

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

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

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

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

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

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

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


A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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

3 October 2023

*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 2023

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

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

All activities are classed as continuing.



# THE VARDY FOUNDATION

## BALANCE SHEET YEAR ENDED 5 APRIL 2023

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

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

**Sir Peter Vardy**  
Chairman

# THE VARDY FOUNDATION

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

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

## THE VARDY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2023

#### 1 Accounting policies

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

##### (a) General information and basis of preparation

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

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

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

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

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

##### (b) Going concern

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

## THE VARDY FOUNDATION

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

#### 1 Accounting policies (continued)

##### (c) Income

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

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

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

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

##### (d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

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

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

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

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

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

**1 Accounting policies (continued)**

**(e) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

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

**(f) Tangible fixed assets**

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

Computer equipment	- 33% straight line
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**(g) Debtors**

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

**(h) Cash at bank and in hand**

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

**(i) Creditors and provisions**

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

## THE VARDY FOUNDATION

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

**(j) Concessionary loans**

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

**(k) Financial instruments**

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

**(l) Fund accounting**

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

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

**(m) Judgements in applying key sources of estimation uncertainty**

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

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

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

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

**THE VARDY FOUNDATION**

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

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

**THE VARDY FOUNDATION**

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

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



## THE VARDY FOUNDATION

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

<b>7</b>	<b>Analysis of grants</b>	<b>2023 No.</b>	<b>2023 £</b>	<b>2022 No.</b>	<b>2022 £</b>
	DCMS	80	1,532,315	1	300,000
	Arts	-	-	1	10,000
	Relief	1	1,000	-	-
	Education	16	125,390	17	24,890
	Religion	1	435,538	35	528,235
	Welfare	2	697,832	61	1,792,614
		<u>100</u>	<u>2,800,690</u>	<u>115</u>	<u>2,655,739</u>
<b>8</b>	<b>Support costs</b>	<b>Unrestricted 2023 £</b>	<b>Designated 2023 £</b>	<b>Total 2023 £</b>	<b>Unrestricted 2022 £</b>
	Salaries (note 9)	-	-	-	1,280
	FOREX gain	(64,853)	-	(64,853)	(1,073)
	Depreciation	394	-	394	-
	Travel & accommodation	4,379	-	4,379	2,134
	Insurance	5,738	-	5,738	6,790
	Heat and light	235	-	235	1,151
	Office costs	3,220	-	3,220	1,916
	Computer costs	222	-	222	173
	Property costs	10,654	-	10,654	16,287
	Bank charges	1,027	-	1,027	923
	Accountancy	8,400	-	8,400	7,920
	Professional fees	3,708	-	3,708	12,662
	Marketing	851	-	851	450
	Rent	24,477	-	24,477	16,957
	Write off of irrecoverable loans	-	-	-	80,000
	Governance costs	7,860	-	7,860	7,500
		<u>6,312</u>	<u>-</u>	<u>6,312</u>	<u>155,070</u>

### **9** **Salary costs**

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

### **10** **Trustees' remuneration and expenses**

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

# THE VARDY FOUNDATION

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

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

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

**THE VARDY FOUNDATION**

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

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

THE VARDY FOUNDATION

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

17 Movement in funds

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

## THE VARDY FOUNDATION

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

#### Purposes of funds:

#### Designated funds

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

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

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

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

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

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

## THE VARDY FOUNDATION

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

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

### 21 Related party transactions

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

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

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

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

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

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

### 22 Post balance sheet event

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