

Registered No. 10402535

**VF Trading Varkey Limited**

Report and Accounts

For the year ended 31st March 2018



**VF Trading Varkey Limited**

**For the year ended 31st March 2018**

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## **VF Trading Varkey Limited**

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**Registered No. 10402535**

**A private company limited by shares**

### **Directors**

David Clifford

Jay Varkey

Vikas Pota

### **Registered Office**

2nd Floor, St Albans House

57-59 Haymarket

London

SW1Y 4QX

### **Independent Auditor**

Crowe U.K. LLP

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

### **Bankers**

Barclays Bank PLC

Ashton House

497 Silbury Boulevard

Milton Keynes

MK9 2LD

### **Legal Advisors**

Bates Wells and Braithwaite London LLP

10 Queen Street Square

London

EC4R 1BE

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## Directors' Report

The Company was incorporated on 29th September 2016. The Board of Directors present their report and audited accounts for the year ended 31st March 2018. The company's registration number is 10402535.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- ♦ Select suitable accounting policies and then apply them consistently;
- ♦ Make judgements and accounting estimates that are reasonable and prudent;
- ♦ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the directors of the company:

- ♦ So far as each of the directors at the date of this report is aware, there is no relevant audit information of which the company's auditors are unaware;
- ♦ Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Principal Activities

The Company is wholly owned by the Varkey Foundation and exists to raise funds for the charity to use for its charitable purposes. The Company and the Charity have defined and agreed the framework within which dealings between them shall be carried out including the use of property belonging to the Charity and the sharing of resources between the Charity and the Company.

## Directors' Report

### Review of the Business

During the year the Company continued to generate sponsorship for the Global Education and Skills Forum and Global Teacher Prize events, advocacy initiatives of the parent charity, The Varkey Foundation. Income increased to £4,260,808 compared with £684,481 in 2017 primarily due to an increase in sponsorship from Varkey Group companies.

### Going Concern

Having made enquiries, the Directors consider that VF Trading Varkey Limited will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

### Board of Directors

The directors shown below have held office during the whole of the year ended 31st March 2018.

David Clifford  
Vikas Pota  
Jay Varkey

### Auditors

On 25th June 2018 Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP have expressed their willingness to be appointed as statutory auditor.

### Profit for the Year

The profit of the Company for the year of £1,244,750 was donated to the parent charity, The Varkey Foundation, under Gift Aid.

### Statement of Disclosure of Information to the Auditors

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors are of that information.

The Directors' Report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the board and signed on its behalf by:



Jay S Varkey  
Director

Date: 14-11-18

## **Independent Auditor's Report to the Members of VF Trading Varkey Limited**

We have audited the financial statements of VF Trading Varkey Limited for the year ended 31st March 2018 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its profit 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 Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ♦ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ♦ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Independent Auditor's Report to the Members of VF Trading Varkey Limited**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- ♦ the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ♦ adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- ♦ the financial statements are not in agreement with the accounting records and returns; or
- ♦ certain disclosures of directors' remuneration specified by law are not made; or
- ♦ we have not received all the information and explanations we require for our audit; or
- ♦ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

## **Independent Auditor's Report to the Members of VF Trading Varkey Limited**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors 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 controls as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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.

A further description of our responsibilities for the audit of the financial statements is located 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.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London

Date: 22 November 2018



**Statement of Income and Retained Earnings****For the year ended 31st March 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Turnover</b>		4,260,808	684,481
Cost of sales		(2,909,305)	(343,315)
<b>Gross profit</b>		1,351,503	341,166
Administrative expenses	2	(106,753)	(16,437)
<b>Operating profit</b>		1,244,750	324,729
Taxation		-	-
<b>Profit after taxation</b>		1,244,750	324,729
Gift Aid donation		(1,244,750)	(324,729)
<b>Retained earnings at end of period</b>		-	-

There are no recognised gains or losses in the period other than those included in the above statement which have been paid or are payable under Gift Aid to the parent company. Accordingly, no separate statement of total recognised gains and losses has been provided.

All activities are classed as continuing.

The notes on pages 10 to 12 form a part of these financial statements.

# VF Trading Varkey Limited

## Balance Sheet

at 31st March 2018

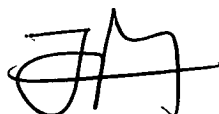
	Note	2018 £	2018 £	2017 £	2017 £
<b>Current assets</b>					
Debtors	3	1,876,768		317,945	
Cash at bank and in hand		651,724		71,622	
		<u>2,528,492</u>		<u>389,567</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(2,528,491)</u>		<u>(389,566)</u>	
<b>Net assets</b>			<u><u>1</u></u>		<u><u>1</u></u>
<b>Capital and reserves</b>					
Income and expenditure account			-		-
Called up share capital			1		1
<b>Total funds</b>			<u><u>1</u></u>		<u><u>1</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 10 to 12 form a part of these financial statements.

Approved and authorised for issue by the Board of Directors and signed on their behalf by:

Jay S Varkey  
Director



Date: 14-11-18

Registered No. 10402535

## Notes to the financial statements

at 31st March 2018

### 1. Accounting policies

The principal accounting policies which are adopted in the preparation of the accounts of VF Trading Varkey Limited are as follows:

#### a) Company information

VF Trading Varkey Limited is a private limited company which is incorporated and registered in England (registered number: 10402535). The address of the registered office is: 2nd Floor, St Albans House, 57-59 Haymarket, London SW1Y 4QX.

#### b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS 102") Section 1A Small Entities, and with the Companies Act 2006. The financial statements have been prepared on the historical cost convention.

Having made enquiries, the Directors consider that VF Trading Varkey Limited will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

A cash flow statement has not been presented as VF Trading Varkey Limited meets the definition of a smaller entity as given in Update Bulletin 1.

#### c) Income recognition

Income is recognised on the earlier of receipt of money or when VF Trading Varkey Limited is legally entitled to the income, receipt is probable and the amount can be measured reliably.

Turnover represents sponsorship income received for the Global Education and Skills Forum and Global Teacher Prize, advocacy initiatives of the parent charity, The Varkey Foundation.

#### d) Taxation

The Company has made a Gift Aid donation of the surplus profit to the company's ultimate undertaking, The Varkey Foundation, and therefore has no tax liability.

#### e) Financial instruments

Debtors - debtors do not carry any interest and are stated at their nominal value.

Cash at bank and in hand - this comprises cash at bank only.

Creditors - creditors are not interest bearing and stated at their nominal value.

At the balance sheet date the Company held financial assets at amortised cost of £2,528,492 (2017: £389,567) and financial liabilities at amortised cost of £2,526,031 (2017: £387,166).

### 2. Administrative costs

Administrative costs of £106,753 (2017: £16,437) include £54,925 (2017: £6,708) payable to the parent charity for the use of resources. The main components of the administrative costs were staff costs and and exchange losses.

**Notes to the financial statements**  
at 31st March 2018

**3. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
VAT recoverable	12,283	20,026
Trade debtors	1,864,485	297,919
	<b>1,876,768</b>	<b>317,945</b>

**4. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accruals	308,624	4,800
Due to parent charity - The Varkey Foundation	1,298,673	365,341
Loan from parent charity - The Varkey Foundation	574,080	-
Trade creditors	339,506	19,425
VAT payable	7,608	-
	<b>2,528,491</b>	<b>389,566</b>

**5. Capital and movement on reserves**

VF Trading Varkey Limited was incorporated on 29th September 2016 as a company limited by shares. The parent charity, The Varkey Foundation, is the sole shareholder with one share with a value of £1.

There was no movement on reserves during the year as all profits were passed to the parent through Gift Aid.

**6. Segmental information**

The only source of income in the year was sponsorship for the Global Education and Skills Forum and Global Teacher Prize, advocacy initiatives of the parent charity, The Varkey Foundation.

Sponsors were Dubai (where the Global Education and Skills Forum is held) and Cayman Islands based.

**Notes to the financial statements**

at 31st March 2018

**7. Profit**

The net profit after tax is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Costs relating to the Global Education and Skills Forum	496,125	12,738
Costs relating to the Global Teacher Prize	2,413,180	330,577
<b>Cost of sales</b>	<b>2,909,305</b>	<b>343,315</b>
Accountancy fees	2,372	2,400
Audit fees	2,432	2,400
Bank charges	907	120
Exchange loss	41,734	4,809
Loan interest payable	4,383	-
Management fee from parent charity	54,925	6,708
<b>Administrative Expenses</b>	<b>106,753</b>	<b>16,437</b>
<b>Total Expenses</b>	<b>3,016,058</b>	<b>359,752</b>