

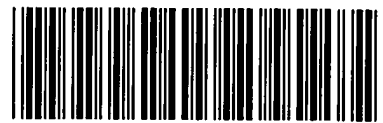
Registered No. 10402535

VF Trading Varkey Limited

Report and Accounts

For the year ended 31st March 2021

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VF Trading Varkey Limited

For the year ended 31st March 2021

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VF Trading Varkey Limited

Registered No. 10402535

A private company limited by shares

Director

Jay Varkey

Registered Office

Oakwood Estate

Chertsey Road, Windlesham

Surrey

GU20 6HY

Independent Auditor

Crowe U.K. LLP

55 Ludgate Hill

London, UK

EC4M 7JW

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

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 2021. 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.

Review of the Business

Financial year 2020/21 was severely affected by the Global pandemic and funding was continuously delayed. Parent company The Varkey Foundation focused its effort on attracting alternative sources of income. An agreement was signed with the Chegg Inc. to sponsor a sister of GTP prize - Global Student prize. Initial duration of the partnership is three years, so for the next three years there will be a guaranteed income from Chegg to run and deliver Global Student Prize.

Analysis was made Director and the Board of Trustees of the parent charity were satisfied that this is a continued trade which was postponed in 2020 due to cancellation of GTP ceremony in March 2020. The same trade has resumed after GTP ceremony in December 2020 and will continue into foreseeable future.

Directors' Report

Going Concern

The director has assessed the company's ability to continue as a going concern.

At the end of financial year the company received the first sponsorship income from Chegg Inc. for \$125k. Full amount was recognised as income in financial year 2021. In April company received another \$125k from Chegg as per contract.

The Varkey Foundation has confirmed that its debt will not be called in for a period of at least 12 months from the date of signing these accounts. The outstanding debt of 2021 was paid by VF Trading Varkey Limited to the parent charity within the first quarter of 2022.

Accordingly, the director has concluded that the company has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and has continued to prepare the financial statements on a going concern basis.

Board of Directors

Jay Sunny Varkey is the sole Director who held the post during entire financial year.

Jay Sunny Varkey active

Loss for the Year

There is a loss of £35396 reported for the year, therefore no funds were donated to the parent charity, The Varkey Foundation, under Gift Aid.

Statement of Disclosure of Information to the Auditors

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

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

Approved and signed by Sole director:



Jay S Varkey
Director

Date: 14 September 2021

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

Opinion

We have audited the financial statements of VF Trading Varkey Limited for the year ended 31 March 2021 which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 company's affairs as at 31 March 2021 and of 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 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

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 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.

Opinions 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 included within the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and their 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 and proper accounting records have not been kept 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors (who are also the directors of the company for the purposes of company law) 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context was Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context were General Data Protection Regulation and Taxation legislation.

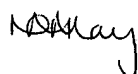
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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.



Nicola May

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
Date: 16th September 2021

Statement of Income and Retained Earnings
For the year ended 31st March 2021

	Note	2021 £	2020 £
Turnover		88,962	(207)
Cost of sales		(27,785)	551
Gross profit/(loss)		61,176	344
Administrative expenses	2	(33,298)	(63,618)
Operating profit/(loss)		27,878	(63,274)
Trade loss brought forward		(63,274)	-
Trade loss carried forward		(35,396)	
Taxation			-
Profit/(loss) after taxation		(35,396)	(63,274)
Gift Aid donation		-	-
Retained earnings at end of period		(35,396)	(63,274)

There are no recognised gains or losses in the period other than those included in the above statement. 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 2021

	Note	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	3	-		1,052,952	
Cash at bank and in hand		53,126		2,015	
		<u>53,126</u>		<u>1,054,967</u>	
Creditors: amounts falling due within one year	4	<u>(88,520)</u>		<u>(1,118,239)</u>	
Net assets			<u>(35,394)</u>		<u>(63,272)</u>
Capital and reserves					
Income and expenditure account			(35,395)		(63,273)
Called up share capital			1		1
Total funds			<u>(35,394)</u>		<u>(63,272)</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 September 2021

Registered No. 10402535

**Notes to the financial statements
at 31st March 2021**

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: Oakwood Estate, Chertsey Road, Windlesham, Surrey, GU20 6HY.

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.

Chegg funding is recognised on receipt on semi-annual installments as per payment schedule.

d) Taxation

The Company did not make any Gift Aid donation as there was a trade loss carried forward from prior year.

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.

2. Administrative costs

Administrative costs of £33298 (2020: £63,618) include exchange loss of £1061 (2020: £59,333)

Notes to the financial statements
at 31st March 2021

3. Debtors

	2021	2020
	£	£
Prepayments	-	296
VAT recoverable	-	28,939
Trade debtors	-	1,023,717
	<u>-</u>	<u>1,052,952</u>

Dubai VAT receivable for the total amount of £28,939 was written off as the 2018-18 refund claim was rejected by the FTA on various grounds. Several re-submissions haven't been successful and were all rejected.

4. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	4,157	4,980
Due to parent charity - The Varkey Foundation	76,179	89,542
Trade creditors	8,184	1,023,717
	<u>88,520</u>	<u>1,118,239</u>

£76,179 due to parent charity included £53,937 of prior years Management fee which was paid back in FY 2022. It also includes £18,987 of Global Student Prize recharges of the salaries and supplier costs incurred by parent charity in Q4 2021.

In March 2021 the company received \$125,000 of Sponsorship from Chegg Inc (USA) intended for Global Student prize delivery. Income was recognised in full (£88,962) in the year as per payment plan.

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 a positive movement on reserves due to the profit made for the year.

6. Segmental information

Income received from Chegg Inc. was partly deferred to FY 2022 in accordance with the income recognition policy.

Notes to the financial statements at 31st March 2021

7. Loss for the year

The net loss after tax is stated after charging:

	2021 £	2020 £
Costs relating to the Global Education and Skills Forum	-	(551)
Costs relating to the Global Teacher Prize	-	-
Costs relating to the Global Student Prize	27,785	-
Cost of sales	27,785	(551)
Accountancy fees	1,435	2,305
Administration expenses	-	-
Audit fees	2,000	2,095
Bank charges	8	896
Exchange (gain)/loss	1,061	59,333
Legal Fees	296	744
Write off account	28,939	-
Management fee from parent charity	-	-
Marketing Expenses	-	-
VAT Adjustment	(440)	(1,756)
Administrative Expenses	33,298	63,618
Total Expenses	61,084	63,067
Loss carried forward from prior year	63,274	-
Total charge	124,357	63,067

£28,939 of write off relate to VAT refund for 2018-19 which was rejected by FTA Dubai.

8. Ultimate parent company.

At 31st March 2021 the company's ultimate parent company is the Varkey Foundation Limited (a company limited by guarantee) which is registered in England and Wales. Copies of the consolidated financial statements of the Varkey foundation are available from:

The Varkey Foundation Limited
Oakwood Estate
Chertsey Road
Windlesham
Surrey
GU20 6HY
UK