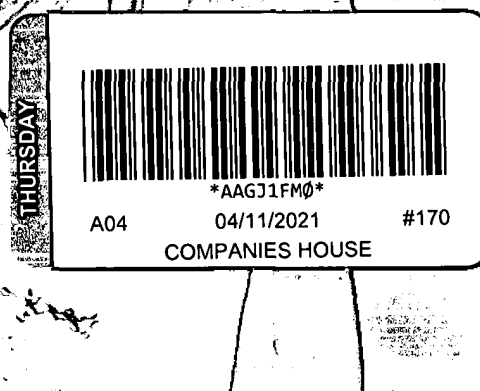


**Varkey Foundation**

# **Annual Report 2021**

**Report and Financial  
Statements for the year  
ended 31st March 2021**



# ANNUAL REPORT 2021

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31<sup>ST</sup> MARCH 2021



### About the Varkey Foundation

The Varkey Foundation is a not-for-profit organisation established to improve the standards of education for underprivileged children throughout the world. Our mission is to ensure that every child has a good teacher.

The Varkey Foundation is a charity registered with the Charity Commission for England and Wales under charity number 1145119 and a company limited by guarantee registered in England and Wales under company number 07774287. Registered Office: Oakwood Estate, Chertsey Road, Windlesham, Surrey, GU20 6HY, UK.

# Company Information

Company No. 07774287

Charity No. 1145119

## Members

Sunny Varkey

Dino Sunny Varkey

## Patrons

Sunny Varkey

Harsha Varkey

## Charity Trustees

Jay Sunny Varkey

Sir Michael Lockett

Vijita Patel

## Advisory Board

Karen Giles

## Key Management Personnel

Nicole Lui (Executive Director)

## Principal Office

Oakwood, Chertsey Road,

Windlesham, Surrey,

GU20 6HY

## Independent Auditor

Crowe U.K. LLP

55 Ludgate Hill

London, EC4M 7JW

## Bankers

Barclays Bank PLC

4 Waterside Way, The Lakes

Bedford Road,

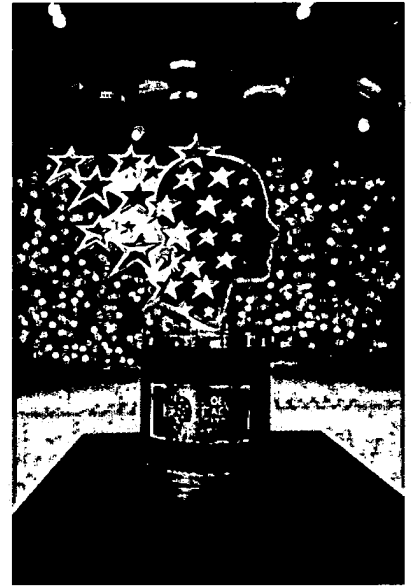
Northampton, NN4 7XD

## Legal Advisors

Bates Wells Braithwaite London LLP

10 Queen Street Square

London, EC4R 1BE



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## Trustees' Annual Report

The trustees and directors of the company present their report and financial statements, which incorporates the Strategic Report, for the year ended 31st March 2021.

### Structure, Governance and Management

The company (registration number 07774287) was formed on 14th September 2011 and was registered as a charity in England (registration number 1145119) on 16th December 2011. The company is limited by guarantee and has two members. The company is governed by a memorandum and articles of association.

The executive team is responsible for the implementation of the strategy set by the trustees. During the financial year, the executive team was led by Nicole Lui who has been the executive director since 1st November 2018.

The trustees are responsible for the overall direction, supervision and accountability of the Varkey Foundation (the foundation) and its projects. The trustees have delegated the day-to-day decision making to the executive director of the foundation, who reports back to the trustees. The trustees are responsible for:

- Furthering the overall purpose of the foundation, as set out in its governing document, and setting its direction and strategy.
- Ensuring that the foundation's work is effective, responsible and legal.
- Safeguarding the foundation's finances and resources and ensuring that they are used to further its purpose.

Trustees receive the appropriate training to carry out their duties at the commencement of their trusteeship. All new trustees receive an induction pack and complete a register of interests. They are also provided with opportunities for governance and sector specific training and development.

The advisory board presently comprises of one member, who is not a trustee, and provides the board of trustees and senior management team of the Varkey Foundation with advice, support and guidance, at the request of the trustees. The skills and composition of the advisory board is reviewed every three years. The advisory board also attends events hosted by the Varkey Foundation and represents the foundation at national and international fora.

## Charity Governance Code

By establishing good governance at the Varkey Foundation we ensure:

- Compliance with laws and regulations.
- That the organisation is well run and efficient.
- That problems are identified and dealt with appropriately.
- That our work has the desired impact and that the objectives of the foundation are advanced.

The Charity Governance Code, endorsed by the Charity Commission and other sector bodies, was introduced in 2017 and adopted by the Varkey Foundation. The code sets out a number of recommended practices for charities and encourages trustees to either apply these practices or explain why they have not done so, or what other measures they have taken instead – a principal known as “apply or explain.”<sup>1</sup> The trustees of the Varkey Foundation believe that the foundation is substantially compliant with the code, but note that they have not applied the code’s recommendations in the following areas:

- Presently, due to the size of the board, there are no committees and all matters are addressed by the full board. This will continue to be kept under review. The board is currently seeking additional trustees.
- The board does not presently review its own performance nor that of individual trustees. Consideration will be given to the introduction of a formal review process as prescribed by the code.

## Varkey Foundation Subsidiaries and Branches

The Varkey Foundation has three subsidiaries (Fundacion Varkey Argentina, VF Trading Varkey Limited, and VF Ghana). VF Ghana was dormant during year 2021, doesn’t have any assets and is not included in the consolidation.

The overall charity result is comprised of the results of the UK foundation only.

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<sup>1</sup> Charity Governance Code, Charity Governance Code Steering Group (2020)

### VF Trading Varkey Limited

VF Trading Varkey Limited was incorporated on 29th September 2016 as the 100% owned trading subsidiary of the Varkey Foundation. It is a company registered in England and Wales with company registration number 10402535. Its primary activity is generation of sponsorship for the Global Teacher Prize and Global Student Prize event.

### Fundación Varkey Argentina

Fundación Varkey Argentina was established on 7th September 2016 as a non-profit Argentine foundation. Fundación Varkey Argentina was founded by the Varkey Foundation which reserves the right to appoint all of the members of its board of trustees. It operates various programs for education professionals in Argentina and Latin America.

### Varkey Foundation Ghana

Varkey Foundation Ghana was a branch of the Varkey Foundation until it became a subsidiary company with the same name. It was incorporated on 6th December 2017. It became active from 1st April 2018 when the assets and liabilities of the Varkey Foundation Ghana branch were duly transferred in full.

Varkey Foundation Ghana is registered with the Social Welfare Department and the Registrar General's Department in Ghana with the name The Varkey Foundation. It is registered as an NGO with the Accra Municipal Authority and the Social Welfare Department.

From October 2019 all staff, assets and programmes were novated to Plan International Ghana. Varkey Foundation Ghana was dormant during financial year 2020-21 and will remain dormant until further decision is made.

### Fresh Start Media Limited

The foundation owns a 39% investment in Fresh Start Media Limited which was purchased for £100,000. Fresh Start Media is a video production company that was spun off from First News and First News Productions, to create non-fiction content for, or about, children. Fresh Start Media investment is in the process of sale and will be sold in the year ending 31 March 2022.

## Remuneration Policy

The foundation looks at market comparisons in the charity sector as a method of benchmarking salaries, however some flexibility is applied to take into consideration the specific requirements for each post, including key management, and to ensure we can recruit the best candidate possible to meet the needs of the foundation. The foundation has implemented a performance management system, for all staff, through which salary reviews are aligned to performance.

## Public Benefit

The trustees have referred to the Charity Commission's published guidance on public benefit when reviewing aims and objectives and planning activities. In particular, as required by the Charities Act 2011, the trustees considered how the foundation's activities contribute to its aims and objectives. Our objectives and activities are set out on page 7. The trustees consider that the aims, objectives and activities they have put in place are for the public benefit and this is demonstrated throughout this report.

The end of trustees' report and signatures on page 27.



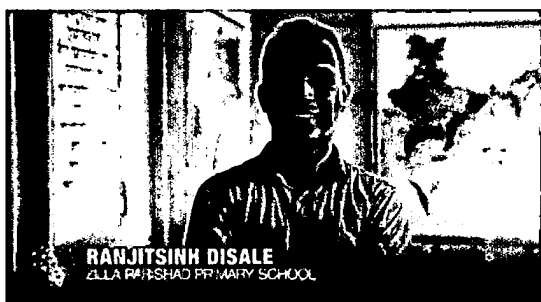
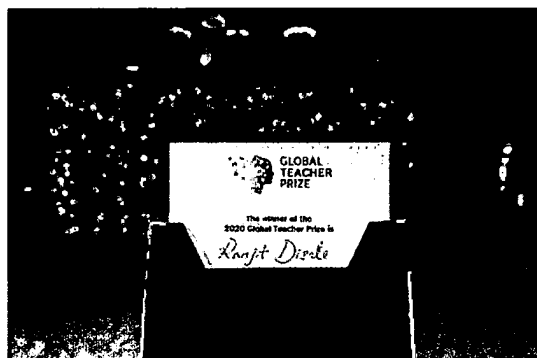
Natural History Museum – the backdrop for Global Teacher Prize award 2021.

## Strategic Report

### COVID-19

The COVID-19 global pandemic significantly affected Varkey Foundation activities around the world, including its public advocacy and the delivery of its school leadership training programmes in Latin America. In most cases, the foundation was able to largely mitigate the impact of COVID-19 by postponing its events and activities or moving them online. The most significant activities disrupted by pandemic were:

- Global Teacher Prize:** The Varkey Foundation postponed the awarding of the Global Teacher Prize from March until December 2020. The prize was awarded in a pre-recorded ceremony with no live audience present, filmed at the National History Museum in London, UK and Stephen Fry was hosting the ceremony.



- **Global Education and Skills Forum.** The Varkey Foundation replaced GESF forum with series of smaller events under Global education Series which were all held online and designed to replace one big life event. Global Education Series was very successful and will be continued as a preferred way going forward.
- **Programmes in Argentina:** In 2021, the Varkey Foundation temporarily stopped the physical delivery of its training programmes in Argentina, in order to comply with government restrictions enacted to stop the spread of COVID-19. Staff worked remotely from home during the period.
- **Travel:** Global restrictions on travel throughout the year prevented the Varkey Foundation from hosting physical advocacy events, and meant that staff were unable to travel internationally to participate in events and meetings.

#### **Remote working.**

Unlike many other charities or companies in UK, the Varkey Foundation UK team and Dubai team members were working remotely long before the pandemic and lockdowns. All systems and software were fully functioning on remote access. The UK team was working four days from home and one day in office for team meetings and social interaction. So, there was no transition period or disruption to work when lockdown in UK was announced. Team has stopped meeting once a week in the office and from October 2020 working from home became a permanent arrangement.

## Objectives

The Varkey Foundation's vision is for a quality education for every child. The foundation's mission is to ensure that every child has a good teacher. Its objectives are set out in its articles of association, as follows:

- For the public benefit, the advancement of education throughout the world in such ways as the trustees think fit;
- The prevention or relief of poverty or financial hardship anywhere in the world by providing or assisting in the provision of education and training; and
- Such other purposes that are charitable under the law of England and Wales both within the United Kingdom of Great Britain and Northern Ireland and elsewhere throughout the world.

The Varkey Foundation's charitable activities for the year cover four key areas of work: research, advocacy, programmes, and partnerships and grant-making. These activities have contributed to a range of positive impact across four reporting benchmarks:

### 1. Teaching

**The Varkey Foundation built the status of teachers around the world and celebrated their work.** The foundation's **Global Teacher Prize** generated over £69,561,846 AVE (advertising value equivalent) of media coverage in 2021 and was mentioned in over 1,265 stories published in print, broadcast and radio outlets worldwide. The prize continued to change the lives of the winners and finalists alike, who were celebrated by their local communities and recognized by political leaders in their countries and beyond. The process of running, publicizing and awarding the prize was the foundation's principal activity for the course of the year.

During the year the Varkey Foundation significantly increased its engagement with its **Global Teacher Prize Ambassadors**, a network of 300 Global Teacher Prize finalists around the world. Ambassadors met regularly to discuss key issues affecting education, including the COVID-19 crisis. The foundation also expanded its network of **National Teacher Prizes** affiliated with the Global Teacher Prize to almost 40 countries.

## 2. School Leadership

The Varkey Foundation empowered leaders across school systems. Training programmes run by Varkey Foundation subsidiary **Fundación Varkey Argentina** built the capacity of school leaders in Argentina as well as in smaller programmes elsewhere in Latin America. Despite significant disruption from COVID-19, the foundation reached the total of 17,764 educational leaders from Latin America. The national government of Argentina and the regional authorities continued to fund the Varkey Foundation's work in the country. Most school leaders who participated in the programmes committed to implementing what they had learned when they returned to their schools.

## 3. Political Leadership

The Varkey Foundation challenged governments and the international community to deliver on education. Throughout the year the foundation used its public advocacy events and Global Teacher Prize to engage with national policymakers, as well as leaders from across the global education and skills sector. It also formally partnered with UNESCO, the UN's leading education and culture organisation.

The foundation's activities galvanized political leaders around the world for the cause of education. The Global Teacher Prize Ceremony in December included messages of support and congratulations from dignitaries including the UK prime minister, the UN special envoy for global education and leaders from UNESCO and Education Cannot Wait (a global fund for education in emergency situations). Throughout the year, Global Teacher Prize Winners spoke at major events convened by the international community, such as the World Bank.

The Varkey Foundation's **Atlantis Group** of former government figures met virtually to agree upon recommendations for governments on key education issues, including the COVID-19 crisis.

## 4. Innovation

The Varkey Foundation created new initiatives, and published new research to identify innovative solutions to key education issues.

The foundation launched two new awards, the **Global Student Prize** and the **COVID Hero Award**, to showcase innovative solutions to key issues faced by students and teachers. Both awards attracted considerable media coverage over the year.

The Varkey Foundation's ground-breaking research continued to map what the world thought and felt about education. The foundation published new research on the social status of teachers, and throughout the year academic researchers and journalists continued to cite its polling data on teachers and young people.

Fundación Varkey Argentina continued to grow **Comunidad Atenea** ("the Athena Community"), an online platform for educators and school leaders across Latin America to work together.

## Activities

### Research

The Varkey Foundation published research into the social status of teachers around the world, as well as analysis on key education issues from classroom teachers and former policymakers.

- In October 2020, the Varkey Foundation published a report that established – for the first time – a link between the general public’s perceptions of teachers and student performance in international standardised testing. The report *“Reading Between The Lines: What The World Really Thinks of Teachers”*, was based on new research commissioned by the foundation and undertaken by the economist Peter Dolton and sociologist Robert De Vries. The work forms part of the Varkey Foundation’s Global Teacher Status Index, a project to map changes in the social status of teachers around the world.
- Throughout the year, the Varkey Foundation published new analysis by its network of Global Teacher Prize Ambassadors and Atlantis Group of former education ministers on key education issues, including on the COVID-19 crisis, mental health and parent-teacher partnerships.

Expenditure on research in the year was £0 (2020: £13,941) due to scaling down of research and moving to online and in-house activities.

### Advocacy

The Varkey Foundation continued to champion the cause of teachers around the world through its programme of advocacy, including through its networks of teachers and former policymakers. Amid global restrictions on holding physical events, the foundation moved much of its advocacy online and hosted virtual summits that convened hundreds of teachers and students as well as leaders from the public, private and philanthropic sectors. Over 2,000 people registered for Varkey Foundation events over the course of the year, from over 100 different countries.

- Throughout the year the Varkey Foundation worked to improve the general public’s engagement with key education issues by publishing innovative content across its social media channels. In April, the foundation launched the online panel show *“Talking Education”*, with episodes focused on key issues such as teacher training, mental health and racism.

- In May, the Varkey Foundation hosted “**Teachers of the World – Unite!**”, an online summit that convened hundreds of teachers from around the world to discuss how to reopen schools safely amid the COVID-19 pandemic. The summit culminated with a series of calls to action on the international community urging policymakers to prioritise social dialogue and safety protocols.
- In July, the Varkey Foundation launched the “**Class of COVID-19**”, a project to examine how the global pandemic had changed attitudes to education among children and young people worldwide. Research for the project, based principally on peer-to-peer conversations between young people in different countries, had not been finalised by the end of the year.

#### Networks

- The Varkey Foundation’s **Atlantis Group** of former ministers of education and heads of government met virtually during the year and made recommendations to the international community on how to address the impact of COVID-19 on education. The group’s members included a range of prominent figures including the heads of education for UNESCO and the World Bank; one member also returned to government as president.
- The Varkey Foundation significantly stepped up its engagement with its network of **Global Teacher Prize Ambassadors**, a group of 300 Global Teacher Prize finalists. The foundation convened the group regularly throughout the year to consider key issues affecting teachers, such as mental health and parent-teacher partnerships.
- The foundation partnered with 38 **National Teacher Prizes** around the world, including new partnerships in Bosnia and Herzegovina and Kazakhstan. Amid the COVID-19 pandemic, seven countries hosted prize ceremonies during the year either in person or online (Brazil, Georgia, Ghana, Mexico, Portugal, Palestine and Ukraine). The organisation that ran the National Teacher Prize in Chile produced a television series about teachers for the country’s national television channel.

Expenditure on advocacy in the year was £348,573 (2020: £280,601). Last year there was no Global Teacher Prize ceremony, this year ceremony was held online at a fraction of the costs to compare with previous years’ live events.

## Programmes

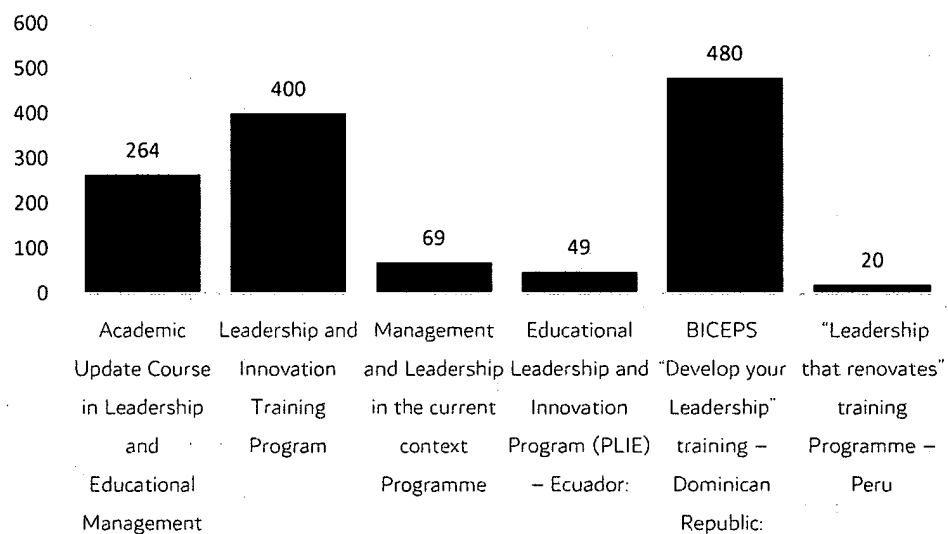
### Argentina

Argentina programme is the only international operation left at Varkey Foundation group. Argentina office was affected by Covid-19 as well, and team was reduced by half and worked from home.

### Leadership and Innovation Programme

During 2020/2021, The Varkey Foundation Argentina (FVA) continued to support schools whose directors had been previously trained in all provincial jurisdictions from Argentina (Jujuy, Mendoza, Salta, Corrientes and Buenos Aires) and continued its Educational Leadership and Innovation Programs in Argentina and in other countries of Latin America as well.

Educational Leadership and Innovation Programs, participants:



During this period, the foundation continued to focus on developing other programs, securing funding from additional sources and rationalizing its resources to ensure its continued sustainability for 2022 and beyond.

### Other programs in Argentina

In addition to the Educational Leadership and Innovation Program mentioned above, a variety of programs were carried out during 2020/2021 in the different countries from Latin America:

#### Atenea Experiences' (FVA Learning platform):

Participants: 3,670

Educational practices implemented: 3,877

Students reached: + 150,000

#### Innovation Studio Sessions

Participants: 3616

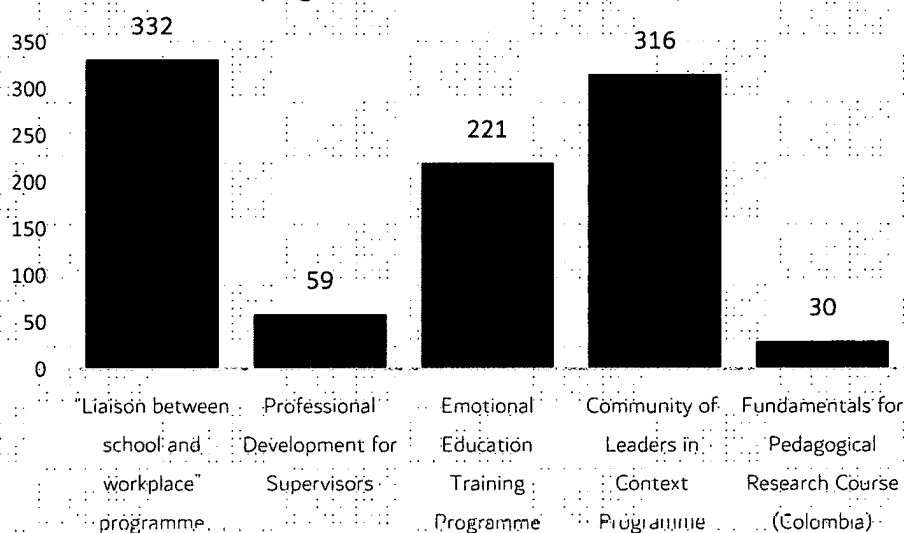
Schools: 1,181

#### Project Based Learning (PBL)

Participants: 1,548

Schools: 367

Other programmes in Latin America, participants:



Since the beginning of its activities until July 2021, FVA reached a total of 17,764 educational leaders from Latin America through its programmes and a further impact through its Atenea Community online.

### Research in Latin America:

Foundation Varkey Argentine launched a research project in partnership with the British Council on the Impact and lessons learned from the closure of schools in the Americas. The main objective of the research was to identify, from the perspective of the different stakeholders in the educational system of America, the lessons learned and the pending challenges, as well as to enable reflection on post-pandemic education. The research included 11 countries from America, 5,218 surveys to teachers, and 63 experts.

Total expenditure on Programmes in the year was £2,179,206 and represents solely Argentina expenses with allocated central support costs (2020: £6,253,214 of which £3,234,349 related to programmes in Argentina).

## Partnerships and Grant Making

### Partnerships

The foundation built new partnerships with key stakeholders in the global education and skills sector and signed a formal partnership agreement with UNESCO. In June, the Varkey Foundation also joined the UNESCO-led **Global Education Coalition**, a network of philanthropic groups that worked to protect the right to education during the COVID-19 crisis.

### Grant Making

The US\$1 million Global Teacher Prize continued to be the world's most widely covered education award. During the year, the Varkey Foundation launched two new awards to recognise the significant achievements made by students and teachers during the COVID-19 pandemic.

- The **Global Teacher Prize** generated significant positive media coverage for the teaching profession, in a year when much of the world's media focused on the negative impact of school closures caused by COVID-19. In 2020, the prize was mentioned in over 5,789 media articles and accumulated a Public Relations value of over £277,604,697.<sup>2</sup> In December, the Varkey Foundation awarded the sixth annual Global Teacher Prize to Indian teacher **Ranjit Disale** for his work to improve the education of girls living in his community. The announcement attracted major media attention around the world and

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<sup>2</sup> Calculated as Advertising Value Equivalent (AVE) for the Calendar year of 2020. Figures for Calendar year 2021 will be reported in the Varkey Foundation's next annual report.

was covered in BBC World News, CNN, *The Times* and *The Times of India*. On 3<sup>rd</sup> December, Disale's win became the number 1 news story on Twitter globally.



Ranjit Disale in his classroom.

- In December, the Varkey Foundation named UK teacher Jamie Frost as the winner of its inaugural **Covid Hero Award**, a US\$45,000 prize created by the foundation to shine a spotlight on the immense contribution of teachers throughout the COVID-19 pandemic. Frost won the award for his work to support teachers and students through his "[www.DrFrostMaths.com](http://www.DrFrostMaths.com)" website, which provided free teaching resources, videos and exam questions. The winner's announcement was made by actor Forest Whitaker, as part of the Global Teacher Prize Ceremony. The Covid Hero Award was widely covered by the UK and international media, including in BBC News, TES and *The Times*.



Jamie Frost – Covid Hero award winner.

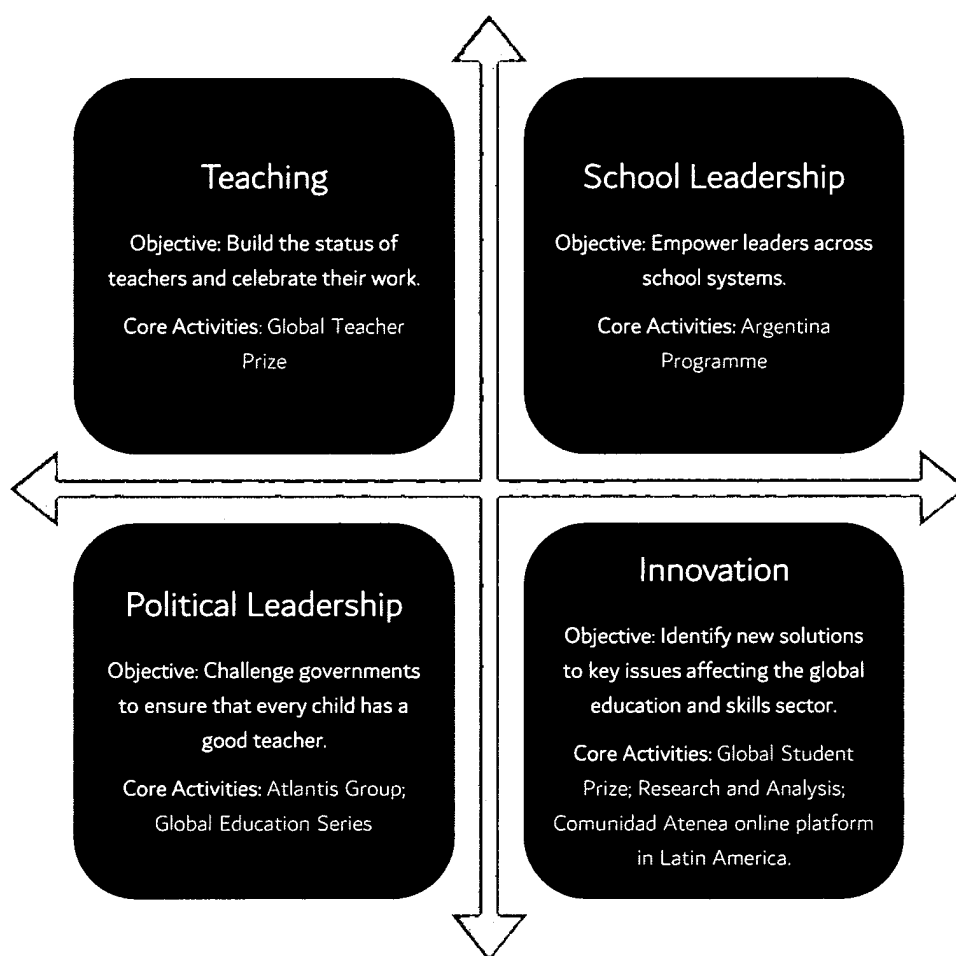
- In February, the Varkey Foundation launched the **Global Student Prize**, a US\$50,000 prize for one exceptional student awarded for their positive impact on learning, their peers and wider society. The prize was intended to highlight how students are finding innovative new solutions to key social issues such as systemic racism or global warming. It was sponsored by Chegg.org, an education research and advocacy organization founded by the US EdTech company Chegg. The prize winner will be announced in late 2021.
- Grant to Schwarzman Scholars (TEFNA) was novated to Sunny Varkey's personal account in the year and has been reflected as such in the financial statements. Novation had Nil effect on the financial result, however created negative income and negative expense for £1.2m. TEFNA novation is separated in the accounts as discontinued operations.

Expenditure on partnerships and grant-making from continuing operations' this year was £957,759 (2020: £40,270 without effects of HGSE grant novation). Last year amount constitutes only revaluation of the liability because there was no GTP ceremony in 2020, and thus no new liabilities in the year.



## Future Plans

For the period 2021-2022, the Varkey Foundation's strategy will remain focused on its four priorities: Teaching, School Leadership, Political Leadership and Innovation. The foundation will meet its objectives for these four priorities through a set of core activities:



In addition to these core activities, the Varkey Foundation will continue to identify new opportunities to create positive impact on education systems around the world.

## Financial Review

During the year the Foundation did its best to reduce the costs to compensate for the reduced funding especially at the onset of the global pandemic. This included a move to the online ceremony with the fraction of the costs of live event, a reduction of overheads costs, utilising the Government furlough scheme and moving to part time working. Foundation also was successful in securing additional income sources such as sponsorship of a new prize, gift-aided and simple donations and receiving gift-aid from the HMRC.

Towards the second half of the year the funding was resumed which helped the Foundation's reserves position. In July 2021 Foundation paid back £6,670 to HMRC which was received in relation to the Job retention Scheme during 2021. The UK team was moved back to full time working in June 2021.

Total income received in 2021 from continuing operations was £2,434,021 (2020: £1,795,449). This included restricted income of £965,314 (2020: £215,271). Of the total income received £1,928,828 (2020: £1,783,895) was received from the Varkey Group Limited,

The balance of funding was received from other parties for use on the foundation's charitable activities, including Gift Aided donations of £161,000, and sponsorship income of £88,962 from the Chegg Inc. The increase in income in comparison to the prior year was mainly due to resumed funding from the Foundation's major donor.

Total expenditure for the year from continuing operations was £3,485,537 (2020: 5,143,093). This included restricted expenditure of £965,314 (2020: £215,271 from continuing operations). The relative increase in expenditure was due to cancellation of GESF and GTP ceremony in the year ended 31 March 2020 whereas the GTP ceremony for this year's winner was held in December 2020. Expenditure on the online GTP ceremony is considerably lower than live event.

The Foundation has reported a deficit of £1,051,516 for the year (2020: Deficit £3,347,644), of which £1,447,157 was the deficit in Argentina (2020: deficit £2,253,419). This was due to the fall in income as a result of the end of the programme from the Ministry of Education and Sport

of Argentina. A reduction of the team and closure of other programmes also contributed to this deficit. Income received from new sources in Argentina totalled £167,790 (2020: £980,930).

Results without the Argentina deficit would be a surplus of £395,641 (2020: £1,094,221 deficit).

This surplus was achieved through a combination of cost reductions in UK, additional income sources and increased funding from the Varkey Group limited, Dubai.

As a result of the group deficit for the year ended 31 March 2021 the foundation's funds reserve fell to £1,637,938 to compare with the prior year (2020: £2,689,454) of which £66,272 (2020: £66,272) was restricted and £1,571,666 (2020: £2,623,182) was unrestricted.

## Going Concern

The Trustees have assessed the foundation's ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements including a review of updated forecasts up to 30 September 2022, a consideration of the key risks, including the impact of the COVID-19 pandemic, that could negatively impact the foundation and the funding agreements in place, including adherence to the timing of payments set out in the agreements. High level forecasts have also been extended to 31 March 2024.

Funding agreements include Deeds of Donation in relation to major activities (such as Global Teacher prize) and an Annual Grant Framework Agreement to provide the future funds required for the residual funding requirements of the foundation for all other activities. This includes funds for the long-term liability for the remaining years of the 2015 to 2021 Global Teacher Prizes. The foundation is dependent on income from these agreements to fund the activities detailed above.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements.

These include:

- Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasting has been completed to March 2024, however this remains reliant on the receipt of funding from the Varkey Group.
- Funding for the 2020/21 financial year under Deeds of Donation and the Annual Grant Framework Agreement was received in full. The core funding for until 30 September 2022 and the payment plan is also agreed in line with the final budget.
- Ongoing costs for the Foundation reflect the reduced cost base of the organisation and assumes an online GTP ceremony 2022 which will be recorded in Paris.
- Funding for the Argentina programme from the Argentina National Ministry of Education and Sports came to an end during 2019/20 in line with the agreement. However, the reserves within this subsidiary are being used to fund ongoing activities together with alternative funding sourced. These are shown as designated funds in the group accounts. The programme is planned to continue during the period of review without the need for additional funding from UK operations. The forecasts do not assume any remittance of funds between Argentina and the UK. Alternative funding sources are being secured by the subsidiary entity.
- The TEFNA Grant agreement has been novated to Sunny Varkey personal account. There is no ongoing liability for the Foundation.

- There continues to be close monitoring of income and expenditure, and cashflows, with regular reporting to the Board.

After considering these factors, the Trustees have concluded that the Foundation has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis.

## Principal funding sources

As noted above, the principal source of funding is from Varkey Group Limited. The funding is covered by Deeds of Donation and an Annual Grant Framework, further details of which are included in the Going Concern section on page 20.

## Fundraising

The foundation does not presently raise funds directly from the public. Funds to cover the advocacy and research activities and the overheads of the foundation are donated by the Varkey Family.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011 during the financial year.

## Grant making policy

The foundation has specific agreements in place for the provision of grants for furtherance of its charitable objectives. Grants payable are made in line with the foundation's strategic objectives.

The foundation monitors grants in accordance with the relevant grant agreement.

## Reserves Policy

As at 31st March 2021 the foundation had total reserves of £1,637,938 (2020: £2,689,454) of which £1,571,666 (2020: £2,623,182) was unrestricted and £66,272 (2020: £66,272) was restricted.

The policy of the foundation is that unrestricted funds should be at a level suitable to sustain the activities of the foundation for a period of at least three months after taking into account committed funds from other sources. This is calculated to be circa £151k.

In assessing our level of free reserves fixed assets and funds held in Argentina are excluded. Free reserves at 31 March 2021 were therefore £402,503 (2020: £488,357) which is in excess of the target level of £151k. This includes the investment in Fresh start media due to its planned sale.

The costs associated with the GESF and GTP are excluded from the calculation of the funding required to sustain the activities of the foundation for three months as they are covered by a separate Deed of Donation. The Trustees are comfortable with the level of free reserves at the end of financial year 2021.

## Risk Management

Risk is considered in key decision processes in the foundation at executive and board level. The board reviews the major risks faced by the foundation on annual basis. The review includes the adequacy of actions being taken in response to each risk. The trustees have reviewed the major risks and uncertainties which the foundation faces and are satisfied that appropriate steps have been taken to mitigate these risks. The major risks and uncertainties facing the foundation and the action being taken to mitigate them are as follows:

### Funding and Cashflow

#### Risk

- Funding and cashflow are insufficient to support ongoing operations.

#### Mitigation

- Detailed budgets and plans produced annually for board approval.
- Budgets and cashflow forecasts produced to ensure sufficient funding at all times, with ongoing monitoring and monthly reporting.
- Budgeted and unbudgeted expenditure controlled and managed through approvals processes.
- Financial commitments are not entered into without confirmed source of funding.
- Seek to cover central overheads from revenue generating activities.
- Deploy strong planning and financial management controls to manage the impact of any change in funding.
- Seek partnerships and sponsorships as supporting sources of finance.
- Continuously review the value for money of each component of the foundation's operations to preserve resources and plan for redesign in response to funding changes.

### Global pandemic (COVID-19), natural disasters

#### Risk

- Potential loss of key personnel, business disruption, inability to access office and impact on funding.

#### Mitigation

- Develop a safety and security policy for each office, where relevant,<sup>3</sup> and a disaster recovery plan.
- Designate a crisis management team to coordinate the recovery from members of the senior leadership team.
- Ensure that staff are aware and have regular training of the plan and are supported in the aftermath of any event.
- Creating an informal support network in each operating country.

#### Cyber Crime

##### Risk

- Loss of business days impacting business performance through system unavailability or data loss. Legal or reputational impact through data security breach. Direct financial loss (cyber fraud or ransomware).

#### Mitigation

- Identify critical data, define and implement a business continuity plan.
- Develop and implement a cyber-security policy.
- Train and regularly remind all staff of key cyber-security issues and responsibilities.
- Continuously work with IT to make cyber-security protection more robust.

#### Inappropriate Use of Funds by Recipients or Misuse through Fraud

##### Risk

- Inappropriate or ineffective use of donations/grants/prizes by recipients. E.g. funding illegal activities, inappropriate or fraudulent use of donor funds in country operations.

#### Mitigation

- Thorough due diligence carried out on all potential recipients.
- Funds transferred to organisational (not individual) bank accounts (with the exception of the Global Teacher Prize).
- Recipient bank accounts require two signatories (with the exception of the Global Teacher Prize).

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<sup>3</sup> Staff employed by the Varkey Foundation in the UK work from home.

- Clear expectations of how funds will be used to be agreed at the outset and usage monitored.
- Establish robust financial management systems and procedures throughout the organisation, and resource appropriately with in country and head office support.
- Monitoring by local senior management and central finance through regular monthly reporting.
- Ensure all staff are aware of the Bribery Policy.

### Organisational capacity & loss of key personnel

#### Risk

- Organisational capacity is insufficient to scale up and deliver quality programmes and loss of key personnel causing disruption.

#### Mitigation

- All new programmes planned thoroughly to ensure clear understanding of resources required, risks and mitigations.
- Recruitment prioritises quality balancing timelines and funding risk.
- Establish a strong, cohesive management team with individual and collective responsibility, knowledge sharing, collaboration and flexibility.
- Ensure clear strategic and operational plans to set direction and provide a framework for business continuity.
- Effective succession planning for key roles and organisational knowledge bank created.
- Invest in continuing professional development and provide rewarding job opportunities and career progression for key staff where possible.

## Trustees/Directors

The trustees/directors during the year or appointed since the year end are those listed on company information page.

## Statement of Disclosure to Auditors

The directors and trustees of the company have, individually, considered their responsibilities to provide information to the company's auditors and in so far as each of them are aware there is no relevant audit information of which the company's auditors are unaware and each trustee has taken all the reasonable steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

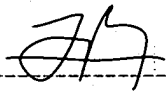
## Statement of Trustees' Responsibilities

The trustees who are also directors for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company and charity law requires trustees to prepare financial statements for each financial year. Under the law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP – 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 net movement of funds for the period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies, following UK GAAP, and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Jay Sunhy Varkey

Trustee

Date: 14 September 2021

# Independent Auditor's Report to The Members of The Varkey Foundation

## Opinion

We have audited the financial statements of the Varkey Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow 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 group's and the charitable company's affairs as at 31 March 2021 and of the group's 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 group 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 charitable company's or the group'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 trustees 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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
  - the financial statements are not in agreement with the accounting records and returns;
- or
- certain disclosures of trustees' remuneration specified by law are not made; 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 set out on page 26, the trustees (who are also the directors of the charitable 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 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 charitable 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 trustees either intend to liquidate the charitable 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](http://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 and significant component audit teams. 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 charitable company and group 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 were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection and Taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

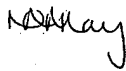
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract 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, reviewing regulatory correspondence with the Charity Commission 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 charitable 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 charitable 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 charitable company and the charitable 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

# Financial Statements

For the year ended 31<sup>st</sup> March 2021



**Consolidated Statement of Financial Activities (incorporating the income and expenditure account)**
**Year ended 31st March 2021**
**Registered Company No. 07774287**

Note	Continuing operations		Discontinued operations		2021
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£
Income from:					
Donations	2	1,151,329	38,345	-	1,189,674
Charitable activities	2	179,321	926,969	(1,253,533)	(147,243)
Other trading activities	2	88,962	-	-	88,962
Other income	2	49,096	-	-	49,096
Total		1,468,707	965,314	(1,253,533)	1,180,489
Expenditure on:					
Charitable activities:					
Advocacy	4	101,786	246,788	-	348,573
Partnerships & Grant-making	4	239,232	718,526	(1,253,533)	(295,774)
Programmes	4	2,179,206	-	-	2,179,206
Research	4	-	-	-	-
Total		2,520,223	965,314	(1,253,533)	2,232,005
Net income / (expenditure)		(1,051,516)	-	-	(1,051,516)
Transfers between funds	12	-	-	-	-
Net movement in funds		(1,051,516)	-	-	(1,051,516)
Reconciliation of funds:					
Total funds brought forward	12	2,623,182	66,272	-	2,689,454
Total funds carried forward	12	1,571,666	66,272	-	1,637,938

The notes on pages 40 to 62 form part of these financial statements.

Please see note 20 on discontinued operations.

**Consolidated Statement of Financial Activities (incorporating the income and expenditure account)**
**Year ended 31st March 2020**

Note	Continuing operations		Discontinued operations		2020
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income from:</b>					
Donations	2	510,016	-	-	510,016
Charitable activities	2	980,930	215,271	(4,521,013)	1,444,933
Other trading activities	2	-	-	-	-
Other	2	89,232	-	-	89,232
<b>Total</b>		<b>1,580,178</b>	<b>215,271</b>	<b>(4,521,013)</b>	<b>1,444,933</b>
<b>Expenditure on:</b>					
Charitable activities:					
Advocacy	4	105,600	175,001	-	280,601
Partnerships & Grant-making	4	-	40,270	(4,521,013)	-
Programmes	4	4,808,281	-	-	1,444,933
Research	4	13,941	-	-	13,941
<b>Total</b>		<b>4,927,822</b>	<b>215,271</b>	<b>(4,521,013)</b>	<b>1,444,933</b>
<b>Net income / (expenditure)</b>		<b>(3,347,644)</b>	<b>-</b>	<b>-</b>	<b>(3,347,644)</b>
Transfers between funds	12	-	-	-	-
<b>Net movement in funds</b>		<b>(3,347,644)</b>	<b>-</b>	<b>-</b>	<b>(3,347,644)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	12	5,970,825	66,272	-	6,037,097
<b>Total funds carried forward</b>	<b>12</b>	<b>2,623,181</b>	<b>66,272</b>	<b>-</b>	<b>2,689,453</b>

## Consolidated and Charity Balance Sheet

Year ended 31st March 2021

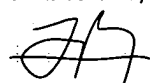
Registered Company No. 07774287

		Consolidated		Charity	
	Note	2021	2020	2021	2020
		£	£	£	£
<b>Fixed assets:</b>					
Intangible assets	7		866	-	-
Tangible assets	8	7,042	18,545	744	2,800
Investments		100,000	100,000	100,000	100,000
Investment in subsidiary undertakings		-	-	4,171	4,171
		<b>107,042</b>	<b>119,411</b>	<b>104,915</b>	<b>106,971</b>
<b>Current assets</b>					
Debtors	9	2,762,896	5,569,208	3,207,099	4,838,932
Cash at bank and in hand		1,669,706	2,791,625	541,072	389,849
		<b>4,432,602</b>	<b>8,360,833</b>	<b>3,748,171</b>	<b>5,228,781</b>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	10	(565,535)	(2,724,613)	(528,450)	(1,653,644)
Net current assets		<b>3,867,067</b>	<b>5,636,220</b>	<b>3,219,721</b>	<b>3,575,137</b>
Total assets less current liabilities		<b>3,974,109</b>	<b>5,755,631</b>	<b>3,324,636</b>	<b>3,682,108</b>
Creditors: Amounts falling due after more than one year	11	(2,336,171)	(3,066,178)	(2,336,171)	(3,066,178)
<b>Total net assets</b>		<b>1,637,938</b>	<b>2,689,453</b>	<b>988,465</b>	<b>615,930</b>
<b>The funds:</b>					
Restricted funds	12	66,272	66,272	66,272	66,272
Unrestricted funds	12	1,571,666	2,623,181	922,193	549,658
<b>Total funds</b>		<b>1,637,938</b>	<b>2,689,453</b>	<b>988,465</b>	<b>615,930</b>

The surplus for the financial year 2021 of the parent charity was £374,360 (2020: £21,682).

The notes on pages 40 to 62 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Jay Sunny Varkey  
Trustee

Date: 14 September 2021

**Consolidated Cashflow Statement**  
**Year ended 31st March 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	A	<b>(1,119,569)</b>	<b>(2,661,100)</b>
<b>Cash flows from investing activities:</b>			
Proceeds from the sale of property, plant and equipment		-	1,869
Purchase of property, plant and equipment		(2,350)	(4,822)
Purchase of investments		-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(2,350)</b>	<b>(2,953)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,121,919)</b>	<b>(2,664,053)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>2,791,625</b>	<b>5,455,678</b>
<b>Cash and cash equivalents at the end of the reporting</b>	B	<b>1,669,706</b>	<b>2,791,625</b>
		2021 £	2020 £
<b>A Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		<b>(1,051,516)</b>	<b>(3,347,644)</b>
<b>Adjustments for:</b>			
Depreciation charges		8,540	19,145
Revaluations		6,179	11,325
Loss on Sale of Fixed Assets		-	2,152
Non-cash movement		-	-
(Increase)/Decrease in debtors		2,806,312	7,984,490
Increase/(Decrease) in creditors		(2,889,084)	(7,330,568)
<b>Net cash provided by (used in) operating activities</b>		<b><u>(1,119,569)</u></b>	<b><u>(2,661,100)</u></b>
<b>B Analysis of cash and cash equivalents</b>			
		2021 £	2020 £
<b>Cash in hand</b>		<b><u>1,669,706</u></b>	<b><u>2,791,625</u></b>

The notes on pages 40 to 62 form part of these financial statements.

## **Notes to the financial statements**

**Year ended 31st March 2021**

### **1. Accounting policies**

#### **a) Charitable company status and background**

The Varkey Foundation is a not-for-profit organisation established to improve the standards of education for underprivileged children throughout the world.

The foundation is a company limited by guarantee, registration number 07774287 and a charity registered with the Charity Commission of England and Wales, charity number 1145119.

The liability of the members of the company in respect of the guarantee is limited to £1 per member of the company.

The Registered Office of the foundation is at: Oakwood Estate, Chertsey Road, Windlesham, Surrey, GU20 6HY.

#### **b) Basis of preparation**

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1st January 2015.

The Trustees have referred to the Charity Commission's published guidance on public benefit when reviewing aims and objectives and planning activities. In particular, as required by the Charities Act 2011, the Trustees considered how activities contribute to the aims and objectives set. The Trustees consider that the aims, objectives and activities they have put in place are for the public benefit.

The financial statements are prepared under the historical cost convention.

#### **c) Basis of consolidation**

The consolidated Statement of Financial Activities and Balance Sheet consolidate the results of the Charity and its wholly-owned subsidiary undertakings, VF Trading Varkey Limited (company number 10402535) and Fundacion Varkey Argentina. The results of the subsidiaries are consolidated on a line-by-line basis. Intra group transactions and year end balances are eliminated on consolidation. In accordance with section 408 of the Companies Act 2006 no separate Statement of Financial Activities has been presented for the The Varkey Foundation (excluding its subsidiaries).

**d) Going concern**

The Trustees have assessed the foundation's ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements including a review of updated forecasts up to 30 September 2022, a consideration of the key risks, including the impact of the COVID-19 pandemic, that could negatively impact the foundation and the funding agreements in place, including adherence to the timing of payments set out in the agreements. High level forecasts have also been extended to 31 March 2024.

Funding agreements include Deeds of Donation in relation to major activities (such as Global Teacher prize) and an Annual Grant Framework Agreement to provide the future funds required for the residual funding requirements of the foundation for all other activities. This includes funds for the long term liability for the remaining years of the 2015 to 2021 Global Teacher Prizes. The foundation is dependent on income from these agreements to fund the activities detailed above.

The Board have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements.

These include:

Cash management controls are in place to ensure sufficient working capital at all times. Cashflow forecasting has been completed to March 2024, however this remains reliant on the receipt of funding from the Varkey Group.

Funding for the 2020/21 financial year under Deeds of Donation and the Annual Grant Framework Agreement was received in full. The core funding for until 30 September 2022 and the payment plan is also agreed in line with the final budget.

Ongoing costs for the Foundation reflect the reduced cost base of the organisation and assumes an online GTP ceremony 2022 which will be recorded in Paris.

Funding for the Argentina programme from the Argentina National Ministry of Education and Sports came to an end during 2019/20 in line with the agreement. However, the reserves within this subsidiary are being used to fund ongoing activities together with alternative funding sourced. These are shown as designated funds in the group accounts. The programme is planned to continue during the period of review without the need for additional funding from UK operations. The forecasts do not assume any remittance of funds between Argentina and the UK. Alternative funding sources are being secured by the subsidiary entity.

The TEFNA Grant agreement has been novated to Sunny Varkey personal account. There is no ongoing liability for the Foundation.

There continues to be close monitoring of income and expenditure, and cashflows, with regular reporting to the Board.

After considering these factors, the Trustees have concluded that the Foundation has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the accounts on a going concern basis.

**e) Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy and there is probability of receipt. Incoming resources received that do not meet the criteria for recognition in the Statement of Financial Activities are accounted for as deferred income and included as liabilities at the balance sheet date.

Grants are recognised where there is an entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Gifts in kind for use by the charity are included as income at their approximate fair value at the date of receipt. Fair value is deemed to be the market value the charity is willing to pay for the service. An amount equal to the value of receipts at the point received is included as charitable expenditure.

**f) Resources expended**

All resources expended are included on an accruals basis.

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those associated with meeting constitutional and statutory requirements of the charity and would include audit fees and costs linked to the strategic

Costs are allocated to activities, including grant making, where they can be directly attributed to them based on the actual expense incurred. Support costs are allocated to activities on the basis of time spent on them.

**g) Fund accounting**

Restricted funds are to be used for particular restricted purposes within the objectives of the Unrestricted funds are those funds that can be used in accordance with the company's charitable objectives at the trustees' discretion.

#### **h) Fixed assets**

Fixed assets, both tangible and intangible, are capitalised and depreciated/amortised over their useful economic life to the charity. The cost of minor additions or those less than £1,000 are not capitalised.

Depreciation of tangible assets is provided for as follows:

Computer and other equipment	33% straight line
Furniture and equipment	25% straight line
Motor vehicles	20% straight line

Amortisation of intangible assets is provided as follows:

Computer software	33% straight line
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#### **i) Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the average rate of the month published by HMRC. All differences are taken into the Statement of Financial Activities.

#### **j) Financial instruments**

The foundation 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 measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise, trade, other creditors and accruals.

#### **k) Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described in Note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### **l) Taxation**

The Charity's activities fall within the exemptions afforded by the provisions of ICTA 1988. Accordingly, there is no tax charge in these accounts.

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

### 2. Incoming Resources - Group

	Donor	Unrestricted £	Restricted £	2021 £	2020 £
<b>Donations:</b>					
Donations from VGL	VGL	990,329	-	990,329	467,983
Other donations	Others	161,000	38,345	199,345	42,032
<b>Total Donations</b>		<b>1,151,329</b>	<b>38,345</b>	<b>1,189,674</b>	<b>510,015</b>
<b>Charitable Activities:</b>					
FHI360*	USAID	-	-	-	-
Global Education and Skills Forum	VGL	-	-	-	35,681
Global Teacher Prize	VGL	11,530	926,969	938,499	179,590
Harvard Graduate School of Education*	VGL	(1,253,533)	-	(1,253,533)	(4,521,013)
Making Ghanaian Girls Great (MG3)*	DfID	-	-	-	1,252,281
PLIE - Argentina		167,790	-	167,790	980,930
Train for Tomorrow*	Dubai Cares	-	-	-	192,652
<b>Total Charitable Activities</b>		<b>(1,074,212)</b>	<b>926,969</b>	<b>(147,243)</b>	<b>(1,879,879)</b>
<b>Other Trading Activities:</b>					
GTP Concert Income		-	-	-	-
Sponsorship Received	Various	88,962	-	88,962	-
<b>Total Other Trading Activities</b>		<b>88,962</b>	<b>-</b>	<b>88,962</b>	<b>-</b>
<b>Other Income:</b>					
Other Income	Various	49,096	-	49,096	89,233
<b>Total Other Income</b>		<b>49,096</b>	<b>-</b>	<b>49,096</b>	<b>89,233</b>
<b>Total Incoming Resources</b>		<b>215,175</b>	<b>965,314</b>	<b>1,180,489</b>	<b>(1,280,631)</b>
<b>Total Incoming Resources from continuing operations</b>		<b>1,468,707</b>	<b>965,314</b>	<b>2,434,021</b>	<b>1,795,449</b>
<b>Total Incoming Resources from discontinued operations</b>		<b>(1,253,533)</b>	<b>-</b>	<b>(1,253,533)</b>	<b>(3,076,080)</b>

\*Items relate to discontinued activities (see note 20).

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

### **2. Incoming Resources - Group (Continued..)**

Total actual income for the year from continuing operations was £2,434,021 (2020: £3,240,382).

Discontinued operations had negative income of - £1,253,533 TEFNA grant novation to Sunny Varkey.

Of total income VGL funding amounted to £1,928,828, Argentina income was £167,790 (2020: £980,930) which was received from various sources including online platform "Atenea".

Due to discontinued Programmes in Africa, there was no Grants received in 2021 (2020: £1,444,933).

Unrestricted donations totalled £199,345 which was made by Jay Varkey Gift Aided donation and donation received from CVC.

## Notes to the financial statements

### at 31st March 2021

#### 3. Staff Costs

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Wages & salaries	1,589,042	2,049,689	594,975	679,858
Social security costs	225,878	512,316	35,885	39,782
Pension costs	40,415	120,199	40,415	38,686
<b>Total direct staff costs</b>	<b>1,855,335</b>	<b>2,682,204</b>	<b>671,275</b>	<b>758,326</b>

The average number of employees including part time workers, analysed by function was:

	Group 2021	Group 2020	Charity 2021	Charity 2020
Programme delivery staff in Argentina	50	70	-	-
Programme delivery staff Ghana	-	27	-	-
Support staff in the Dubai	2	2	2	2
Support staff in the UK	8	7	8	7
<b>Total employees</b>	<b>60</b>	<b>106</b>	<b>10</b>	<b>9</b>

Wages and Salaries include £1,579 (2020: £54,402) of temporary staff costs for which the staff are not included in the average staff numbers.

£267,236 of termination settlements were paid during the year (2020: £24,936) and are included in wages and salaries above. Of this £237,236 was paid in Argentina fully in the year. Argentina team had a major restructuring reducing headcount by half due to end of the main programme by Argentina Ministry of Education and Sport. Remaining £30,000 was accrued in UK and paid in April-May 2021.

The number of employees whose total employee benefits (excluding employer pension costs) for the period exceeded £60,000 were as follows:

	Group 2021	Group 2020
£60,000 to £69,999	2.00	-
£70,000 to £79,999	-	2.00
£80,000 to £89,999	-	-
£90,000 to 199,999	-	-
£100,000 to 109,999	-	-
£110,000 to 119,999*	1.00	-
£120,000 to 129,999**	1.00	-
£130,000 to 139,999	-	1.00
£140,000 to 149,999	-	-
£150,000 to 159,999***	1.00	-
£160,000 to 169,999	-	-
£170,000 to 179,999	-	-
£180,000 to 189,999	-	-
£190,000 to 199,999	-	-
£200,000 to 209,999	-	1.00

\* This employee was paid two months in lieu and redundancy for the total of £42,500.

\*\* This employee is paid in Argentina, and fully funded from the income received from the Ministry of Education Argentina

\*\*\* This employee is paid in Dubai, and fully funded by GEMS Global LLC Dubai. Employee works for VF pro-bono and treated as Gift in kind.

### **3. Staff Costs (Continued..)**

The gross salary, including employers' national insurance and employers' pension, of the key management personnel for the financial year was £157,196 (2020: £206,190)

No trustees/directors were either remunerated for their services or for reimbursed expenses incurred during the current or preceeding year. Certain travel expenses were incurred directly by the foundation.

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

**4. Charitable Activities - Group**

	Support Costs	Grants Made	Project Costs	Total 2021	Total 2020
	£	£	£	£	£
Global Education Series/GTP Event	-	-	196,375	196,375	35,130
Global Teacher Prize - Running Costs	-	-	61,943	61,943	139,320
Varkey Teacher Ambassadors (VTA)	-	-	-	-	9,071
Atlantis group	-	-	-	-	17,577
Philanthropy network	-	-	-	-	18,858
Support Costs	90,256	-	-	90,256	60,645
<b>Total Advocacy</b>	<b>90,256</b>	<b>-</b>	<b>258,318</b>	<b>348,573</b>	<b>280,601</b>
Global Teacher Prize - Prize Money	-	684,699	-	684,699	40,270
Harvard Graduate School of Education*	-	-	-	-	(4,521,013)
TEFNA grant*	-	(1,253,533)	-	(1,253,533)	-
World Leadership Alliance Club De Madrid	-	-	-	-	-
Covid-Hero Award - Prize Money	-	33,827	-	33,827	-
Support costs	239,232	-	-	239,232	-
<b>Total Partnerships and Grant-making</b>	<b>239,232</b>	<b>(535,006)</b>	<b>-</b>	<b>(295,774)</b>	<b>(4,480,743)</b>
Making Ghanaian Girls Great (MG3)*	-	-	-	-	1,273,058
PLIE - Argentina	-	-	1,614,947	1,614,947	3,234,353
Train for Tomorrow (T4T)*	-	-	-	-	192,652
Support Costs	564,258	-	-	564,258	1,553,151
<b>Total Programmes</b>	<b>564,258</b>	<b>-</b>	<b>1,614,947</b>	<b>2,179,206</b>	<b>6,253,214</b>
Research	-	-	-	-	10,478
Support costs	-	-	-	-	3,463
<b>Total Research</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,941</b>
<b>Total charitable activities</b>	<b>893,746</b>	<b>(535,006)</b>	<b>1,873,265</b>	<b>2,232,005</b>	<b>2,067,013</b>
<b>Total charitable activities from continuing operations</b>	<b>893,746</b>	<b>718,526</b>	<b>1,873,265</b>	<b>3,485,537</b>	<b>5,143,093</b>
<b>Total charitable activities from discontinued operations</b>	<b>-</b>	<b>(1,253,533)</b>	<b>-</b>	<b>(1,253,533)</b>	<b>(3,076,080)</b>

\*These items relate to discontinued activities.

**Support costs are comprised as follows:**

	Total 2021	Total 2020
	£	£
Business development	-	-
Computer and telephone costs	32,903	(227)
Exchange (gain)/loss	9,661	91,814
Governance costs	49,614	152,006
Legal and professional fees	14,153	18,360
Management charge	-	4,112
PR and advocacy costs	61,683	600,258
Office rental and other costs	45,004	(31,309)
Staff costs - direct	671,275	688,156
Staff costs - other	9,275	7,034
Travel and subsistence	179	87,055
<b>Total support costs</b>	<b>893,746</b>	<b>1,617,259</b>

## **Notes to the financial statements**

**at 31st March 2021**

### **4. Charitable Activities - Group (Continued..)**

Total charitable activities from continued operations for the year were £3,485,537 (2020 - £5,143,093). Discontinued operations includes only TEFNA grant novation with negative income and negative expense of £1,253,533. There was no restricted programmes costs in 2021 due to activities cessation (2020: £1,444,933)

2020 Global Teacher Prize ceremony was postponed until December 2020 due to Covid-19 pandemic. The winner of GTP 2020 was Ranjitsinh Disale who has shared 50% of his winnings with remaining Top 10 finalists. There was also additional "Covid Hero" award (\$45,000) given to Jamie Frost for outstanding achievements during pandemic.

Governance costs of £49,614 (2020: £152,006), included in support costs, include £38,442 (excluding VAT) (2020: £22,000) for the statutory audit.

In addition to the audit fees, a further £5,754 (excluding VAT) was incurred with Crowe U.K. LLP in the financial year for tax, VAT and other advice (2020: £5,968).

Support costs for the total of £898,264 (2020: £1,617,259) were met by VGL on behalf of the foundation.

## Notes to the financial statements

at 31st March 2021

### 5. Related Party Transactions

On 3rd December 2015, the Foundation formalised its funding arrangements with the Varkey Group Limited (VGL) through Deeds of Donation and an Annual Grant Framework Agreement to provide the future funds for Global Teacher Prize, key programmes and the residual funding requirements of the Foundation for all other activities, with GEMS Global Schools Limited. This will fund the long term liability for the remaining years of Global Teacher Prizes.

Out of £1,928,828 of total VGL funding - £1,565,934 (2020: £1,783,895) were cash donations from VGL. VF Trading Varkey Limited received no donations or sponsorships from the Varkey Group Limited companies. The Foundation received £161,000 from Jay Varkey as Gift-Aided donation from individual.

Foundation did not make any recharges except for immaterial TMRW Digital LTD courier costs. GEMS Skills Africa and SSV investment where Jay Varkey is a Director had no transactions during the year, but still have outstanding balances.

Total payments for services made to organisations connected to Varkey Foundation trustees in the period was £67,129 (2020: £85,843). This was GTP payments made to 2018 GTP winner's charity "Artists in Residence" where Vijita Patel was a Trustee.

There were no payments made to Fresh Start Media Limited (2020: Nil), in which the Varkey Foundation has a 39% investment. Nicole Lui - Executive director of the Varkey Foundation is also a non-executive director of Fresh Start Media. The sale of Fresh Start Media is going to be finalised in year 2022 at the face value of the investment.

#### FY 2021: Related party transactions

##### GTP PAYMENTS

Trustee	Related party (entity)	Nature of transaction	Amount of transactions	Balance as at 31.03.2021
Vijita Patel	Artists in Residence	GTP winner payments	67,129	-
<b>Total payments made in FY 2021</b>			<b>67,129</b>	<b>-</b>

##### DEBTORS

Trustee	Related party (entity)	Nature of transaction	Amount of transactions	Balance as at 31.03.2021
Jay Varkey	GEMS Skills Africa (PTY) Limited	Recharges of salaries	-	2,907
Jay Varkey	SSV Investment	Recharges of salaries	-	50,306
Jay Varkey	TMRW Digital Limited	Courier cost recharge	18	18
<b>Total sales made in FY 2021</b>			<b>18</b>	<b>53,231</b>
Jay Varkey	Varkey Group Limited	VF total funding from VGL	1,928,828	2,699,813
Jay Varkey	Jay Sunny Varkey (as individual)	GiftAided donation to VF	161,000	-
<b>Total funding received in FY 2021</b>			<b>2,089,828</b>	<b>2,699,813</b>

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

### 6. Investments and Investments in Subsidiaries

#### a) Investment in Fresh Start Media

During the 2018 financial year the Foundation purchased a 39% investment in Fresh Start Media Limited for £100,000. Fresh Start Media is a video production company which originally thought to be used in the Varkey foundation activities. Investment is in the final stages of the sale at the face value of £100,000.

#### b) Investments in Subsidiaries

On 7th September 2016, Fundación Varkey Argentina was incorporated in Argentina (with 80,000 ARS (£4,170) share capital) as a formal subsidiary of the Foundation with File Number at the Registry of Commerce of 1904703, Approved by Registry Resolution Number 0001752 and Registered Number 414 of Book 1FU relating to foundations. Its registered address is Marcelo T. de Alvear 684, Piso 6, C1058AAH, Buenos Aires, Argentina.

On 29th September 2016, VF Trading Varkey Limited was incorporated (with £1 share capital) as the trading subsidiary of the Varkey Foundation. It is a company registered in England and Wales with company registration number 10402535. Its registered address is: Oakwood Estate, Chertsey Road, Windlesham, Surrey, GU20 6HY, UK.

	Period to 31st March 2021	Period to 31st March 2021	Period to 31st March 2021	Period to 31st March 2020	Period to 31st March 2020	Period to 31st March 2020
	Varkey Foundation Ghana	Fundación Varkey Argentina	VF Trading Varkey Limited	Varkey Foundation Ghana	Fundación Varkey Argentina	VF Trading Varkey Limited
Company Registration Number	CG119562017	7774287	10402535	CG119562017	7774287	10402535
	£	£	£	£	£	£
Income	-	167,790	88,962	1,444,933	980,930	(207)
Expenditure	4,771	1,614,947	61,084	1,372,654	3,234,353	63,067
<b>Operating surplus/(deficit)</b>	<b>(4,771)</b>	<b>(1,447,157)</b>	<b>27,878</b>	<b>72,277</b>	<b>(2,253,423)</b>	<b>(63,274)</b>
Gift Aid	-	-	-	-	-	-
<b>Net surplus/(deficit)</b>	<b>(4,771)</b>	<b>(1,447,157)</b>	<b>27,878</b>	<b>72,277</b>	<b>(2,253,423)</b>	<b>(63,274)</b>

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

### b) Investments in Subsidiaries (continued)

	Period to 31st March 2021	Period to 31st March 2021	Period to 31st March 2021	Period to 31st March 2020	Period to 31st March 2020	Period to 31st March 2020
	Varkey Foundation Ghana	Fundación Varkey Argentina	VF Trading Varkey Limited	Varkey Foundation Ghana	Fundación Varkey Argentina	VF Trading Varkey Limited
Company Registration Number	CG119562017	7774287	10402535	CG119562017	7774287	10402535
	£	£	£	£	£	£
Fixed assets	-	6,298	-	-	16,612	-
Debtors	-	5,061	-	-	144,334	1,052,952
Cash at bank and in hand	-	1,075,508	53,126	4,771	2,394,989	2,015
<b>Total current assets</b>	<b>-</b>	<b>1,080,569</b>	<b>53,126</b>	<b>4,771</b>	<b>2,539,322</b>	<b>1,054,967</b>
Creditors: amounts falling due within one year	-	(397,829)	(88,520)	-	(419,739)	(1,118,239)
<b>Total net assets or liabilities</b>	<b>-</b>	<b>689,038</b>	<b>(35,394)</b>	<b>4,771</b>	<b>2,136,195</b>	<b>(63,272)</b>
Capital	-	4,170	1	-	4,170	1
Unrestricted Funds	-	684,868	(35,395)	4,771	2,132,025	(63,273)
Restricted Funds	-	-	-	-	-	-
<b>Total capital and funds</b>	<b>-</b>	<b>689,038</b>	<b>(35,394)</b>	<b>4,771</b>	<b>2,136,195</b>	<b>(63,272)</b>

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

**7. Intangible Fixed Assets**

	<b>Group Total Computer Software £</b>	<b>Charity Total Computer Software £</b>
<b>Cost</b>		
At 1st April 2020	5,031	-
Revaluations	(1,871)	-
Additions	-	-
Disposals	-	-
<b>At 31st March 2021</b>	<b>3,160</b>	<b>-</b>
<b>Depreciation</b>		
At 1st April 2020	4,165	-
Revaluations	(1,549)	-
Charge for the year	544	-
Disposals	-	-
<b>At 31st March 2021</b>	<b>3,160</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31st March 2021</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31st March 2020</b>	<b>866</b>	<b>-</b>

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

### 8. Tangible Fixed Assets

	Group	Group	Group	Charity	Charity	Charity
	Computer Equipment £	Furniture & Equipment £	Total Fixed Assets £	Computer Equipment £	Furniture & Equipment £	Total Fixed Assets £
<b>Cost</b>						
At 1st April 2020	47,915	9,258	57,173	9,081	-	9,081
Revaluation on cost	(14,445)	(3,444)	(17,888)	-	-	-
Additions	2,350	-	2,350	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2021	35,821	5,814	41,635	9,081	-	9,081
<b>Depreciation</b>						
At 1st April 2020	33,389	5,239	38,628	6,281	-	6,281
Revaluation on depreciation	(10,083)	(1,948)	(12,032)	-	-	-
Charge for the year	6,543	1,454	7,996	2,056	-	2,056
Disposals	-	-	-	-	-	-
At 31st March 2021	29,848	4,744	34,593	8,337	-	8,337
<b>Net book value</b>						
At 31st March 2021	5,972	1,070	7,042	744	-	744
At 31st March 2020	14,526	4,019	18,545	2,800	-	2,800

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

### 9. Debtors

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Accrued income and prepayments	368,373	2,134,719	367,932	1,110,004
Due from group companies	-	-	449,263	462,626
Trade debtors	53,231	292,988	53,231	153,561
VAT Recoverable	-	75,000	-	46,062
Other debtors	5,121	323	500	500
<b>Total amounts due in less than one year</b>	<b>426,725</b>	<b>2,503,030</b>	<b>870,927</b>	<b>1,772,753</b>
Accrued income due in more than one year	2,336,171	3,066,178	2,336,171	3,066,178
<b>Amounts due in more than one year</b>	<b>2,336,171</b>	<b>3,066,178</b>	<b>2,336,171</b>	<b>3,066,178</b>
<b>Total Debtors</b>	<b>2,762,896</b>	<b>5,569,208</b>	<b>3,207,099</b>	<b>4,838,931</b>

Accrued income reduction is due to TEFNA grant novation to Sunny Varkey personal account, with total reduction of receivables for £1,253,533.

The remaining debt of Ministry of Education and Sport of Argentina was written off as unlikely to be received for the total of £107,927. This is due to a new government in Argentina reluctant to pay off debts made by the previous government.

### 10. Creditors: Amounts falling due within one year

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Accruals	69,621	100,937	65,160	95,473
Amounts payable in relation to the Global Teacher Prize	362,701	404,107	362,701	404,107
Commitment to Schwarzman Scholars/TEFNA	-	606,161	-	606,161
Social tax and security	35,107	46,139	15,203	11,841
Pensions	3,934	3,363	3,934	3,363
Trade creditors	78,149	1,538,190	63,538	506,982
VAT Payable	15,089	-	15,089	-
Other creditors	933	25,716	2,825	25,717
<b>Total amounts falling due in less than one year</b>	<b>565,535</b>	<b>2,724,614</b>	<b>528,450</b>	<b>1,653,644</b>

## Notes to the financial statements

### at 31st March 2021

#### 11. Creditors: Amounts falling due in more than one year

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Amounts payable in relation to the Global Teacher Prize:				
Due within up to five years	1,878,588	1,857,679	1,878,588	1,857,679
Due after five years	457,583	439,134	457,583	439,134
Commitment to Schwarzman Scholars/TEFNA:				
Due within up to five years	-	769,365	-	769,365
Due after five years	-	-	-	-
	<b>2,336,171</b>	<b>3,066,178</b>	<b>2,336,171</b>	<b>3,066,178</b>

The Global Teacher Prize of \$1 million is payable over a period of 10 years. The portion relating to more than one year in respect of the 2015 to 2021 winners, payable in equal annual instalments of \$100,000 per winner, has a present value of £2,336,171 discounted at 1.5%. The winner of 2021 shared 50% of his prize with the rest of finalists.

Schwarzman Scholars/TEFNA grant commitment was novated to Sunny Varkey in full in 2021.

Total value of novation was £1,253,533 of both short and long term creditors (and debtors) with nil NET result.

## Notes to the financial statements

at 31st March 2021

### 12. Analysis of Funds

#### Group:

	Funded By	As at 01/04/20	Incoming Resources	Outgoing Resources	Transfers	As at 31/03/21
		£	£	£	£	£
<b>Restricted Funds</b>						
CEI *	R4D	21,270	-	-	-	21,270
Global Teacher Prize	VGL	-	926,969	926,969	-	-
Covid-Hero Award	CVC	-	38,345	38,345	-	-
Pratham (NGO Partner) *		45,002	-	-	-	45,002
<b>Total Restricted Funds</b>		<b>66,272</b>	<b>965,314</b>	<b>965,314</b>	<b>-</b>	<b>66,272</b>
<b>Unrestricted Funds</b>						
General Fund		2,623,182	215,175	1,266,691	(1,062,122)	509,543
Designated Fund (Argentina)		-	-	-	1,062,122	1,062,122
<b>Total Unrestricted Funds</b>		<b>2,623,182</b>	<b>215,175</b>	<b>1,266,691</b>	<b>-</b>	<b>1,571,666</b>
<b>Total Funds</b>		<b>2,689,454</b>	<b>1,180,489</b>	<b>2,232,005</b>	<b>-</b>	<b>1,637,938</b>

#### Charity:

	Funded By	As at 01/04/20	Incoming Resources	Outgoing Resources	Transfers	As at 31/03/21
		£	£	£	£	£
<b>Restricted Funds</b>						
CEI	R4D	21,270	-	-	-	21,270
Global Teacher Prize	VGL	-	926,969	926,969	-	-
Covid-Hero Award	CVC	-	38,345	38,345	-	-
Pratham (NGO Partner)		45,002	-	-	-	45,002
<b>Total Restricted Funds</b>		<b>66,272</b>	<b>965,314</b>	<b>965,314</b>	<b>-</b>	<b>66,272</b>
<b>Unrestricted Funds</b>						
General Fund		549,658	1,250,300	877,766	-	922,193
<b>Total Unrestricted Funds</b>		<b>549,658</b>	<b>1,250,300</b>	<b>877,766</b>	<b>-</b>	<b>922,193</b>
<b>Total Funds</b>		<b>615,930</b>	<b>2,215,614</b>	<b>1,843,080</b>	<b>-</b>	<b>988,465</b>

\* Total Restricted funds £66,272 (2020: £66,272) consist of remaining balances of CEI (£21,270) and Pratham (£45,002) project Funds have been expended in full for dedicated projects, it is planned to request lifting of the restriction.

## Notes to the financial statements

### at 31st March 2021

#### 13. Analysis of Net Assets Between Funds

	Group			Charity		
	Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
	£	£	£	£	£	£
Fixed assets	107,042	-	107,042	104,915	-	104,915
Current Assets	1,667,457	2,765,144	4,432,602	983,026	2,765,144	3,748,171
Creditors < 1 year	(202,834)	(362,701)	(565,535)	(165,748)	(362,701)	(528,450)
Creditors > 1 year	-	(2,336,171)	(2,336,171)	-	(2,336,171)	(2,336,171)
<b>Total Funds</b>	<b>1,571,666</b>	<b>66,272</b>	<b>1,637,938</b>	<b>922,193</b>	<b>66,272</b>	<b>988,465</b>

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

### 14. Grant Commitments

The Foundation novated grant to Tsinghua Education Foundation (N.A.) Inc. (TEFNA) to support the Schwarzman Scholars to Mr. Sunny Varkey personal account in the year.

Grant commitments included in the financial statements are as follows:

Grant	Opening £	Additions £	Payments £	Novation £	Exchange £	Closing £
Global Teacher Prize	2,700,920	685,094	(477,297)	-	(209,844)	2,698,872
Schwarzman Scholars/TEFNA	1,375,526	-	-	(1,253,533)	(121,993)	-
Covid-Hero award 2020	-	33,827	(33,827)	-	-	-
<b>Total</b>	<b>4,076,446</b>	<b>718,921</b>	<b>(511,124)</b>	<b>(1,253,533)</b>	<b>(331,837)</b>	<b>2,698,872</b>

In December 2020 the Foundation held online ceremony and announced 2020 Global teacher prize winner - Ranjit Disale. Ranjit announced that he would like to share 50% of his prize with the other nine finalists. Payments to all 10 finalists will be made in accordance with the existing procedure over the course of ten years.

£33,827 (\$45,000) relates to one off Covid-Hero award given to Jamie Frost (UK) for the outstanding achievements in education during the Global pandemic. Total prize was \$45,000 and was paid in full.

### 15. Government Grants

In the year ended 31st March 2021, grants totalling £6,670 (2019: £0) were received by the Varkey Foundation from the HMRC for the Job retention scheme at the start of the lock down.

All funds received under the Job retention scheme will be voluntarily paid back in year 2022 when funding resumed.

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

### 16. Prior Year Comparatives

#### a) Prior Year Analysis of Net Assets Between Funds

	Unrestricted Funds	Group Restricted Funds	Total Funds	Unrestricted Funds	Charity Restricted Funds	Total Funds
	£	£	£	£	£	£
Fixed assets	119,412	-	119,412	106,971	-	106,971
Current Assets	4,218,114	4,142,718	8,360,832	1,086,063	4,142,718	5,228,781
Creditors < 1 year	(1,714,344)	(1,010,268)	(2,724,612)	(643,376)	(1,010,268)	(1,653,644)
Creditors > 1 year	-	(3,066,178)	(3,066,178)	-	(3,066,178)	(3,066,178)
<b>Total Funds</b>	<b>2,623,182</b>	<b>66,272</b>	<b>2,689,454</b>	<b>549,658</b>	<b>66,272</b>	<b>615,930</b>

#### b) Prior Year Analysis of Group Funds

	Funded By	As at 01/04/19	Incoming Resources	Outgoing Resources	Transfers	As at 31/03/20
		£	£	£	£	£
<b>Restricted Funds</b>						
CEI *	R4D	21,270	-	-	-	21,270
FHI360	USAID	-	-	-	-	-
Global Education and Skills Forum	VGL	-	35,681	35,681	-	-
Global Teacher Prize	VGL	-	179,590	179,590	-	-
Making Ghanaian Girls Great (MG3)	DfID	-	1,252,281	1,252,281	-	-
Pratham (NGO Partner) *		45,002	-	-	-	45,002
Teach to Reach	UNHCR	-	-	-	-	-
Train for Tomorrow (T4T)	Dubai Cares	-	192,652	192,652	-	-
<b>Total Restricted Funds</b>		<b>66,272</b>	<b>1,660,204</b>	<b>1,660,204</b>	<b>-</b>	<b>66,272</b>
<b>Unrestricted Funds</b>						
General Fund		5,970,825	(2,940,835)	406,809	-	2,623,182
<b>Total Unrestricted Funds</b>		<b>5,970,825</b>	<b>(2,940,835)</b>	<b>406,809</b>	<b>-</b>	<b>2,623,182</b>
<b>Total Funds</b>		<b>6,037,097</b>	<b>(1,280,631)</b>	<b>2,067,013</b>	<b>-</b>	<b>2,689,454</b>

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

**16. Prior Year Comparatives (continued)**

**c) Prior Year Analysis of Charity Funds**

	Funded By	As at 01/04/19 £	Incoming Resources £	Outgoing Resources £	Transfers £	As at 31/03/20 £
<b>Restricted Funds</b>						
CEI	R4D	21,270	-	-	-	21,270
Global Education and Skills Forum	VGL/Atlantis	-	35,681	35,681	-	-
Global Teacher Prize	VGL	-	179,590	179,590	-	-
Pratham (NGO Partner)		45,002	-	-	-	45,002
<b>Total Restricted Funds</b>		<b>66,272</b>	<b>215,271</b>	<b>215,271</b>	<b>-</b>	<b>66,272</b>
<b>Unrestricted Funds</b>						
General Fund		550,699	(2,819,374)	(2,818,333)	-	549,658
<b>Total Unrestricted Funds</b>		<b>550,699</b>	<b>(2,819,374)</b>	<b>(2,818,333)</b>	<b>-</b>	<b>549,658</b>
<b>Total Funds</b>		<b>616,971</b>	<b>(2,604,103)</b>	<b>(2,603,062)</b>	<b>-</b>	<b>615,930</b>

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

### **17. Controlling Party**

The ultimate controlling party is Mr Sunny Varkey and his immediate family members.

### **18. Members' Liability**

The company is limited by guarantee and has no share capital. The liability of the members is restricted to £1 each. The members are: Sunny Varkey and Dino Varkey.

### **19. Post balance sheet events**

Job Retention Scheme grant received from HMRC at the start of the Global pandemic was voluntarily returned by the Foundation in July 2021 in full.

### **20. Discontinued operations**

Consolidated SOFA was split on Continuing and Discontinued operations for both 2021 and 2020 financial years. This was done to separate grants novated and closed programmes in Ghana and Uganda in the prior year results. In 2021 Grant to TEFNA (Schwarzman Scholars) was novated to Sunny Varkey personal account.

Continuing operations include VF Trading subsidiary, VF Foundation Argentina and Varkey Foundation UK (excluding novated TEFNA (Schwarzman Scholars) grant).



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