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Sovereign Foundation

Annual Report and Unaudited Financial Statements

For the year ended 31 December 2025

Charity number: 1168177

Company number CE007838

Docusign Envelope ID: 447A0C7E-22DA-848B-81BB-216CF537947F

Legal and Administrative Information

Trustees: Mrs J Mardon

Mr C J Mardon

Ms V Clowes (appointed 19 January 2026)

Charity number: 1168177

Company number CE007838?

Registered office: 1285 Century Way

Thorpe Park

Leeds

West Yorkshire

LS15 8ZB

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Trustees' Report

The Trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity Constitution, adopted in 2016, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and Activities

The charity's objects are to promote and support any charitable purposes which benefit the inhabitants of the area presently comprised in the counties of North Yorkshire, West Yorkshire and South Yorkshire as the Trustees of the CIO shall think fit including, and not by way of limitation, any such purposes as may benefit their health, education or community.

On 1 October 2025, the charity entered into a lease of the Ground Floor, 1265 Century Way, Thorpe Park, Leeds, LS15 8ZB with Sovereign Wealth Ltd, a connected party (see note 5 – Related party transactions), for use as an administrative base for launching the charity. As a result, the charity was no longer dormant during the year, having entered into its first substantive transaction since incorporation.

Looking ahead, the Trustees intend to contribute personal funds of approximately £50,000 to the charity during 2026, to support grant-making to local charities. This is expected to be received as unrestricted income. The Trustees anticipate having capacity to arrange charitable events and fundraising activities later in 2026, once their capacity to devote time to the charity increases.

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

During the year, the Trustees secured office premises for the charity at 1265 Century Way, Thorpe Park, Leeds, under the lease referred to above.

Financial Review

During the year, the charity recognised donated income of £1,000 in respect of the use of premises provided rent-free by Sovereign Wealth Ltd for the period from 1 October 2025 (see note 5 – Related party transactions), together with equivalent resources expended of £1,000, resulting in a net nil movement in funds for the year (2024: £nil). The charity had no other income or expenditure during the year. At the year end, the charity held total net assets, held as unrestricted funds, of £nil (2024: £nil).

The charity's ability to continue as a going concern is discussed in note 1.2, which describes a material uncertainty.

The Trustees are reviewing the charity's liability for business rates arising from its occupation of the premises from 1 October 2025, and the availability of mandatory charitable rate relief. No amount has been accrued in these financial statements pending that review.

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

At 31 December 2025, the charity held reserves of £nil against this policy. The Trustees are aware of this shortfall and intend to address it through the funding described above under Objectives and Activities, expected to be received during 2026.

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Major Risks

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, Governance and Management

The charity is a registered Charitable Incorporated Organisation (CIO).

The Trustees who served during the year were:

Mrs J Mardon

Mr C J Mardon

Ms V Clowes was appointed as a Trustee on 19 January 2026, after the year end and prior to the date of signature of these financial statements, and accordingly did not serve during the year itself. Ms Clowes is a self-employed financial adviser operating within the Sovereign Wealth network; as she was not a Trustee during the year, this connection did not give rise to a related party transaction in the year, but is noted here for completeness.

Recruitment and appointment of trustees

None of the Trustees has any beneficial interest in the charity. All of the Trustees are members of the CIO and have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities in the event of a winding up.

There should be not less than two nor more than six appointed trustees.

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. A trustee may be re-appointed on any number of occasions.

The Trustees noted that Mr C J Mardon and Mrs J Mardon, the Foundation's first charity trustees appointed on 12 July 2016, had in practice been treated as reappointed on an annual basis since that date, rather than for successive three-year terms as envisaged by the constitution. Following a review of the constitution, the Trustees passed a resolution reappointing Mr Mardon and Mrs Mardon for a fresh three-year term, placing their appointment on a clear footing on a going-forward basis.

Related party arrangements and trustee benefit

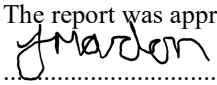
From 1 April 2026, rent is payable by the charity to Sovereign Wealth Ltd, a party connected to the charity. Mr C J Mardon is a director of, and has a substantial interest in, Sovereign Wealth Ltd; Mrs J Mardon is his spouse and is also a director of Sovereign Wealth Ltd. Both are connected persons in relation to Sovereign Wealth Ltd within the meaning of the constitution.

Clause 6(2)(e) of the constitution permits a charity trustee or connected person to receive rent for premises let to the charity, provided the rent and other terms of the lease are reasonable and proper, and provided the trustee concerned withdraws from any meeting at which the proposal or the rent or other terms of the lease are under discussion.

The lease was entered into on 1 October 2025, when the only Trustees in office were Mr Mardon and Mrs Mardon, both of whom are connected persons in relation to Sovereign Wealth Ltd. It was therefore not approved by Trustees free of a conflict of interest, as clause 6(2)(e) requires. Ms V Clowes, appointed on 19 January 2026, operates within the Sovereign Wealth network and also has a potential conflict of interest in relation to the arrangement, so the Trustees cannot currently form a quorum of trustees independent of Sovereign Wealth Ltd to approve it. The Trustees intend to regularise the arrangement, either by appointing a further trustee independent of Sovereign Wealth Ltd or by seeking the consent of the Charity Commission under clause 6(1) of the constitution, and will obtain independent evidence that the rent and other terms of the lease are reasonable and proper. No rent was payable in the year ended 31 December 2025.

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The report was approved by the Trustees:



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Mrs J Mardon, Trustee

Date: 28 October 2026

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Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law, the Charities Act 2011, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

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

- select suitable accounting policies and 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;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the charity and enable them to ensure compliance with the Charities Act 2011. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Statement of Financial Activities

For the year ended 31 December 2025

The charity holds unrestricted funds only; no restricted or endowment funds were held during the year or at the year end (2024: none).

	2025 Unrestricted funds (£)	2024 Unrestricted funds (£)
Income from:		
Donations and legacies		
Donated facilities (note 5)	1,000	-
Total income	**1,000**	**-**
Expenditure on:		
Charitable activities		
Donated facilities (note 5)	1,000	-
Total expenditure	**1,000**	**-**
Net income and movement in funds	**-**	**-**
Reconciliation of funds:		
Total funds brought forward	-	-
Total funds carried forward	**-**	**-**

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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Balance Sheet

As at 31 December 2025

	2025 (£)	2024 (£)
Total net assets	-	-
Represented by:		
Unrestricted funds	-	-

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act 2011 with respect to accounting records and the preparation of financial statements. The accounts are exempt from audit under section 144 and from independent examination under section 145 of the Charities Act 2011, as gross income did not exceed £25,000. The Trustees have confirmed no independent examination will be obtained.

The financial statements were approved by the Trustees on 28 October 2026

Approved by the Trustees:

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Mrs J Mardon, Trustee

Charity number 1168177

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Notes to the Financial Statements

1 Accounting policies

Charity information

Sovereign Foundation is a Charitable Incorporated Organisation (CIO), registered with the Charity Commission for England and Wales under charity number 1168177. The registered office is 1285 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and is classified under the activity headings on a basis consistent with the use of resources. Charitable activities include expenditure associated with the charity's objects. Restricted funds are to be used for specified purposes laid down by the donor;

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expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs, where applicable.

Donated facilities

Donated facilities are included in income at the value to the charity where this can be reliably quantified, with an equivalent amount recognised as expenditure in the period in which they are provided. The value of donated facilities is estimated by reference to the value of the equivalent service or facility that would otherwise have been purchased by the charity. Donated facilities provided by connected parties are disclosed as related party transactions (see note 5).

In measuring the donated facility referred to in note 5, the Trustees have used the contractual rent of £1,000 per quarter under the lease, rather than seeking a separate open-market rental valuation for the premises. The Trustees consider that any difference between the contractual rent and open-market value would not be material to these financial statements, and have therefore used the contractual rent as a reasonable and practical estimate of value to the charity. This is a judgement deliberately made by the Trustees and disclosed accordingly.

1.6 Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term. Where a lease incorporates a rent-free period or other incentive granted by an unconnected landlord, the aggregate benefit is spread on a straight-line basis over the lease term. Where such an arrangement is instead granted by a connected party as a gift rather than as a commercial incentive to secure the letting, the value of the facility provided is recognised as a donated facility in the period to which it relates, in accordance with the policy above.

1.7 Financial instruments

The charity held no cash, debtors or creditors during the year or at the year end (2024: none). Where held in future, financial assets and liabilities will be measured initially at transaction price and subsequently at amortised cost, in accordance with the basic financial instruments provisions of FRS 102.

1.8 Employee benefits

The charity had no employees during the year (see note 3).

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2 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2024: none).

No expenses were reimbursed to or paid on behalf of any Trustee during the year (2024: none).

3 Employees

There were no employees during the year.

There were no employees whose annual remuneration was more than £60,000.

4 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

5 Related party transactions

Sovereign Wealth Ltd is a related party of the charity. Mr C J Mardon is a director of, and has a substantial interest in, Sovereign Wealth Ltd, and is a Trustee of the charity. Mrs J Mardon is the spouse of Mr C J Mardon and is also a director of Sovereign Wealth Ltd, and is a Trustee of the charity. Sovereign Wealth Ltd and the charity share the same principal office at 1285 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB.

On 1 October 2025, the charity entered into a lease with Sovereign Wealth Ltd in respect of the Ground Floor, 1265 Century Way, Thorpe Park, Leeds, LS15 8ZB, at a rent of £1,000 per quarter. Sovereign Wealth Ltd agreed, at the inception of the lease, that no rent would be payable by the charity in respect of the first six months of the term (1 October 2025 to 31 March 2026), an arrangement subsequently recorded in a side letter dated 30 September 2026.

The value of this donated facility for the year ended 31 December 2025, being one quarter falling within the rent-free period, was £1,000, recognised as both donated income and resources expended in the Statement of Financial Activities (see note 1 – Accounting policies). No amount was outstanding to Sovereign Wealth Ltd at the year end (2024: £nil).

6 Operating lease commitments

At 31 December 2025, the charity had total future minimum lease payments due under a non-cancellable operating lease of the Ground Floor, 1265 Century Way, Thorpe Park, Leeds, LS15 8ZB, as follows:

	2025 (£)	2024 (£)
Not later than one year	2,000	-
Later than one year and not later than five years	-	-
Later than five years	-	-

The lease was entered into for an initial fixed term of 12 months from 1 October 2025, after which it continues on a rolling basis terminable by either party on one month's notice. The commitment shown above reflects the remaining minimum payments due under the non-cancellable element of the term at the balance sheet date.