

**Scholae Mundi Foundation (CIO)**

**Annual Report  
For the period ended 31 December 2014**

Registered Charity no: 1153761

SCHOLAE MUNDI FOUNDATION (CIO)

**Reference and administrative information**

**Registered address**

98 Mount Street  
London  
W1K 2TE

**Registered charity number**

1153761

**Auditor**

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL  
United Kingdom

**Banker**

HSBC Bank plc  
West End Area Commercial Centre, 5<sup>th</sup> Floor  
70 Pall Mall  
London  
SW1Y 5EZ

**Solicitor**

Field Fisher Waterhouse LLP  
Riverbank House  
2 Swan Lane  
London  
EC4R 3TT

## SCHOLAE MUNDI FOUNDATION (CIO)

### Trustees' report for the period ended 31 December 2014

The Trustees present their statutory report along with the financial statements of Scholae Mundi Foundation for the period from incorporation on 11 September 2013 to 31 December 2014.

The financial statements have been prepared in accordance with the accounting policies set out on page 11 and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Account and Reporting by Charities" (SORP 2005).

#### Structure

The Scholae Mundi Foundation (the charity) is a charitable incorporated organisation (CIO), not having a share capital, and was incorporated on 11 September 2013. It operates in accordance with a Governing Document adopted on 11 September 2013. If the charity is wound up, the members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

#### Governance and Management

The trustees make the key decisions about the conduct of the charity. The administration of the charity is carried out by the Executive Director, Kakhaber (Kaha) Kiknavelidze.

#### Recruitment and Appointment of Trustees

Trustees are appointed in accordance with the charity's governing document which states that there must be a minimum of six and a maximum of eleven charity trustees.

The trustees of the charity during the period ended 31 December 2014 were:

Trustees	Appointed
Mr Armen Sarkissian PHD	11 September 2013
Mr Manfred Johan Schepers	11 September 2013
Mr Andrey Mkrтчhyan	11 September 2013
Mr Erik Max Michael Obermayer PHD Biochem, MSC Chem Eng, MBA	11 September 2013
Mr Noubar Afeyan	11 September 2013
Mr Ruben Vardanyan	11 September 2013
Ms Veronika Zonabend	11 September 2013
Mr Arman Jilavyan	13 September 2013
Ms Kamal Rahman	11 September 2013

## Trustees' report for the period ended 31 December 2014 (continued)

### Trustee Induction and Training

The charity trustees control the charity and its funds. Each trustee is made aware of their duties as a trustee upon appointment and accept their responsibility to keep up to date with changes in statutory requirements that affect the role and responsibilities of trustees. Upon appointment a new trustee will be provided with:

- A copy of the current version of the governing document
- A copy of the charity's latest report to the Charity Commission and the statement of accounts
- Information regarding the Dilijan International School.

### Risk Management

Business decisions and the associated risk factors are considered at least annually. As part of this process the internal controls that are in place are reviewed. Internal control risks are minimised by a clear system of delegated authority and control, and procedures for the authorisation of all financial transactions. The trustees are satisfied that they are currently adequate to manage and reduce the risks identified.

### Objectives and Activities of the charity

The main charitable objective of the charity is to promote, for the public benefit, the education (including social and physical training) of students at the Dilijan International School, and such other educational establishments as the charity trustees may select, in such ways as the charity trustees think fit, including by :

- Providing and assisting in the provision of facilities for education at such establishments; and
- Awarding to such students scholarships, maintenance allowances or grants tenable at such establishments.

The charity shall also further such other purposes that are charitable under the laws of England and Wales.

### Public Benefit Statement

The trustees of the charity have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the charity to deliver its charitable purposes.

The charity delivers a benefit to the public through the pursuance of its principal object, the advancement of education and learning, and in particular, the provision of facilities for education at suitable establishments and the award of scholarships, maintenance allowances or grants for students.



## SCHOLAE MUNDI FOUNDATION (CIO)

### **Trustees' report for the period ended 31 December 2014 (continued)**

#### **Public Benefit Statement (continued)**

The charity's future activities have been planned with reference to the Charity Commission's guidance on public benefit, and in particular, how they will contribute to the aims and objectives of the charity.

#### **Financial Review**

The results for the period are shown in the statement of financial activities on page 9. During the period the charity received donations of £1,772,432 and made grants and scholarships for the benefit of students at Dilijan International School and other United World Colleges of £1,712,819. Governance costs for the period totalled £23,709. The result for the period ended 31 December 2014 was a surplus of £35,904 and was in line with the trustees' expectations.

The balance of the restricted reserves as at 31 December 2014 was £29,926 with a surplus on unrestricted reserves of £5,978.

#### **Reserves Policy and financial position**

The level of reserves is monitored and reviewed by the trustees at least annually. The trustees believe that the charity should target to hold unrestricted financial reserves equivalent to a minimum of one year's operating costs.

As at 31 December 2014 the charity's free reserves were £5,978. This falls below the target set out in the reserves policy above. The trustees intend to build up the free reserves over the coming year to bring them in line with the target of one year's operating costs.

#### **Plans for future periods**

The charity plans to continue to provide scholarships and bursaries for the benefit of students of Dilijan International School and other educational establishments.

## **Trustees' report for the period ended 31 December 2014 (continued)**

### **Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements**

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

The law applicable to charities in England and Wales 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 of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (SORP 2005);
- 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulation 2008 and the provisions of the governing document. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

**Signed on behalf of the trustees**

**Trustee**

2015



## **Independent Auditor's Report to the trustees of Scholae Mundi Foundation (CIO)**

We have audited the financial statements of Scholae Mundi Foundation (CIO) for the period ended 31 December 2014 set out on pages 9 to 15, which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirement of the Charities Act 2011.

SCHOLAE MUNDI FOUNDATION (CIO)

**Independent Auditor's Report to the members of  
Scholae Mundi Foundation (CIO) (continued)**

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient 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.

Buzzacott LLP,  
130 Wood Street  
London  
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



SCHOLAE MUNDI FOUNDATION (CIO)

**Statement of financial activities including income and expenditure  
account for the period ended 31 December 2014**

		Unrestricted Funds	Restricted Funds	Total Funds
	Notes	Period from 11 September 2013 to 31 December 2014 £	Period from 11 September 2013 to 31 December 2014 £	Period from 11 September 2013 to 31 December 2014 £
<b>Incoming resources</b>				
Incoming resources from generated funds				
. Voluntary income	2	<u>29,687</u>	<u>1,742,745</u>	<u>1,772,432</u>
<b>Total incoming resources</b>		<u>29,687</u>	<u>1,742,745</u>	<u>1,772,432</u>
<b>Resources expended</b>				
Charitable activities				
. Grant making		-	1,712,819	1,712,819
Governance costs		<u>23,709</u>	-	<u>23,709</u>
<b>Total resources expended</b>	3	<u>23,709</u>	<u>1,712,819</u>	<u>1,736,528</u>
<b>Net (outgoing) incoming resources for period and balance carried forward at 31 December 2014</b>	4	<u>5,978</u>	<u>29,926</u>	<u>35,904</u>

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the CIO's activities derive from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

SCHOLAE MUNDI FOUNDATION (CIO)

**Balance Sheet as at 31 December 2014**  
Charity Number: 1153761

	Notes	2014 £	2014 £
<b>Current assets</b>			
Debtors	6	24,863	
Cash at bank and in hand		<u>18,163</u>	
		43,026	
<b>Creditors</b>			
Amounts falling due within one year	7	<u>(7,122)</u>	
<b>Net current assets</b>			35,904
<b>Total net assets</b>			<u><u>35,904</u></u>
<b>Represented by:</b>			
Restricted funds	8		29,926
Unrestricted funds	9		<u>5,978</u>
			<u><u>35,904</u></u>

The financial statements on pages 9 to 15 were approved by the trustees and authorised for issue on \_\_\_\_\_ 2015.

Trustee

**Notes to the financial statements  
for the period ended 31 December 2014**

**1 Principal accounting policies**

A summary of the accounting policies, which have been applied consistently, is set out below.

**(a) Basis of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Charities Act 2011. Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP 2005") have been followed in these financial statements.

**(b) Cash flow statement**

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to produce such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

**(c) Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Where income relates to future periods, this income will be deferred. Grants and donations received for the general purposes of the charitable company are included as unrestricted funds; grants and donations for activities restricted by the wishes of the donor are taken to restricted funds.

**(d) Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities on an accruals basis and includes attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity on a direct basis or by allocation based on the level of direct expenditure relating to that activity.

Resources expended comprise the following:

- a. The costs of charitable activities comprise expenditure related to the charity's primary charitable purposes. Such costs include:
  - Grants and scholarships
  - Related administration costs



SCHOLAE MUNDI FOUNDATION (CIO)

**Notes to the financial statements  
for the period ended 31 December 2014 (continued)**

**1 Principal accounting policies (continued)**

**(d) Resources expended and the basis of apportioning costs (continued)**

b. Governance costs are the costs associated with the governance arrangements of the charity and the general running of the charity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

**(e) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

**(f) Taxation**

Scholae Mundi Foundation (CIO) is a registered charity and, therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**(g) Fund accounting**

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets these criteria, is charged to the fund.

General unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

**2 Voluntary income**

	Unrestricted 2014 £	Restricted 2014 £	Period from 11 September 2013 to 31 December Total funds 2014 £
Donations	25,937	1,721,632	1,747,569
Gift aid	3,750	21,113	24,863
	<u>29,687</u>	<u>1,742,745</u>	<u>1,772,432</u>

SCHOLAE MUNDI FOUNDATION (CIO)

**Notes to the financial statements  
for the period ended 31 December 2014 (continued)**

**3 Resources expended**

	Basis of allocation	Charitable activities £	Governance £	Period from 11 September 2013 to 31 December Total funds 2014 £
<b>Costs directly allocated to activities:</b>				
Grants and Scholarships	Direct	1,712,819	—	1,712,819
<b>Support costs allocated to activities:</b>				
Bank charges	Transactions	—	506	506
Admin fees	Usage/ Transactions	—	3,070	3,070
Audit fee	Usage	—	5,400	5,400
Accountancy Services	Usage	—	1,722	1,722
Legal Fees	Usage	—	13,011	13,011
		<u>1,712,819</u>	<u>23,709</u>	<u>1,736,528</u>

**4 Net movement in funds for the financial period**

The net movement in funds for the financial period is stated after charging:

	Period from 11 September 2013 to 31 December Total funds 2014 £
Auditor's remuneration:	
Audit fees: audit of these financial statements (inc VAT)	5,400
Non audit fees	1,722
	<u>7,122</u>

**5 Trustees' remuneration**

No trustees received any emoluments for their services as trustees during the period.

No trustees were reimbursed any expenses during the period.

SCHOLAE MUNDI FOUNDATION (CIO)

Notes to the financial statements  
for the period ended 31 December 2014 (continued)

6	Debtors		2014
			£
	Accrued Income		24,863
			<u>24,863</u>

7	Creditors: amounts falling due within one year		2014
			£
	Accruals and deferred income		7,122
			<u>7,122</u>

8 Restricted funds

The income funds of the charity includes restricted funds comprising the following unexpended balances of donations to be applied for specific purposes.

	At 11 September 2013 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2014 £
UWC Dilijan Scholarships	—	259,279	(212,819)	—	46,460
UWC Dilijan General funds	—	57,090	—	(57,090)	—
Dumfries House	—	1,365,819	(1,500,000)	57,090	(77,091)
Troika Scholarships	—	60,557	—	—	60,557
	<u>—</u>	<u>1,742,745</u>	<u>(1,712,819)</u>	<u>—</u>	<u>29,926</u>

The deficit balance on the Dumfries House fund as at 31 December 2014 was cleared in full in April 2015.

The specific purposes for which the funds are to be applied are as follows:

- Dilijan Scholarships comprise monies received to be used towards grants and scholarships for students of Dilijan International School.
- Dilijan General funds comprise monies to be used towards the benefit of students of Dilijan International School.



SCHOLAE MUNDI FOUNDATION (CIO)

Notes to the financial statements  
for the period ended 31 December 2014 (continued)

8 Restricted funds (continued)

- Dumfries House comprises monies received to be used towards an agreement with Dumfries House for the provision of educational courses for students of Dilijan International School. This transfer represents funds from the Dilijan General funds used towards this agreement.
- Troika Scholarships comprise monies received to be used towards scholarships for students looking to pursue a degree in finance.

9 Analysis of assets between funds

Fund balances as at 31 December 2014 are represented by:

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Current assets	13,100	29,926	43,026
Current liabilities	(7,122)	—	(7,122)
Total net assets	<u>5,978</u>	<u>29,926</u>	<u>35,904</u>

10 Related parties and connected charities

During the period ended 31 December 2014, four of the trustees, Ruben Vardanyan, Veronika Zonabend, Michael Obermayer and Armen Sarkissian, made donations to the charity totalling £1,006,178.

Three out of the charity's nine trustees are members of the Board of Governors of Dilijan International School. During the period grants and scholarship of £212,819 were paid to Dilijan International School.

Kakhaber Kiknavelidze is a Partner of Rioni Capital Partners LLP, an investment, controlled by Ruben Vardanyan, a trustee of the charity. During the period Kakhaber Kiknavelidze received no payment for his services as CEO of the charity. An additional employee of Rioni Capital Partners LLP conducted the day to day administration of the charity on a pro-bono basis.

Other than those transactions stated above there were no other related party transactions during the year.