

Scholae Mundi Foundation (CIO)

**Annual Report
For the year ended 31 December 2015**

Registered Charity no: 1153761

**Annual Report
for the year ended 31 December 2015**

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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, 5th Floor
70 Pall Mall
London
SW1Y 5EZ

Solicitor

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

Trustees' report for the year ended 31 December 2015

The Trustees present their statutory report along with the financial statements of Scholae Mundi Foundation for the year ended 31 December 2015.

The financial statements have been prepared in accordance with the accounting policies set out on pages 11 to 13 and comply with the charity's governing document, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later", including the early adoption of Update Bulletin 1.

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 (who are the key management personnel of the charity) 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. Neither the trustees nor the Executive Director receive any remuneration for their services to the charity.

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 2015 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
Mr Armen Gevorkyan	26 March 2015

Trustees' report for the year ended 31 December 2015 (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; and
- 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 these 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.

Achievements and Performance

During the year Scholae Mundi Foundation provided scholarships to 13 students from 10 colleges. This was an increase on last year, where 11 scholarships were distributed across 8 colleges.

Overall it was a successful year in terms of providing financial assistance to UWC students. Scholae Mundi Foundation will continue fundraising efforts to maintain its current level of financing of scholarships for students chosen by an international committee.

Trustees' report for the year ended 31 December 2015 (continued)

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.

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 £244,778 (2014: £1,772,432) and made grants and scholarships for the benefit of students at Dilijan International School and other United World Colleges of £178,683 (2014: £1,712,819). Support costs for the period totalled £12,711 (2014: £23,709). The result for the year ended 31 December 2015 was a surplus of £56,536 (2014: £35,904) and was in line with the trustees' expectations.

The balance of the restricted reserves as at 31 December 2015 was £64,477 (2014: £29,926) with a surplus on unrestricted reserves of £27,963 (2014: £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 2015 the charity's free reserves were £27,963. This falls within the target set out in the reserves policy above.

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 year ended 31 December 2015 (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 "Accounting and Reporting by Charities: Statement of recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102", including early adoption of Update Bulletin 1;
- 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
Date

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 year ended 31 December 2015 set out on pages 9 to 17, 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, including the early adoption of Update Bulletin 1.

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.

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 2015 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 year ended 31 December 2015**

		Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Income from					
Donations and legacies	2	100,000	144,778	244,778	1,772,432
Other incoming resources		3,812	-	3,812	-
Total incoming resources		<u>103,812</u>	<u>144,778</u>	<u>248,590</u>	<u>1,772,432</u>
Expenditure on					
Charitable activities					
• Grant making		12,711	178,683	191,394	1,736,528
• Other charitable activities		660	-	660	-
Total resources expended	3	<u>13,371</u>	<u>178,683</u>	<u>192,054</u>	<u>1,736,528</u>
Net incoming (outgoing) resources for the year		90,441	(33,905)	56,536	35,904
Transfers between funds		(68,456)	68,456	-	-
Net movement in funds	4	21,985	34,551	56,536	35,904
Balance at 1 January		5,978	29,926	35,904	-
Balance at 31 December		<u>27,963</u>	<u>64,477</u>	<u>92,440</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 17 form part of these financial statements.

SCHOLAE MUNDI FOUNDATION (CIO)

Balance Sheet as at 31 December 2015

Charity Number: 1153761

	Notes	2015 £	2015 £	2014 £	2014 £
Current assets					
Debtors	6	25,888		24,863	
Cash at bank and in hand		74,190		18,163	
		<u>100,078</u>		<u>43,026</u>	
Creditors					
Amounts falling due within one year	7	(7,638)		(7,122)	
Net current assets			92,440		35,904
Total net assets			<u>92,440</u>		<u>35,904</u>
Represented by:					
Restricted funds	8		64,477		29,926
Unrestricted funds	9		27,963		5,978
			<u>92,440</u>		<u>35,904</u>

The financial statements on pages 9 to 17 were approved by the trustees and authorised for issue on _____ 2016.

Trustee



**Notes to the financial statements
for the period ended 31 December 2015**

1 Principal accounting policies

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

(a) Basis of preparation

These accounts have been prepared for the year to 31 December 2015.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to these accounts.

The accounts have been prepared in accordance with "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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102))" including the early adoption of Update Bulletin 1, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) a restatement of comparative items was needed. No restatements were required.

(c) Critical accounting estimates and areas of judgement

There are currently no significant judgements and estimates made by the trustees in the preparation of the accounts.

(d) Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

**Notes to the financial statements
for the period ended 31 December 2015 (continued)**

1 Principal accounting policies (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

(e) 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 Accounting and Reporting by Charities Statement of Recommended Practice (Charities SORP (FRS 102)), including the early adoption of Update Bulletin 1.

(f) Income recognition

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that income will be received. 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.

(g) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is included in the accounts on an accruals basis and includes attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity on a direct basis or by allocation based on the level of direct expenditure relating to that activity.

Expenditure comprises 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

**Notes to the financial statements
for the period ended 31 December 2015 (continued)**

1 Principal accounting policies (continued)

b. Support 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.

(h) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

(i) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

(j) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

(k) 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.

(l) 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.

(m) 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.

**Notes to the financial statements
for the period ended 31 December 2015 (continued)**

2 Donations and legacies

	Unrestricted 2015	Restricted 2015 £	Total 2015 £	Total 2014 £
Donations	100,000	143,753	243,753	1,747,569
Gift aid	—	1,025	1,025	24,863
Total 2015	<u>100,000</u>	<u>144,778</u>	<u>244,778</u>	<u>1,772,432</u>
Total 2014	<u>29,687</u>	<u>1,742,745</u>	<u>1,772,432</u>	

3 Expenditure

	Basis of allocation	Unrestricted Charitable Activities £	Restricted Charitable Activities £	Total funds 2015 £
Costs directly allocated to activities:				
Grants and Scholarships	Direct	—	178,683	178,683
Other charitable activities	Direct	660	—	660
Support costs allocated to activities:				
Bank charges	Transactions	809	—	809
Admin fees	Usage/ Transactions	60	—	60
Audit fee	Usage	4,800	—	4,800
Accountancy Services	Usage	3,156	—	3,156
Legal Fees	Usage	3,886	—	3,886
		<u>13,371</u>	<u>178,683</u>	<u>192,054</u>
	Basis of allocation	Unrestricted Charitable Activities £	Restricted Charitable Activities £	Total funds 2014 £
Costs directly allocated to activities:				
Grants and Scholarships	Direct	—	1,712,819	1,712,819
Support costs allocated to activities:				
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>23,709</u>	<u>1,712,819</u>	<u>1,736,528</u>

**Notes to the financial statements
for the period ended 31 December 2015 (continued)**

4 Net movement in funds for the financial period

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

	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration:		
Audit fees: audit of these financial statements (inc. VAT)	4,800	5,400
Non audit fees	3,156	1,722
	<hr/> 3,156	<hr/> 1,722

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.

6 Debtors

	2015 £	2014 £
Accrued Income	25,888	24,863
	<hr/> 25,888	<hr/> 24,863

7 Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	7,638	7,122
	<hr/> 7,638	<hr/> 7,122