

**Scholae Mundi Foundation  
(CIO)**

**Annual report and financial  
statements**

For the year ended 31 December 2016

Charity Registration Number 1153761

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**Reference and administrative information**

For the year ended 31 December 2016

**Trustees**

Mr Manfred Johan Schepers  
Mr Andrey Mkrtchyan  
Mr Noubar Afeyan  
Mr Ruben Vardanyan (Chair of the Board of Trustees)  
Ms Veronika Zonabend  
Mr Arman Jilavyan  
Ms Kamal Rahman  
Mr Armen Sarkissian Phd (resigned on 7 November 2016)  
Mr Pierre Gurdjian (appointed on 5 October 2016)  
Mr Erik Michael Obermayer (resigned on 4 October 2016)  
Mr Dmitri Levonian (appointed 5 July 2017)

**Charity registered number**

1153761

**Registered office**

98 Mount Street  
London  
W1K 2TE

**Auditor**

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers**

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

### Trustees' report

For the year ended 31 December 2016

The Trustees present their statutory report along with the financial statements of Scholae Mundi Foundation for the year ended 31 December 2016.

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 2016 or later".

### 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 was carried out by the Executive Director, Kakhaber (Kaha) Kiknavelidze until December 8, 2016. Since December 9, 2016 and till the present date, the charity has ceased to have an Executive Director. 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 2016 were:

### Trustees

Mr Manfred Johan Schepers  
Mr Andrey Mkrtchyan  
Mr Noubar Afeyan  
Mr Ruben Vardanyan (Chair of the Board of Trustees)  
Ms Veronika Zonabend  
Mr Arman Jilavyan  
Ms Kamal Rahman  
Mr Armen Sarkissian Phd (resigned as on 7 November 2016)  
Mr Pierre Gurdjian (appointed as on 5 October 2016)  
Mr Erik Michael Obermayer (resigned as on 4 October 2016)  
Mr Dmitri Levonian (appointed on 05 July 2017)

### 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.

## **Trustees' report (continued)**

For the year ended 31 December 2016

### **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 any such other purposes that are charitable under the laws of England and Wales.

### **Achievements and performance**

During the year ended 31 December 2016 Scholae Mundi Foundation provided Scholarships to 18 students from 8 colleges. This was an increase on the previous year, where 13 scholarships were distributed across 10 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.

### **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 allowance, or grants for students.

### **Financial review**

The results for the period are shown in the statement of the financial activities on page 8. During the period the charity received donations of £465,703 (2015: £244,778) and made grants and scholarships for the benefit of students at Dilijan International School and other United World Colleges of £279,844 (2015: £178,683). Support costs for the period totalled £81,706 (2015: £12,711). The result for the year ended 31 December 2016 was a surplus of £109,621 (2015: £56,536) and was in line with the trustees' expectations.

The balance of the restricted reserves as at 31 December 2016 was £68,856 (2015: £64,477) with a surplus on unrestricted reserves of £123,385 (2015 : £27,963) and endowment fund of £9,820 (2015 : £nil). The endowment fund has been created to establish a source of regular income to support UWC Dilijan, through appropriate investment.

**Trustees' report (continued)**

For the year ended 31 December 2016

**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 2016 the charity's free reserves were £123,385. 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, UWC students and students of other educational establishments.

**Trustees' responsibilities statement**

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 income and expenditure of the charity for the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

**Trustees' report (continued)**

For the year ended 31 December 2016

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.

This report was approved by the Trustees on and signed on their behalf by:



**Mr Ruben Vardanyan**  
Chair of the Board of Trustees

Date: 20 11 2016

**Independent auditor's report to the Trustees of Scholae Mundi Foundation (CIO)**  
For the year ended 31 December 2016

We have audited the financial statements of Scholae Mundi Foundation (CIO) for the year ended 31 December 2016 set out on pages 8 to 15, which comprise the statement of the 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.

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 auditors' 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 auditors**

As explained more fully in the Trustees' responsibilities statement, 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 The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under section 145 of the Charities Act 2011 and report to you 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 Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.



## Independent auditor's report to the Trustees of Scholae Mundi Foundation (CIO) For the year ended 31 December 2016

### Opinion on financial statements


In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirement of the Charities Act 2011.

### 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
- the Charity has not kept adequate accounting records; 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**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 31 October 2017

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

For the year ended 31 December 2016

		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Note	2016	2016	2016	2016	2015
		£	£			
<b>Income &amp; Endowments from:</b>						
Donations and legacies	2	216,538	239,345	9,820	465,703	244,778
Other income		-	-	-	-	3,812
<b>Total income</b>		<u>216,538</u>	<u>239,345</u>	<u>9,820</u>	<u>465,703</u>	<u>248,590</u>
<b>Expenditure on</b>						
Charitable activities		126,513	235,037	-	361,550	192,054
<b>Total resources expended</b>	3	<u>126,513</u>	<u>235,037</u>	<u>-</u>	<u>361,550</u>	<u>192,054</u>
<b>Net income / (expenditure)</b>		<u>90,025</u>	<u>4,308</u>	<u>9,820</u>	<u>104,153</u>	<u>56,536</u>
<b>Transfers between funds</b>		<u>(72)</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains:</b>						
Foreign exchange gains		5,468	-	-	5,468	-
<b>Net movement in funds</b>		<u>95,421</u>	<u>4,380</u>	<u>9,820</u>	<u>109,621</u>	<u>56,536</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward at 1 January 2016		27,963	64,477	-	92,440	35,904
<b>Total funds carried forward at 31 December 2016</b>		<u>123,384</u>	<u>68,857</u>	<u>9,820</u>	<u>202,061</u>	<u>92,440</u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 10 to 15 form part of these financial statements.

Scholae Mundi Foundation(CIO)

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**Balance sheet**

As at 31 December 2016

	Note	£	2016 £	£	2015 £
<b>Current assets</b>					
Debtors	6	13,707		25,888	
Cash at bank and in hand		<u>210,024</u>		<u>74,190</u>	
		<b>223,731</b>		<b>100,078</b>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(21,670)</u>		<u>(7,638)</u>	
<b>Net current assets</b>			202,061		92,440
<b>Net assets</b>			<u>202,061</u>		<u>92,440</u>
<b>Charity Funds</b>					
Represented by:					
Unrestricted funds		123,384		27,963	
Endowment funds	9	9,820		-	
Restricted funds	8	<u>68,857</u>		<u>64,477</u>	
			202,061		92,440
<b>Total funds</b>			<u>202,061</u>		<u>92,440</u>

The financial statements were approved by the Trustees and signed on their behalf, by:

**Mr Ruben Vardanyan**  
Chair of the Board of Trustees

The notes on pages 12 to 15 form part of these financial statements.

## Notes to the financial statements

For the year ended 31 December 2016

### 1. Principal accounting policies

#### 1.1 Basis of preparation

These accounts have been prepared for the year to 31 December 2016.

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)", the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

#### 1.2 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.

#### 1.3 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.

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.

#### 1.4 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)).

#### 1.5 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. Where income related 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.

## Notes to the financial statements

For the year ended 31 December 2016

### 1. Accounting policies (continued)

#### 1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing 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 benefit 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 included 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 cost include:

- Grants and scholarships
- Related administration costs

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.

#### 1.7 Debtors

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

#### 1.8 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 acquisitions.

#### 1.9 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.

#### 1.10 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 movements in funds.

#### 1.11 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.

**Notes to the financial statements**

For the year ended 31 December 2016

**1. Accounting policies (continued)**

**1.12 Fund accounting**

Restricted funds are to be used for specific purposes as specified by the donor. Expenditure which meets their 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. Donations and legacies**

	Unrestricted 2016 £	Restricted 2016 £	Endowment 2016	Total 2016 £	Total 2015 £
Donations	216,538	239,345	9,820	465,703	244,778
Total	216,538	239,345	9,820	465,703	244,778
2015	100,000	144,778	-	244,778	

**3. Expenditure**

		Unrestricted 2016 £	Restricted 2016 £	Total funds 2016 £
	Basis of allocation:			
<b>Grants and scholarships</b>	Direct	<b>44,807</b>	<b>235,037</b>	<b>279,844</b>
<b>Support costs:</b>		<b>81,706</b>	-	<b>81,706</b>
Bank charges	Transactions	1,796	-	1,796
Audit fee	Usage	5,000	-	5,000
Accountancy fee	Usage	4,448	-	4,448
Legal fee	Usage	2,678	-	2,678
PR & Fundraising	Usage	65,289	-	65,289
Other	Usage	2,495	-	2,495
		<b>126,513</b>	<b>235,037</b>	<b>361,550</b>

**Notes to the financial statements**

For the year ended 31 December 2016

**3. Expenditure (Continued)**

	Basis of allocation:	Unrestricted	Restricted	Total
		2015	2015	funds
		£	£	2015
				£
Grants and scholarships	Direct	-	178,683	178,683
Other charitable activities	Direct	660	-	660
<b>Support costs:</b>				
Bank charges	Transactions	809	-	809
Admin fee	Usage/ Transactions	60	-	60
Audit fee	Usage	4,800	-	4,800
Accountancy fee	Usage	3,156	-	3,156
Legal fee	Usage	3,886	-	3,886
		<u>13,371</u>	<u>178,683</u>	<u>192,054</u>

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

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

	Total funds 2016 £	Total funds 2015 £
Auditor's remuneration:		
Audit fees: audit of these financial statements	5,000	4,800
Non audit fees	-	3,156
	<u>-</u>	<u>3,156</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.

**6. Debtors**

	2016 £	2015 £
Accrued Income & prepayments	13,707	25,888
	<u>13,707</u>	<u>25,888</u>

**Notes to the financial statements**  
For the year ended 31 December 2016

**7. Creditors: amounts falling due within one year**

	2016 £	2015 £
Accruals and deferred income	21,670	7,638
	<u>21,670</u>	<u>7,638</u>

**8. Restricted funds**

	At 1 January 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2016 £
UWC Dilijan Scholarships	3,920	-	(3,920)	-	-
Armenia Students Scholarship	-	79,073	(70,773)	-	8,300
100 lives - UWC	-	122,396	(122,396)	-	-
Teach for all (Armenia)	-	37,876	(37,948)	72	-
Troika Scholarships	60,557	-	-	-	60,557
	<u>64,477</u>	<u>239,345</u>	<u>(235,037)</u>	<u>72</u>	<u>68,857</u>

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.
- Armenia Students Scholarships comprise monies received to be used towards grants and scholarships for Armenia students of other UWC Colleges.
- 100 lives - UWC Scholarships comprise monies received to be used towards grants and scholarships for non-Armenia students of other UWC Colleges
- Teach-for-All comprise monies received to be used towards grants to best young specialists (the teachers) to improve the quality of education in Armenia
- Troika Scholarships comprise monies received to be used towards scholarships for students looking to pursue a degree in finance



**Notes to the financial statements**

For the year ended 31 December 2016

**9. Endowment funds**

	At 1 January 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2016 £
UWC Dilijan Endowment fund	-	9,820	-	-	9,820

The UWC Dilijan Endowment fund has been created to generate income to apply towards the benefit of UWC Dilijan.

**10. Analysis of assets between funds**

Fund balances as at 31 December 2016 are represented by:

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment Funds 2016 £	Total funds 2016 £
Current assets	145,054	68,857	9,820	223,731
Current liabilities	(21,670)	-	-	(21,670)
Total net assets	<u>123,384</u>	<u>68,857</u>	<u>9,820</u>	<u>202,061</u>

**11. Related parties and connected charities**

During the period ended 31 December 2016, one (2015: one) of the trustees made donations to the charity totalling £271,682 (2015: £214,217).

Three out of charity's nine trustees are members of the Board of Governors of Dilijan International School. During the period there were no grants or scholarships directly paid to Dilijan International School.

During the year a donation of £122,396 (2015 - £nil) was received from Scholae Mundi Armenia, a connected charity, in support of the 100 Lives – UWC project.

Kakhaber Kiknavelidze is a Partner of Rioni Capital Partners LLP, an investment firm, controlled by Ruben Vardanyan, a trustee of the charity. During the period Kakhaber Kiknavelidze received no payment for his services as Executive Director of the charity.

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