

**Company No. 08586329
Charity No. 1153976**

Azbuka Foundation

Report and Accounts

For the year ended 31 August 2020

**Studland Hall
Studland Street
Hammersmith
London W6 0JS**

Azbuka Foundation

Directors' Report

For the year ended 31 August 2020

The directors present their report and accounts of the charity for the year ended 31 August 2020. This report also represents the trustees' report required under the Charities Act 2011.

The directors have had due regard to guidance published by the Charity Commission.

LEGAL AND ADMINISTRATIVE INFORMATION

Charity name:	Azbuka Foundation
Charity registration number:	1153976
Company registration number	08586329
Registered office and operations address	Studland Hall, Studland Street, Hammersmith, London W6 0JS

Directors (Trustees)

The directors who were in office during the year and up to the date of this report are:

Maria Gavrilova
Andrew Jack
Charmian Kenner
Svetlana Malinina
Jason Manning
Irina Khabibulina (appointed 4 June 2020)

Taisiya Chinina-Kelly was a trustee until January 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 26 June 2013. The company was established under a Memorandum of Association. The Articles of Association explain the objects and powers of the charitable company and how it should be governed. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Directors

The directors of the company are also charity trustees for the purposes of charity law.

New trustees are appointed by the members of the charity.

Trustee meetings are held 4 to 5 times a year.

OBJECTS OF THE CHARITY

The objects of the charity are:

The advancement of education for the public benefit in particular by:

- the provision and conduct of a school or schools in England and Wales with bilingual Russian-English curriculum;
- the promotion of bilingual education;
- the provision of education materials or services, including promotion of Russian language, literature and culture; and
- such other means as the Trustees shall determine

Such other exclusively charitable purposes as the Trustees of the Charity may in their absolute discretion determine.

Azbuka Foundation

Directors' Report

For the year ended 31 August 2020

ACTIVITIES and ACHIEVEMENTS

In planning the activities for the year, the trustees have had due regard to Charity Commission guidance on public benefit. The activities carried out include the following:

- Negotiating premises expansion to ground floor from September 2020
- Redesigning 1st Floor to accommodate Year 5 from September 2020
- Finalising full membership of the ISA (Independent Schools Association)
- Completing move to the new IT system and school management software
- Updating Fire safety systems at new premises
- Opening Year 4 of full-time school (4 year groups, Nursery, Reception)
- Four full-time teachers (Rus and English) and 8 Nursery/Reception teachers
- Two part-time Teacher assistants
- Nursery manager
- Visiting teachers (dance, Circus, ICT,)
- Opening new School clubs (chess, art) and part-time after-school Azbuka club
- 24 students (Year 1/Year 2/Year 3/Year 4) and 30 Nursery/Reception children
- Progress /developing the Russian Peterson maths programme/curriculum at full-time school
- Developing Nursery/Early years programme
- Developing the school bilingual assessment policies
- Working alongside AZBUKA Sat school in Kew
- New trustee (Irina Khabibulina) supporting the Committee fundraising efforts
- Events (open days, theatre productions and concerts for the wider community)
- Developing and expanding Azbuka website
- Covid Pandemic: developing the remote teaching programme and moving to online learning for Primary school children
- Nursery shut in the summer term 2020
- Furlough scheme in place for some Nursery teachers
- Developing and revising Safeguarding and Health and Safety measures during Covid
- Fundraising activities (see Minutes) – events/teacher productions
- Subletting premises – new agreements and tenants
- Secured 1 grant and 2 larger donations
- New Azbuka Fundraising presentation
- Looking for new trustees with fundraising experience
- New Projects for wider community outreach and cooperation with other schools, organisations and academic institutions in the area of MFL and bilingual education

FINANCIAL REVIEW AND RESERVES POLICY

The charity incurred a net surplus for the year of £59,172 compared to a deficit of £31,842 in the previous year. There is a deficiency of unrestricted funds carried forward at the year end amounting to £14,352 compared to a deficiency of £73,524 at the previous year end. Please refer to Note 1 of the accounts for more information regarding the going concern status of the charity.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the Board on and signed on its behalf by:

Maria Gavrilova
Director

Independent Examiner's report to the trustees of Azbuka Foundation

I report on the accounts of the company for the year ended 31 August 2020 set out on pages 4 to 8.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met.

Please refer to Note 1 regarding the going concern status of the charity.

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HARRY NICOLAOU FCA
Of Harry Nicolaou & Co Limited
Chartered Accountants
21 Brendon Way
Enfield
EN1 2LF
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Azbuka Foundation

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 August 2020

	Note	Total funds Unrestricted 2020 £	Total funds Unrestricted 2019 £
INCOME from:			
Donations and grants		90,229	66,062
Charitable activities:			
School fees before bursaries		290,519	299,142
Bursaries		(19,562)	-
Early Education funding		65,320	-
Other income		39,537	-
Total income		466,043	365,204
EXPENDITURE on:			
Charitable activities			
Staff costs	2	271,930	229,421
Printing		1,158	740
Rent and rates		86,764	96,201
Light and heat		2,157	-
School resources and expenses		22,264	21,574
Refurbishment and building costs		-	34,207
Repairs and maintenance		1,763	-
Telephone and internet		1,192	1,025
IT expenses		4,039	3,908
Insurance		1,231	983
Bank charges		131	108
Cleaning and other expenses		4,691	4,050
Bookkeeping		2,796	-
Marketing expenses		200	700
Legal and consultancy fees		3,034	1,368
Depreciation		721	761
Governance cost: independent examination		2,800	2,000
Total expenditure	3	406,871	397,046
Net income/(expenditure) and net movement in funds.		59,172	(31,842)
<i>RECONCILIATION OF FUNDS</i>			
Total funds brought forward		(73,524)	(41,682)
Total funds carried forward - deficiency		(14,352)	(73,524)

Net expenditure is also net expenditure for Companies Act purposes.

Azbuka Foundation

Company No. 1509049

Balance Sheet

As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	2,162	2,281
		2,162	2,281
Current assets			
Debtors	7	32,813	23,187
Cash at bank and in hand		79,636	2,841
Total current assets		112,449	26,028
Creditors falling due within one year	8	(42,208)	(15,078)
Net current assets		70,241	10,950
Total assets less current liabilities		72,403	13,231
Creditors falling due after more than one year	9	(86,755)	(86,755)
Net liabilities		(14,352)	(73,524)
Funds			
Unrestricted general funds		(14,352)	(73,524)
Total funds - deficiency		(14,352)	(73,524)

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved by the directors on

And signed on their behalf by:

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Maria Gavrilova
Director

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2020

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Although the charity has a deficiency of assets £14,352 this is much reduced from the previous year's deficiency of £73,524. Maria Gavrilova (a trustee) is willing to continue to provide financial support to the charity if needed. The significant restructuring of the activities of the charity that has taken place has had a positive impact on the results of the charity (even in these difficult times of restrictions due to the pandemic) and will continue to do so. Because of these factors, the accounts have been prepared on a going concern basis.

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

Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Fund accounting

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

Unrestricted funds are grants, donations and other incoming resources receivable for the objects of the charity without further specified purpose and are available as general funds.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost of each asset less its estimated residual value, over the useful economic life of that asset as follows:

Office furniture and equipment	25% reducing balance
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Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Pensions

The costs of the workplace defined contribution arrangements are charged to the SOFA as incurred.

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2020

2. Staff costs

	2020	2019
	£	£
Salaries and wages	211,235	
Social security costs	14,713	
Pension costs	3,750	
Payroll processing costs	1,586	
Recruitment costs	9,950	
Other staffing costs	30,285	
Training costs	411	
Total staff costs	271,930	229,421

3. Net income/(expenditure) for the year

	2020	2019
	£	£
This is stated after charging:		
Independent Examiners fee	2,800	2,000
Depreciation	721	761

4. Trustees

No remuneration was paid to the trustees and no expenses were reimbursed to them during the year.

5. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

6. Tangible fixed assets

	Furniture & office equipment	Total
	£	£
Cost		
At 1 September 2019	5,065	5,065
Additions	602	602
At 31 August 2020	5,667	5,667
Depreciation		
At 1 September 2019	2,784	2,784
Charge for the year	721	721
At 31 August 2020	3,505	3,505
Net book value		
At 31 August 2020	2,162	2,162
<i>At 31 August 2019</i>	<i>2,281</i>	<i>2,281</i>

7. Debtors

	2020	2019
	£	£
Trade debtors	1,219	-
Other debtors	31,594	23,187
	32,813	23,187

Other debtors of £23,187 fall due after more than one year

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2020

8. Creditors falling due within one year

	2020	2019
	£	£
Trade creditors	17,339	-
Taxation and social security	4,827	-
Other creditors and accruals	20,042	15,078
	42,208	15,078

9. Creditors falling due after more than one year

	2020	2019
	£	£
Loan (see note 9)	86,755	86,755

10. Related party transactions

The loan referred to in Note 8 of £86,755 is due to Maria Gavrilova, a trustee of the charity.

During the year a trustee (Svetlana Malinina) has provided dance lessons to pupils of the charity at rates well below market rates.

11. Operating lease commitments

The total of future minimum lease payments under a non-cancellable operating lease at 31 August 2020 is as follows:

	2020	2019
	£	£
• Not later than one year	100,884	92,478
• Later than one year and not later than five years	403,536	369,912
• Later than five years	807,072	832,302
	1,311,492	1,294,692