

Company No. 08586329
Charity No. 1153976

Azbuka Foundation

Report and Accounts

For the year ended 31 August 2021

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

Azbuka Foundation

Directors' Report

For the year ended 31 August 2021

The directors present their report and accounts of the charity for the year ended 31 August 2021. 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
Vasiliki Lytra (appointed 4 January 2022)

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 2021

ACTIVITIES and ACHIEVEMENTS *To be inserted for 2020-21*

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:

- Redesigning 1st Floor to accommodate Year 6 from September 2021
- Preparing for Inspection (ISI)
- Completing move to the new IT system, updating online safety arrangements (new safeguarding server)
- Opening Year 5 of full-time school (5 year groups, Nursery, Reception)
- Six full-time teachers (Rus and English) and 9 Nursery/Reception teachers
- Two part-time Teacher assistants
- Progress /developing the new training programme for teachers
- Developing the school bilingual assessment policies
- Extra curricular Saturday school classes
- New trustee (Vassiliki Lytra) - academic support (bilingual education)
- Events (open days, theatre productions)
- Developing and expanding Azbuka website in line with the ISI requirements
- Developing and revising Safeguarding and Health and Safety measures
- Developing HR and financial policies for school
- Subletting premises – new agreements and tenants
- Secured Romanoff foundation annual academic scholarship for Azbuka students
- Wider community and outreach: establishing BEA - Bilingual Education Alliance - professional network of leaders working for bilingual schools operating in England, academics and policy makers

FINANCIAL REVIEW AND RESERVES POLICY

The charity incurred a net deficit for the year of £61,525 compared to a surplus of £59,172 in the previous year. There is a deficiency of unrestricted funds carried forward at the year end amounting to £75,877 compared to a deficiency of £14,352 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 23.05.2022 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 2021 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:

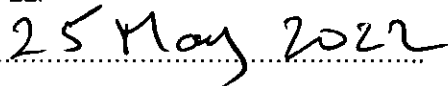
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met.

The financial statements show a deficit of £61,525 and there is a deficiency of assets of £75,877. Reference should be made to paragraph two note 1 of the accounts which explains how the charity will remedy this situation. The results from 1 September 2021 to 30 April 2022 are much improved. The accounts have been prepared on a going concern basis which is appropriate having regard to the circumstances of the charity.



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



Azbuka Foundation

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 August 2021

	Note	Total funds Unrestricted 2021 £	Total funds Unrestricted 2020 £
INCOME from:			
Donations		1,695	90,229
Government grants		11,390	-
		13,085	90,229
Charitable activities:			
School fees		244,526	290,519
Nursery fees		100,557	-
Bursaries		(10,178)	(19,562)
Early Education funding		80,395	65,320
Other income		20,124	39,537
		435,424	375,814
Total income		448,509	466,043
EXPENDITURE on:			
Charitable activities			
Staff costs	2	359,037	271,930
Other direct costs		-	-
Printing		2,205	1,158
Rent and rates		99,809	86,764
Light and heat		-	2,157
School resources and expenses		11,163	22,264
Repairs and maintenance		6,827	1,763
Telephone and internet		1,047	1,192
IT expenses		3,121	4,039
Insurance		1,682	1,231
Bank charges		130	131
Cleaning and other expenses		6,253	4,691
Bookkeeping		4,691	2,796
Travelling expenses		921	-
Marketing expenses		-	200
Legal and consultancy fees		8,728	3,034
Depreciation		1,620	721
Governance cost: independent examination		2,800	2,800
Total expenditure	3	510,034	406,871
(Net expenditure)/net income and net movement in funds.		(61,525)	59,172
RECONCILIATION OF FUNDS			
Total funds brought forward		(14,352)	(73,524)
Total funds carried forward - deficiency		(75,877)	(14,352)

Net expenditure is also net expenditure for Companies Act purposes.

Azbuka Foundation

Company No. 1509049

Balance Sheet

As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	4,859	2,162
		<u>4,859</u>	<u>2,162</u>
Current assets			
Debtors	7	32,325	32,813
Cash at bank and in hand		41,883	79,636
Total current assets		<u>74,208</u>	<u>112,449</u>
Creditors falling due within one year	8	(68,189)	(42,208)
Net current assets		<u>6,019</u>	<u>70,241</u>
Total assets less current liabilities		<u>10,878</u>	<u>72,403</u>
Creditors falling due after more than one year	9	(86,755)	(86,755)
Net liabilities		<u>(75,877)</u>	<u>(14,352)</u>
Funds			
Unrestricted general funds		(75,877)	(14,352)
Total funds - deficiency		<u>(75,877)</u>	<u>(14,352)</u>

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 23.05.2022

And signed on their behalf by:

Maria Gavrilova
Director

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2021

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.

In the context of the current difficult economic environment, including the Covid-19 pandemic, the Ukraine crisis and high inflation, the trustees recognise significant pressures on student numbers, costs and fund-raising. They have taken long-term measures to reduce the deficit reported this year and for 2021/22, including by raising fees more in line with other similar schools. 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 2021

2. Staff costs

	2021	2020
	£	£
Salaries and wages	272,072	211,235
Social security costs	18,987	14,713
Pension costs	4,564	3,750
Payroll processing costs	1,707	1,586
Recruitment costs	5,178	9,950
Other staffing costs	55,151	30,285
Training costs	1,378	411
Total staff costs	359,037	271,930

3. Net (expenditure)/income for the year

	2021	2020
	£	£
This is stated after charging:		
Independent Examiners fee	2,800	2,800
Depreciation	1,620	721

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

	Fixtures and fittings	Furniture & office equipment	Total
		£	£
Cost			
At 1 September 2020	-	5,667	5,667
Additions	2,988	1,329	4,317
At 31 August 2021	2,988	6,996	9,984
Depreciation			
At 1 September 2020	-	3,505	3,505
Charge for the year	747	873	1,620
At 31 August 2021	747	4,378	5,125
Net book value			
At 31 August 2021	2,241	2,618	4,859
<i>At 31 August 2020</i>	<i>-</i>	<i>2,162</i>	<i>2,162</i>

7. Debtors

	2021	2020
	£	£
Trade debtors	731	-
Other debtors	31,594	31,594
	32,325	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 2021

8. Creditors falling due within one year

	2021	2020
	£	£
Trade creditors	8,997	17,339
Taxation and social security	7,204	4,827
Other creditors and accruals	51,988	20,042
	<u>68,189</u>	<u>42,208</u>

9. Creditors falling due after more than one year

	2021	2020
	£	£
Loan (see note 9)	<u>86,755</u>	<u>86,755</u>

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:

	2021	2020
	£	£
• Not later than one year	100,884	100,884
• Later than one year and not later than five years	403,536	403,536
• Later than five years	706,188	807,072
	<u>1,210,608</u>	<u>1,311,492</u>