

Company No. 08586329
Charity No. 1153976

Azbuka Foundation

Report and Accounts

For the year ended 31 August 2023

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

Azbuka Foundation

Directors' Report

For the year ended 31 August 2023

The directors present their report and accounts of the charity for the year ended 31 August 2023. 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

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

Azbuka Foundation

Directors' Report

For the year ended 31 August 2023

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 in the year include the following:

- Negotiating and planning for school expansion and funding
- Pre-school: recruiting a new manager and revising the curriculum
- Russian-Ukrainian war. Addressing the impacts of the conflict on the children and families of the school (cnt)
- Planning a new initiative for the Ukrainian refugees funded by the Garfield Foundation
- Developing the bilingual curriculum and revising bilingual education planning system
- Enhancing creative and artistic side of the programme
- New clubs for children
- New training monitoring system
- Azbuka Recruitment and employment policy and PSHE (inc RSHE) curriculum in place and updated in line with the latest KCSIE 22)
- Subletting premises – new agreements and tenants
- Preparing for the ISI Inspection
- ISI Inspection passed
- New monitoring Safeguarding and Health and Safety system and Risk Assessments in place
- Cooperation with other schools. BEA events and cooperation
- New financial planning - re to upcoming introduction of VAT and business rates for independent providers
- BEA VAT Campaign initiated
- New marketing and website contractor
- Cooperation with parents on new fundraising initiatives
- Outreach activities to other education providers and organisations

FINANCIAL REVIEW AND RESERVES POLICY

The charity generated a net surplus for the year of £11,351 compared to a deficit of £43,206 in the previous year. There is a deficiency of unrestricted funds carried forward at the year end amounting to £107,732 compared to a deficiency of £119,083 at the previous year end. Please refer to Note 1 of the accounts for more information regarding the going concern status of the charity.

To address the deficit the trustees decided to increase student fees in 2 stages for the current students.

The first increase was implemented this (2022-23) academic year. The second increase from September 2023 (next academic year).

This strategy has proved to be successful in 2022-23 but there is still a long way to go in reducing the overall deficiency of unrestricted funds.

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 2023 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.

Material uncertainty

The financial statements show a surplus of £11,351 compared to a deficit of £43,206 and this is a welcome turnaround. However there remains a deficiency of funds of £107,732 so there continues to be uncertainty as to whether the charity will be able to operate as a going concern for the foreseeable future. Paragraph two Note 1 of the accounts explains how the charity will remedy this situation.

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 2023

	Note	Total funds Unrestricted 2023 £	Total funds Unrestricted 2022 £
INCOME from:			
Donations		30,779	32,086
Government grants		-	96
		30,779	32,182
Charitable activities:			
School fees		328,360	288,321
Nursery fees		208,522	200,278
Grant (LB H&F)		93,186	76,678
Contributions from parents for activities and school meals		25,128	-
Other income - Hall and space hire, bank interest etc		22,427	29,496
		677,623	594,773
Total income		708,402	626,955
EXPENDITURE on:			
Charitable activities			
Bursaries		28,728	10,666
Funded activity: Early Education		67,608	70,931
Staff costs	2	436,807	439,988
Printing		1,015	1,284
Rent and rates		104,751	96,173
School resources and expenses		19,826	15,146
Repairs and maintenance		2,898	2,689
Telephone and internet		1,122	1,049
IT expenses		4,988	3,732
Insurance		1,219	2,462
Bank charges		96	153
Cleaning and other expenses		7,760	6,372
Bookkeeping		2,765	3,654
Travelling and subsistence expenses		2,881	4,113
Clothing costs		1,271	649
Website expenses		1,062	308
Legal and consultancy fees		7,184	5,216
Depreciation		2,570	2,676
Governance cost: independent examination		2,500	2,900
Total expenditure	3	697,051	670,161
Net income/(net expenditure) and net movement in funds.		11,351	(43,206)
RECONCILIATION OF FUNDS			
Total funds brought forward		(119,083)	(75,877)
Total funds carried forward - deficiency		(107,732)	(119,083)

Net expenditure is also net expenditure for Companies Act purposes.

Azbuka Foundation

Company No. 1509049

Balance Sheet

As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	7,709	8,027
		7,709	8,027
Current assets			
Debtors	7	35,045	34,686
Cash at bank and in hand		55,394	7,230
Total current assets		90,439	41,916
Creditors falling due within one year	8	(119,125)	(82,271)
Net current liabilities		(28,686)	(40,355)
Total assets less current liabilities		(20,977)	(32,328)
Creditors falling due after more than one year	9	(86,755)	(86,755)
Net liabilities		(107,732)	(119,083)
Funds			
Unrestricted general funds		(107,732)	(119,083)
Total funds - deficiency		(107,732)	(119,083)

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:

.....
Maria Gavrilova
Director

Likewise Community

Statement of Cash Flows

As at 31 March 2023

	2023 £	2022 £
Cash flow from operating activities		
Net income/(deficit) for the year	11,351	(43,206)
Depreciation of tangible fixed assets	2,570	2,676
Decrease/(Increase) in debtors	(359)	(2,361)
Increase/(decrease) in creditors	36,854	14,082
Net cash flow from operating activities	50,416	(28,809)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(2,252)	(5,844)
Net cash flow from investing activities	(2,252)	(5,844)
Net increase/(decrease) in cash and cash equivalents	48,164	(34,653)
Cash and cash equivalents at 1 April 2022	7,230	41,883
Cash and cash equivalents at 31 March 2023	55,394	7,230

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2023

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 2020/21, 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 2023

2. Staff costs

	2023	2022
	£	£
Salaries and wages	334,491	348,303
Social security costs	26,991	29,190
Pension costs	7,337	7,130
Payroll processing costs	1,448	1,745
Recruitment costs	3,103	644
Other staffing costs	61,853	52,976
Training costs	1,584	-
Total staff costs	436,807	439,988

3. Net income/(expenditure) for the year

	2023	2022
	£	£
This is stated after charging:		
Independent Examiners fee	2,500	2,900
Depreciation	2,570	2,676

4. Trustees

No remuneration was paid to the trustees during the year in their capacity as trustees. Expenses of £309 were reimbursed to one trustee (2022 £nil) 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 2022	6,703	9,125	15,828
Additions	443	1,809	2,252
At 31 August 2023	7,146	10,934	18,080
Depreciation			
At 1 September 2022	2,236	5,565	7,801
Charge for the year	1,228	1,342	2,570
At 31 August 2023	3,464	6,907	10,371
Net book value			
At 31 August 2023	3,682	4,027	7,709
<i>At 31 August 2022</i>	<i>4,467</i>	<i>3,560</i>	<i>8,027</i>

7. Debtors

	2023	2022
	£	£
Trade debtors	3,091	1,256
Other debtors	31,954	33,430
	35,045	34,686

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

Azbuka Foundation

Notes to the Accounts

For the Year Ended 31 August 2023

8. Creditors falling due within one year

	2023	2022
	£	£
Trade creditors	14,348	22,315
Taxation and social security	7,491	8,611
Other creditors and accruals	97,286	51,345
	119,125	82,271

9. Creditors falling due after more than one year

	2023	2022
	£	£
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 Maria Gavrilova received remuneration as Principal of the school at well below market rates.

During the year Svetlana Malinina, a trustee 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 2023 is as follows:

	2023	2022
	£	£
• 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	504,420	605,304
	1,008,840	1,109,724