

Company registration number: 08187231

Charity registration number: 1149064

# Cornell University Foundation (UK) Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2016

Westlake Clark  
Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

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# **Cornell University Foundation (UK) Limited**

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## **Cornell University Foundation (UK) Limited**

### **Reference and Administrative Details**

<b>Charity Name</b>	Cornell University Foundation (UK) Limited
<b>Trustees</b>	Mr D Collier Mr R Ely Mr R Banks (resigned 29 August 2016) Ms T Cary (appointed 29 August 2016)
<b>Secretary</b>	Ms E Flood
<b>Principal Office</b>	19 Norcott Road London N16 7EJ
<b>Registered Office</b>	19 Norcott Road London N16 7EJ
<b>Company Registration Number</b>	08187231
<b>Charity Registration Number</b>	1149064
<b>Auditor</b>	Westlake Clark Chartered Accountants 7 Lynwood Court Priestlands Place Lymington Hampshire SO41 9GA

# **Cornell University Foundation (UK) Limited**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 June 2016.

### **Trustees**

Mr D Collier

Mr R Ely

Mr R Banks (resigned 29 August 2016)

Ms T Cary (appointed 29 August 2016)

### **Objects of the charity, principal activities and organisation of our work**

The Cornell University Foundation (UK) Limited was incorporated on 21 August 2012, registered as a charity on 24 September 2012, and commenced to operate on 2 January 2013.

The charity is incorporated and is constituted and governed by its memorandum and articles of association dated 10 September 2012.

The charity's objects and its principal activities continue to be that of the advancement of education in particular by providing grants to Cornell University to assist in the advancement of students attending the institution.

### **Organisation**

The Board of Trustees and Secretary meet regularly and decisions are made by vote by the Trustees. The Trustees elect new members as and when required.

### **Developments, activities and achievements**

The Cornell University Foundation (UK) Ltd has assisted Cornell University over the past year in various ways. It has done this through soliciting gifts from alumni, parents and friends, and has provided funding for student and faculty aid, capital renovations, and research. As a main source of philanthropy from constituents in the United Kingdom, the Foundation has played a vital role in helping to support Cornell's people and programs. The Foundation is the lead source of support for the University in the United Kingdom.

### **Future development**

The future developments will be to continue to advance education by providing grants to Cornell University.

### **Transactions and financial position**

The Statement of Financial Activities show net outgoing resources for the year of £20,191 and net assets of £9,141.

### **Reserves policy**

The Trustees have resolved to commit as much of the charity's resources as possible to expenditure grants, whilst retaining very modest reserves to meet day to day administrative costs as they fall due.

# **Cornell University Foundation (UK) Limited**

## **Trustees' Report**

### **Risk review**

The Trustees have conducted their own review of the major risks to which the charity is exposed and have concluded that the following systems that have been established provide reasonable but not absolute assurance that those risks are adequately managed:

- (i) The retention of a professional secretary to administrate the foundation;
- (ii) The retention of a professional accounting firm with experience in the area to conduct an examination;
- (iii) The retention of a law firm with extensive experience in this area;
- (iv) The requirement that any transfer of funds by the foundation be approved by two authorised signatories; and
- (v) Final reconciliation by staff of Cornell University of Cornell's donative and accounting records with the financials of the Foundation.

The trustees have also had due regard to guidance published by the Charity Commission on public benefit.

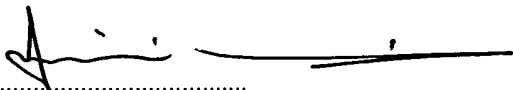
### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### **Small company provision**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the Charity on 30/3/2017 and signed on its behalf by:

  
.....  
Mr D Collier  
Trustee

## Cornell University Foundation (UK) Limited

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Cornell University Foundation (UK) Limited for the purposes of company law) are responsible for preparing a trustees' annual report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

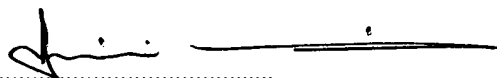
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees of the Charity on 30/3/2017 and signed on its behalf by:



Mr D Collier  
Trustee

## **Cornell University Foundation (UK) Limited**

### **Independent Auditors' Report to the Members of Cornell University Foundation (UK) Limited**

We have audited the financial statements of Cornell University Foundation (UK) Limited for the year ended 30 June 2016, which comprise the Statement of Financial Activities, 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 UK and Republic of Ireland".

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's 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 charitable company 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 Statement of Trustees' Responsibilities (set out on page 4), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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**

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 charitable company'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 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.

#### **Other matter**

Comparative information in the financial statement is derived from the company's prior period financial statements which were not audited.

#### **Opinion on the 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 30 June 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 requirements of the Companies Act 2006.

## **Cornell University Foundation (UK) Limited**

### **Independent Auditors' Report to the Members of Cornell University Foundation (UK) Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report has been prepared in accordance with applicable legal requirements

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of small companies exemption in preparing the trustees report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Zoe Redmill BSc (hons) FCA CTA (Senior Statutory Auditor)  
For and on behalf of Westlake Clark, Statutory Auditor

Chartered Accountants  
7 Lynwood Court  
Priestlands Place  
Lymington  
Hampshire  
SO41 9GA

31 March 2017

# Cornell University Foundation (UK) Limited

## Statement of Financial Activities for the Year Ended 30 June 2016 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Total 2016 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	199,751	199,751
Total Income		<u>199,751</u>	<u>199,751</u>
<b>Expenditure on:</b>			
Charitable activities	3	(219,942)	(219,942)
Total Expenditure		<u>(219,942)</u>	<u>(219,942)</u>
Net expenditure		<u>(20,191)</u>	<u>(20,191)</u>
Net movement in funds		(20,191)	(20,191)
<b>Reconciliation of funds</b>			
Total funds brought forward		29,331	29,331
Total funds carried forward	11	<u>9,140</u>	<u>9,140</u>
	Note	Unrestricted funds £	Total 2015 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	60,212	60,212
Total Income		<u>60,212</u>	<u>60,212</u>
<b>Expenditure on:</b>			
Charitable activities	3	(36,572)	(36,572)
Total Expenditure		<u>(36,572)</u>	<u>(36,572)</u>
Net income		<u>23,640</u>	<u>23,640</u>
Net movement in funds		23,640	23,640
<b>Reconciliation of funds</b>			
Total funds brought forward		5,691	5,691
Total funds carried forward	11	<u>29,331</u>	<u>29,331</u>

All of the Charity's activities derive from continuing operations during the above two periods.

# Cornell University Foundation (UK) Limited

**(Registration number: 08187231)**

**Balance Sheet as at 30 June 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	8	712	-
Cash at bank and in hand		<u>8,429</u>	<u>29,332</u>
		<u>9,141</u>	<u>29,332</u>
<b>Net current assets</b>		<u><u>9,141</u></u>	<u><u>29,332</u></u>
<b>Funds of the Charity:</b>			
<b>Unrestricted income funds</b>			
Called up share capital	9	1	1
Unrestricted income funds		<u>9,140</u>	<u>29,331</u>
Total unrestricted funds		<u>9,141</u>	<u>29,332</u>
<b>Total funds</b>		<u><u>9,141</u></u>	<u><u>29,332</u></u>

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

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on ~~31/3/2017~~ and signed on their behalf by:



.....  
Mr D Collier  
Trustee

# **Cornell University Foundation (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 30 June 2016**

### **1 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements 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 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.

#### **Basis of preparation**

Cornell University Foundation (UK) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

#### **Exemption from preparing a cash flow statement**

The Charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### **Income and endowments**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Donations and legacies***

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Gift aid***

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

## **Cornell University Foundation (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **1 Accounting policies (continued)**

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, and includes irrecoverable VAT.

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

##### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Debtors**

Other debtors are amounts due from HMRC in respect of gift aid due on donations.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

##### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

## **Cornell University Foundation (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **1 Accounting policies (continued)**

##### **Financial instruments**

###### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

###### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

###### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# **Cornell University Foundation (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 30 June 2016**

### **2 Income from donations and legacies**

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Donations and legacies;			
Donations	173,076	173,076	56,662
Gift Aid tax reclaimed	26,112	26,112	3,550
Other income from donations and legacies	<u>563</u>	<u>563</u>	<u>-</u>
	<u><u>199,751</u></u>	<u><u>199,751</u></u>	<u><u>60,212</u></u>

### **3 Expenditure on charitable activities**

	<b>Grant funding of activity</b>	<b>Activity support costs</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
Grants payable - Cornell University	<u>220,188</u>	<u>(246)</u>	<u>219,942</u>	<u>36,572</u>

£219,942 (2015 - £36,572) of the above expenditure was attributable to unrestricted funds and £Nil (2015 - £Nil) to restricted funds.

# Cornell University Foundation (UK) Limited

## Notes to the Financial Statements for the Year Ended 30 June 2016

### 4 Analysis of support costs

#### Support costs allocated to charitable activities

	Basis of allocation	Finance costs £	Total 2016 £
Grants payable - Cornell University	100%	(246)	(246)

#### Basis of allocation

Reference	Method of allocation
100%	All support cost have been allocated to grant making. This includes foreign exchange and bank charges associated with holding foreign currency bank accounts.

### 5 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2016 £
Foreign currency losses	794

### 6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration or incurred any expenses for which they sought reimbursement from the charity during the year.

### 7 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

### 8 Debtors

	2016 £
Other debtors	712

# Cornell University Foundation (UK) Limited

## Notes to the Financial Statements for the Year Ended 30 June 2016

### 9 Share capital

#### Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 10 Charity status

The charity is owned by Cornell University a USA not-for-profit organisation. However it is controlled by the Trustees who are all directors of the company. Cornell University is dedicated to a mission of learning, discovery and engagement. Consolidated accounts can be obtained from Cornell University, 341 Pine Tree Road, Ithaca, New York 14850-2820.

### 11 Funds

	Balance at 1 July 2015 £	Incoming resources £	Resources expended £	Balance at 30 June 2016 £
<b>Unrestricted funds</b>				
<i>Unrestricted general funds</i>				
Unrestricted income fund	<u>29,331</u>	<u>199,676</u>	<u>(219,867)</u>	<u>9,140</u>
	Balance at 1 July 2014 £	Incoming resources £	Resources expended £	Balance at 30 June 2015 £
<b>Unrestricted funds</b>				
<i>Unrestricted general funds</i>				
Unrestricted income fund	<u>5,691</u>	<u>60,212</u>	<u>(36,572)</u>	<u>29,331</u>

## **Cornell University Foundation (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **12 Analysis of net assets between funds**

	<b>Unrestricted funds</b>	
	<b>General funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>
Current assets	<u>9,141</u>	<u>9,141</u>

#### **13 Related party transactions**

During the year the Charity made the following related party transactions:

##### **Cornell University (Parent)**

During the year Cornell University paid £563 to Cornell University Foundation (UK) Limited in order that Cornell University Foundation (UK) Limited had sufficient funds to settle its bank charges.

During the year, all of the Charity's grant making activity was directed to Cornell University as described in Note 2 above.

Other administrative expenses are also settled directly by Cornell University, including the independent auditor's fee of £1,800 (2015 £nil) and Independent examiner's fee £nil (2015 £600).

#### **14 Transition to FRS 102**

There have been no reclassifications or remeasurement made during the year for the transition to FRS102.