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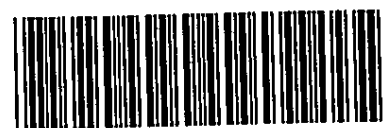
LEGATUM INSTITUTE

Companies House Registration No. FC028686

Unaudited Financial Statements

**For the Year Ended
31 December 2015**

WEDNESDAY



A05	*A5IHNLXD*	27/10/2016	#105
	COMPANIES HOUSE		
A19	*A5GHA7WT*	28/09/2016	#626
	COMPANIES HOUSE		

LEGATUM INSTITUTE

Report of the Directors

Year ended 31st December 2015

The Directors present their annual report and the financial statements of Legatum Institute (the Company), Companies House Registration number FC028688 for the year ended 31 December 2015

Incorporation

The Company was incorporated in the Cayman Islands on 15th December 2005

Activities

The principal activity of the Company was providing research and advisory services for philanthropic development until 31st May 2014, when the Company ceased most of its activity. It is the intention of the Directors to continue the operations of the Company for the foreseeable future

Going Concern

The Company relies upon its parent company to provide funds to meet its on-going operational costs and other obligations. The Directors of the Company have obtained written assurance from the parent company confirming its continuing financial support of the Company as required. The Directors of the Company have assessed the ability and intent of the parent company to provide such funding when required.

Accordingly, the Directors have identified no material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern and therefore the financial statements are prepared on the going concern basis.

Directors

The Directors who held office during 2015 were

A J McCormick
M A Stoleson
P A Vassiliou

By order of the Board


Director

Date 26 September 2016

Registered Office

Windward 1
Regatta Office Park
PO Box 897
Grand Cayman KY1-1103
Cayman Islands

LEGATUM INSTITUTE

Statement of Directors' Responsibilities In Respect of the Financial Statements

Year ended 31st December 2015

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

The Directors are required to prepare financial statements for each financial period, which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period. In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance, and
- State that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements when preparing the financial statements.

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Statement of Financial Position

As at 31st December 2015

	Notes	31 st December 2015 US\$	31 st December 2014 US\$
Current Assets			
Cash at bank and in hand		23,152	465,683
Prepayments		946	-
Debtors		-	70,868
Total Assets		<u>24,098</u>	<u>536,551</u>
Current Liabilities			
Accruals		(23,871)	(40,804)
Loan from parent company	4	(49,393,630)	(49,746,292)
Other liabilities	5	(947)	-
Total Liabilities		<u>(49,418,448)</u>	<u>(49,787,096)</u>
Net Liabilities		<u>(49,394,350)</u>	<u>(49,250,545)</u>
Equity			
Share capital	6	100	100
Accumulated deficit		(49,394,450)	(49,250,645)
Net Deficit		<u>(49,394,350)</u>	<u>(49,250,545)</u>

The notes on pages 6 to 8 form an integral part of these financial statements

 Director

26 September 2016 Date approved by the Board

Companies House Registration No FC028686

LEGATUM INSTITUTE

Statement of Changes in Equity

Year ended 31st December 2015

	Share Capital US\$	Accumulated Deficit US\$	Total US\$
Balance as at 31 st December 2013	<u>100</u>	<u>(46,553,678)</u>	<u>(46,553,578)</u>
Total comprehensive loss for the year	<u>-</u>	<u>(2,696,967)</u>	<u>(2,696,967)</u>
Balance as at 31 st December 2014	<u>100</u>	<u>(49,250,645)</u>	<u>(49,250,545)</u>
Total comprehensive loss for the year	<u>-</u>	<u>(143,805)</u>	<u>(143,805)</u>
Balance as at 31 st December 2015	<u>100</u>	<u>(49,394,450)</u>	<u>(49,394,350)</u>

The notes on pages 6 to 8 form an integral part of these financial statements

LEGATUM INSTITUTE

Statement of Comprehensive Income

Year ended 31st December 2015

	31 st December 2015		31 st December 2014	
	US\$	US\$	US\$	US\$
Expenses				
Administrative expenses	6,387		2,191,637	
Professional fees	4,879		283,459	
Program expenses	<u>128,659</u>		<u>73,035</u>	
		(139,925)		(2,528,131)
Foreign exchange loss		<u>(3,880)</u>		<u>(168,836)</u>
Loss for the Year from continuing operations		<u>(143,805)</u>		<u>(2,696,967)</u>
Total Comprehensive Loss for the year		<u>(143,805)</u>		<u>(2,696,967)</u>

The notes on pages 6 to 8 form an integral part of these financial statements.

LEGATUM INSTITUTE

Notes to the Financial Statements

Year ended 31st December 2015

1 Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are prepared in dollars and all amounts are rounded to the nearest US dollar. The financial statements are prepared on a going concern basis.

(i) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') issued by, or adopted by, the International Accounting Standards Board, with the exception of the cash flow disclosures prescribed by IAS 1 and IAS 7 and the disclosure requirements of IAS 17, IAS 24 and IFRS 7 as the Directors believe that these disclosures are not appropriate.

The Company relies upon its parent to provide funds to meet its on-going operational costs and other. The Directors of the Company have obtained written assurance from the parent company confirming its continuing financial support of the Company as required. The Directors of the Company have assessed the ability and intent of the parent company to provide such funding when required.

Accordingly, the Directors have identified no material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

(ii) Changes in Accounting Policy and Disclosure

The accounting policies adopted are consistent with those of the previous financial year.

New standards, amendments and interpretations which are effective for 2015 had no impact on the financial statements of the Company.

(iii) New Standards Issued but not yet Effective

The relevant standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The adoption of IFRS 9 will have an effect on the classification of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

The Company has decided not to early adopt any of these new or amended standards and interpretations. None will have a significant impact on the financial statements.

2 Significant Accounting Judgements, Estimates and Assumptions

The Directors are of the opinion that there are no significant accounting judgements, estimates and assumptions.

LEGATUM INSTITUTE

Notes to the Financial Statements

Year ended 31st December 2015

3 Summary of Significant Accounting Policies

(i) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value

(ii) Loans Payable

Loans are recognised at total consideration as they are repayable on demand

(iii) Accruals

Liabilities are recognised for amounts to be paid in the future for goods or services rendered, whether billed by the supplier or not

(iv) Expenses

Expenses are recognised on an accruals basis. Any expense which has been accrued for where the liability has not subsequently arisen, has been released to the statement of Comprehensive Income during the year

(v) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term. On 15th December 2008 the Company entered into a property lease agreement with a related company on an arm's length basis. The lease was terminated on 31st May 2014

(vi) Foreign Currency

Transactions denominated in foreign currencies are translated into US dollars at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the closing rate at year end. Exchange differences arising on both the translation at year end rates and on foreign currency transactions are charged or credited to the Statement of Comprehensive Income as foreign currency gains or losses

4 Loan from Parent Company

	31 st December 2015 US\$	31 st December 2014 US\$
Loan from parent company	<u>49,393,630</u>	<u>49,746,292</u>

The loan from the parent company is unsecured, interest free and repayable on demand

6 Other Liabilities

	31 st December 2015 US\$	31 st December 2014 US\$
Miscellaneous creditors	<u>947</u>	<u>-</u>
Other liabilities	<u>947</u>	<u>-</u>

LEGATUM INSTITUTE

Notes to the Financial Statements

Year ended 31st December 2015

6 Share Capital	31st December 2016 US\$	31st December 2014 US\$
Authorised 50,000 ordinary shares of US\$ 1 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid 100 ordinary shares of US\$ 1 each	<u>100</u>	<u>100</u>