

Company Registration No. 4529663 (England and Wales)
Charity Registration No. 1093811

FUTURE OF RUSSIA FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED
31 DECEMBER 2012

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FUTURE OF RUSSIA FOUNDATION

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FUTURE OF RUSSIA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Rothschild Tim Osborne S.J P Trust Corporation Limited
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Independent Examiner	C Turtington FCA DChA Saffery Champness Lion House Red Lion Street London WC1R 4GB
Investment advisers	Smith & Williamson Investment Management (until January 2013) 25 Moorgate London EC2R 6AY Windmill Hill Asset Management (from January 2013) Windmill Hill Silk Street Waddesdon Buckinghamshire HP18 0JZ
Registered Address	14 St James's Place London SW1A 1NP
Registered company number	4529663
Registered charity number	1093811

FUTURE OF RUSSIA FOUNDATION

REPORT OF THE TRUSTEES

FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012

The Trustees present their annual report and the financial statements for the period ended 31 December 2012

Constitution and objects

The Foundation was incorporated in England and Wales as a company limited by guarantee on 9 September 2002 under the registered number 4529663. It is a registered charity, with the registered charity number 1093811, and is managed by the Trustees, who are also the directors of the company. The Trustees have the power to delegate day to day administration and investment activities to suitably qualified individuals and organisations. The Trustees are appointed by the members of the company. Additional trustees may be appointed by the Trustees and their appointment be ratified at the subsequent Annual General Meeting.

The Foundation's objects are

- (1) the advancement of the education of children and young people in Russia and other countries of Eastern Europe,
- (2) the advancement of education of the public in the history, arts, music and language of Russia and other countries in Eastern Europe, and
- (3) to promote such other purposes for the benefit of the public throughout the world as deemed by English Law to be charitable

The Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how it meets the public benefit objectives outlined in section 4 of the Charities Act 2006. They are satisfied that the Future of Russia Foundation meets the requirements and conforms with the Act's definition of a charity meeting all elements of the two key principles.

Organisation

Details of the Trustees serving since the last Trustee's report are as follows

Farrer & Co Trust Corporation Limited (resigned 25 January 2013)

James Thorne (resigned 25 January 2013)

Lord Rothschild (appointed 25 January 2013)

Tim Osborne (appointed 25 January 2013)

S J P Trust Corporation Limited (appointed 25 January 2013)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of Future of Russia Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 charity will continue in business

FUTURE OF RUSSIA FOUNDATION

REPORT OF THE TRUSTEES (continued)

FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012

Reserves policy

The assets of the Foundation are held largely in the form of an expendable endowment. The original donation of £10,000,000 is held as expendable endowment with the aim of preserving the capital value in order to generate future income. The unrestricted income fund represents the balance of interest earned on the expendable endowment for the Trustees to spend on charitable activities.

The adequacy of the reserves is reviewed annually.

Grant making policy

Following advice received from the Foundation's solicitors, and endorsed by the Charity Commission, the Trustees suspended grant making activities.

The Trustees are currently investigating the revival of the Foundation, with a view to the Foundation adopting a grant making policy in the near future.

Financial review

	15 months ended 31 December 2012 £	Year ended 30 September 2011 £
Incoming resources for the period		
Investment income	31,204	25,135
Investment management and administration expenses were	37,111	34,457
Total net assets of the Foundation decreased by	(6,431)	(9,322)

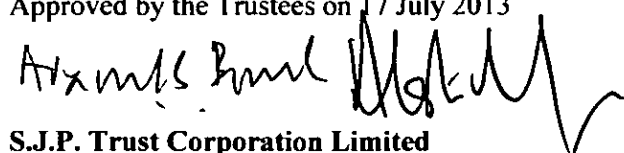
Investment policy

The Trustees are holding the funds in accordance with professional advice obtained from Smith & Williamson Investment Management (until January 2013) and Windmill Hill Asset Management (from January 2013).

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Foundation faces and confirms that the necessary steps have been taken to minimise these risks.

Approved by the Trustees on 17 July 2013


S.J.P. Trust Corporation Limited

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012**

I report on the accounts of the company for the period ended 31 December 2012, which are set out on pages 5 to 9

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 period 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, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Cara Turtington FCA DChA
Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

22 August 2013

FUTURE OF RUSSIA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012

	Notes	Unrestricted funds - Income 2012 £	Expendable endowment 2012 £	Total 15 months ended 31 December 2012 £	Total Year ended 30 September 2011 £
Incoming resources:					
Investment income	2	31,204	-	31,204	25,135
Total incoming resources		31,204	-	31,204	25,135
Resources expended					
Costs of generating funds		524	-	524	560
Governance costs					
Governance costs		37,111	-	37,111	33,897
Total resources expended	3	37,635	-	37,635	34,457
Net (outgoing) resources		(6,431)	-	(6,431)	(9,322)
Net movement in funds for the period		(6,431)	-	(6,431)	(9,322)
Balances brought forward at 30 September 2011		2,552,470	10,000,000	12,552,470	12,561,792
Balances carried forward at 31 December 2012	4	2,546,039	10,000,000	12,546,039	12,552,470

The Statement of Financial Activities includes all gains and losses recognised in the period

All incoming resources and resources expended derive from continuing activities

The notes on pages 8 and 9 form part of the financial statements.

FUTURE OF RUSSIA FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	Unrestricted funds - Income £	Expendable endowment £	As at 31 December 2012 £	As at 30 September 2011 £
Fixed assets					
Investment cash balances held on deposit		2,559,673	10,000,000	12,559,673	12,567,169
		<u>2,559,673</u>	<u>10,000,000</u>	<u>12,559,673</u>	<u>12,567,169</u>
Current assets					
Cash at bank		1,996	-	1,996	2,200
		<u>1,996</u>	<u>-</u>	<u>1,996</u>	<u>2,200</u>
Creditors: amounts falling due within one year					
Other creditors		15,630	-	15,630	16,899
		<u>15,630</u>	<u>-</u>	<u>15,630</u>	<u>16,899</u>
Net current (liabilities)		<u>(13,634)</u>	<u>-</u>	<u>(13,364)</u>	<u>(14,699)</u>
Net assets		<u>2,546,039</u>	<u>10,000,000</u>	<u>12,546,039</u>	<u>12,552,470</u>
Financed by:					
Funds	4	<u>2,546,039</u>	<u>10,000,000</u>	<u>12,546,039</u>	<u>12,552,470</u>

The notes on pages 8 and 9 form part of the financial statements

For the period ended 31 December 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements were approved by the Trustees on 17 July 2013


S.J.P. Trust Corporation Limited

Company Registration No: 4529663 (England and Wales)

FUTURE OF RUSSIA FOUNDATION**CASH FLOW STATEMENT****FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012**

		15 months ended 31 December 2012 £	Year ended 30 September 2011 £
Net cash outflow from operating activities	(a)	(7,700)	(11,598)
(Decrease) in investment cash and cash at bank	(b)	(7,700)	(11,598)

**NOTES TO THE CASHFLOW
STATEMENT****(a) Reconciliation of changes in resources to
net cash flow from operating activities**

Net (outgoing) resources	(6,431)	(9,322)
(Decrease) in creditors	(1,269)	(2,276)
Net cash outflow from operating activities	(7,700)	(11,598)

**(b) Analysis of the decrease in investment
cash and cash at bank**

Net balance brought forward	12,569,369	12,580,967
Net balance carried forward	12,561,669	12,569,369
	(7,700)	(11,598)

The notes on pages 8 and 9 form part of the financial statements

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice. They also comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

1.2 Incoming resources

Investment income is accounted for on a receivable basis.

Donations are accounted for in the year in which the Foundation is entitled to receipt.

1.3 Resources expended

Expenditure is included on an accruals basis.

Governance costs include those costs of administering the charity as a legal entity.

1.4 Grants and donations

Grants and donations payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, and therefore recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as an expense.

1.5 Investments

All investments are currently held as cash deposit and are included at cost at the year end.

1.6 Fund accounting

The original donation of £10,000,000 is held as expendable endowment with the aim of preserving the capital value in order to generate future income. The unrestricted income fund represents the balance of interest earned on the expendable endowment for the Trustees to spend on charitable activities.

2 Investment income

	15 months to 31 December 2012 £	Year ended 30 September 2011 £
Bank deposit interest	<u>31,204</u>	<u>25,135</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2012

3 Resources expended

No grants were made in 2012 or 2011

	Unrestricted funds - Income 2012 £	Expendable endowment 2012 £	Total 15 months ended 31 December 2012 £	Total Year ended 30 September 2011 £
Notes				
Professional and administrative fees	34,471	-	34,471	30,657
Independent examiner fee	2,640	-	2,640	2,640
Audit fee	-	-	-	600
Bank charges	524	-	524	560
	<u>37,635</u>	<u>-</u>	<u>37,635</u>	<u>34,457</u>

No remuneration or reimbursement of expenses was received by the Trustees in the period (2011 Nil)

4 Funds

The Income Fund represents the balance of income from all sources after deduction of donations and other necessary expenditure

The Expendable Endowment Fund represents all the other assets of the Foundation. The original donation of £10,000,000 is held as expendable endowment with the aim of preserving the capital value in order to generate future income