

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

**FUTURE OF RUSSIA FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2010**



***Saffery Champness***  
CHARTERED ACCOUNTANTS

# **FUTURE OF RUSSIA FOUNDATION**

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## **FUTURE OF RUSSIA FOUNDATION**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Farrer & Co Trust Corporation Limited James Thorne
<b>Bankers</b>	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
<b>Solicitors</b>	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
<b>Auditors</b>	Saffery Champness Lion House Red Lion Street London WC1R 4GB
<b>Investment advisers</b>	Smith & Williamson Investment Management 25 Moorgate London EC2R 6AY
<b>Registered Address</b>	66 Lincoln's Inn Fields London WC2A 3LH
<b>Registered company number</b>	4529663
<b>Registered charity number</b>	1093811
<b>Company Secretary</b>	Tyrolese (Secretarial) Limited 66 Lincoln's Inn Fields London WC2A 3LH

## **FUTURE OF RUSSIA FOUNDATION**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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The Trustees present their annual report and the financial statements for the year ended 30 September 2010

#### **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  
James Thorne (Appointed 30 September 2010)

On 9 November 2005, a sole Corporate Trustee was appointed to administer the Foundation's activities and is responsible for all matters relating to the governance of the Foundation and its assets. A second Trustee was appointed 30 September 2010.

#### **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 year 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 YEAR ENDED 30 SEPTEMBER 2010**

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The Trustees are responsible for keeping proper accounting records that 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.

#### **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. On 9 November 2005, a sole Corporate Trustee was appointed to take on the responsibility of Trustee of the Foundation and to hold the Foundation's assets during this period of dormancy. A second Trustee was appointed on 30 September 2010.

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.

<b>Financial review</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Incoming resources for the year		
Investment income	<b>25,015</b>	<b>153,155</b>
Donations received	<b>61,359</b>	<b>-</b>
Grants paid	<b>64,000</b>	<b>-</b>
Investment management and administration expenses were	<b>32,430</b>	<b>59,779</b>
Total net assets of the Foundation (decreased)/increased by	<b>(10,056)</b>	<b>93,376</b>

#### **Investment policy**

The Trustees are holding the funds in accordance with professional advice obtained from Smith & Williamson Investment Management.

#### **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.

**FUTURE OF RUSSIA FOUNDATION**

**REPORT OF THE TRUSTEES (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

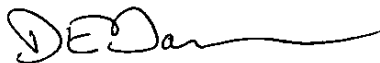
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**Auditors**

Saffery Champness have expressed their willingness to continue as auditors

Approved by the Trustees on *27 JUNE*

2011



**Farrer & Co Trust Corporation Limited**

*DIANA DAVIDSON*

For and on behalf of

**Farrer & Co Trust Corporation Limited**

## **FUTURE OF RUSSIA FOUNDATION**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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We have audited the financial statements on pages 6 to 10. 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).

This report is made solely to the company's members, 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the 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 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 charity'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 report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the charity's state of affairs as at 30 September 2010 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 Companies Act 2006.

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

In our opinion 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.

#### **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 or,

Cara Turtington (Senior Statutory Auditor)  
For and on behalf of

Saffery Champness	Lion House
Chartered Accountants	Red Lion Street
Statutory Auditors	London
	WC1R 4GB

28 June 2011

**FUTURE OF RUSSIA FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	Unrestricted funds - Income £	Expendable endowment £	Total 2010 £	Total 2009 £
<b>Incoming resources:</b>					
Investment income	2	25,015	-	25,015	153,155
Donations received		61,359	-	61,359	-
<b>Total incoming resources</b>		<u>86,374</u>	<u>-</u>	<u>86,374</u>	<u>153,155</u>
<b>Resources expended</b>					
<b>Charitable activities</b>					
Grant-making		64,000	-	64,000	-
<b>Governance costs</b>					
Governance costs		32,430	-	32,430	59,779
<b>Total resources expended</b>	3	<u>96,430</u>	<u>-</u>	<u>96,430</u>	<u>59,779</u>
Net (outgoing) / incoming resources		<u>(10,056)</u>	<u>-</u>	<u>(10,056)</u>	<u>93,376</u>
Net movement in funds for the year		<u>(10,056)</u>	<u>-</u>	<u>(10,056)</u>	<u>93,376</u>
Balances brought forward at 30 September 2009		2,571,848	10,000,000	12,571,848	12,478,474
<b>Balances carried forward at 30 September 2010</b>	4	<u>2,561,792</u>	<u>10,000,000</u>	<u>12,561,792</u>	<u>12,571,848</u>

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

All incoming resources and resources expended derive from continuing activities

The notes on pages 9 and 10 form part of the financial statements



# FUTURE OF RUSSIA FOUNDATION

## BALANCE SHEET AS AT 30 SEPTEMBER 2010

	Note	Unrestricted Funds - Income £	Expendable endowment £	Total 2010 £	Total 2009 £
<b>Fixed assets</b>					
Investment cash balances held on deposit		2,574,034	10,000,000	12,574,034	12,619,556
		<u>2,574,034</u>	<u>10,000,000</u>	<u>12,574,034</u>	<u>12,619,556</u>
<b>Current assets</b>					
Accrued interest income		-	-	-	363
Cash at bank		6,933	-	6,933	43,754
		<u>6,933</u>	<u>-</u>	<u>6,933</u>	<u>44,117</u>
<b>Creditors: amounts falling due within one year</b>					
Professional fees		-	-	-	61,359
Other creditors		19,175	-	19,175	30,466
		<u>19,175</u>	<u>-</u>	<u>19,175</u>	<u>91,825</u>
<b>Net Current Assets</b>		<u>(12,242)</u>	<u>-</u>	<u>(12,242)</u>	<u>(47,708)</u>
<b>Net assets</b>		<u>2,561,792</u>	<u>10,000,000</u>	<u>12,561,792</u>	<u>12,571,848</u>
<b>Financed by:</b>					
<b>Funds</b>	4	<u>2,561,792</u>	<u>10,000,000</u>	<u>12,561,792</u>	<u>12,571,848</u>

The notes on pages 9 and 10 form part of the financial statements

The financial statements were approved by the Trustees on *27 JUNE* 2011

  
Farrer & Co Trust Corporation Limited

*DIANA DANDSON*  
For and on behalf of  
Farrer & Co Trust Corporation Limited

Company Registration No: 4529663 (England and Wales)

**FUTURE OF RUSSIA FOUNDATION****CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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		<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
<b>Net cash flow from operating activities</b>	<b>(a)</b>	<b>(82,343)</b>	<b>152,793</b>
<b>(Decrease)/Increase in investment cash and cash at bank</b>	<b>(b)</b>	<b>(82,343)</b>	<b>152,793</b>

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

Net (outgoing)/incoming resources	<b>(10,056)</b>	<b>93,375</b>
(Increase)/Decrease in debtors	<b>363</b>	<b>1,175</b>
(Decrease)/Increase in creditors	<b>(72,650)</b>	<b>58,243</b>
<b>Net cashflow from operating activities</b>	<b>(82,343)</b>	<b>152,793</b>

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

Net balance brought forward	<b>12,663,310</b>	<b>12,510,517</b>
Net balance carried forward	<b>12,580,967</b>	<b>12,663,310</b>
	<b>(82,343)</b>	<b>152,793</b>

The notes on pages 9 and 10 form part of the financial statements.

# FUTURE OF RUSSIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 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

	2010 £	2009 £
Bank deposit interest	25,015	153,155

### 3 Resources expended

One grant was made in the year to the Arrow Charitable Trust for £64,000 (2009 – no grants made).

	Unrestricted fund £	Expendable endowment £	Total 2010 £	Total 2009 £
Professional and administrative fees	26,618	-	26,618	54,519
Audit fee	5,812	-	5,812	5,260
Other costs	-	-	-	-
	32,430	-	32,430	59,779

No remuneration or reimbursement of expenses was received by the Trustees in either year.

## **FUTURE OF RUSSIA FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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#### **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.