

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

**FUTURE OF RUSSIA FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2013**

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## **FUTURE OF RUSSIA FOUNDATION**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Lord Rothschild Tim Osborne S.J.P.Trust Corporation Limited
<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>Independent Examiner</b>	C Turtington FCA DChA Saffery Champness Lion House Red Lion Street London WC1R 4GB
<b>Investment advisers</b>	Smith & Williamson Investment Management (until January 2013) 25 Moorgate London EC2R 6AY
<b>Registered Address</b>	14 St James's Place London SW1A 1NP
<b>Registered company number</b>	4529663
<b>Registered charity number</b>	1093811

## **FUTURE OF RUSSIA FOUNDATION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013**

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The Trustees present their annual report and the financial statements for the year ended 31 December 2013.

#### **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 Trustees' report are as follows:

Lord Rothschild  
Tim Osborne  
S.J.P.Trust Corporation Limited

#### **Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the 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 YEAR ENDED 31 DECEMBER 2013**

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### **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 an 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**

To honour the wishes of its founders and support educational initiatives, scientific and cultural projects which foster talent among Russians and Eastern Europeans looking to expand their horizons outside Russia.

### **Financial review**

	<b>Year ended 31 December 2013 £</b>	<b>15 months ended 31 December 2012 £</b>
<b>Incoming resources for the period:</b>		
Investment income	<b>25,095</b>	31,204
<b>Resources expended for the period:</b>		
Costs of Generating funds	<b>422</b>	524
Charitable expenditure	<b>204,180</b>	-
Governance costs	<b>26,073</b>	37,111
Total net assets of the Foundation decreased by	<b>(205,580)</b>	(6,431)

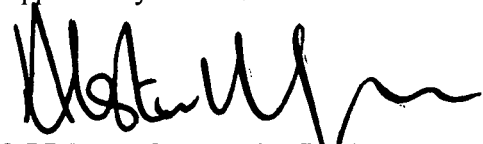
### **Investment policy**

The Trustees are holding the funds in accordance with professional advice obtained from Smith & Williamson Investment Management (until January 2013), the investment policy is currently under review.

### **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 *24<sup>th</sup> June* 2014



**S.J.P Trust Corporation Limited**

## **FUTURE OF RUSSIA FOUNDATION**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013**

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I report on the accounts of the company for the year ended 31 December 2013, which are set out on pages 5 to 10.

#### **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 Turlington FCA DChA  
Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

1 July 2014

# FUTURE OF RUSSIA FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted funds - Income 2013 £	Expendable endowment 2013 £	Total Year ended 31 December 2013 £	Total 15 months ended 31 December 2012 £
<b>Incoming resources:</b>					
Investment income	2	25,095	-	25,095	31,204
<b>Total incoming resources</b>		<u>25,095</u>	<u>-</u>	<u>25,095</u>	<u>31,204</u>
<b>Resources expended</b>					
Costs of generating funds		422	-	422	524
<b>Charitable expenditure</b>					
Grants and donations	3	204,180	-	204,180	-
<b>Governance costs</b>					
Governance costs		<u>26,073</u>	<u>-</u>	<u>26,073</u>	<u>37,111</u>
<b>Total resources expended</b>	4	<u>230,675</u>	<u>-</u>	<u>230,675</u>	<u>37,635</u>
<b>Net (outgoing) resources</b>		<u>(205,580)</u>	<u>-</u>	<u>(205,580)</u>	<u>(6,431)</u>
<b>Net movement in funds for the period</b>		<u>(205,580)</u>	<u>-</u>	<u>(205,580)</u>	<u>(6,431)</u>
Balances brought forward at 31 December 2012		<u>2,546,039</u>	<u>10,000,000</u>	<u>12,546,039</u>	<u>12,552,470</u>
<b>Balances carried forward at 31 December 2013</b>	7	<u>2,340,459</u>	<u>10,000,000</u>	<u>12,340,459</u>	<u>12,546,039</u>

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 - 10 form part of the financial statements.

# FUTURE OF RUSSIA FOUNDATION

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	Unrestricted funds - Income £	Expendable endowment £	As at 31 December 2013 £	As at 31 December 2012 £
<b>Fixed assets</b>					
Investment cash balances held on deposit		2,478,216	10,000,000	12,478,216	12,559,673
		<u>2,478,216</u>	<u>10,000,000</u>	<u>12,478,216</u>	<u>12,559,673</u>
<b>Current assets</b>					
Debtor		7,496	-	7,496	-
Cash at bank		8	-	8	1,996
		<u>7,504</u>	<u>-</u>	<u>7,504</u>	<u>1,996</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>95,961</u>	<u>-</u>	<u>95,961</u>	<u>15,630</u>
		<u>95,961</u>	<u>-</u>	<u>95,961</u>	<u>15,630</u>
<b>Net current / (liabilities)</b>		<u>(88,457)</u>	<u>-</u>	<u>(88,457)</u>	<u>(13,634)</u>
<b>Creditors: amounts falling due after more than one year</b>	6	<u>(49,300)</u>	<u>-</u>	<u>(49,300)</u>	<u>-</u>
<b>Net assets</b>		<u>2,340,459</u>	<u>10,000,000</u>	<u>12,340,459</u>	<u>12,546,039</u>
<b>Financed by:</b>					
<b>Funds</b>	7	<u>2,340,459</u>	<u>10,000,000</u>	<u>12,340,459</u>	<u>12,546,039</u>

The notes on pages 8 - 10 form part of the financial statements.

For the year ended 31 December 2013 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 24<sup>th</sup> June 2014.



S.J.P. Trust Corporation Limited  
Company Registration No: 4529663 (England and Wales)

**FUTURE OF RUSSIA FOUNDATION**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

		<b>Year ended 31 December 2013 £</b>	<b>15 months ended 31 December 2012 £</b>
<b>Net cash outflow from operating activities</b>	<b>(a)</b>	<b>(83,445)</b>	<b>(7,700)</b>
<b>(Decrease) in investment cash and cash at bank</b>	<b>(b)</b>	<b>(83,445)</b>	<b>(7,700)</b>

**NOTES TO THE CASHFLOW  
STATEMENT**

**(a) Reconciliation of changes in resources to  
net cash flow from operating activities**

Net (outgoing) resources	<b>(205,580)</b>	<b>(6,431)</b>
(Increase) in debtors	<b>(7,496)</b>	<b>-</b>
(Decrease) in creditors	<b>(7,109)</b>	<b>(1,269)</b>
Increase in grants commitments	<b>136,740</b>	<b>-</b>
<b>Net cash outflow from operating activities</b>	<b>(83,445)</b>	<b>(7,700)</b>

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

Net balance brought forward	<b>12,561,669</b>	<b>12,569,369</b>
Net balance carried forward	<b>12,478,224</b>	<b>12,561,669</b>
	<b>(83,445)</b>	<b>(7,700)</b>

The notes on pages 8 and 10 form part of the financial statements.



# FUTURE OF RUSSIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 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

	Year ended 31 December 2013 £	15 months to 31 December 2012 £
Bank deposit interest	<u>25,095</u>	<u>31,204</u>

### 3 Charitable expenditure

#### Grants and donations

	2013 £	2012 £
Grants to institutions – Scholarship funding	204,180	-
<b>Total grants and donations</b>	<u>204,180</u>	<u>-</u>

# FUTURE OF RUSSIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

### 3 Charitable expenditure (continued)

Additional reconciliation of grants payable	2013 £	2012 £
Grant commitments accrued at 1 January	-	-
Grant Commitments made during the year	204,180	-
Grants paid in the year	(67,440)	-
Grant commitments accrued at 31 December	136,740	-
Grant commitments falling due in less than one year	87,440	-
Grant commitments falling due in more than one year	49,300	-
	136,740	-

### 4 Resources expended

Notes	Unrestricted funds - Income 2013 £	Expendable endowment 2013 £	Total Year ended 31 December 2013 £	Total 15 months ended 31 December 2012 £
Grants made	204,180	-	204,180	-
Professional and administrative fees	22,807	-	22,807	34,471
Independent examiner fee	2,640	-	2,640	2,640
Audit fee	-	-	-	-
Sundry Expenses	626	-	626	-
Bank charges	422	-	422	524
	230,675	-	230,675	37,635

No remuneration or reimbursement of expenses was received by the Trustees in the period (2012: Nil).

### 5 Creditors – Amounts falling due within one year

	2013 £	2012 £
Other creditors	8,521	15,630
Grant commitments accrued	87,440	-
	95,961	15,630

**FUTURE OF RUSSIA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**6 Creditors – Amounts falling due after more than one year**

	2013 £	2012 £
Grant commitments accrued	<u>49,300</u>	<u>-</u>
	<u>49,300</u>	<u>-</u>

**7 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.