

FUTURE OF RUSSIA FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014



Registered Company Number: 04529663
Registered Charity Number: 1093811

FUTURE OF RUSSIA FOUNDATION

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FUTURE OF RUSSIA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2014

Trustees	Lord Rothschild OM GBE Tim Osborne S.J.P.Trust Corporation Limited
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB
Independent Examiner	C Turtington FCA DChA Saffery Champness Lion House Red Lion Street London WC1R 4GB
Investment advisers	Windmill Hill Asset Management Limited Windmill Hill Silk Street Waddesdon Aylesbury Bucks HP18 0JZ
Registered Address	14 St James's Place London SW1A 1NP
Registered company number	04529663
Registered charity number	1093811

FUTURE OF RUSSIA FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014

The Trustees present their annual report and the financial statements for the year ended 31 December 2014.

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 04529663. 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:

- the advancement of the education of children and young people in Russia and other countries of Eastern Europe;
- the advancement of education of the public in the history, arts, music and language of Russia and other countries in Eastern Europe; and
- 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 2011. 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 OM GBE
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 2014

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

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Incoming resources for the period:		
Investment income	60,291	25,095
Resources expended for the period:		
Costs of Generating funds	43,200	422
Charitable expenditure	119,404	204,180
Governance costs	2,690	26,073
Total resources expended	165,294	230,675
Realised investment losses for the period	(216,556)	-
Unrealised investment gains for the period	305,487	-
Total net assets of the Foundation decreased by	(16,072)	(205,580)

Investment policy

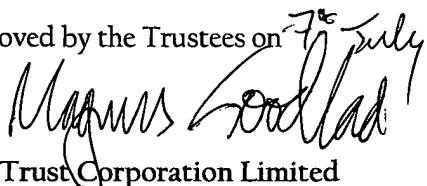
The Trustees are holding the funds in accordance with professional advice obtained from Windmill Hill Asset Management Limited.

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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 7th July 2015



S.J.P Trust Corporation Limited

FUTURE OF RUSSIA FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2014

I report on the accounts of the company for the year ended 31 December 2014 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 Turtington FCA DChA
Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

21 July 2015

FUTURE OF RUSSIA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted funds – Income 2014 £	Expendable endowment 2014 £	Total 2014 £	Total 2013 £
Incoming resources:					
Investment income	2	60,291	-	60,291	25,095
Total incoming resources		<u>60,291</u>	<u>-</u>	<u>60,291</u>	<u>25,095</u>
Resources expended					
Costs of generating funds					
Investment management costs		8,580	34,620	43,200	422
Charitable expenditure					
Grants and donations	3	119,404	-	119,404	204,180
Governance costs					
Governance costs		2,690	-	2,690	26,073
Total resources expended	4	<u>130,674</u>	<u>34,620</u>	<u>165,294</u>	<u>230,675</u>
Net (outgoing) resources before gains and losses		<u>(70,383)</u>	<u>(34,620)</u>	<u>(105,003)</u>	<u>(205,580)</u>
Realised Investment (Losses)					
On fixed asset investments		(4,727)	(19,075)	(23,802)	-
On foreign currency		<u>(192,754)</u>	<u>-</u>	<u>(192,754)</u>	<u>-</u>
Net loss for the year		<u>(267,864)</u>	<u>(53,695)</u>	<u>(321,559)</u>	<u>-</u>
Unrealised Investment Gains/(Losses)					
On fixed asset investments		60,671	244,820	305,491	-
On foreign currency		<u>(4)</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Net (outgoing) resources		<u>(207,197)</u>	<u>191,125</u>	<u>(16,072)</u>	<u>-</u>
Net movement in funds for the Period		<u>(207,197)</u>	<u>191,125</u>	<u>(16,072)</u>	<u>(205,580)</u>
Balances brought forward at 31 December 2013		<u>2,340,459</u>	<u>10,000,000</u>	<u>12,340,459</u>	<u>12,546,039</u>
Balances carried forward at 31 December 2014	8	<u>2,133,262</u>	<u>10,191,125</u>	<u>12,324,387</u>	<u>12,340,459</u>

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

The profit for the purpose of the Companies Act 2006 is the net loss for the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 - 10 form part of the financial statements.

FUTURE OF RUSSIA FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	Unrestricted funds – Income £	Expendable endowment £	2014 £	2013 £
Fixed assets					
Investments	5	2,257,057	10,191,125	12,448,182	12,478,216
		<u>2,257,057</u>	<u>10,191,125</u>	<u>12,448,182</u>	<u>12,478,216</u>
Current assets					
Debtor		-	-	-	7,496
Cash at bank		687	-	687	8
		<u>687</u>	<u>-</u>	<u>687</u>	<u>7,504</u>
Creditors: amounts falling due within one year	6	105,332	-	105,332	95,961
		<u>105,332</u>	<u>-</u>	<u>105,332</u>	<u>95,961</u>
Net current / (liabilities)		<u>(104,645)</u>	<u>-</u>	<u>(104,645)</u>	<u>(88,457)</u>
Creditors: amounts falling due after more than one year	7	(19,150)	-	(19,150)	(49,300)
		<u>(19,150)</u>	<u>-</u>	<u>(19,150)</u>	<u>(49,300)</u>
Net assets		<u>2,133,262</u>	<u>10,191,125</u>	<u>12,324,387</u>	<u>12,340,459</u>
Financed by:					
Funds	8	2,133,262	10,191,125	12,324,387	12,340,459
		<u>2,133,262</u>	<u>10,191,125</u>	<u>12,324,387</u>	<u>12,340,459</u>

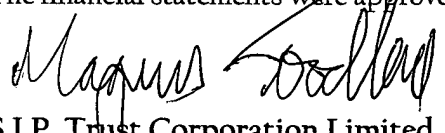
The notes on pages 7 - 10 form part of the financial statements.

For the year ended 31 December 2014 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 7th July 2015


S.J.P. Trust Corporation Limited
Company Registration No: 04529663

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention with the exception of investments which are stated at open market value 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).

b) 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.

c) Resources expended

Expenditure is included on an accruals basis.

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

d) 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.

e) Investments

All investments are currently held as cash deposit or in the WHAM Endowment Fund and are included at fair value at the year end.

f) Fund accounting

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.

2 Investment income

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Dividends received	58,343	-
Bank deposit interest	1,948	25,095
Total investment income	60,291	25,095

3 Charitable expenditure

	2014 £	2013 £
Grants and donations		
Grants to institutions – Scholarship funding	119,404	204,180
Total grants and donations	119,404	204,180

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

3 Charitable expenditure (continued)

Additional reconciliation of grants payable	2014 £	2013 £
Grant commitments accrued at 1 January 2014	136,740	-
Grant Commitments made during the year	119,404	204,180
Grants paid in the year	(134,592)	(67,440)
Grant commitments accrued at 31 December 2014	<u>121,552</u>	<u>136,740</u>
Grant commitments falling due in less than one year	102,402	87,440
Grant commitments falling due in more than one year	<u>19,150</u>	<u>49,300</u>
	<u>121,552</u>	<u>136,740</u>

4 Resources expended

Notes	Unrestricted funds - Income 2014 £	Expendable endowment 2014 £	Total Year ended 31 December 2014 £	Total Year ended 31 December 2013 £
Grants made	119,404	-	119,404	204,180
Professional and administrative fees	-	-	-	22,807
Independent examiner fee	2,400	-	2,400	2,640
Investment management fees	7,218	29,129	36,347	-
Custody Fees	1,275	5,143	6,418	-
Sundry Expenses	290	-	290	626
Bank charges	87	348	435	422
	<u>130,674</u>	<u>34,620</u>	<u>165,294</u>	<u>230,675</u>

No remuneration or reimbursement of expenses was received by the Trustees in the period (2013: Nil).

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Fixed Assets

	2014 £	2013 £
Market value at 31 December 2013	12,478,216	12,559,673
Purchases made in the year	21,358,968	-
Sales proceeds on disposal	(9,316,511)	-
(Decrease)/Increase in investment cash	(12,354,180)	81,457
Investment gains (losses) for the year - realised	(23,802)	-
- unrealised	305,491	-
Market value at 31 December 2014	<u>12,448,182</u>	<u>12,478,216</u>
Historical cost at 31 December 2014	<u>12,146,696</u>	<u>12,478,216</u>
Analysis of market value at 31 December 2014		
	2014 £	2013 £
Collective investment funds	12,324,146	-
Cash on deposit awaiting investment	124,036	12,478,216
	<u>12,448,182</u>	<u>12,478,216</u>

The unrestricted fund holds investments totalling £2.3 million with £10.2 million held in the Endowment fund. Of the total value of investments shown above, £12.3 million is in an overseas fund.

6 Creditors – Amounts falling due within one year

	2014 £	2013 £
Other creditors	2,930	8,521
Grant commitments accrued	<u>102,402</u>	<u>87,440</u>
	<u>105,332</u>	<u>95,961</u>

7 Creditors – Amounts falling due after more than one year

	2014 £	2013 £
Grant commitments accrued 2-5 years	<u>19,150</u>	<u>49,300</u>
	<u>19,150</u>	<u>49,300</u>

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

8 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.

During the year the unrealised gains were £305,491 (2013: Nil).

9 Related Party Transactions

During the year, the Future of Russia Foundation was invoiced for investment management fees of £36,347 (2013: Nil) by Windmill Hill Asset Management Limited. One of the Trustees and one of the Directors of the corporate trustee, S.J.P Trust Corporation Limited, serve as Directors of Windmill Hill Asset Management Limited.