

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

FUTURE OF RUSSIA FOUNDATION
TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2009

WEDNESDAY



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COMPANIES HOUSE

Saffery Champness
CHARTERED ACCOUNTANTS

FUTURE OF RUSSIA FOUNDATION

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FUTURE OF RUSSIA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Farrer & Co 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
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Investment advisers	Smith & Williamson Investment Management 25 Moorgate London EC2R 6AY
Registered Address	66 Lincoln's Inn Fields London WC2A 3LH
Registered company number	4529663
Registered charity number	1093811
Company Secretary	Tyrolese (Secretarial) Limited 66 Lincoln's Inn Fields London WC2A 3LH

FUTURE OF RUSSIA FOUNDATION
REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 30 SEPTEMBER 2009

The Trustee presents its annual report and the financial statements for the year ended 30 September 2009.

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 Trustee, who is also the director of the company. The Trustee has the power to delegate day to day administration and investment activities to suitably qualified individuals and organisations. The Trustee is appointed by the members of the company. Additional trustees may be appointed by the Trustee 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

Organisation

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

Farrer & Co Trust Corporation Limited

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

Statement of Trustee's responsibilities

The trustee (who is also the director of Future of Russia Foundation for the purposes of company law) is 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 trustee 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.

The trustee is 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.

FUTURE OF RUSSIA FOUNDATION

REPORT OF THE TRUSTEE (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2009

In so far as the trustee is 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 Trustee 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 Trustee has suspended grant-making activities for the foreseeable future.

On 9th 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.

Financial review	2009	2008
	£	£
Incoming resources for the year		
Investment income	153,155	653,499
Investment management and administration expenses were	59,779	(10,037)
Total net assets of the Foundation increased by	93,376	663,536

Investment policy

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

Risk Management

The Trustee has 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

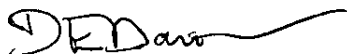
REPORT OF THE TRUSTEE (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Auditors

Saffery Champness have expressed their willingness to continue as auditors

Approved by the Trustee on *24 JUNE* 2010



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 TRUSTEE FOR THE YEAR ENDED 30 SEPTEMBER 2009

We have audited the financial statements on pages 6 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

The trustee (who is also the director of the company for the purposes of company law) responsibilities for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustee's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustee's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

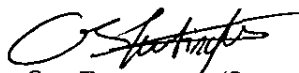
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the charity's state of affairs as at 30 September 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustee's Report is consistent with the financial statements.



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

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

28 June 2010

FUTURE OF RUSSIA FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	Unrestricted funds - Income £	Expendable endowment £	Total 2009 £	Total 2008 £
Incoming resources:					
Investment income	2	153,155	-	153,155	653,499
Total incoming resources		<u>153,155</u>	<u>-</u>	<u>153,155</u>	<u>653,499</u>
Resources expended					
Governance costs					
Governance costs	3	<u>59,779</u>	<u>-</u>	<u>59,779</u>	<u>(10,037)</u>
Total resources expended		<u>59,779</u>	<u>-</u>	<u>59,779</u>	<u>(10,037)</u>
Net incoming resources		93,376	-	93,376	663,536
Net movement in funds for the year		<u>93,376</u>	<u>-</u>	<u>93,376</u>	<u>663,536</u>
Balances brought forward at 30 September 2008		2,478,472	10,000,000	12,478,472	11,814,936
Balances carried forward at 30 September 2009	4	<u>2,571,848</u>	<u>10,000,000</u>	<u>12,571,848</u>	<u>12,478,472</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 2009

	Note	Unrestricted Funds - Income £	Expendable endowment £	Total 2009 £	Total 2008 £
Fixed assets					
Investment cash balances held on deposit		2,619,556	10,000,000	12,619,556	12,465,615
		<u>2,619,556</u>	<u>10,000,000</u>	<u>12,619,556</u>	<u>12,465,615</u>
Current assets					
Accrued interest income		363	-	363	1,537
Cash at bank		43,754	-	43,754	44,902
		<u>44,117</u>	<u>-</u>	<u>44,117</u>	<u>46,440</u>
Creditors: amounts falling due within one year					
Professional fees		61,359	-	61,359	21,679
Other creditors		30,466	-	30,466	11,903
		<u>91,825</u>	<u>-</u>	<u>91,825</u>	<u>33,582</u>
Net Current Assets		(47,708)	-	(47,708)	13,858
Net assets		<u>2,571,848</u>	<u>10,000,000</u>	<u>12,571,848</u>	<u>12,478,472</u>
Financed by:					
Funds	4	<u>2,571,848</u>	<u>10,000,000</u>	<u>12,571,848</u>	<u>12,478,472</u>

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

The financial statements were approved by the Trustee on *24 JUNE* 2010.



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

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 2009

		2009	2008
		£	£
Net cash flow from operating activities	(a)	152,793	687,677
Increase in investment cash and cash at bank	(b)	152,793	687,677

NOTES TO THE CASHFLOW STATEMENT

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

Net incoming resources	93,375	633,536
Decrease/(increase) in debtors	1,175	34,178
Increase in creditors	58,243	(10,036)
Net cashflow from operating activities	152,793	687,677

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

Net balance brought forward	12,510,517	11,822,840
Net balance carried forward	12,663,310	12,510,517
	152,793	687,677

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 2009

1 Accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention. 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 Trustee to spend on charitable activities.

2 Investment income

	2009 £	2008 £
Bank deposit interest	153,155	653,499

3 Governance costs

	Unrestricted fund £	Expendable endowment £	Total 2009 £	Total 2008 £
Professional and administrative fees	54,519	-	54,519	17,463
Audit fee	5,260	-	5,260	2,500
Credit in the year	-	-	-	(30,000)
	59,779	-	59,779	(10,037)

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

FUTURE OF RUSSIA FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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