

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

FUTURE OF RUSSIA FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2011



FUTURE OF RUSSIA FOUNDATION

CONTENTS

	Page
Legal and administrative information	1
Report of the trustees	2
Report of the independent examiner	4
Statement of financial activities	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8-9

FUTURE OF RUSSIA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Farrer & Co Trust Corporation Limited James Thorne
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 ACA DChA 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 TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2011

The Trustees present their annual report and the financial statements for the year ended 30 September 2011

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

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 on 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 2011

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.

Financial review	2011 £	2010 £
Incoming resources for the year		
Investment income	25,135	25,015
Donations received	-	61,359
Grants paid	-	64,000
Investment management and administration expenses were	34,457	32,430
Total net assets of the Foundation decreased by	(9,322)	(10,056)

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.

Approved by the Trustees on 8 June 2012


Farrer & Co Trust Corporation Limited

FARRER & CO TRUST CORPORATION LTD

FUTURE OF RUSSIA FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2011

I report on the accounts of the company for the year ended 30 September 2011, 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 year 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 ACA DChA
Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

13 June 2012

FUTURE OF RUSSIA FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	Note	Unrestricted funds - Income £	Expendable endowment £	Total 2011 £	Total 2010 £
Incoming resources:					
Investment income	2	25,135	-	25,135	25,015
Donations received		-	-	-	61,359
Total incoming resources		<u>25,135</u>	<u>-</u>	<u>25,135</u>	<u>86,374</u>
Resources expended					
Costs of generating funds		560	-	560	-
Charitable activities					
Grant-making		-	-	-	64,000
Governance costs					
Governance costs		<u>33,897</u>	<u>-</u>	<u>33,897</u>	<u>32,430</u>
Total resources expended	3	<u>34,457</u>	<u>-</u>	<u>34,457</u>	<u>96,430</u>
 Net (outgoing) resources		<u>(9,322)</u>	<u>-</u>	<u>(9,322)</u>	<u>(10,056)</u>
 Net movement in funds for the year		(9,322)	-	(9,322)	(10,056)
 Balances brought forward at 30 September 2010		2,561,792	10,000,000	12,561,792	12,571,848
 Balances carried forward at 30 September 2011	4	<u>2,552,470</u>	<u>10,000,000</u>	<u>12,552,470</u>	<u>12,561,792</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 8 and 9 form part of the financial statements

FUTURE OF RUSSIA FOUNDATION

BALANCE SHEET

AS AT 30 SEPTEMBER 2011

	Note	Unrestricted Funds - Income £	Expendable endowment £	Total 2011 £	Total 2010 £
Fixed assets					
Investment cash balances held on deposit		2,567,169	10,000,000	12,567,169	12,574,034
		<u>2,567,169</u>	<u>10,000,000</u>	<u>12,567,169</u>	<u>12,574,034</u>
Current assets					
Cash at bank		2,200	-	2,200	6,933
		<u>2,200</u>	<u>-</u>	<u>2,200</u>	<u>6,933</u>
Creditors: amounts falling due within one year					
Other creditors		16,899	-	16,899	19,175
		<u>16,899</u>	<u>-</u>	<u>16,899</u>	<u>19,175</u>
Net current (liabilities)		<u>(14,699)</u>	<u>-</u>	<u>(14,699)</u>	<u>(12,242)</u>
Net assets		<u>2,552,470</u>	<u>10,000,000</u>	<u>12,552,470</u>	<u>12,561,792</u>
Financed by:					
Funds	4	<u>2,552,470</u>	<u>10,000,000</u>	<u>12,552,470</u>	<u>12,561,792</u>

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

For the year ended 30 September 2011 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 year 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 8 June 2012.

Farrer & Co Trust Corporation Limited

Helen Boyce
FARRER & CO TRUST CORPORATION LTD

Company Registration No: 4529663 (England and Wales)

FUTURE OF RUSSIA FOUNDATION**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

		2011	2010
		£	£
Net cash outflow from operating activities	(a)	(11,598)	(82,343)
(Decrease) in investment cash and cash at bank	(b)	<u>(11,598)</u>	<u>(82,343)</u>

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

Net (outgoing) resources	(9,322)	(10,056)
Decrease in debtors	-	363
(Decrease) in creditors	<u>(2,276)</u>	<u>(72,650)</u>
Net cash outflow from operating activities	<u>(11,598)</u>	<u>(82,343)</u>

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

Net balance brought forward	12,580,967	12,663,310
Net balance carried forward	<u>12,569,369</u>	<u>12,580,967</u>
	<u>(11,598)</u>	<u>(82,343)</u>

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

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

	2011 £	2010 £
Bank deposit interest	<u>25,135</u>	<u>25,015</u>

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2011

3 Resources expended

In 2011 no grants were made (2010 - £64,000).

	Unrestricted fund £	Expendable endowment £	Total 2011 £	Total 2010 £
Professional and administrative fees	30,657	-	30,657	26,618
Independent examiner fee	2,640	-	2,640	-
Audit fee	600	-	600	5,812
Bank charges	560	-	560	-
	<u>34,457</u>	<u>-</u>	<u>34,457</u>	<u>32,430</u>

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

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