

FUTURE OF RUSSIA FOUNDATION  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019



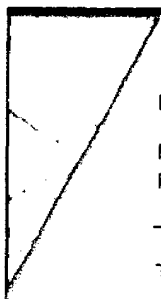
*Registered Company Number: 04529663*  
*Registered Charity Number: 1093811*

FUTURE OF RUSSIA FOUNDATION

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## FUTURE OF RUSSIA FOUNDATION

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2019

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Trustees	B Kennedy (resigned 7 January 2019) K Mallinson (resigned 7 January 2019) S.J.P. Trust Corporation Limited (resigned 7 January 2019) M Logan (appointed 7 January 2019) V Pastukhov (appointed 7 January 2019) J Lough (appointed 7 January 2019) I Nevzlin (appointed 1 October 2019)
Bankers	Northern Trust 50 Bank Street Canary Wharf London E14 5NT
Independent Auditors	Blick Rothenberg Audit LLP Palladium House 1 – 4 Argyll Street London W1F 7LD
Investment advisers	Windmill Hill Asset Management Limited Windmill Hill Silk Street Waddesdon Aylesbury Bucks HP18 0JZ
Registered Address	Palladium House 1 – 4 Argyll Street London W1F 7LD
Registered company number	04529663
Registered charity number	1093811



## FUTURE OF RUSSIA FOUNDATION

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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The Trustees present their annual report and the financial statements for the year ended 31 December 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

#### 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 as set out in its governing document, memorandum and articles, 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:

B Kennedy (resigned 7 January 2019)  
K Mallinson (resigned 7 January 2019)  
S.J.P. Trust Corporation Limited (resigned 7 January 2019)  
M Logan (appointed 7 January 2019)  
V Pastukhov (appointed 7 January 2019)  
J Lough (appointed 7 January 2019)  
I Nevzlin (appointed 1 October 2019)

#### Activities, achievements and performance

During the year to 31 December 2019 the Trustees approved grant funding amounting to £588,575 (2018: £945,957) to a range of institutions. The Trustees are awarding grants and providing funding to support educational initiatives, scientific and cultural projects which foster talent among Russians and Eastern Europeans looking to expand their horizons outside Russia.

The total market value of the Foundation's investment portfolio at 31 December 2019 was £14,325,064 (2018: £13,544,421). The investment portfolio returned 14.4% over the financial year compared with -3.5% for the portfolio's composite benchmark.

## FUTURE OF RUSSIA FOUNDATION

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

#### 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 endowment fund for the Trustees to spend on charitable activities.

The adequacy of the reserves is reviewed annually.

#### Grant making policy

To 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 2019 £	Year ended 31 December 2018 £
Income for the period:		
Investment income	-	-
<b>Expenditure for the period:</b>		
Expenditure on raising funds	91,266	99,475
Expenditure on Foundation activities	635,648	961,570
<b>Total expenditure</b>	<b>(726,914)</b>	<b>(1,061,045)</b>
<b>Net (losses)/gains on investments for the period</b>	<b>1,632,594</b>	<b>(406,647)</b>
<b>Total net assets of the Foundation (decreased)/increased by</b>	<b>905,680</b>	<b>(1,467,692)</b>

#### Investment policy

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

#### Risk Management

The Trustees are responsible for establishing and monitoring internal control systems within the Foundation. The major risks which may impact the activities of the Foundation have been reviewed during the year and the Trustees are satisfied that the systems of financial controls currently in place is adequate, whilst recognising that they are designed to manage rather than eliminate risk. Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Foundation.

The key risk area within the Foundation lies with its investments. The Trustees have established an investment policy to manage their investment risk and investment management reports are reviewed regularly by the Trustees.

**Going concern**

The trustees' have considered whether the charity has been affected by the economic impact and restrictions that have ensued following the Coronavirus pandemic that emerged in March 2020. The coronavirus is expected to have an impact on the future financial period due to a possible decline in charitable income for distribution as a result of changes to world-wide stock markets. However, the actual financial impact on the subsequent financial period is difficult to quantify. Further details regarding the adoption of the going concern basis can be found in the accounting policies note.

**Key management personnel**

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity responsible for directing and controlling the day to day operations. All Trustees give of their time on an unremunerated basis.

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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards (FRS102) 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 30.09. 2020



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M Logan

INDEPENDENT AUDITOR'S REPORT TO THE TO THE TRUSTEES OF FUTURE OF RUSSIA FOUNDATION  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**Opinion**

We have audited the financial statements of the Future of Russia Foundation (the 'Charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on October 2019 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after January 2019.

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2019 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FUTURE OF RUSSIA FOUNDATION (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019

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Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

*In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.*

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Board of Trustees' report;
- sufficient accounts records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FUTURE OF RUSSIA FOUNDATION (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Blick Rothenberg Audit LLP*

Blick Rothenberg Audit LLP  
Palladium House  
1 – 4 Argyll Street  
London  
W1F 7LD

Date: *30<sup>th</sup> September 2020*

Blick Rothenberg Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FUTURE OF RUSSIA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds – General 2019 £	Endowment fund 2019 £	Total 2019 £	Total 2018 £
Income from Investments		-	-	-	-
Total Income		-	-	-	-
Expenditure on raising funds		91,266	-	91,266	99,475
Expenditure on Foundation activities	3	635,648	-	635,648	961,570
Total Expenditure	4	726,914	-	726,914	1,061,045
Net expenditure before gains		(726,914)	-	(726,914)	(1,061,045)
Net gains/(losses) on investment		1,632,594	-	1,632,594	(406,647)
Net income/(expenditure)		905,680	-	905,680	(1,467,692)
Net movement in funds for the year		905,680	-	905,680	(1,467,692)
Balances brought forward at 31 December 2018		3,054,800	10,000,000	13,054,800	14,552,492
Balances carried forward at 31 December 2019	8	3,960,480	10,000,000	13,960,480	13,054,800

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

All income and expenditure derive from continuing activities.

The notes on pages 11 - 16 form part of the financial statements.

FUTURE OF RUSSIA FOUNDATION

BALANCE SHEET

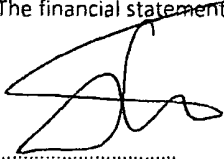
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £ As restated
Fixed assets			
Investments	5	14,325,064	13,544,421
		<u>14,325,064</u>	<u>13,544,421</u>
Creditors: amounts falling due within one year	6	<u>(322,506)</u>	<u>(398,717)</u>
Net current liabilities		<u>(322,506)</u>	<u>(398,717)</u>
Creditors: amounts falling due after more than one year	7	<u>(42,078)</u>	<u>(90,904)</u>
Net assets		<u>13,960,480</u>	<u>13,054,800</u>
Charity funds:			
Endowment funds	8	10,000,000	10,000,000
Unrestricted funds		<u>3,960,480</u>	<u>3,054,800</u>
		<u>13,960,480</u>	<u>13,054,800</u>

The notes on pages 10 - 14 form part of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

The financial statements were approved by the Trustees on 30.09. 2020



M Logan

Company Registration No: 04529663

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**1 Company Information**

The Future of Russia Foundation is private company limited by guarantee incorporated in England and Wales. The registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD.

**2 Accounting policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017 and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

The Future of Russia Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£).

**b) Income**

Investment income is accounted for on a receivable basis.

*Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.*

**c) Expenditure**

Expenditure is included on an accruals basis.

Expenditure on raising funds include those costs of administering the Foundation's investments and consist of investment management fees, custody fees and bank charges.

Expenditure on Foundation activities includes the payment of grants, professional and administration fees and auditor's remuneration.

Governance costs include those costs of administering the Foundation 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.

# FUTURE OF RUSSIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### e) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment gains and losses, whether realised or unrealised, are combined and presented as 'net gains/(losses) on investment' in the Statement of financial activities.

### 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 endowment fund for the Trustees to spend on charitable activities.

### g) Going concern

The trustees have considered whether the charity has been affected by the economic impact and restrictions that have ensued following the Coronavirus pandemic that emerged in March 2020. The coronavirus is expected to have an impact on the future financial period due to a possible decline in charitable income for distribution as a result of changes to world-wide stock markets. However, the actual financial impact on the subsequent financial period is difficult to quantify. Having considered post year end financial results, investments and cash reserves, and after making enquiries, the trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## 3 Expenditure on Foundation activities

	2019 £	2018 £
Grants to institutions	588,575	945,957
Professional and administration fee	-	9,000
Auditors' remuneration – charity audit	6,600	6,600
Auditors' remuneration – accountancy services	9,000	-
Legal expenses	31,468	-
Sundry expenses	5	13
	<u>635,648</u>	<u>961,570</u>
Additional reconciliation of grants payable	2019 £	2018 £
Grant commitments accrued at 1 January 2019	473,007	384,077
Grant commitments made during the year	97,478	945,957
Grants paid in the year	<u>(236,313)</u>	<u>(857,027)</u>
Grant commitments accrued at 31 December 2019	<u>334,172</u>	<u>473,007</u>
Grant commitments falling due in less than one year	292,094	382,103
Grant commitments falling due in more than one year	<u>42,078</u>	<u>90,904</u>
	<u>334,172</u>	<u>473,007</u>

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019

3 Expenditure on Foundation activities (continued)

Grant commitments	2019	2018
	£	£
European Choices	352,342	215,000
Open University	-	178,792
Royal Academy of Music	25,000	127,770
Chatham House	-	100,000
Pushkin House	-	64,895
Royal College of Music	82,800	56,000
Shadwell Opera	-	-
Other grants less than £50,000	128,433	203,500
Total grants offered in the year	<u>588,575</u>	<u>945,957</u>

4 Total Expenditure

	Unrestricted funds Income 2019 £	Endowment fund 2019 £	Total Year ended 31 December 2019 £	Total Year ended 31 December 2018 £
Expenditure on Foundation activities				
Grants made	588,575	-	588,575	945,957
Professional and administrative fee	-	-	-	9,000
Auditors' remuneration – accountancy services	9,000	-	9,000	-
Auditors' remuneration – charity audit	6,600	-	6,600	6,600
Legal and consultancy fees	31,468	-	31,468	-
Sundry Expenses	5	-	5	13
	<u>635,648</u>	<u>-</u>	<u>635,648</u>	<u>961,570</u>
Expenditure on raising funds				
Investment management fees	81,266	-	81,266	89,475
Custody Fees	10,000	-	10,000	10,000
	<u>91,266</u>	<u>-</u>	<u>91,266</u>	<u>99,475</u>
Total Expenditure	<u>726,914</u>	<u>-</u>	<u>726,914</u>	<u>1,061,045</u>

No remuneration, benefits in kind or reimbursement of expenses was received by the Trustees in the year (2018: Nil).

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019

5 Fixed Assets

	2019	2018
	£	£
Market value at 31 December 2018	13,544,421	14,912,433
Sales proceeds on disposal	(1,175,000)	(886,000)
(Decrease)/Increase in investment cash	323,049	(75,313)
Investment gains/(losses) for the year - realised	357,009	247,173
- unrealised	1,275,585	(653,872)

Market value at 31 December 2019	<u>14,325,064</u>	<u>13,544,421</u>
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Historical cost at 31 December 2019	<u>9,607,592</u>	<u>10,102,533</u>
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Analysis of market value at 31 December 2019

	2019	2018
	£	£
Collective investment funds	14,003,166	13,545,572
Cash on deposit awaiting investment	<u>321,898</u>	<u>(1,151)</u>
	<u>14,325,064</u>	<u>13,544,421</u>

6 Creditors – Amounts falling due within one year

	2019	2018
	£	£
Other creditors	30,412	16,612
Grant commitments accrued	<u>292,094</u>	<u>382,105</u>
	<u>322,506</u>	<u>398,717</u>

7 Creditors – Amounts falling due after more than one year

	2019	2018
	£	£
Grant commitments accrued	<u>42,078</u>	<u>90,904</u>

8 Related Party Transactions

During the year, the Future of Russia Foundation was invoiced for investment management fees of £81,267 (2018: £89,475) by Windmill Hill Asset Management Limited. One of the Directors of the former corporate trustee, S.J.P Trust Corporation Limited which resigned their services to the charity on 7 January 2019, served as a Director of Windmill Hill Asset Management Limited during this period.

During the year, the Future of Russia Foundation was invoiced for accounting and administration fees of £Nil (2018: £9,000) by J Rothschild Services Limited. A number of the Directors of the former corporate trustee, S.J.P Trust Corporation Limited which resigned their services to the charity on 7 January 2019, served as Directors of J Rothschild Services Limited during this period.



# FUTURE OF RUSSIA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Funds

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.

Income arising on this endowment fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investment form part of the unrestricted fund income.

Investment management fees, commission and legal advice relating to the fund are charged against the fund.

Unrestricted funds represent the balance of interest earned on the expendable endowment for the Trustees to spend on charitable activities.

Statement of funds – current year	Balance at 1 January 2019	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2019
	£	£	£	£	£
Unrestricted funds	3,054,800	-	(726,914)	1,632,594	3,960,480
Endowment funds	10,000,000	-	-	-	10,000,000
<b>Total funds</b>	<b>13,054,800</b>	<b>-</b>	<b>(726,914)</b>	<b>1,632,594</b>	<b>13,960,480</b>

Statement of funds – prior year	Balance at 1 January 2018	Income	Expenditure	Gains/(Losses)	Balance at 31 December 2018
	£	£	£	£	£
Unrestricted funds	4,522,492	-	(1,061,045)	(402,647)	3,054,800
Endowment funds	10,000,000	-	-	-	10,000,000
<b>Total funds</b>	<b>14,522,492</b>	<b>-</b>	<b>(1,061,045)</b>	<b>(406,647)</b>	<b>13,054,800</b>

### 10 Analysis of net assets between funds

Analysis of net assets between funds – current year	Unrestricted funds 2019	Endowment funds 2019	Total Funds 2019
	£	£	£
Fixed assets	4,325,064	10,000,000	14,325,064
Creditors within one year	(322,506)	-	(322,506)
Creditors due in more than one year	(42,078)	-	(42,078)
<b>Total</b>	<b>3,960,480</b>	<b>10,000,000</b>	<b>13,960,480</b>

FUTURE OF RUSSIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019

9 Funds (continued)  
Analysis of net assets between funds (continued)

Analysis of net assets between funds – prior year	Unrestricted funds 2018 £	Endowment funds 2018 £	Total Funds 2018 £
Fixed assets	3,544,421	10,000,000	13,544,421
Creditors within one year	(398,717)	-	(398,717)
Creditors due in more than one year	(90,904)	-	(90,904)
Total	3,054,800	10,000,000	13,054,800

10 Prior period adjustment

A prior period adjustment arose following the re-instatement of the original endowment funds of £10m with the balance of interest earned on the endowment fund shown as unrestricted funds in line with the charity's reserves policy. As a result, unrestricted funds as at 1 January 2019 have increased by £2,915,405, and correspondingly the endowment funds have decreased by £2,915,405.