

Registered number: 04529663  
Charity number: 1093811

**FUTURE OF RUSSIA FOUNDATION**  
(A company limited by guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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**FUTURE OF RUSSIA FOUNDATION**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>Trustees</b>	M Logan J Lough I Nevzlin V Pastukhov
<b>Company registered number</b>	04529663
<b>Charity registered number</b>	1093811
<b>Registered office</b>	16 Great Queen Street Covent Garden London WC2B 5AH
<b>Independent auditors</b>	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
<b>Bankers</b>	Northern Trust 50 Bank Street Canary Wharf London E14 5NT
<b>Investment advisers</b>	Windmill Hill Asset Management Limited Windmill Hill Silk Street Waddesdon Bucks HP18 0JZ

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees present their annual report together with the audited financial statements of the Future of Russia Foundation for the year 1 January 2021 to 31 December 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### **Objectives and activities**

##### **a. Policies and objectives**

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 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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Objectives and activities (continued)**

##### **b. Activities undertaken to achieve objectives**

During the year to 31 December 2021 the Trustees approved grant funding amounting to £357,653 (2020: £398,604) 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 2021 was £15,705,151 (2020: £15,466,338). The investment portfolio returned 5% over the financial year compared with 10.8% for the portfolio's composite benchmark.

##### **c. Organisation**

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

- M Logan
- J Lough
- I Nevzlin
- V Pastukhov

#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Trustees have a 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **b. 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.

##### **c. 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.

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **d. Principal risks and uncertainties**

Equities, as measured by the MSCI World Index, fell by approximately 8.32% for the year to May 2022 and according to the April 2022 World Economic Outlook report, global growth is expected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This contraction is driven by numerous factors including the war in Ukraine which is driving the rise in commodity prices and global inflation as well as the continued impact from the aftermath of the covid-19 pandemic.

#### **e. Financial risk management objectives and policies**

The Trustees have assessed the major risks to which the Fund is exposed, in particular those related to the operations and finances of the Fund, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

#### **Structure, governance and management**

##### **a. Constitution**

Future of Russia Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

##### **b. Methods of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

##### **c. Related party relationships**

As at 31 December 2021 individuals listed below serve as directors of the Corporate Trustee:

- M Logan
- J Lough
- I Nevzlin
- V Pastukhov

##### **d. 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 are 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.

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**FUTURE OF RUSSIA FOUNDATION**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Structure, governance and management (continued)**

**e. 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.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Blick Rothenberg Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
**M Logan**  
Trustee

Date: 14.09.2022

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## **FUTURE OF RUSSIA FOUNDATION**

### **(A company limited by guarantee)**

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees (who are also the directors of the charity 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).

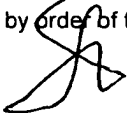
Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 order of the members of the board of Trustees and signed on its behalf by:

M Logan  
Trustee  
Date:

  
14.09.2022

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE OF RUSSIA FOUNDATION**

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#### **Opinion**

We have audited the financial statements of Future of Russia Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 requirements of 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE OF RUSSIA FOUNDATION (CONTINUED)**

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 the 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 but to do so.

# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE OF RUSSIA FOUNDATION (CONTINUED)**

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the Trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, data protection, taxation legislation and Charities Act 2011.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE OF RUSSIA FOUNDATION (CONTINUED)**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditors' report.

#### **Use of our report**

This report is made solely to the charitable company's Trustees, 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 charitable company's Trustees 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Blick Rothenberg Audit LLP*

**Blick Rothenberg Limited**  
Chartered Accountants  
Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 16/09/2022

Blick Rothenberg Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**FUTURE OF RUSSIA FOUNDATION**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income for the period:</b>					
<b>Total income and endowments</b>		-	-	-	-
<b>Expenditure on:</b>					
Charitable activities	3	499,546	-	499,546	576,244
<b>Total expenditure</b>		499,546	-	499,546	576,244
<b>Net movement in funds before other recognised gains</b>		(499,546)	-	(499,546)	(576,244)
<b>Other recognised gains:</b>					
Gains on revaluation of investments	7	807,347	-	807,347	1,869,937
<b>Net movement in funds</b>		307,801	-	307,801	1,293,693
<b>Reconciliation of funds:</b>					
Total funds brought forward		5,254,173	10,000,000	15,254,173	13,960,480
Net movement in funds		307,801	-	307,801	1,293,693
<b>Total funds carried forward</b>		5,561,974	10,000,000	15,561,974	15,254,173

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 23 form part of these financial statements.

**FUTURE OF RUSSIA FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 04529663**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments		15,705,151	15,466,338
Creditors: amounts falling due within one year	8	(143,177)	(212,165)
<b>Net current liabilities</b>		<b>(143,177)</b>	<b>(212,165)</b>
<b>Total assets less current liabilities</b>		<b>15,561,974</b>	<b>15,254,173</b>
<b>Total net assets</b>		<b>15,561,974</b>	<b>15,254,173</b>
<b>Charity funds</b>			
Endowment funds	9	10,000,000	10,000,000
Unrestricted funds	9	5,561,974	5,254,173
<b>Total funds</b>		<b>15,561,974</b>	<b>15,254,173</b>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M Logan

Date:

14.09.2022

The notes on pages 14 to 23 form part of these financial statements.

# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

### **STATEMENT OF CASH FLOWS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(568,533)</b>	<b>(728,663)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	<b>615,000</b>	<b>480,000</b>
<b>Net cash provided by investing activities</b>	<b>615,000</b>	<b>480,000</b>
<b>Change in cash and cash equivalents in the year</b>	<b>46,467</b>	<b>(248,663)</b>
Cash and cash equivalents at the beginning of the year	<b>73,235</b>	<b>321,898</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>119,702</b>	<b>73,235</b>

The notes on pages 14 to 23 form part of these financial statements

# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Future of Russia Foundation is a Registered Charity in England and Wales No. 1093811. Its principal address is 16 Great Queen Street, Covent Garden, London, WC2B 5AH. The members guarantee is limited to £1 in the event of a failure of the charity.

The financial statements are presenting in Sterling (£). Monetary amounts are rounded to the nearest £.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Future of Russia Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### **2.2 Going concern**

After making appropriate enquiries, the Trustees have a 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **2.3 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.

##### **2.4 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.

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**FUTURE OF RUSSIA FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.5 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.

**2.6 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 'Gains on revaluation of investments' in the statement of financial activities.

**2.7 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

**2.8 Financial instruments**

The charity has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The charity's policies for its major classes of financial assets and financial liabilities are set out below.

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**FUTURE OF RUSSIA FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****Financial instruments (continued)****Financial assets**

Basic financial assets, including cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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# **FUTURE OF RUSSIA FOUNDATION**

## **(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **2. Accounting policies (continued)**

##### **Financial instruments (continued)**

##### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **2.9 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Expendable endowment funds are capital funds gifted to the Charity where there is no requirement to spend or apply the capital.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

# FUTURE OF RUSSIA FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grants made	357,653	141,893	499,546	576,244
Total (2020)	398,604	177,640	576,244	

### Analysis of support costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration- accountancy fees	10,800	10,800	12,600
Auditor's remuneration- charity audit fees	7,200	7,200	7,200
Investment management fees	92,798	92,798	85,950
Custody fees	10,000	10,000	10,000
Other professional fees	18,593	18,593	59,703
Subscriptions	2,173	2,173	2,187
Foreign currency loss on translation	329	329	-
	141,893	141,893	177,640

# FUTURE OF RUSSIA FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 4. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grants to institutions	357,653	357,653	398,604

The charity has made the following material grants to institutions during the year:

Name of institution	2021 £	2020 £
Atlantic City Council	-	151,900
Royal College of Music	-	101,000
YouTube Channels	-	76,666
Center for European Policy Analysis	86,371	-
Royal Institute of International Affairs (Chatham House)	146,102	50,000
Open Press	34,375	-
Goryachaya Liniya	36,100	-
Other grants less than £30,000	54,705	19,038
	<u>357,653</u>	<u>398,604</u>

### 5. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

### 6. Employees

The average number of monthly employees during the year was 0 (2020- 0).

# FUTURE OF RUSSIA FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 7. Fixed Asset investment as at 31 December 2021

	2021 £	2020 £
Market value brought forward	15,466,338	14,325,064
Sales proceeds on disposal	(615,000)	(480,000)
Increase/ (decrease) in investment cash	46,466	(248,663)
Investment gains for the year- realised	260,707	164,756
Investment gains for the year- unrealised	546,640	1,705,181
<b>Market value as at 31 December</b>	<b>15,705,151</b>	<b>15,466,338</b>
 Historical cost of portfolio	 <b>8,735,856</b>	 <b>9,043,684</b>

### Analysis of market value at 31 December

	2021 £	2020 £
Collective investment funds	15,585,449	15,393,103
Cash on deposit awaiting investment	119,702	73,235
	<b>15,705,151</b>	<b>15,466,338</b>

### 8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,704	-
Accruals	31,710	28,000
Grant commitments accrued	107,763	184,165
	<b>143,177</b>	<b>212,165</b>

# FUTURE OF RUSSIA FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9. Statement of funds

#### Statement of funds - current year

	Balance at 1 January 2021 £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>				
General Funds - all funds	5,254,173	(499,546)	807,347	5,561,974
<b>Endowment funds</b>				
Endowment Funds - all funds	10,000,000	-	-	10,000,000
<b>Total of funds</b>	<b>15,254,173</b>	<b>(499,546)</b>	<b>807,347</b>	<b>15,561,974</b>

#### Statement of funds - prior year

	Balance at 1 January 2020 £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>				
General Funds - all funds	3,960,480	(576,244)	1,869,937	5,254,173
<b>Endowment funds</b>				
Endowment Funds - all funds	10,000,000	-	-	10,000,000
<b>Total of funds</b>	<b>13,960,480</b>	<b>(576,244)</b>	<b>1,869,937</b>	<b>15,254,173</b>

# FUTURE OF RUSSIA FOUNDATION

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	5,705,151	10,000,000	15,705,151
Creditors due within one year	(143,177)	-	(143,177)
<b>Total</b>	<b>5,561,974</b>	<b>10,000,000</b>	<b>15,561,974</b>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Fixed asset investments	5,466,338	10,000,000	15,466,338
Creditors due within one year	(212,165)	-	(212,165)
<b>Total</b>	<b>5,254,173</b>	<b>10,000,000</b>	<b>15,254,173</b>

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 and support costs.

**FUTURE OF RUSSIA FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(499,546)	(576,244)
<b>Adjustments for:</b>		
Decrease in creditors	(68,987)	(152,419)
<b>Net cash used in operating activities</b>	<b>(568,533)</b>	<b>(728,663)</b>

**12. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash on deposit awaiting investment (note 7)	119,702	73,235
<b>Total cash and cash equivalents</b>	<b>119,702</b>	<b>73,235</b>

**13. Analysis of changes in net debt**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash equivalents	73,235	46,467	119,702
	<b>73,235</b>	<b>46,467</b>	<b>119,702</b>