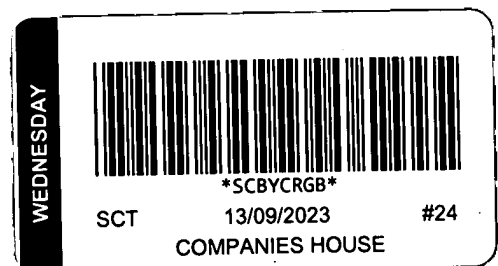


Registered number: 04529663  
Charity number: 1093811

**NEW GENERATION EUROPE FOUNDATION (FORMERLY  
FUTURE OF RUSSIA FOUNDATION)**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**NEW GENERATION EUROPE FOUNDATION**  
**(A company limited by guarantee)**

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**NEW GENERATION EUROPE FOUNDATION**

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

## NEW GENERATION EUROPE FOUNDATION

(A company limited by guarantee)

### TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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The Trustees present their annual report together with the audited financial statements of the New Generation Europe Foundation for the year 1 January 2022 to 31 December 2022. 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 Company 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 New Generation Europe 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)'.

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

During the year to 31 December 2022 the Trustees approved grant funding amounting to £2,136,959 (2021: £357,653) 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 2022 was £21,637,877 (2021: £15,705,151). The investment portfolio has a loss of 3.4% over the financial year compared with 5.1% return for the portfolio's composite benchmark.

**NEW GENERATION EUROPE FOUNDATION**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Objectives and activities (continued)**

**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 Company 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. An additional \$10,000,000 was received in the form of an expendable endowment. This meant the grant is given to the Foundation as capital though there was no restriction on the grant, or any part thereof, being convertible into spendable income by the Foundation to be applied in furtherance of its charitable objects. The discretionary power of whether or not to convert into income, rests with the Board of Trustees of the Foundation. The funds comprised in the grant remained in the nature of capital until converted into income. Any decision to convert funds comprised in the grant into income would require the majority of the Trustees of the Foundation and until such time as any such resolution was passed, the funds comprised in the grant would be invested in accordance with the current investment policies of the Foundation.

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.

**d. Principle risks and uncertainties**

According to the April 2023 World Economic Outlook report, the baseline forecast is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. This contraction is driven by numerous factors including the war in Ukraine which is driving the rise in commodity prices and global inflation.

**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.

**NEW GENERATION EUROPE FOUNDATION**  
(A company limited by guarantee)  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Structure, governance and management**

**a. Constitution**

New Generation Europe Foundation is registered as a charitable company limited by guarantee and was set up by a Trust deed.

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

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

**c. Related party relationships**

As at 31 December 2022 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.

**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 auditor**

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

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that 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 auditor is aware of that information.

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



M Logan  
Trustee

Date: 4.09.2023

**NEW GENERATION EUROPE FOUNDATION**

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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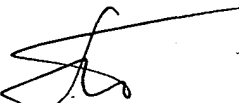
The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Company 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 judgments 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company 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: 4.09.2023

**NEW GENERATION EUROPE FOUNDATION**

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GENERATION EUROPE FOUNDATION**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Opinion**

We have audited the financial statements of New Generation Europe Foundation (the 'charitable company') for the year ended 31 December 2022 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 2022 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 Charities Act 2011.

**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 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.



**NEW GENERATION EUROPE FOUNDATION**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GENERATION EUROPE  
FOUNDATION (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

**NEW GENERATION EUROPE FOUNDATION**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GENERATION EUROPE  
FOUNDATION (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Auditor's 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 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.

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.

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.

**NEW GENERATION EUROPE FOUNDATION**

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW GENERATION EUROPE  
FOUNDATION (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 auditor's report.

**Use of our report**

This report is made solely to the charitable company's Trustees, 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 Trustees those matters we are required to state to them in an auditor's 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 Audit LLP**  
Chartered Accountants  
Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 5 September 2023

**NEW GENERATION EUROPE FOUNDATION**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|   | Note | Unrestricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---|------|------------------------------------|---------------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b>                                      |      |                                    |                                 |                             |                             |
| Donations and legacies  | 3    | -                                  | 8,521,808                       | 8,521,808                   | -                           |
| <b>Total income and endowments</b>                                      |      | -                                  | 8,521,808                       | 8,521,808                   | -                           |
| <b>Expenditure on:</b>  |      |                                    |                                 |                             |                             |
| Charitable activities   | 4    | 2,350,721                          | -                               | 2,350,721                   | 499,546                     |
| <b>Total expenditure</b>  |      | 2,350,721                          | -                               | 2,350,721                   | 499,546                     |
| <b>Net movement in funds before other<br/>recognised gains/(losses)</b> |      | (2,350,721)                        | 8,521,808                       | 6,171,087                   | (499,546)                   |
| <b>Other recognised (losses)/gains:</b>                                 |      |                                    |                                 |                             |                             |
| (Losses)/gains on revaluation of fixed<br>assets                        |      | (727,251)                          | -                               | (727,251)                   | 807,347                     |
| <b>Net movement in funds</b>  |      | (3,077,972)                        | 8,521,808                       | 5,443,836                   | 307,801                     |
| <b>Reconciliation of funds:</b>   |      |                                    |                                 |                             |                             |
| Total funds brought forward   |      | 5,561,974                          | 10,000,000                      | 15,561,974                  | 15,254,173                  |
| Net movement in funds   |      | (3,077,972)                        | 8,521,808                       | 5,443,836                   | 307,801                     |
| <b>Total funds carried forward</b>                                      |      | 2,484,002                          | 18,521,808                      | 21,005,810                  | 15,561,974                  |

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

The notes on pages 13 to 22 form part of these financial statements.

**NEW GENERATION EUROPE FOUNDATION**  
(A company limited by guarantee)

**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Note | 2022<br>£                | 2021<br>£                |
|--|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                          |                          |
| Investments                                    | 8    | 21,637,877               | 15,705,151               |
|  |      | <u>21,637,877</u>        | <u>15,705,151</u>        |
| <b>Current assets</b>                          |      |                          |                          |
| Creditors: amounts falling due within one year | 9    | (632,067)                | (143,177)                |
| <b>Net current liabilities</b>                 |      | <u>(632,067)</u>         | <u>(143,177)</u>         |
| <b>Total assets less current liabilities</b>   |      | <u>21,005,810</u>        | <u>15,561,974</u>        |
| <b>Net assets excluding pension asset</b>      |      | <u>21,005,810</u>        | <u>15,561,974</u>        |
| <b>Total net assets</b>                        |      | <u><u>21,005,810</u></u> | <u><u>15,561,974</u></u> |
| <b>Charity funds</b>                           |      |                          |                          |
| Endowment funds                                | 10   | 18,521,808               | 10,000,000               |
| Unrestricted funds                             | 10   | 2,484,002                | 5,561,974                |
| <b>Total funds</b>                             |      | <u><u>21,005,810</u></u> | <u><u>15,561,974</u></u> |

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: 4. 09. 2023

The notes on pages 13 to 22 form part of these financial statements.

**NEW GENERATION EUROPE FOUNDATION**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | 2022<br>£   | 2021<br>£ |
|--|-------------|-----------|
| <b>Cash flows from operating activities</b>                |             |           |
| Net cash provided by/(used in) operating activities        | 6,609,266   | (568,533) |
| <b>Cash flows from investing activities</b>                |             |           |
| Proceeds from sale of investments                          | 1,200,000   | 615,000   |
| Purchase of investments                                    | (2,100,000) | -         |
| <b>Net cash (used in)/provided by investing activities</b> | (900,000)   | 615,000   |
| <b>Change in cash and cash equivalents in the year</b>     | 5,709,266   | 46,467    |
| Cash and cash equivalents at the beginning of the year     | 119,702     | 73,235    |
| <b>Cash and cash equivalents at the end of the year</b>    | 5,828,968   | 119,702   |

The notes on pages 13 to 22 form part of these financial statements

## NEW GENERATION EUROPE FOUNDATION

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. General information

New Generation Europe 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.

On 22 March 2023 the charity changed its name from Future of Russia Foundation to New Generation Europe Foundation.

The financial statements are presenting in Sterling (£), which is the functional currency of the charity. Monetary amounts in these financial statements 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.

New Generation Europe 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.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

##### 2.4 Expenditure

Expenditure is included on an accruals basis.

Supports costs includes those costs of administering the foundation's investments and consist of investment management fees, custody fees.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

## NEW GENERATION EUROPE FOUNDATION

(A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.4 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching 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 expenditure.

All expenditure is inclusive of irrecoverable VAT.

##### 2.5 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/(Losses) on investments' in the statement of financial activities.

##### 2.6 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 Company 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.

##### 2.7 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.

###### 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.



2. Accounting policies (continued)

**Financial instruments (continued)**

**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.

**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.

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**2. Accounting policies (continued)**

**2.8 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 Company 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 Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Income from donations and legacies**

|        | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|--------|---------------------------------|-----------------------------|-----------------------------|
| Grants | 8,521,808                       | 8,521,808                   | -                           |

The charity received a grant of £8,521,808 from the Khodorkovsky Foundation held as an expendable endowment.

**4. Analysis of expenditure by activities**

|                   | Grant<br>funding of<br>activities<br>2022<br>£ | Support<br>costs<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|-------------------|--|-------------------------------|-----------------------------|-----------------------------|
| Grants made       | 2,136,959                                      | 213,762                       | 2,350,721                   | 499,546                     |
| <b>Total 2022</b> | <b>2,136,959</b>                               | <b>213,762</b>                | <b>2,350,721</b>            | <b>499,546</b>              |
| Total 2021        | 357,653  | 141,893                       | 499,546                     |                             |

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**4. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|   | <b>Activities<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| Auditor's remuneration - accountancy fees   | 14,400                           | 14,400                                | 10,800                                |
| Auditor's remuneration - charity audit fees | 13,200                           | 13,200                                | 7,200                                 |
| Investment management fees                  | 104,906                          | 104,906                               | 92,798                                |
| Custody fees                                | 10,000                           | 10,000                                | 10,000                                |
| Other professional fees                     | 56,172                           | 56,172                                | 18,593                                |
| Subscriptions                               | -                                | -                                     | 2,173                                 |
| Foreign currency loss on translation        | 15,084                           | 15,084                                | 329                                   |
| <b>Total 2022</b>                           | <b>213,762</b>                   | <b>213,762</b>                        | <b>141,893</b>                        |
| <b>Total 2021</b>                           | <b>141,893</b>                   | <b>141,893</b>                        |                                       |

**5. Analysis of grants**

|                        | <b>Grants to<br/>Institutions<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|------------------------|--|---------------------------------------|---------------------------------------|
| Grants to institutions | 2,136,959  | 2,136,959                             | 357,653                               |
| <b>Total 2021</b>      | <b>357,653</b>                                   | <b>357,653</b>                        |                                       |

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

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**5. Analysis of grants (continued)**

|  | 2022<br>£               | 2021<br>£             |
|--|-------------------------|-----------------------|
| <b>Name of institution</b>                               |                         |                       |
| Center for European Policy Analysis                      | 39,855                  | 86,371                |
| Royal Institute of International Affairs (Chatham House) | 58,000                  | 146,102               |
| Open Press   | -                       | 34,375                |
| Goryachaya Liniya  | -                       | 36,100                |
| Human Rights Project Management                          | 906,327                 | -                     |
| Analitika One Limited                                    | 458,600                 | -                     |
| Royal College of Music                                   | 133,900                 | -                     |
| Eastern Europe Research Foundation                       | 111,018                 | -                     |
| Free Russia foundation                                   | 81,596                  | -                     |
| Civic ideas  | 66,338                  | -                     |
| Les Steppes Productions                                  | 43,657                  | -                     |
| Writers and Scholars International Limited               | 40,000                  | -                     |
| Explorer Picture Ltd                                     | 40,000                  | -                     |
| Public Institution Resource Centre                       | 38,004                  | -                     |
| IVY Film Oy  | 30,255                  | -                     |
|  | <u>2,047,550</u>        | <u>302,948</u>        |
| Other grants less than £30,000                           | 89,409                  | 54,705                |
|  | <u><u>2,136,959</u></u> | <u><u>357,653</u></u> |

**6. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

**7. Employees**

The average number of monthly employees during the year was 0 (2021 - 0).

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**8. Fixed asset investment as at 31 December 2022**

|   | 2022<br>£         | 2021<br>£         |
|---|-------------------|-------------------|
| Market value brought forward            | 15,705,151        | 15,466,338        |
| Sales proceeds on disposal              | (1,200,000)       | (615,000)         |
| Securities brought                      | 2,100,000         | -                 |
| Increase in investment cash             | 5,709,267         | 46,466            |
| Investment gains for the year- realised | 492,375           | 260,707           |
| Investment gains- unrealised            | (1,168,916)       | 546,640           |
|   | <u>21,637,877</u> | <u>15,705,151</u> |

**Market value as at 31 December**

|                              |                   |                  |
|------------------------------|-------------------|------------------|
| Historical cost of portfolio | <u>15,837,497</u> | <u>8,735,856</u> |
|------------------------------|-------------------|------------------|

| 2022<br>£ | 2021<br>£ |
|-----------|-----------|
|-----------|-----------|

**Analysis of market value at 31 December**

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| Collective investment funds         | 15,808,909        | 15,585,449        |
| Cash on deposit awaiting investment | 5,828,968         | 119,702           |
|                                     | <u>21,637,877</u> | <u>15,705,151</u> |

**9. Creditors: Amounts falling due within one year**

|                              | 2022<br>£      | 2021<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | -              | 3,704          |
| Accruals and deferred income | 49,478         | 31,710         |
| Grants commitments accrued   | 582,589        | 107,763        |
|                              | <u>632,067</u> | <u>143,177</u> |

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**10. Statement of funds**

**Statement of funds - current year**

|                             | Balance at 1<br>January<br>2022<br>£ | Income<br>£      | Expenditure<br>£   | Losses<br>£      | Balance at<br>31<br>December<br>2022<br>£ |
|-----------------------------|--------------------------------------|------------------|--------------------|------------------|---|
| <b>Unrestricted funds</b>   |                                      |                  |                    |                  |   |
| General Funds - all funds   | 5,561,974                            | -                | (2,350,721)        | (727,251)        | 2,484,002                                 |
| <b>Endowment funds</b>      |                                      |                  |                    |                  |   |
| Endowment Funds - all funds | 10,000,000                           | 8,521,808        | -                  | -                | 18,521,808                                |
| <b>Total of funds</b>       | <b>15,561,974</b>                    | <b>8,521,808</b> | <b>(2,350,721)</b> | <b>(727,251)</b> | <b>21,005,810</b>                         |

**Statement of funds - prior year**

|                             | Balance at<br>1 January<br>2021<br>£ | Expenditure<br>£ | Gains<br>£     | Balance at<br>31<br>December<br>2021<br>£ |
|-----------------------------|--------------------------------------|------------------|----------------|---|
| <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>                         |

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**11. Analysis of net assets between funds**

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

|                               | Unrestricted<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ |
|-------------------------------|------------------------------------|---------------------------------|-----------------------------|
| Fixed asset investments       | 3,116,069                          | 18,521,808                      | 21,637,877                  |
| Creditors due within one year | (632,067)                          | -                               | (632,067)                   |
| <b>Total</b>                  | <u>2,484,002</u>                   | <u>18,521,808</u>               | <u>21,005,810</u>           |

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

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

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. An additional £8,521,808 received in the year has also been held as an expendable endowment.

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.

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

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 6,171,087        | (499,546)        |
| <b>Adjustments for:</b>  |                  |                  |
| Losses on investments  | (50,711)         | -                |
| Increase/(decrease) in creditors   | 488,890          | (68,988)         |
| <b>Net cash provided by/(used in) operating activities</b>                       | <u>6,609,266</u> | <u>(568,534)</u> |

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**13. Analysis of cash and cash equivalents**

|  | 2022<br>£        | 2021<br>£      |
|--|------------------|----------------|
| Cash on deposit awaiting investment (note 8) | 5,828,968        | 119,702        |
| <b>Total cash and cash equivalents</b>       | <b>5,828,968</b> | <b>119,702</b> |

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

|                  | At 1<br>January<br>2022<br>£ | Cash flows<br>£  | At 31<br>December<br>2022<br>£ |
|------------------|------------------------------|------------------|--------------------------------|
| Cash equivalents | 119,702                      | 5,709,266        | 5,828,968                      |
|                  | <b>119,702</b>               | <b>5,709,266</b> | <b>5,828,968</b>               |