

THE BRITAIN - RUSSIA CENTRE

(A Company Limited by Guarantee)

Registration Number: 696337

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001



The Britain - Russia Centre

Report of the Executive Committee

For the year ended 31st March 2001

The Executive Committee have pleasure in presenting their report and the financial statements for the year ended 31st March 2001.

Review

The objectives of the Centre, all of which are continuing, are to foster on a politically impartial basis professional, cultural and human contacts between the United Kingdom, Russia and other countries of the former Soviet Union.

A detailed review of the Centre's activities during the year and its future prospects is included in an illustrated Annual Report copies of which are available from the Centre.

The income and expenditure account for the year is shown on page 5.

Details of fixed assets are shown in note 7 to the accounts.

Executive Committee

The members of the Executive Committee (who are directors for the purpose of the Companies Act) who served during the year were:

President	The Rt. Hon. Baroness Williams of Crosby	
Chairman	Sir Rodric Braithwaite, GCMG (resigned 25 October 2000)	
	Sir Andrew Wood, GCMG (appointed 25 October 2000)	
Honorary Treasurer	Ralph J. French, OBE	(resigned 25 October 2000)
	Robert Scallon	(appointed 25 October 2000)
Ordinary Members	Michael Binyon, OBE	(appointed 10 March 2001)
	Richard Burton, CBE	(appointed 10 March 2001)
	Godfrey Cromwell	(appointed 14 August 2000)
	James Cant	(appointed 10 March 2001)
	Elisabeth Robson Elliot	(appointed 5 March 2001)
	Professor Michael Holman	(appointed 5 March 2001)
	Professor Geoffrey Hosking	
	Ian McGowan	(appointed 5 March 2001)
	David Morton	
	Dr. Alex Pravda	(appointed 10 March 2001)
	David Winter, OBE	

The Britain - Russia Centre
Report of the Executive Committee
For the year ended 31st March 2001 (Continued)

Executive Committee Responsibilities

In accordance with Company Law and with the Memorandum and Articles of Association, the members of the Executive Committee of The Britain Russia Centre are responsible for the administration and management of the affairs of the Centre and are required to present audited financial statements for each financial year.

Committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Centre and enable them to ensure that the financial statements are prepared in accordance with the Companies Act 1985 and The Accounts Direction given by the Secretary of State for the Foreign and Commonwealth Office and other relevant accounting standards.

In causing the financial statements to be prepared, committee members have to ensure that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Centre will continue in business.

Committee members have taken reasonable steps to:

- ensure that funds from the Foreign and Commonwealth Office are used only for the purposes for which they have been given and in accordance with the Memorandum of Understanding;
- ensure that there are sound financial systems and management controls in place to safeguard public funds;
- safeguard the assets of the Centre and prevent and detect fraud;
- secure the economical, efficient and effective management of the Centre's resources.

Auditors

The auditors, Kingston Smith, have signified their willingness to continue in office.

On behalf of the Executive Committee



Andrew Wood

Chairman

Date: 18th September 2001

The Britain-Russia Centre

Statement of Accounting Officer's Responsibilities

Section 2.2 of the Memorandum of Understanding between The Britain-Russia Centre and the Foreign and Commonwealth Office define the Permanent Under Secretary for Foreign and Commonwealth Affairs as Principal Accounting Officer. The Centre's director is designated by the Principal Accounting Officer as the Centre's Accounting Officer with responsibilities for:

- ensuring that the requirements of Government Accounting are met as defined in the Treasury memorandum "The Responsibilities of an Accounting Officer".
- compliance with the terms of the Memorandum of Understanding with the Foreign and Commonwealth Office.
- ensuring that the accounts of the Centre are properly maintained and presented.
- ensuring that all resources are used economically, efficiently and effectively.

Signed: 

Godfrey Cromwell

Centre Director and Accounting Officer

Independent Auditors' Report to the Members of The Britain - Russia Centre

We have audited the financial statements on pages 5 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Executive Committee and Auditors

As described on page 2, the Executive Committee and Chief Executive are responsible for the preparation of the financial statements in accordance with the Companies Act 1985 and directions made by the Secretary of State for Foreign and Commonwealth Affairs for ensuring the regularity of financial transactions. The Executive Committee and Chief Executive are also responsible for the preparation of the Report of the Executive Committee. Our responsibilities, as independent auditors, are guided by the Auditing Practices Board and the auditing profession's ethical guidance.

We report our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the directions made by the Secretary of State for Foreign and Commonwealth Affairs, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. We also report if, in our opinion the Report of the Executive Committee is not consistent with the financial statements, if the Centre has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

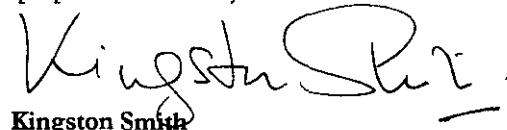
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amount, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Centre's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of The Britain Russia Centre at 31st March 2001 and of the surplus for the year then ended and have been prepared in accordance with the Companies Act 1985 and the directions made by the Secretary of State for Foreign and Commonwealth Affairs; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.



Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 18th September 2001

The Britain - Russia Centre
Income and Expenditure Account
For the year ended 31st March 2001

	Note	2001 £	2000 £
Income			
HM Government grants	2	335,994	398,615
Other grants	2	26,582	86,386
Subscriptions		4,825	22,339
Other operating income		<u>1,964</u>	<u>2,979</u>
		<u>369,365</u>	<u>510,319</u>
Expenditure			
Staff costs	5	116,975	127,591
Depreciation (net of grant)		3,962	3,123
Direct expenditure on projects	3	144,491	309,162
Other operating charges	4	<u>101,984</u>	<u>99,302</u>
		<u>367,412</u>	<u>539,178</u>
Operating Surplus/(Deficit)		1,953	(28,859)
Interest receivable		<u>1,481</u>	<u>1,142</u>
Surplus/(Deficit) on Ordinary Activities before Taxation		3,434	(27,717)
Taxation	6	<u>(131)</u>	<u>(293)</u>
Surplus/(Deficit) on Ordinary Activities after Taxation	11	<u><u>3,303</u></u>	<u><u>(28,010)</u></u>

All gains and losses arising in the year are shown in the Income and Expenditure Account and relate to continuing operations.

The accompanying notes form part of these accounts.

The Britain - Russia Centre

Balance Sheet at 31st March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible assets	7		8,990		11,612
Current Assets					
Debtors	8	18,480		39,975	
Cash at bank and in hand		<u>221,764</u>		<u>30,187</u>	
		240,244		70,162	
Creditors: Amounts falling due within one year	9	<u>(198,808)</u>		<u>(34,651)</u>	
Net Current Assets			<u>41,437</u>		<u>35,511</u>
Total Assets less Current Liabilities			<u>50,426</u>		<u>47,123</u>
 Reserves					
Income and expenditure account	11		<u>50,426</u>		<u>47,123</u>

Represented by:

These accounts were approved by the Executive Committee on 18th September 2001



Andrew Wood
Chairman



Godfrey Cromwell
Chief Executive

The accompanying notes form part of these accounts.

The Britain - Russia Centre

Notes to the Financial Statements

For the year ended 31st March 2001

The Britain - Russia Centre is a company limited by guarantee not having a share capital. In the event of a winding-up the liability of members to contribute to the assets in the event of a deficiency is limited to £1 in the case of ordinary members and £6 in the case of representative members. The company enjoys a dispensation to omit the word "limited" from its title.

1 Accounting Policies

- (a) The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible fixed assets over their estimates useful lives:

Furniture and fittings	15% straight line
Computer equipment	25% straight line
- (c) Rentals payable under operating leases are taken to income and expenditure account on a straight line basis over the lease term.
- (d) Income is credited to income and expenditure account on a receivable basis, except subscriptions which are credited when received. Revenue grants are credited to income in the year to which they relate. Capital grants are credited to the income and expenditure account on a basis which matches the depreciation of the assets to which the grant is applied. Any balance of capital grants is carried in creditors in the balance sheet.
- (e) Expenditure is charged to Income and Expenditure Account on an accruals basis inclusive of irrecoverable VAT. Direct expenditure on projects includes payments to branches. Any funds raised directly by branches to supplement their funds are excluded from these accounts.
- (f) The Centre operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Centre to the fund in respect of the year. The assets of the scheme are held in independently administered funds.

2 Grants

	2001	2000
	£	£
Grant-in-aid	226,648	230,850
Project grants	<u>109,346</u>	<u>167,765</u>
HM Government	335,994	398,615
Other grants	<u>26,582</u>	<u>86,386</u>
	<u><u>362,576</u></u>	<u><u>485,001</u></u>

3 Project Expenditure

	2001	2000
	£	£
Externally funded projects	139,609	287,133
Other (branches, entertaining, events, library, publishing etc)	<u>4,882</u>	<u>22,029</u>
	<u><u>144,491</u></u>	<u><u>309,162</u></u>

The Britain - Russia Centre
Notes to the Financial Statements
For the year ended 31st March 2001 (Continued)

4 Operating Charges	2001	2000
	£	£
Other operating charges include:		
Auditors' remuneration (incl. VAT) - Audit Services	5,698	5,434
Directors' remuneration	27,832	-
Operating leases:		
Hire of office machinery	1,923	3,896
Rent of office premises	47,307	48,258
Depreciation	3,962	7,300
Less capital grant credited	-	(4,726)
	<u> </u>	<u> </u>

5 Staff Costs	2001	2000
	£	£
Wages and salaries	95,345	104,958
Social security costs	7,680	11,260
Other pension costs	-	3,461
	<u> </u>	<u> </u>
Locum Chief Executive's fees	103,025	119,679
	<u>13,950</u>	<u>7,912</u>
	<u>116,975</u>	<u>127,591</u>
The average number of employees during the year was	<u>4</u>	<u>4</u>

The remuneration of the Chief Executive comprised:

	2001	2000
	£	£
Gross pay (excluding locum fees)	27,832	40,944
Pension Contributions	-	-
	<u> </u>	<u> </u>

No member of the executive committee other than the Chief Executive received any remuneration.

6 Taxation	2001	2000
	£	£
Corporation tax at 10% (2000 - 20%)		
-on interest	131	293
	<u> </u>	<u> </u>

As a mutual, the company is not taxable on income arising from its ordinary activities.

The Britain - Russia Centre
Notes to the Financial Statements
For the year ended 31st March 2001 (Continued)

7 Tangible Fixed Assets	Computer Equipment	Furniture and Fittings	Total
Cost	£	£	£
At 1st April 2000	22,986	20,122	43,108
Additions in the year	1,340	-	1,340
At 31st March 2001	24,326	20,122	44,448
Depreciation			
At 1st April 2000	20,250	11,246	31,496
Charge for the year	1,374	2,588	3,962
At 31st March 2001	21,624	13,834	35,458
Net Book Value			
At 31st March 2001	2,702	6,288	8,990
At 31st March 2000	2,736	8,876	11,612
8 Debtors		2001	2000
		£	£
Grants and other debtors		5,346	23,124
Prepayments		13,135	16,851
		18,480	39,975
9 Creditors: Amounts falling due within one year		2001	2000
		£	£
Trade creditors		5,813	10,354
Corporation tax		131	293
Other taxes and social security		3,575	2,029
Other creditors		2,500	2,621
Grant due to partner organisation		167,704	5,770
Accruals and deferred income		19,084	13,584
		198,808	34,651

The Britain - Russia Centre
Notes to the Financial Statements
For the year ended 31st March 2001
(Continued)

10 Operating Lease Commitments

At 31st March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001		2000	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiry date:				
within one year	-	1,382	-	691
within two to five years	-	1,490	-	1,199
over five years	<u>25,498</u>	<u>-</u>	<u>25,498</u>	<u>-</u>

11 Movement of Reserves

	2001	2000
	Income and Expenditure Account £	Income and Expenditure Account £
Balance at 1st April 2000	47,123	75,133
Surplus/(Deficit) on ordinary activities after taxation	<u>3,303</u>	<u>(28,010)</u>
Balance at 31st March 2001	<u>50,426</u>	<u>47,123</u>