

Company Number 04766258

Charity Number 1100096

THE HERMITAGE FOUNDATION UK

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 OCTOBER 2023

THE HERMITAGE FOUNDATION UK

TABLE OF CONTENTS

Pages

3	Reference and administrative information
4 - 7	Trustees Annual Report
8	Independent Examiner's Report
9	Statement of Financial Activities
10	Balance Sheet
11 - 14	Notes to the Accounts

THE HERMITAGE FOUNDATION UK

REFERENCE AND ADMINISTRATIVE INFORMATION

DIRECTORS	Prof. Brian Allen The Marquess of Cholmondeley, KCVO Caroline De Guitaut, LVO Adrian Sassoon Guy Vesey Christopher Jones Jonathan Yarker
COMPANY SECRETARY	Janice Sacher
REGISTERED OFFICE	5A Bloomsbury Square London WC1A 2TA
EXAMINER	Accountability Europe Ltd Omnibus Workspace 39-41 North Road London N7 9DP
BANKERS	Barclays Bank plc Leicester LE87 2BB CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Virgin Money Charity Deposit UK.virginmoney.com On-line savings account CCLA Senator House 85 Queen Victoria Street, London, EC4V 4ET
REGISTERED NUMBER	04766258 (Incorporated in England and Wales)
CHARITY NUMBER	1100096

TRUSTEES ANNUAL REPORT (incorporating Director's report)

The Directors, who are also the Trustees for the purpose of charity law, (and throughout this report are collectively referred to as directors) present their report and accounts for the year ended 31 October 2023.

The directors and members of the foundation were deeply shocked by events in the Ukraine and suspended all activities with effect from March 2022. The situation was reviewed at the regular Trustee meetings, but the Trustees did not undertake any new activities in the year ended 31 October 2023

Some progress was made in the UK on the English translation of catalogues.

The accounts comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

Constitution

The Hermitage Foundation UK is a private company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its charity number is 1100096 and its company number is 4766258.

The company was incorporated on 15 May 2003 and commenced its charitable activities on that date.

Objects of the charitable company

The purpose of The Hermitage Foundation UK ('The Foundation') is to support the State Hermitage Museum in St Petersburg and promote Russian culture through fundraising and any other practical activities which are considered advantageous to the Museum.

The Trustees deemed inaction was the appropriate course for the year ending 31st October 2023.

Organisation and operational control

The day to day operation of the charity is under the control of the Director, Guy Vesey and the Chief Executive, Janice Sacher.

Accounts are maintained, with four Banks, Barclays Bank, CAF Bank, CCLA and a charity savings account with Virgin Money.

The Directors meet regularly to oversee the Charity's operations.

Financial Review

The total income generated and net surplus for the year are shown on page 9 of the accounts. The accumulated funds as shown in note 9 to the accounts are held to enable the charity to continue to carry out its objects and are considered adequate for that purpose.

TRUSTEES REPORT (CONTINUED)**Risk Management**

The Board of Directors is responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the detection of fraud and other irregularities and for ensuring the Foundation's efficient operation. The Foundation applies a risk management cycle to identify, analyse, control and monitor the strategic and operational risks it faces. A risk management policy sets out how this is done.

The key areas of risk are:

Governance and Management
Financial
Compliance with Law and Regulation

Operational
Environmental and External

The Directors are satisfied that the systems in place are sufficient to mitigate these risks.

Fundraising

Funds are raised by appeals to charitable foundations and corporations. No professional fundraisers are involved.

Volunteers

The Directors recognise the significance of volunteers to the Charitable activities.

Investments

A low risk portfolio of investments is managed by Evelyn Partners (Formerly Smith Williamson). Income from investments was £53,469 (2022 - £54,517).

TRUSTEES REPORT (CONTINUED)

Trustees & Directors

The Directors who served during the year were:

Prof. Brian Allen
The Marquess of Cholmondeley
Mrs Caroline de Guitaut
Mr Adrian Sassoon
Mr Guy Vesey
Christopher Jones
Jonathan Yarker

Recruitment and Appointment of Trustees

The recruitment of Trustees is in accordance with the Articles of Association. Trustees have the power to appoint any person but the skills mix and diversity of the Board are also considered.

The Public Benefit of our Work

The Hermitage Foundation UK makes a clear and valuable contribution to the following public benefit purposes as defined in the Charities Act 2011:

- Advancing the arts, heritage or science
- Advancement of education

TRUSTEES REPORT (CONTINUED)

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires that the directors prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

The directors confirm that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware. They have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

Small Company

The charitable company is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital.

This Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This Report was approved by the Board on **12th June 2024**



Mrs Janice M Sacher
Company Secretary

THE HERMITAGE FOUNDATION UK

Independent Examiner's Report to the Members of The Hermitage Foundation UK

I report to the charity trustees on my examination of the accounts of the Charitable Company for the year ended 31 October 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Aamer Shehzad FCA
Accountability Europe Ltd
Omnibus Workspace
39-41 North Road
London N7 9DP

Date: **24/06/2024**

THE HERMITAGE FOUNDATION UK

Company no. 04766258

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account)
FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income from:							
Sponsorship & donations		-	-	-	755	-	755
Membership fees		150	-	150	4,246	-	4,246
Investments:							
Interest receivable		1,094	1,342	2,436	1,273	11	1,284
Investments income		8,020	45,449	53,469	7,293	47,224	54,517
Charitable activities	2	(942)	-	(942)	195	-	195
Total income		8,322	46,791	55,113	13,762	47,235	60,997
Expenditure on:							
Raising funds		-	-	-	-	-	-
Charitable activities:							
Cost of activities in furtherance of the charity's objects	3	20,000	-	20,000	4,671	-	4,671
Activity implementation costs	4	254	-	254	4,115	-	4,115
Support costs	5	93,721	7,236	100,957	89,648	18,816	108,464
Total expenditure		113,975	7,236	121,211	98,434	18,816	117,250
Net income/(expenditure) before investment and other gains		(105,653)	39,555	(66,098)	(84,672)	28,419	(56,253)
Net gains/ (losses) on investments		-	3,241	3,241	-	(305,987)	(305,987)
Other gains / (losses)		-	(19,170)	(19,170)	-	43,523	43,523
Net Income for the year		(105,653)	23,626	(82,027)	(84,672)	(234,045)	(318,717)
Transfers between funds		-	-	-	4,350	(4,350)	-
Total funds brought forward		527,162	3,197,539	3,724,701	607,484	3,435,934	4,043,418
Total funds carried forward		421,509	3,221,165	3,642,674	527,162	3,197,539	3,724,701

THE HERMITAGE FOUNDATION UK
BALANCE SHEET AS AT 31 OCTOBER 2023

Company no. 04766258

	Note	2023 £	2023 £	2022 £	2022 £
Fixed Assets					
Investments	6		2,742,721		2,739,480
			<u>2,742,721</u>		<u>2,739,480</u>
Current Assets					
Debtors	7	640		1,500	
Cash at bank and in hand		901,608		986,817	
		<u>902,248</u>		<u>988,317</u>	
Current Liabilities					
Creditors: amounts falling due within one year	8	(2,295)		(3,096)	
		<u></u>		<u></u>	
Net Current Assets			899,953		985,221
Net Assets			<u>3,642,674</u>		<u>3,724,701</u>
Represented by the funds of the charity:					
Restricted funds	9		3,221,165		3,197,539
Unrestricted funds:	9				
General fund		85,297		268,180	
Designated funds		336,212		258,982	
		<u></u>	<u>421,509</u>	<u></u>	<u>527,162</u>
			<u>3,642,674</u>		<u>3,724,701</u>

For the year ended 31 October 2023 the charitable company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

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

Approved by the trustees on **12th June 2024**
and signed on their behalf by:



.....
Mr C. Jones
Director

The attached notes form part of these financial statements.

THE HERMITAGE FOUNDATION UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2023

Company no. 04766258

1 Accounting Policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Investments

Investments are stated at market value.

Income

Income represents amounts received from membership fees, sponsorship and donations, activities in furtherance of the charity's objects and income from fund raising events in the year.

Expenditure

Expenditure is allocated to particular activities where the cost relates directly to those activities. All costs relating to the managing and administering of the charity are treated as resources expended for charitable application.

Fund accounting

Funds held by the charitable company are either:

Unrestricted funds — these are funds that can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds — these are funds set aside by the directors out of general funds for specific purposes or projects.

Restricted funds — these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

THE HERMITAGE FOUNDATION UK

Company no. 04766258

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2023

2	Income from charitable activities	2023	2022
		£	£
	21/22 Programme	-	195
	Other Activities	(942)	-
		<u>(942)</u>	<u>195</u>
3	Charitable activities	2023	2022
		£	£
	Other Activities	20,000	4,671
		<u>20,000</u>	<u>4,671</u>
4	Activity implementation costs	2023	2022
		£	£
	Travel & Entertaining	254	4,115
		<u>254</u>	<u>4,115</u>
5	Support and governance costs	2023	2022
		£	£
	Office costs	21,287	19,503
	Consultancy costs	13,000	12,000
	Audit & Accountancy	4,725	3,260
	Director's salary	54,709	54,885
		<u>93,721</u>	<u>89,648</u>
6	Investments	2023	2022
		£	£
	Market value brought forward	2,739,480	3,045,467
	Net gain/(loss) on revaluation	3,241	(305,987)
	Market value carried forward	<u>2,742,721</u>	<u>2,739,480</u>
	Analysis of investments:		
	UK investments	1,251,240	1,239,035
	Overseas investments	1,005,091	1,192,713
	Alternative investments	394,378	173,063
	Cash held	92,012	134,669
		<u>2,742,721</u>	<u>2,739,480</u>
7	Debtors	2023	2022
		£	£
	Sundry debtors & prepayments	640	1,500
		<u>640</u>	<u>1,500</u>
8	Creditors: Amounts falling due within one year	2023	2022
	Sundry creditors & accruals	2,295	3,096
	Tax & social security	-	-
		<u>2,295</u>	<u>3,096</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

9 Movements in funds (current year)

	At the start of the year £	Income/ Gains £	Expenditure / Losses £	Transfers £	At the end of the year £
Restricted funds:					
Hermitage International Endowment funds	3,018,328	-	(16,026)	-	3,002,303
Hermitage Museum's funds	179,211	46,791	(7,140)	-	218,862
Total restricted funds	3,197,539	46,791	(23,166)	-	3,221,165
Unrestricted funds:					
Designated funds	258,982	75	(20,000)	97,155	336,212
General funds	268,180	8,247	(93,975)	(97,155)	85,297
Total unrestricted funds	527,162	8,322	(113,975)	-	421,509
Total funds	3,724,701	55,113	(137,141)	-	3,642,674

Movements in funds (prior year)

	At the start of the year £	Income/ Gains £	Expenditure / Losses £	Transfers £	At the end of the year £
Restricted funds:					
Hermitage International Endowment funds	3,280,888	-	(262,560)	-	3,018,328
Hermitage Museum's funds	155,046	47,235	(18,720)	(4,350)	179,211
Total restricted funds	3,435,934	47,235	(281,280)	(4,350)	3,197,539
Unrestricted funds:					
Designated funds	365,943	2,416	(900)	(108,477)	258,982
General funds	241,541	11,346	(97,534)	112,827	268,180
Total unrestricted funds	607,484	13,762	(98,434)	4,350	527,162
Total funds	4,043,418	60,997	(379,714)	-	3,724,701

The Hermitage International Endowment Fund ("HIEF") was established in July 2015. Its object is to provide support to The State Hermitage Museum of St Petersburg.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

10 Analysis of Net Assets between Funds

Current year	Unrestricted Funds £	Restricted Funds £	2023 Total £
Investments	-	2,742,721	2,742,721
Cash at bank	423,164	478,444	901,608
Debtors	640	-	640
Creditors	(2,295)	-	(2,295)
Total net assets	421,509	3,221,165	3,642,674

Prior year	Unrestricted Funds £	Restricted Funds £	2022 Total £
Investments	-	2,739,480	2,739,480
Cash at bank	528,758	458,059	986,817
Debtors	1,500	-	1,500
Creditors	(3,096)	-	(3,096)
Total net assets	527,162	3,197,539	3,724,701

11 Transactions with Directors

One (2022: 4) of the directors received reimbursement of travel and other expenses incurred in the performance of their duties as trustees. One director receives pay-rolled remuneration for his time in fulfilling his role in the charity, being Mr. Guy Vesey.

Analysis of staff costs	2023 £	2022 £
Directors' salary	50,517	48,695
Employers National Insurance	3,148	5,052
Employers Pension costs	1,044	1,138
Total	54,708	54,885