

FIRTASH FOUNDATION
(a company limited by guarantee)

Financial Statements
for the year ended
5 April 2016



Company Number: 06505892
Charity number: 1124290

FIRTASH FOUNDATION (a company limited by guarantee)

Statement of accounts for the year ended 5 April 2016

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FIRTASH FOUNDATION (a company limited by guarantee)

Legal and administrative information

Directors

L Firtash
D Slobodyan

Registered Office

206 Brompton Road
London
United Kingdom
SW3 2BQ

Independent advisers

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London
United Kingdom
EC1A 4AB

Registered charity number

1124290

Company Number

06505892

FIRTASH FOUNDATION (a company limited by guarantee)

Report of the Trustees (Incorporating a Directors' report) for the year ended 5 April 2016

The Trustees are pleased to present their report and the audited financial statements of Firtash Foundation for the year ended 5 April 2016. These comply with statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller Entities (the FRSE) (effective 1 January 2015) (Charities SORP (FRSE)).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 15 February 2008 and registered as a charity on 2 June 2008. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed by its Articles of Association.

Recruitment, Appointment and Training of Trustees

Trustees can be nominated by any member of the Board of the Trustees to replace a Trustee stepping down. Appointment of newly nominated Trustees requires unanimous approval of all Trustees. The new Trustee is provided with details of Trustees' roles and responsibilities. Training as such is not provided as no one has felt it to be necessary. At meetings, there is always room for questions and explanations.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

Firtash Foundation is a not-for-profit organisation constituted with charitable purposes in perpetuity. The objectives of Firtash Foundation are:

- a) The advancement of education within the United Kingdom of Great Britain and Northern Ireland and in particular (but without limiting or restricting the generality thereof):
 - The establishment and funding of a chair in Ukrainian studies at any university or universities and the funding of research and teaching of Ukrainian studies in order to broaden understanding of the history, language, culture and people of the Republic of Ukraine,
 - The provision of scholarship, bursaries prizes, grants and allowances to students or prospective students of Ukrainian studies at any university or college or educational establishment within the United Kingdom;
- b) The general purposes of such charitable bodies or for such other purposes for the public benefit as shall be exclusively charitable according to the laws of England and Wales, as the Trustees' of the company (who are also the Directors of the company) may from time to time determine, in particular but not exclusively within the Republic of Ukraine.
- c) Advancement of Ukrainian arts, culture, heritage or science.

FIRTASH FOUNDATION (a company limited by guarantee)

Report of the Trustees (Incorporating a Directors' report) for the year ended 5 April 2016

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, when reviewing their aims and objectives and in planning the Foundation's future activities.

Risks

The Trustees identify and review the major risks to which the Foundation is exposed and have established appropriate systems to anticipate further risks that may arise. The trustees believe that implementation of agreed actions and procedures will significantly reduce the probability and the impact of these risks.

ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

During the year Firtash Foundation continued its commitment to supporting its charitable objectives, namely "the advancement of education within the United Kingdom" as well as "advancement of Ukrainian arts, culture, heritage or science."

UK/RAINE

Building on the success of *Premonition: Ukrainian Art Now* in the prior year (which was attended by 137,438 visitors making it the only UK exhibition in the world's top 20 most attended shows in 2014, and the seventh most popular contemporary art exhibition worldwide according to The Art Newspaper's annual survey of international museum attendance), Firtash Foundation took a further step in supporting advancement of education in Ukraine and around the world by organising *UK/RAINE: Emerging Artists from the UK and Ukraine* the first ever open competition and exhibition for emerging artists from the UK and Ukraine.

UK/RAINE was the fourth collaboration between the Firtash Foundation and Saatchi Gallery and was held as part of the annual Days of Ukraine in the UK festival. *UK/RAINE* was open to all emerging artists from the UK and Ukraine who are 35 or under. The aim of the competition is to find and support the most imaginative and talented young artists, including students on BA and MA courses who are living and working in the UK or Ukraine or born in either country.

Artists were able to enter their work via the Saatchi Gallery's website into one of five categories: installation, new media (including video and photography), painting, sculpture and street art. The competition received over 10,000 entries by 2,100 artists. A shortlist of 30 artists (six from each category) were given the opportunity to exhibit their work over one entire floor at the Saatchi Gallery for a month-long exhibition running from 28th November 2015 – 3rd January 2016. A winner from each of the categories, as well as an overall winner was selected by a panel of renowned International judges. A total of £75,000 was provided by the Firtash Foundation as prize grants. Each of the category winners received £10,000 with the overall winner of the prize receiving a further £20,000. The winner of the separate public vote received £5,000 for production costs towards their work, project or exhibition in order to support their future artistic endeavours.

FIRTASH FOUNDATION (a company limited by guarantee)

Report of the Trustees (incorporating a Directors' report) for the year ended 5 April 2016

Darda Productions Limited

Throughout the almost year long process of bringing *UK/RAINE* to life, Darda Productions Limited, a wholly owned subsidiary of Firtash Foundation, continued operating as a production and logistics management company. Darda Productions successfully organized *UK/RAINE* and managed logistics for collecting and returning the artworks in the UK and Ukraine.

FINANCIAL REVIEW

Darda Productions Limited continued overseeing the operational and financial aspects of event organization and management, whilst Firtash Foundation focused solely on funding of its direct charitable objectives. The costs of the exhibition and running costs of both Firtash Foundation and Darda Productions Limited were ultimately yet again covered by the Foundation's donor, the Firtash family.

As planned previously, during the year the operating costs of maintaining the office premises were transferred from Firtash Foundation to Darda Productions Limited thereby minimising its incidental and/or operational costs and leaving the Foundation to concentrate its finances on its charitable objectives. The Foundation received contributions of £230,000 towards its charitable activities in the year which were used to clear the amounts owed to its subsidiary, with the remained used towards the prize grants as discussed above.

RESERVES POLICY

At 5 April 2016 the trustees have not set a formal reserves policy. There is currently no deficit on reserves.

As noted above the majority of operational activities are now managed through the trading subsidiary, Darda Productions Limited. While activities are planned for the future, the year under review has been particularly difficult as a result of the political uncertainties in Ukraine.

The trustees will continue to monitor the position and mitigate future deficits through the trading subsidiary and the support of the Firtash family.

FUTURE PLANS

The Firtash Family, the Foundation's donor, have once again affirmed their commitment to the charitable objectives of Firtash Foundation. However, the political and economic instability in Ukraine may have adverse effects on availability of funding in the future. The Trustees will therefore be looking to reduce the Foundation's operating costs and other financial commitments. Any further projects will only be considered on ad hoc basis and will be subject to availability of funding.

GOING CONCERN

After making enquiries, the Trustees have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future due to the activities being dependant on the donations. The Firtash family, Firtash Foundation's donor, have once again confirmed their commitment to the charitable purposes supported by the Foundation.

FIRTASH FOUNDATION (a company limited by guarantee)

Report of the Trustees (incorporating a Directors' report) for the year ended 5 April 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for preparing the Trustee's Annual 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 give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and fully explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

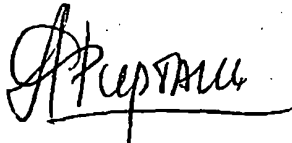
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY PROVISIONS

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

By order of the Board on 5 January 2016

L Firtash
Director



FIRTASH FOUNDATION (a company limited by guarantee)

Independent Examiner's Report to the Trustees of Firtash Foundation

I report on the accounts of Firtash Foundation for the year ended year end 5 April 2016 which comprise Statement of Financial Activities, the Balance Sheet and the related notes.

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

FIRTASH FOUNDATION (a company limited by guarantee)

Independent Examiner's Report to the Trustees of Firtash Foundation

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Moore Stephens LLP

**PHILIP CLARK FCA
Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB**

5 January 2017

FIRTASH FOUNDATION (a company limited by guarantee)

Statement of financial activities for the year ended 5 April 2016
(Incorporating an Income and Expenditure account)

	Note	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Income and endowments from:					
Contributions received		230,000	-	230,000	-
Investments		56	-	56	89
Total		230,056	-	230,056	89
Expenditure on					
Charitable activities		67,902	-	67,902	181,322
Total	2	67,902	-	67,902	181,322
Net income/(expenditure)		162,154	-	162,154	(181,233)
Total funds at 6 April 2015		(148,177)	-	(148,177)	33,056
Total funds at 5 April 2016		13,977	-	13,977	(148,177)

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 13 form part of these financial statements.

FIRTASH FOUNDATION (a company limited by guarantee)

Balance sheet as at 5 April 2016

	Note	£	2016 £	£	2015 £
Non-current assets					
Investment in subsidiary	4	1		1	
Current assets					
Cash at bank and in hand		13,976		34,711	
Creditors: Amounts falling due within one year	5	-		(182,889)	
Net Current Assets			13,977		(148,176)
Total Assets Less Current Liabilities			<u>13,977</u>		<u>(148,177)</u>
Funds					
Unrestricted funds			<u>13,977</u>		<u>(148,177)</u>
			<u>13,977</u>		<u>(148,177)</u>

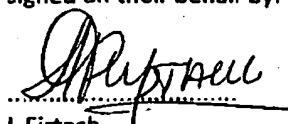
The Trustees are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its results for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the Board and authorised for issue on 5 January 2016, and are signed on their behalf by:



L Firtash
Director

Company Number: 06505892

The notes on pages 10 to 13 form part of these financial statements.

1. Accounting Policies

a) Basis of Preparation

The financial statements have been prepared under the historic cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, applicable accounting standards and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015) (Charities SORP (FRSSE)).

The Charity constitutes a public benefit entity as defined by FRS 102.

The following principal accounting policies have been applied:

b) Income

Income from donations and bank interest are both included in the Statement of Financial Activities when received.

c) Expenditure

All expenditure is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure items have been classified under headings that aggregate all costs related to each category.

Direct charitable expenditure includes the direct costs in furtherance of the charitable company's objectives and these are accounted for when they are incurred.

Support and governance costs are those costs relating to compliance with constitutional and statutory requirements.

d) Cash Flow Statement

The charitable company have taken advantage of the exemptions available to not produce a cash flow statement as permitted by Charities SORP (FRSSE).

e) Fund Accounting

The funds held by the charitable company are:

Restricted funds are funds which have been given for specific purposes and projects as specified by funders.

Unrestricted funds are incoming resources available or generated for the objective of the charitable company without further specified purpose and are available as general funds to be spent at the discretion of the Trustees furtherance of the charitable objectives of the charitable company.

FIRTASH FOUNDATION (a company limited by guarantee)

Notes forming part of the financial statements for the year ended 5 April 2016

f) Operating Leases

Rental charges for operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

g) Going concern

The Firtash family, Firtash Foundation's donor, have once again confirmed their commitment to the charitable purposes supported by the Foundation. The Firtash family committed to providing further donations to the Foundation to enable its operations in the future and as a result the trustees have adopted the going concern basis in preparing the accounts.

h) Foreign Currency

Transactions denominated in foreign currencies are translated into sterling and recorded at the average rate of exchange in the year. Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date, with the gains or losses recognised in the Statement of Financial Activities.

2. Resources Expended

	2016 £	2015 £
Charitable activities		
Direct costs		
Prize grants	75,000	-
	<u>75,000</u>	<u>-</u>
Support costs		
Bank charges	478	405
Premises expenses	14,113	155,510
Foreign exchange gain	-	(171)
Write off old asset	5,000	-
Legal & professional	-	21,078
Accountancy	-	4,500
Intercompany write-off	(26,689)	4,500
	<u>(7,098)</u>	<u>181,322</u>
Total charitable expenditure	<u>67,902</u>	<u>181,322</u>

3. Trustees' Remuneration and Expenses

Trustees received no remuneration (2015: nil) or expenses (2015: nil) in the financial year.

FIRTASH FOUNDATION (a company limited by guarantee)

Notes forming part of the financial statements for the year ended 5 April 2016

4. Investments

	Group companies £
Cost	
At 6 April 2015	1
Additions	-
	<hr/>
At 5 April 2016	1
	<hr/>
Net book value	
At 5 April 2016	1
	<hr/>
At 5 April 2015	1
	<hr/>

Details of investment held:

Name	Darda Productions Limited (incorporated in England)
Holding	100% ordinary share capital
Principle activity	Production company

Consolidated accounts have not been produced on the basis that together the entities form a small group. At 5 April 2016 the subsidiary made a loss of £364,935 and had reserves of £53,194.

5. Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	-	4,500
Amounts owed to subsidiary	-	178,389
	<hr/>	<hr/>
	-	182,889
	<hr/>	<hr/>

6. Taxation

As a registered charity under the Charities Act 2011, the foundation's income from charitable activities is exempt in accordance with sections 466-493 of the Corporation Tax Act 2010.

FIRTASH FOUNDATION (a company limited by guarantee)

Notes forming part of the financial statements for the year ended 5 April 2016

7. Related Parties

All donations totalling £230,000 (2015: £nil) received in the year were from DF Investments Limited. This company is a related party to the Firtash Foundation as it is owned by the husband of L Firtash, one of the Trustees. No balances were outstanding at the year end (2015: £nil).

The charitable company owes Darda Productions Limited £nil (2015: £178,389) at year end - £155,000 was repaid and the remainder was written off with the agreement from the subsidiary. Darda Productions Limited covers premises and accountancy costs on behalf of the charitable company.

8. Operating Lease Commitment

At 5 April 2016 the charitable company had annual commitment under operating lease agreements as follows:

Land and buildings:

	2016 £	2015 £
Operating lease which expires:		
Within one year	37,643	-
Within 2 – 5 years	-	150,572
	<hr/>	<hr/>

9. Movement In Funds

	As at 6 April 2015 £	Income £	Expenditure £	Transfers £	As at 5 April 2016 £
Unrestricted	(148,177)	230,056	(67,902)	-	13,977
	<hr/> (148,177)	<hr/> 230,056	<hr/> (67,902)	<hr/> -	<hr/> 13,977