

ARTSOCIAL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ARTSOCIAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Uspenskaya
A Siakotos
A Davey
E Oliver
Miss L Marganiya

(Appointed 19 March 2019)

Charity number

1163100

Principal address

LCLB Suite 1756
95 Mortimer Street
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ARTSOCIAL FOUNDATION

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ARTSOCIAL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their report and financial statements for the year ended 31 August 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objectives, set out in the Constitution of the Foundation are as follows:

- a. To advance the education of the public anywhere in the world (specifically but not exclusively in Russia, the Commonwealth of Independent States, and the United Kingdom) in the subject of art and culture by providing financial and other support to art, and cultural organisations, projects and exhibitions;
- b. To relieve those in need because of their youth, ill-health, disability, financial hardship or other disadvantage by providing financial and other support;
- c. To help young people in Russia, the Commonwealth of Independent States, the United Kingdom and anywhere else in the world, especially, but not exclusively through arts education, creative therapies and leisure time activities with a focus on expressive arts so as to help them develop their capabilities so that they may grow to full maturity as individuals and members of society; and
- d. To advance such purposes as are exclusively charitable purposes within the laws of England and Wales as the trustees see fit from time to time at their absolute discretion.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and distributing grants.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making Policy

The Foundation makes grants to assist other registered charitable and voluntary organisations in the furtherance of their aims where those aims and objectives align with those of the Foundation. These are considered for organisations operating in the UK, Russia, Commonwealth of Independent States and elsewhere in the World. The grants are provided for supporting organisations and specific projects in accordance with the Foundation's objectives and grant-making policy.

Achievements and performance

The Foundation generated £89,548 in donations and other charitable income throughout the year. The main sources of income were private and corporate donations and corporate sponsorships.

The Foundation received a corporate donation of £6,000 from Bank Julius Baer who was named an official corporate partner of ASF for 2017-19. This donation was used to cover administrative and development expenses of the Foundation. The Foundation also received sponsorships from Coco Prive Hotel of £10,000 and from Repossi Diffusion of £7,000. These sponsorships were used to cover the costs of the Christmas Gala Fundraising event.

The Foundation held its second annual Christmas Gala Fundraising dinner and auction in December 2017. The event generated £65,948 through ticket sales, auction and donation pledges. All expenses for the event were covered by sponsorships and corporate donations. The Foundation is very grateful to all of the guests who attended the event and made generous donations, as well as the sponsors and auction partners for their support. The trustees are pleased with the fundraising outcomes of the event as it generated almost double the amount raised on the Christmas Gala last year.

The Foundation also received some private donations throughout the year.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Grantmaking

The Foundation's primary activity throughout the year was providing grants to charitable organisations with a mission to transform the lives of most vulnerable children and adults through arts and creative therapies.

Throughout the year the Foundation distributed £73,686 in grants to 8 charities in the UK and Russia. This is more than double the amount distributed in the previous year.

All projects funded in 2017/18 were thoroughly assessed by the Trustees and a due diligence of the grant-receiving organisations was carried out. The Board considered relevant experience and professional qualifications of the staff delivering the projects. It reviewed the organisations' vulnerable people safeguarding policies, the projects' aims and objectives, target audiences, activities plans, desired outcomes, evaluation procedures, budgets and estimated return on investment. When evaluating the grant bids, the Trustees also analysed whether there was a need for a project to be delivered in a specific geographical area and target group.

In 2017/18 the Foundation's grant giving priorities were reflected in the following three areas:

- Arts therapies and access to arts for children with special educational needs and disabilities (SEND);
- Mental health relief through art psychotherapy for people who experienced psychological trauma;
- Exposure to arts and cultural activities for children and young people who have limited access to arts;

Below is a brief description of the grants made by the Foundation in the year ended 31 August 2018 in each of the areas.

Arts therapies and access to arts for children with special educational needs and disabilities.

Theatre and Crafts for people with SEND in Russia.

In September 2017 the Foundation provided a grant of £5,500 to 'Regional'noe Otdeleniye Ravnije Vozmozhnosti' (Equal Opportunities), a Moscow-based charity that works to provide vital support through arts and creativity to 70 people aged 8 to 45 years with SEND. The charity runs several projects – a theatre studio, a crafts studio, workshops for parents of people with special needs and disabilities and workshops for specialists working with people with SEND through drama. Our grant specifically supported the recruitment and salary expenses of a producer for the theatre studio Kroog 2. This was the second grant for the work of the producer, the first one was provided in November 2016 and was equal to 6 months' worth of salary.

At the end of the 12 months period the Trustees were very pleased with the results that the grant had achieved. The producer managed to more than double the frequency of the theatre studio performances, produced two premier plays, secured and managed the studio's appearance in two professional theatre festivals in other cities of Russia, improved the visibility of the charity in press and via social media with increased mentions and features, and helped to launch a 'Special Theatre School' for a professional community from across Russia working with people with SEND through drama. The producer also managed to secure additional funding from institutional donors. The Trustees were very pleased that, by the end of the 12 months period, Equal Opportunities were able to self-fund the salary of the producer.

In July 2018 ASF provided one more grant of £11,939 to Equal Opportunities. It was intended to cover the recruitment expenses and a salary for the period of 6 months of a new fundraising manager and the recruitment expenses and salary for 6 months of a crafts studio manager, a new initiative of the charity. The crafts studio was set with a view to transform it into a social enterprise - the beneficiaries, people with SEND, create souvenirs and crafts for sale and the manager of the studio secured and facilitated corporate orders through online shops and crafts fairs. The objective for the new venture was to provide people with SEND with a paid and meaningful job.

The results for both grants will be evaluated 6 months after the start of the grant period – in January 2019.

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FOR THE YEAR ENDED 31 AUGUST 2018

Music therapy for children with SEND and mental impairments in the UK

In 2017/18 the Foundation continued its support of Otakar Kraus Music Trust, a grassroots London-based charity that provides music therapy to children and adults with profound special needs and disabilities. The Foundation started to support the charity in spring 2017 with a grant covering the recruitment, training and a 12 months' salary of a music therapist, who took on 8 children from a waiting list. After the 12 months period the Trustees were satisfied with the results of the grant and provided a new grant of £18,920 for the continuation of the same activity. The new grant covers 10.5 hours of music therapy for up to 14 children and young people with SEND, supervision, rent and administration related to these hours for the period of 1 May 2018 to 30 April 2019 term-time. Thanks to this grant even more children from the waiting list were able to access the music therapy.

The Trustees visited the charity a few times during the grant period and met with the beneficiaries - the children, their parents and carers. They were all moved by the students' achievements.

A mother of a 9 year old girl with autism said: "She has blossomed at the OK Music School, she had very low self-esteem when she started as she was unable to attend school or any other activities due to her severe anxieties. It has been a Godsend for her mental health."

The Trustees continue to work closely with OKMT's management team to help identify opportunities for the charity to expand its services and scale capacity in the future.

Victoria and Albert Museum SEND programme.

ASF partnered with Victoria and Albert (V&A) Museum Education Department on a programme of art workshops for school children with SEND in the 2017/18 academic year. This is a museum's ongoing programme that provides free bespoke activities for young people of 6-19 years of age with SEND and encourages an exploration of the V&A Museum art objects through different sensory experiences. A tailor-made tools box which contains a range of multi-sensory objects, from music instruments and scents to costumes and iPads, is used during these art workshops.

A grant of £4,500 funded 9 sessions which were attended by 160 students from 10 different schools. Two of the sessions were delivered by the V&A Museum education team in schools, this was either due to necessity to better accommodate students with more severe special needs and disabilities or because of logistics difficulties that didn't allow the beneficiaries to come to the museum.

Teachers' feedback about the sessions was very positive. The teachers rated the quality of the sessions, content and enjoyment either good or excellent.

One teacher said: "It was lovely, the children gained so much from it, I think they will talk about it for a while."

The Trustees were pleased by the results of the grant and decided to continue supporting the programme in the next year.

Art therapy for people with psychological trauma.

Art Psychotherapy for Refugee Families at Ritsona Refugee Camp, Greece.

This year the Foundation continued its partnership with Flourish Foundation on the project of art psychotherapy at Ritsona Refugee Camp, located near Athens. The project helps refugees overcome the psychological trauma they have experienced as a result of fleeing the war conflict. Flourish Foundation is a grassroots charity, registered in England and Wales that provides mental health relief for the most vulnerable and traumatised people through art psychotherapy.

The project at Ritsona camp started in October 2016 with a pilot stage. In March 2017 with funding from ASF a team of two art psychotherapists returned to the camp and set up a dedicated art therapy space running regular sessions to all residents of the camp, from young children to adults. In 2016/17 the Foundation provided £9,000

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

and £11,450 in 2017/18. This funded 50% of the costs of the project for the period of 10 months, from March 2017 to December 2017.

More than 600 people, including young children and unaccompanied minors, were living in the camp at the start of the project. While some support services were available to the residents, there was very little mental health support provision at the camp. At the start of the project the therapists recorded a high level of aggression, severe mental health disorders, i.e. Post-Traumatic Stress Disorder and depression among the camp's residents. The people found it extremely hard to express their emotions and talk about their experiences.

Almost 90% of Ritsona residents were of Syrian origin. Due to the language and cultural barriers, a mainstream psychotherapy was not very effective for this group. However, art therapy was accepted very well in the community. It offered an easily accessible and unthreatening medium to express emotions in a safe and contained environment. The sessions were structured around different age groups. There were also separate sessions organised for women and men only. This offered a chance for the participants to explore gender-specific issues. The sessions ran four days a week and one day a week was a community reach out day; the therapists walked around the camp talking to the residents informally, checking how they felt, meeting new residents and communicating with other community organisations and NGOs working in the camp.

Halfway through the project the therapists noticed significant changes in the mental wellbeing of the beneficiaries. They started to name their emotions, talk about their experiences, and build trust with the therapists and peers. The level of aggression and depression had reduced.

The Trustees were very satisfied with the results of the project – even though it is very hard to track the long-term impact of the intervention, the immediate feedback showed that art therapy was an effective and most appropriate mental health relief method for this group of people who were deeply traumatised.

Provision of arts and cultural activities for children and young people who have limited access to arts.

Creative classes for children in orphanages, Russia.

In September 2017 the Foundation provided a grant of £5,330 to 'Deti Nashi' (Our Children), a well-established Russian charity whose mission is to prevent children from being placed in state institutions and to help orphaned children successfully integrate into society. For more than a decade Our Children has been helping bring the life of abandoned children to normality, and to equip them with the skills needed for a happy and fulfilled adulthood.

A grant from ASF funded a programme of regular creative classes and workshops for the children of the Safonovo and Shatalovo Orphanages in the Smolensk Region of Russia.

A total of 1804 hours of activities were delivered in the academic year. They covered such creative and art forms as Dance, Drama, Animation and Crafts and Marquetry. A total of 119 children aged 5- 17 attended the classes regularly.

The Trustees were very pleased with the outcomes of the grant, the activities funded by the grant helped to open up the world of creativity to children who don't have access to mainstream afterschool activities. Feedback from the children and the teachers was very positive. Some beneficiaries said that through dance and drama they found their confidence. Teachers noted that some students improved their academic attainment attributing this to their participation in the creative classes. Some students who used to miss school started to attend the school classes regularly. They stated that the opportunity to attend the after-school classes motivated them to come to school and study harder.

Some feedback from the students and teachers was recorded in a video that ASF has commissioned and funded in spring 2018. It can be found at <https://vimeo.com/294137382>

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Children and the Arts - Start South London Project.

In September 2017 ASF provided a grant of £8,000 to Children and the Arts, a UK national charity that works to give children in disadvantaged circumstances access to high quality arts experience. The core programme of the charity Start brings together schoolchildren in areas with low arts engagement and local arts venues. The grant from ASF co-funded the Start South London project for 2017-18 academic year.

Throughout the year more than 300 students from six South London schools participated in artist-led workshops in schools and in the South London Gallery. The sessions were structured around the gallery's exhibitions. The project also helped with teachers' continuing professional development, holding sessions with artists, forums, panels and sessions for sharing experiences. The year culminated in a professionally curated exhibition of the young peoples' artworks at the gallery. The students and their families attended the exhibition opening. Some of the participants and visitors have never visited an art gallery before.

With the cuts in arts disciplines in the national curriculum the Trustees of the Foundation found this project to be really important and valuable.

A quote from one of the participating teachers really reflects the need for such projects: "The project was really refreshing to us. It's not something that we would normally do and it really pushed us to think a bit differently about what we could do in school. The artist was so informal and casual... it made me realise that there is a different way of doing things. It's also really useful to be able to educate parents better about how important the arts are."

ArtNight Festival Outreach Projects

The Foundation provided a total grant of £5,047 to ArtCity Nights charity for the outreach programme of ArtNight London Festival. ArtNight is London's largest free contemporary art festival, transforming the city annually for one unforgettable night. With funding from the Foundation, the festival delivered two projects for children and young people who face barriers to engaging with contemporary art and arts in general.

The first project consisted of a series of art workshops in The Royal London Hospital's paediatric department in-hospital school. The workshops were led by an artist-educator, Sam Ayre and developed together with the school's head teacher. In total 6 workshops were delivered. The aim of the activities was to provide a distraction from the stressful hospital environment and to introduce the participants to contemporary art, teach them some artistic skills and inspire further exploration. The project was delivered in partnership with ArtCity Nights, Vital Arts, an arts charity of the hospital, with funding from ASF. All partners were satisfied with the results achieved and they decided to continue with it in the next year.

The second project was a series of arts workshops for pupils from South London Schools. The workshops were structured and themed around the ArtNight Festival held in South London this year. The culmination of the project was the children's performance held at one of the festival's venues.

Tate Schools Engagement Programme.

The Foundation provided another grant that helped to engage school children from disadvantaged socio-economic areas across the UK with art and museum space. A Grant of £3,000 to Tate Galleries contributed to schools' gallery engagement programme. Thanks to this programme, students of different economic and social backgrounds, ages and physical abilities accessed the galleries and experienced being with and learning through art. Tate is hosting 282 gallery-based workshops a year, reaching 4,480 children. The grant from ASF covered the general costs of running the programme in the 2017/18 academic year.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Financial Review

The results and financial position of the Foundation are shown on the Statement of Financial Activities and the Balance sheet on pages 7 and 8. All of the income received during the period was unrestricted donations from individuals and organisations that supported the Foundation's events or who were made aware of the foundation as a result of the events and social media etc.

Income for the year was £89,548 (2017: £98,074) and expenditure was £102,690 (2017: £58,864). The net result was a deficit of £13,142 (2017: surplus of £39,210), which leave net funds available of £48,944 which will be utilised

in next year's activities of the Foundation. The trustees are pleased with the level of grants that the Foundation has been able to provide in its third year of existence.

Reserves Policy

The Trustees have reviewed the Foundation's requirement for reserves in line with guidance from the Charities Commission. The trustees have agreed a policy for reserves that takes into account amounts to fund recurring running expenses of the Foundation and unexpected one-off expenses that may arise. They are comfortable that in holding such reserves the Foundation is financially able to continue its work in 2018/2019.

Risk review and management

The trustees regularly assess the risks associated with the Foundation's activities. This involves identifying the types of risks that the Foundation faces and putting in place procedures to mitigate those risks. The risk mitigation procedures include regular reporting on the financial state of the Foundation and making sure there are no factors that could inhibit the charity's ability to fulfill its objectives. This includes ensuring that due diligence procedures are carried out in respect of the grantees, taking reasonable steps in the prevention of fraud and other irregularities, identifying any potential conflicts of interest and continually monitoring all of the above in the course of its planned charitable events and grant-making activities. The trustees are satisfied with the current systems put in place to minimise potential risks.

Plans for next year

The Foundation is approaching its third anniversary and the trustees agree that the next year it will be the time to review the achievements and challenges of the first three years and define the strategy and priorities for the next 3 to 5 years.

The trustees plan to focus the next year on meeting new not-for-profit organisations working on the same mission as the Foundation. The board will also invest time in learning more about the use of arts in clinical settings and the impact of arts on mental health and general wellbeing. Arts therapies and access to arts for young people with SEND will remain on the list of grant making priorities.

The trustees have decided to establish a Patrons Club, a group of individuals who make annual donations to the Foundation and in return will receive access to a curated programme of arts and culture events throughout the year. It is the trustees' vision to use the Patrons Club to educate the donors about the use of arts as a therapeutic and educational tool for young people with psychological trauma or with SEND. The Patrons Club will aim to cultivate long-term engaged donors.

The trustees will continue its work on fundraising and on establishing the Foundation's reputation in the professional community.

ARTSOCIAL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Structure, governance and management

The charity was established as a Charitable Incorporated Organisation, (CIO), on 12th August 2015 and has a model Foundation CIO constitution which is its Governing Document.

The trustees who served during the year and up to the date of signature of the financial statements were:

A Uspenskaya

A Siakotos

C Gardner

(Retired 20 March 2019)

A Davey

E Oliver

L Marganiya

(Appointed 19 March 2019)

New trustees are identified by the existing trustees. Any new trustees are recruited on the basis of expertise they could bring to the board. Any new trustee, if appointed, is provided with a copy of the governing document of the Foundation, the latest financial statements, conflicts of interest and grant making policies. They have the decision-making process explained to them by one of the existing trustees and are provided with an overview of the administrative procedures employed by the Foundation.

The Foundation is governed by the Trustees. They meet at least four times a year and they are responsible for ensuring that the charity meets with its objectives and determining the policy of the charity. In the year ended 31 August 2018 the Foundation had five trustees from a variety of backgrounds relevant to the aims of the charity. The trustees collectively review funding applications, conduct a due diligence of the applicants, including a thorough due diligence of the governance and financials of the applicants, and safeguarding policies of the applicants and grant-receivers who work with vulnerable groups of people. One or two trustees meet with prospective grantees in person in order to get a better understanding of how they work and how they are governed.

This year the trustees adapted a Data Protection and Privacy Policy and website Cookies Policy in accordance with the new GDPR regulation. The board also regularly supervised conflicts of interest, reserves management and risk management. The chair of the board of Trustees is Alina Uspenskaya, who also overlooks the day-to-day administration of the Foundation.

Related Parties

The Trustees have considered related parties of the Foundation and the disclosure of transactions with these. The trustees recognise that there are a range of donors, individuals, and organisations that work with and interact with the Foundation to carry out its activities. The trustees identified that ArtSocial Limited, a company fully owned by Alina Uspenskaya, is connected to the Foundation as this company is set up to donate all its profits to the Foundation. The trustees constantly monitor any potential conflicts of interest between the Foundation and ArtSocial Ltd and throughout the year did not identify any conflicts of interest or issues that would influence how the Foundation carried out its activities. The trustees also monitor any potential conflicts of interest with any major donors of the Foundation, including Repossi Difusion and Coco Prive Hotel. During the year they did not identify any actual or potential conflicts of interest.

The trustees' report was approved by the Board of Trustees.

Alina Uspenskaya

A Uspenskaya

Trustee

Dated: 22.05.19

ARTSOCIAL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARTSOCIAL FOUNDATION

I report to the trustees on my examination of the financial statements of Artsocial Foundation (the charity) for the year ended 31 August 2018.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

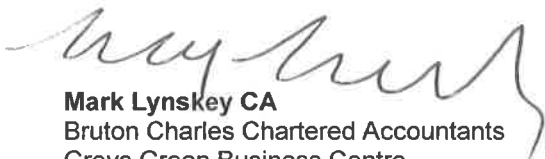
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.



Mark Lynskey CA
Bruton Charles Chartered Accountants
Greys Green Business Centre
Henley-on-Thames
Oxfordshire RG9 4QG

Dated: 23.05.19

ARTSOCIAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
<u>Income from:</u>			
Donations received	2	66,598	88,074
Other charitable income received	3	22,950	10,000
		<hr/>	<hr/>
Total income		89,548	98,074
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	4	18,044	14,047
		<hr/>	<hr/>
Charitable activities	5	73,686	34,268
		<hr/>	<hr/>
Governance costs	9	10,960	10,549
		<hr/>	<hr/>
Total resources expended		102,690	58,864
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(13,142)	39,210
		<hr/>	<hr/>
Fund balances at 1 September 2017		62,086	22,876
		<hr/>	<hr/>
Fund balances at 31 August 2018		48,944	62,086
		<hr/>	<hr/>

ARTSOCIAL FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018

Notes	2018 £	£	2017 £	£
Current assets				
Cash at bank and in hand	48,944		62,086	
Net current assets		<u>48,944</u>		<u>62,086</u>
Income funds				
Unrestricted funds		<u>48,944</u>		<u>62,086</u>
		<u>48,944</u>		<u>62,086</u>

The financial statements were approved by the Trustees on 22.05.19

Alina Uspenskaya

A Uspenskaya
Trustee

ARTSOCIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Charity information

Artsocial Foundation is a Charitable Incorporated Organisation (CIO) with a model Foundation constitution which is its Governing Document.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

Restricted funds, of which there are none, are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds, of which there are none, are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ARTSOCIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (continued)

1.5 Resources expended

Costs of generating funds represent costs relating to raising awareness of the charity's activities and costs in respect of managing the donations received. They are recognised when they are paid.

Costs in respect of charitable activities relate to the core activities that the charity has been set up to achieve. These include Grants paid to other charities which Artsocial Foundation supports and costs relating to the Events that it undertakes to raise funds and costs of seeking out new projects to support. They are recognised when they are paid.

Governance costs include the administrative cost of running the charity where the costs are not directly attributable to the charities activities. They are recognised when they are paid.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1.7 Charity Funds

The charity currently holds unrestricted funds only where the trustees can use these funds on the objectives of the charity, in line with its governing document at their discretion. There are no restricted or designated funds held.

2 Donations received

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	66,598	88,074

ARTSOCIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Other charitable income received

	Unrestricted funds	Total
	2018	2017
	£	£
Sponsorships received	22,950	10,000

4 Raising funds

	2018	2017
	£	£
Sponsorship commissions paid	2,550	2,160
Marketing and Public Relations costs	1,497	386
Costs of running events	13,997	11,501
Fundraising and publicity	18,044	14,047

5 Charitable activities

	Total 2018	Total 2017
	£	£
Travelling and subsistence	-	748
Grant funding of activities (see note 6)	73,686	33,520
	73,686	34,268

The Governance costs relate to administrative support costs of the running of the charity. These include finance management, office costs and bank charges. Refer to note 9.

ARTSOCIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Grants payable

	2018	2017
	£	£
Grants to institutions:		
Here & Now	-	3,250
Children & the Arts	8,000	1,250
Flourish Foundation	11,450	9,000
Otakar Kraus Music Trust	18,920	13,760
Artcity Nights	5,047	-
Revine Vozmozhnosti	17,439	6,260
Our Children	5,330	-
Tate Galleries	3,000	-
The V & A Museum	4,500	-
	<u>73,686</u>	<u>33,520</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year apart from Elizaveta Oliver, as noted below in note 8.

8 Employees

There were no employees during the year. The trustees voluntarily give their time to run the charity. In 2017/18 a trustee Elizaveta Oliver received a fee of £1,250 for her work as a contractor related to her expertise and services that she provided to the Foundation that was outside her trustee's responsibilities.

9 Governance costs

	2018	2017
	£	£
Administrative consultants	6,735	6,760
Accountants and examiners fees	2,400	2,400
Sundry expenses	593	658
Foreign currency gains/ losses	93	(241)
Bank charges	1,139	972
	<u>10,960</u>	<u>10,549</u>