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REGISTERED COMPANY NUMBER: SC159830 (Scotland)

REGISTERED CHARITY NUMBER: SC023931

**REPORT OF THE TRUSTEES AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31 MARCH 2016**  
**FOR**  
**FRIENDS OF SHARMANKA**

Thomas Barrie & Co LLP  
Atlantic House  
1a Cadogan Street  
Glasgow  
G2 6QE

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COMPANIES HOUSE

**FRIENDS OF SHARMANKA**

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**for the Year Ended 31 MARCH 2016**

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## **FRIENDS OF SHARMANKA**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 MARCH 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

SC159830 (Scotland)

##### **Registered Charity number**

SC023931

##### **Registered office**

Trongate 103  
Glasgow  
G1 5HD

##### **Trustees**

E Bersudsky  
Mrs T Jakovskaya  
Mrs M Stead Lenert  
A H Reddick  
J E Cavanagh  
M Botting  
Mrs N R Fletcher  
P J Searle  
A A Retik  
Dr T J Fletcher

##### **Company Secretary**

Mrs T Jakovskaya

##### **Independent examiner**

Martin Greig BA CA  
Thomas Barrie & Co LLP  
Atlantic House  
1a Cadogan Street  
Glasgow  
G2 6QE

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Recruitment and appointment of new trustees**

Members wishing to become trustees must be recommended by the board or proposed by a fellow member of the charity, in advance of the general meeting. The member then stands for election at a general meeting.

##### **Induction and training of new trustees**

All new Board members are inducted by the trustees of the charity. The chairperson of the board of trustees meets with new trustees to outline the code of governance.

##### **Organisational structure**

The board of trustees meet quarterly (or more often if required) and has responsibility for all strategic decisions of the charity.

**FRIENDS OF SHARMANKA**  
**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 MARCH 2016**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees continually review the major risks to which the charity is exposed, establishing appropriate systems and procedures to manage those risks where required.

The major risk to the organisation is lack of funding, therefore being unable to meet running costs of the theatre and to develop new exhibitions to take to the public.

While fraudulent activity is also a risk, it is unlikely, but steps and procedures are taken in all relevant activities.

**OBJECTIVES AND ACTIVITIES**

**Aims and Significant activities**

A. The Gallery is open 5 days a week and has 7-10 shows per week. During this period, 5,159 people have visited the displays and performances. There is free access to children under 16 years old, discounts for students and OAP's, with free shows for schools and social groups. The Sharmanka exhibits & performances have been awarded a Trip Advisor Certificate of Excellence.

B. Touring and Exhibition included:

Sharmanka Merry Go World to Inverness & Thurso (October 2015) - visitor numbers were 4,213 & 996 respectively. As a consequence of this tour, HiLife of Highland Council have commissioned a kinetic donation box for the Art Gallery & Library in Thurso.

In February & March 2016, we planned & negotiated an exhibition at Guangdong Science Centre, China. This opened in July 2016.

A further exhibition is planned for the Robert Burns Birthplace Museum, Alloway. This will take place in October 2016 and will include kinetic sculptures, one which is based on Burns' poem Tam O'Shanter.

C. Other projects

1. The Art Centre Ann Lanntair, Stornoway, has commissioned a kinetic sculpture "Am Beirt/The Loom" to be built by first deconstructing an iconic Hattersley Loom, which was the backbone of the Harris Tweed industry in the Outer Hebrides. We went to Lewis & Harris on a research trip in December 2015, followed by a return trip to dismantle and transport the loom in February 2016. The project is due to be unveiled in September 2016.

2. Research trip to Tel-Aviv to attend groundbreaking visual theatre "Brodsky/Baryshnikov" and to "s-Hertenbosch" exhibition & festival, dedicated to the 500th anniversary of Hieronymus Bosch whose works have strongly influenced Eduard Bersudsky's artistic vision.

3. In October 2015, a grant was received from Creative Scotland in order to create a photo & video archive celebrating 20 years of Sharmanka in Glasgow. The work on the archive is under way.

**FINANCIAL REVIEW**

**Reserves policy**

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. In doing so they considered the reason why the company needs restricted and unrestricted funds, the level of these reserves required and the steps to be taken in order to establish and maintain reserves at the required level.

The target set by the trustees was to build up reserves in between exhibitions in order to have sufficient funds to carry out the next exhibition.

**FRIENDS OF SHARMANKA**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 MARCH 2016**

**FINANCIAL REVIEW**

**Principal funding sources**

The principal funding sources in the period were:

- fees received for travelling exhibitions.
- fees received for admission to the charity's theatre.
- grants from Glasgow City Council.
- grant from Creative Scotland.

**FUTURE DEVELOPMENTS**

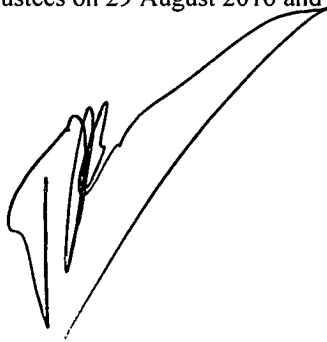
The charity will keep running the Sharmanka Kinetic Theatre at Trongate 103

Next Projects:

- Exhibition at Guangdong Science Centre, China (July 2016).
- New sculpture "Am Beirt/The Loom" due for completion September 2016.
- Exhibition at the Robert Burns Birthplace Museum, Alloway (October 2016).

Approved by order of the board of trustees on 29 August 2016 and signed on its behalf by:

Mrs T Jakovskaya - Trustee

A handwritten signature in black ink, appearing to be 'T Jakovskaya', written over a large, faint, stylized checkmark or 'V' shape.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**FRIENDS OF SHARMANKA**

I report on the accounts for the year ended 31 March 2016 set out on pages five to ten.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**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 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

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.

Martin Greig BA CA  
Thomas Barrie & Co LLP  
Atlantic House  
1a Cadogan Street  
Glasgow  
G2 6QE

30 August 2016

**FRIENDS OF SHARMANKA**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the Year Ended 31 MARCH 2016**

	Notes	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income		22,000	-	22,000	13,050
Activities for generating funds	2	2,189	-	2,189	4,489
<b>Incoming resources from charitable activities</b>					
Theatre & exhibitions		34,787	-	34,787	28,262
<b>Total incoming resources</b>		<b>58,976</b>	<b>-</b>	<b>58,976</b>	<b>45,801</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Theatre & exhibitions		51,978	-	51,978	49,713
Governance costs		2,016	-	2,016	1,933
<b>Total resources expended</b>		<b>53,994</b>	<b>-</b>	<b>53,994</b>	<b>51,646</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
		4,982	-	4,982	(5,845)
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>21,011</b>	<b>-</b>	<b>21,011</b>	<b>26,856</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>25,993</b>	<b>-</b>	<b>25,993</b>	<b>21,011</b>

The notes form part of these financial statements

**FRIENDS OF SHARMANKA**

**BALANCE SHEET**  
**AT 31 MARCH 2016**

	Notes	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	5	19,520	-	19,520	20,530
<b>CURRENT ASSETS</b>					
Debtors	6	5,583	-	5,583	3,960
Cash at bank		8,566	-	8,566	5,518
		<u>14,149</u>	<u>-</u>	<u>14,149</u>	<u>9,478</u>
<b>CREDITORS</b>					
Amounts falling due within one year	7	(7,676)	-	(7,676)	(8,997)
<b>NET CURRENT ASSETS</b>		<u>6,473</u>	<u>-</u>	<u>6,473</u>	<u>481</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>25,993</u>	<u>-</u>	<u>25,993</u>	<u>21,011</u>
<b>NET ASSETS</b>		<u>25,993</u>	<u>-</u>	<u>25,993</u>	<u>21,011</u>
<b>FUNDS</b>	8				
Unrestricted funds				25,993	21,011
Restricted funds				-	-
<b>TOTAL FUNDS</b>				<u>25,993</u>	<u>21,011</u>

The notes form part of these financial statements



**FRIENDS OF SHARMANKA**

**BALANCE SHEET - CONTINUED**  
**AT 31 MARCH 2016**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 29 August 2016 and were signed on its behalf by:

Mrs T Jakovskaya -Trustee

A handwritten signature in black ink, appearing to be 'T Jakovskaya', written over a long, sweeping horizontal line that extends from the left towards the right side of the page.

## **FRIENDS OF SHARMANKA**

### **Notes to the Financial Statements** **for the Year Ended 31 MARCH 2016**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

##### **Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc	- 33% on cost, 20% on cost, 15% on cost and in accordance with the property
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##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

#### **2. ACTIVITIES FOR GENERATING FUNDS**

	2016	2015
	£	£
Merchandise sales	2,059	2,568
Workshop hire	130	1,921
	<u>2,189</u>	<u>4,489</u>

#### **3. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	5,112	2,040
Deficit on disposal of fixed asset	-	75
	<u></u>	<u></u>

**FRIENDS OF SHARMANKA**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 MARCH 2016**

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**Trustees' expenses**

An element of the £6,736 (2015-£5,883) of travel costs included in the Statement of Financial Activities were reimbursements made to trustees, Mr Bersudsky and Mrs Jakovskaya.

**5. TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 April 2015	50,988
Additions	4,102
	<hr/>
At 31 March 2016	55,090
	<hr/>
<b>DEPRECIATION</b>	
At 1 April 2015	30,458
Charge for year	5,112
	<hr/>
At 31 March 2016	35,570
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2016	19,520
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At 31 March 2015	20,530
	<hr/> <hr/>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade debtors	2,875	2,500
Other debtors	2,708	1,460
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	5,583	3,960
	<hr/> <hr/>	<hr/> <hr/>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade creditors	-	1,441
Other creditors	7,676	7,556
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	7,676	8,997
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**FRIENDS OF SHARMANKA**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 MARCH 2016**

**8. MOVEMENT IN FUNDS**

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
<b>Unrestricted funds</b>			
General Fund	21,011	4,982	25,993
<b>TOTAL FUNDS</b>	<u>21,011</u>	<u>4,982</u>	<u>25,993</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund	58,976	(53,994)	4,982
<b>TOTAL FUNDS</b>	<u>58,976</u>	<u>(53,994)</u>	<u>4,982</u>