

**Registered Number 06293334**  
**Charity Number 1122345**

**THE NAKED HEART FOUNDATION**

**Report and Financial Statements**

**For the year ended**  
**31 December 2015**

**THE NAKED HEART FOUNDATION  
REPORT AND FINANCIAL STATEMENTS 2015**

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**THE NAKED HEART FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**TRUSTEES OF THE UNION**

Ms Natalia Vodianova  
Mr Francois Chateau  
Mr Jamey Hargreaves  
Ms Lucy Margaret Yeomans

**REGISTERED CHARITY NUMBER**

06293334

**PRINCIPAL OFFICE**

The Naked Heart Foundation  
41 Whitehall  
London  
SW1A 2BY

**BANKERS**

HSBC Bank Plc  
25 Notting Hill Gate  
London  
W11 3JJ

**SOLICITORS**

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

**AUDITORS**

Price Bailey LLP  
Chartered Accountants and Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The Trustees, who are also directors of the Foundation for the purposes, of the Companies Act (present their annual report and audited financial statements of the charity for the year to 31 December 2015. The financial statements have been prepared under the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", (FRS 102), and the accounting policies set out on page 15, The financial statements comply with all other statutory requirements and the requirements of the Foundation's governing document

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The charity is registered as a charitable company limited by guarantee on 26 June 2007 and is governed by its memorandum of association,

The charity was registered with the UK Charity Commission on 16 January 2008 and is constituted under a Memorandum of Association, its registered charity number is 1122345.

**Method of appointment or election of Trustees**

Trustees are appointed by the existing Board of Trustees following the review of the expertise required at the board level and the suitability of the proposed candidates, The new Trustees are given copies of the Memorandum and Articles of Association, and the documents that set forth the Foundation's background, modus operandi and its key policies and procedures, In addition all new Trustees are provided with the relevant guidance materials published by the Charity Commission on the responsibilities of being a trustee, The Trustees are kept informed about the Foundation and the relevant developments In the charity sector where appropriate. There have been no changes to the Board of Trustees in the 2015 fiscal year.

**Organisational structure and decision making**

The Officers (Chief Operating Officer and Finance Director) of the charity manage the day-to-day operations of the charity, liaising with the grant recipient charities, The Children's Relief Foundation "Naked Hearts"(Fond "Obnazhennie Serdtsa"), The Children's Relief Foundation "Naked Heart" (Fond "Obnazhenoe Serdce") in the Russian Federation and the US organisation The Naked Heart Foundation Inc., a not-for-profit organisation under section 501(c)(3) of the US Internal Revenue Code. The Trustees meet during the year to discuss developments in the charity and agree policy and strategy. In addition, the trustees regularly receive activity reports, which they then discuss, feeding back any concerns or questions to the Officers for clarification. The administration of the charity is carried out Internally.

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

	US	UK	Russia	
<b>Entity Full Legal Name</b>	<b>The Naked Heart Foundation, Inc.</b>	<b>The Naked Heart Foundation</b>	<b>The Children's Relief Foundation "Naked Hearts" (Fond Obnazhennie Serdtsa) Nizhniy Novgorod</b>	<b>The Children's Relief Foundation "Naked Heart" (Fond "Obnazhennoe Serdce") Moscow</b>
<b>Date of Organization</b>	9 September 2004	26 June 2007	20 April 2005	6 December 2010
<b>Entity Type</b>	Non-Profit Corporation under section 501(c)(3)	Company Limited by Guarantee Charity No: 1122345 Company No: 06293334	Non-Commercial Organization	
<b>Directors / Trustees</b>	Natalia Vodianova Francois Chateau Gordon Weiss	Natalia Vodianova Francois Chateau Jamey Hargreaves Lucy Margaret Yeomans	Natalia Vodianova Taissia Markelova	
<b>Officers</b>	Natalia Vodianova	Ekaterina Kazakova, Chief Operating Officer Svitlana Qamarauli, Finance Director	Anastasia Zalogina, President (Nizhniy Novgorod)	Oxana Medvedeva, Executive Director (Moscow)

**Related party relationships**

The charity works closely with the Children's Relief Foundation "Naked Hearts" (Fond "Obnazhennie Serdtsa") and the Children's Relief Foundation "Naked Heart" (Fond "Obnazhennoe Serdce"), the two grant-recipient non-commercial organisations in the Russian Federation, and the Naked Heart Foundation Inc, a not-for-profit organisation incorporated in New York. The accounts of all associated organisations are audited on an annual basis.

**Risk management**

The Trustees have assessed the major risks to which the Naked Heart Foundation is exposed, in particular those related to the operations and finances of the Naked Heart Foundation, and are satisfied that systems and procedures are in place to mitigate the Foundation's exposure to the major risks.

The trustees opted for the subscription of the trustee liability insurance renewed on an annual basis, to provide an indemnity limit of £2 million and, in addition, professional and legal liability insurance with a limit of £1 million.

The cost of this to the Foundation totalled £2,190 (2014. £2,100).

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Policies and objectives**

The Naked Heart Foundation strives to deliver the improvement of the quality of life and to provide assistance to underprivileged children in Russia by way of:

- Providing recreational grounds and leisure time activities that are designed to improve their living conditions and enhance their social welfare;
- Providing support and activities, that promote the development of skills, capacities and capabilities to maximise the level of their participation in the society as mature and responsible Individuals; Providing the necessary resources and the assistance to help with the care of such children;
- Making distributions to entities that are organised and operated exclusively for charitable purposes and which further the afore-mentioned objectives.

**The activities of the Naked Heart Foundation**

The Naked Heart Foundation defines its activities within the framework of the two programmes: "Play With Purpose" and "Every Child Deserves a Family".

**Play With Purpose**

The Programme mission is to build vibrant, safe and stimulating places to play for children across urban Russia. Every neighbourhood, children's hospital and children's home should have a modern play area that is suitable for children, whatever their physical ability.

To date, the Foundation has built 153 accessible play facilities in 114 cities and towns across the country. Further 5 play facilities have been built internationally in collaboration with the local partners: including 3 in the UK (Glasgow, Liverpool, London), 1 in Abkhazia (Gagra) and 1 in Ukraine (Simferopol).

Besides, the Foundation created Russia's first sensory integration and occupational therapy room in St Petersburg, and five more such rooms in Nizhny Novgorod to benefit 180 children with special needs.

**Every Child Deserves a Family**

The mission of the "Every Child Deserves a Family Programme" is, ultimately, to break the cycle of institutionalization of children with disabilities, and ensure that they can and will stay with their families, where they can prosper and maximise their human potential. The programme targets the activities that bring about a fundamental change in the manner in which children and people with disabilities are perceived, to create an environment and structure, through developing access to childcare, education and community participation where they can grow as independent individuals.

What we do:

- We fund Russian NGOs that provide services for vulnerable families.
- We are creating a network of family support services to provide expert support for families raising children with disabilities.
- We run an annual international forum, at which Russian and international child development specialists can share their expertise.
- We run a large-scale education project for teachers working with children with autism.
- We are doing everything we can to change attitudes towards children and adults with special needs.
- We are lobbying for Russian legislation to be brought into line with the International Convention on the rights of Persons with Disabilities, which Russia ratified in April 2012.

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

**Public Benefit**

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set.

**Grant making policies**

The trustee's current focus is to provide play facilities that are sustainable. For this purpose The Foundation makes grants to the specialist non-commercial organisations in the Russian Federation, The Children's Relief Foundation "Naked Hearts" (Fond "Obnaznennie Serdtsa") and The Children's Relief Foundation "Naked Heart" (Fond "Obnazhennoe Serdce") that partner with the local municipalities for the required authorizations and receive assistance in the provision of safe play areas with 24-hour surveillance.

Projects are usually championed by a local authority and/or other social body that has identified a need for play /facilities for which it does not have sufficient funds. The aforementioned Russian non-commercial organisations work to obtain the co-funding from local partners and a commitment to providing for continuous 24-hour security and maintenance. The trustees will also consider making grants to other charitable organisations that work towards its objects on a case by case basis. The Foundation will not fund Individuals directly. The Foundation is not permitted to fund political parties, political lobbying or non-charitable activities.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of activities**

The Foundation held a number of successful fundraising events including:

1. The World's First Fabulous Fund Fair, London, UK.

Date: 24 February 2015, London, UK

Concept: Charity fun fair stalls ran by celebrities and sponsored by luxury brands to raise funds for the Naked Heart Foundation

Participants: 400 guests

2. Paris Half Marathon, Paris, France

Date: 8 March 2015

Concept: Charity run to raise funds for the Naked Heart Foundation's programmes

Participants: 35 fundraisers

Partners: Guerlain

3. Backstage Gala, London, UK

Date: 17 April 2015

Concept: Dinner, performance and charity auction

Participants: 200 guests

Partners: Diana Vishneva, Diana Vishneva Foundation, Sotheby's

4. "Running Hearts" charity run, Moscow, Russia

Date: 16 May 2015

Concept: Charity run to benefit the Naked Heart Foundation

Participants: 1500 runners

Partners: Polina Kitsenko, PODIUM market, Adidas, Coca-Cola, Absolut Bank, Guerlain

5. "Off White" charity auction, Moscow, Russia

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

Date: 10 September 2015

Concept: Contemporary Art charity auction as part of the opening ceremony of international contemporary art fair Cosmoscow

Partners: Cosmoscow

6. "Don't be Silent" gala and auction, Sochi, Russia

Date: 10 October 2015

Concept: Charity gala dinner and auction to benefit Naked Heart Foundation during the New Wave music contest. The gala dinner was part of the "Don't be silent" charity project, which was launched by founder of the Naked Heart Foundation Natalia Vodianova, singer Dima Bilan and Bilan's producer Yana Rudkovskaya with a view to changing social attitudes towards people with special needs.

Participants: 250 guests

Partners: Lid's Eventhouse, GH Mumm, Post@-Magazine

**"Every Child Deserves a Family" programme achievements include:**

- Creating professional community: NHF organised seminars and master-classes with leading international experts for over 150 child development professionals from all over Russia.
- School Project and Early Intervention: 110 children, including 65 with autism, gained access to education thanks to school project, which was launched in 2013 and has benefited 34 classes in 6 special schools. NHF extended the project to train teachers, which now includes training at 4 kindergartens and the creation of an early intervention centre. Besides, around 110 families with young children with special needs benefit from early intervention services at our Lekoteks in Tver and Tula.
- Forum: Over 800 people, including 109 speakers from 12 countries and 85 towns and cities, took part in our IV International "Every Child Deserves a Family" Forum, with over 80 hours of video lectures and seminars uploaded online.
- Summer Camps: the Foundation provided advanced training to 10 specialists and helped them organise 5 integrative summer camps for 57 children and young adults with special needs. Now those specialists are applying the methods and approaches they learned at the camps on a daily basis and are training their colleagues and volunteers in working with children with autism.
- Webinars: We held 4 webinars for parents and teachers, which were watched by thousands of people from all over Russia.
- Family Support Centre: Over 60 people regularly attend our Family Support Centre in Nizhny Novgorod.
- Partner Projects: the Foundation supported the work of 11 NGOs that provide free support services to hundreds of vulnerable families across Russia.
- Supporting Parents: Tens of thousands of parents and professionals visited the "Special Childhood" website financed by the Foundation to receive legal advice, access information on special needs and get in touch with fellow parents and specialists.
- Advocacy: Together with Russian brand Zarina we presented the third fashion collection created by young adults with autism. We also released Russia's first music video featuring a girl with Down's syndrome, which was watched by millions of people. Hundreds of thank you messages from parents of children with disabilities were sent to the Foundation following its release.

**The new play facilities of 2015**

"Play With Purpose" programme achievements include:

New Play Facilities: We opened 20 new playgrounds and 1 huge play park in 21 towns, for the benefit of thousands of children of all ages and capabilities across Russia.

Sensory Integration and occupational Therapy room: We created Russia's first sensory integration and occupational therapy room, which has benefited dozens of children with special needs.

Corporate partnerships: 14 play facilities were built with support of our corporate sponsors: Megafon, Unilever, Akulchev, Uren social support foundation and Orgkhim.



**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

Joint project with Megafon:

- Dmitrievka — Amur oblast, Dmitrievka children's home
- Poyarkovo — Amur oblast, Poyarkovo children's home
- Amurzet — Jewish Autonomous Region, Amurzet special school
- Belgo — Khabarovsk Krai, Belgo special school
- Khabarovsk — Khabarovsk Krai, special school No.2
- Komsomolsk-on-Amur Khabarovsk Krai, special school No.3
- Semiozerka — Amur oblast, children's home No.19
- Naikhin — Khabarovsk Krai, children's home No.37
- Leninskoe — Amur oblast, Leninskoe special school
- Konstantinovsky — Jewish Autonomous Region, Konstantinovsky children's home No.2
- Komsomolsk-on-Amur — Khabarovsk Krai, children's home No.35
- 
- Joint project with Unilever:
- Novosibirsk — Novosibirsk oblast, "Zarya" social support centre for families and children
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- Joint project with Uren social support foundation and Orgkhim:
- Uren - Nizhny Novgorod oblast, Uren municipal administration
- 
- Joint project with Akulchev:
- Naberezhnye Chelny — Republic of Tatarstan — specialised children's home, affiliated to the Naberezhnye Chelny children's home
- 
- Naked Heart Foundation play parks and playgrounds:
- Play park:
- Kovytkino — Republic of Mordova, Kovytkino administration
- Playgrounds:
- Novopolye — Leningrad oblast, Novopolye condominium
- Smolensk — Smolensk oblast — "Vishenki", rehabilitation centre for children with adolescents with special needs
- Ibresi — Chuvash Republic, special school
- Manzherok — Alta Republic, children's home
- Tambov — Tambov oblast, Tambov regional special children's home
- Nizhny Novgorod, Naked Heart Family Support Centre

**Summary of 2015**

As of end of December 2015 the Foundation received £1,294,319 in donations and spent £1,419,020 on raising funds and charitable activities. The programme distribution for charitable activities was the following: 49.81% were used to fund "Play with purpose" programme and 50.19% were spent on "Every Child Deserves a Family" programme.

**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**FINANCIAL REVIEW**

**Reserves policy**

The trustees consider that apart from £45,000 to cover core costs for approximately three months, the reserves are available to meet the charitable objectives of the Foundation. When the Charity holds an

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

event significant upfront funding is required which initially has to be provided from the cash reserves of the Charity. The reserves policy is reviewed annually.

**PLANS FOR THE FUTURE**

**Future developments**

In participation with the Naked Heart Foundation Inc., and the non-profit organisation "The Children's Relief Foundation "Naked Hearts" (Fond "Obnazhennie Serdtsa") and "The Children's Relief Foundation "Naked Heart" (Fond "Obnazhennoe Serdce"), the Foundation will continue to provide the required funding and resources to continue to resource its "Play With Purpose" and "Every Child Deserves a Family" programmes.

Internationally, the Foundation is actively exploring the partnership opportunities with other non-governmental organisations with a particular focus on childcare provision for children with special needs.

In Russia, the Foundation is actively developing a model that could represent an optimal level of engagement and interaction between the government, the private sector and the not-for profit sector to maximise the economic and welfare benefits of the social welfare.

**Goals for 2016:**

The goals of "Play with Purpose" programme include:

During 2016 the Foundation plans to build at least 15 new play facilities in Russia and hold a series of trainings for specialists who use the sensory integration and occupational therapy rooms in St Petersburg and Nizhny Novgorod.

The goals of "Every Child Deserves a Family" programme include:

- Further expansion of the Family Support Centre in Nizhny Novgorod
- Organisation of V International Forum "Every Child Deserves a Family"
- Continuation of School project for teachers in Nizhny Novgorod
- Continuation of Early Intervention project in four nurseries Nizhny Novgorod and opening of Early Intervention Centre
- Further support of integrative Summer camps projects
- Developing Training Centre for Childcare Specialists
- Further development of Online Resource Centre
- Increasing effectiveness of advocacy in Russia and holding a series of events to mark World Autism Awareness Day
- Further EarlyBird trainings for parents and child development specialists
- Further support of partner NGOs

The following are 2016 fundraising events to benefit the Foundation:

- London's Fabulous Fund Fair (February, 2016)
- Paris Half Marathon (March, 2016)
- Running Hearts Moscow Run (May, 2016)
- "The Art of Giving" Love Ball (July, 2016)
- Off White Auction (September, 2016)
- Charity auction with Antonio Banderas (September, 2016)

**THE NAKED HEART FOUNDATION  
TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)**

**Trustees' responsibilities statement**

The Trustees (who are also directors of The Naked Heart Foundation for the purposes of company law) are, responsible for preparing the Trustees' 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, which 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 2015 (FRS 102), as amended by the SORP update Bulletin issued in February 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

**Disclosure of information to auditor**

Each of the persons who are Trustees, at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

**Auditor**

The auditors, Price Bailey LLP, will be proposed for re-appointment in accordance with Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 29/09/2016 and signed on their behalf by:

**Natalia Vodianova, Director**



**THE NAKED HEART FOUNDATION  
INDEPENDENT AUDITORS' REPORT  
TO THE TRUSTEES OF THE NAKED HEART FOUNDATION**

We have audited the financial statements of The Naked Heart Foundation for the year ended 31 December 2015 which comprise the Statement of Financial Activities (Incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the Financial Statements.

In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**THE NAKED HEART FOUNDATION  
INDEPENDENT AUDITORS' REPORT  
TO THE TRUSTEES OF THE NAKED HEART FOUNDATION (continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- disclosures of trustees' remuneration specified by law are not made;
- have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*H Wilkinson*

Helena Wilkinson BSc FCA DchA (Senior Statutory Auditor)

for and on behalf of  
**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

Date: *29 Sept 2016*

**THE NAKED HEART FOUNDATION  
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Unrestricted 2015 £	Unrestricted 2014 £
<b>Income</b>			
Donations	2	524,283	526,227
Other trading activities	3	770,013	285,267
Investment income	4	23	18
<b>Total Income</b>		<b>1,294,319</b>	<b>811,512</b>
<b>Expenditure on:</b>			
Raising funds	5	1,023,700	628,527
Charitable activities	6	395,320	618,840
<b>Total expenditure</b>		<b>1,419,020</b>	<b>1,247,367</b>
<b>Being net expenditure and net movement in funds for the year</b>		<b>(124,701)</b>	<b>(435,855)</b>
<b>Reconciliation of Funds</b>			
Total funds brought forward		191,549	627,404
<b>Total funds carried forward</b>		<b>66,848</b>	<b>191,549</b>

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

All income and expenditure derive from continuing activities.

The notes on pages 15 to 23 form part of these accounts.

**THE NAKED HEART FOUNDATION**  
**COMPANY REGISTRATION NUMBER: 06293334 (England and Wales)**  
**BALANCE SHEET AS AT 31 DECEMBER 2015**

	Notes	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	10		111		766
<b>CURRENT ASSETS</b>					
Debtors	11	21,228		94,220	
Cash at bank and in hand		72,782		109,364	
<b>TOTAL CURRENT ASSETS</b>		<u>94,010</u>		<u>203,584</u>	
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	12	(27,273)		(12,801)	
<b>NET CURRENT LIABILITIES</b>			<u>66,737</u>		<u>190,783</u>
<b>NET ASSETS</b>			<u><u>66,848</u></u>		<u><u>191,549</u></u>
<b>FUNDS</b>					
Unrestricted funds			<u>66,848</u>		<u>191,549</u>
<b>TOTAL FUNDS</b>			<u><u>66,848</u></u>		<u><u>191,549</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The attached notes on pages 15 to 23 form part of these financial statements.

The financial statements were approved by the Board of Trustees on and signed on their behalf by:



29/09/16

.....  
**Ms Natalia Vodianova – Director**

**THE NAKED HEART FOUNDATION  
STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	2015 £	2014 £
<b>Cash Flows from Operating Activities</b>			
Net cash used by operating activities	13	(36,605)	(524,711)
<b>Cash Flows from Investing Activities</b>			
Dividends interest and rents from investments		23	18
<b>Net Cash Flows from Investing Activities</b>		23	18
<b>Change in cash and cash equivalents in the year</b>		(36,582)	(524,693)
<b>Cash and cash equivalents brought forward</b>		109,364	634,057
<b>Cash and cash equivalents carried forward</b>	14	72,782	109,364

The notes on pages 12 to 19 form part of these accounts.



**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation**

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The date of transition was 1 January 2014.

No restatements were required other than the reclassification of governance cost to support costs.

**c) Legal status of the Charity**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. It is believed, that despite the income from the auctions being sporadic by nature, that it will be sustained in the foreseeable future.

As such, they continue to adopt the going concern basis of accounts in the financial statements.

**e) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**f) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are met in full, or their fulfilment is wholly within the control of the charity is deferred and not recognised and it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank.

Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place in the year. Trading income is recognised on point of sale for both donated and purchased goods.

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

- Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in fund raising and investment managers costs.
- Expenditure on charitable activities includes expenditure associated with the administration function of the Foundation, grants payable for new play facilities, 'every child deserves a family' programme and governance costs and include both the direct costs and support costs relating to these activities.

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of resources.

**h) Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following bases:

Computer Equipment	3 years straight line
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**i) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (continued)**

**j) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**k) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**l) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**m) Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**n) Foreign Currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

**2. DONATIONS**

	2015	2014
	£	£
Donations	255,863	497,502
Grants	268,420	28,725
	<u>524,283</u>	<u>526,227</u>

**THE NAKED HEART FOUNDATION**  
**NOTES TO THE ACCOUNTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. OTHER TRADING ACTIVITIES**

	2015	2014
	£	£
Fund fair	459,618	-
Backstage Gala	165,134	-
Other Fundraising Income	145,261	285,267
	<u>770,013</u>	<u>285,267</u>

**4. INVESTMENT INCOME**

	2015	2014
	£	£
Bank interest	23	18
	<u>23</u>	<u>18</u>

**5. COSTS OF RAISING FUNDS**

	2015	2015	2015	2015	2014
	Direct costs	Staff costs	Support costs	Total	
	£	£	£	£	£
Event costs	719,602	-	-	719,602	425,645
Fundraising expenses	32,412	-	-	32,412	21,024
Support costs (Note 7)	-	148,427	123,259	271,686	181,858
	<u>752,014</u>	<u>148,427</u>	<u>123,259</u>	<u>1,023,700</u>	<u>628,527</u>

	2014	2014	2014	2014
	Direct costs	Staff costs	Support costs	Total
	£	£	£	£
Event costs	425,645	-	-	425,645
Fundraising expenses	21,024	-	-	21,024
Support costs (Note 7)	-	116,183	65,675	181,858
	<u>446,669</u>	<u>116,183</u>	<u>65,675</u>	<u>628,527</u>

**THE NAKED HEART FOUNDATION**  
**NOTES TO THE ACCOUNTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**6. CHARITABLE ACTIVITIES**

	2015	2015	2015	2015	2014
	Direct costs	Staff costs	Support costs	Total	
	£	£	£	£	£
Grants to the Children's Relief Foundations	252,535	-	-	252,535	195,463
Bryan Adams Foundation	-	-	-	-	80,437
Amade	-	-	-	-	245,172
Vishneva Foundation	61,274	-	-	61,274	-
Support costs (Note 7)	-	30,065	51,446	81,511	97,768
	<u>313,809</u>	<u>30,065</u>	<u>51,446</u>	<u>395,320</u>	<u>618,840</u>

	2014	2014	2014	2014	
	Direct costs	Staff costs	Support costs	Total	
	£	£	£	£	
Grants to the Children's Relief Foundations	195,463	-	-	195,463	
Bryan Adams Foundation	80,437	-	-	80,437	
Amade	245,172	-	-	245,172	
Support costs (Note 7)	-	21,153	76,615	97,768	
	<u>521,072</u>	<u>21,153</u>	<u>76,615</u>	<u>618,840</u>	

**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**7. ANALYSIS OF SUPPORT COSTS**

	Costs of Raising funds £	Charitable Activities £	Total £	2014 £
<b>Governance</b>				
Legal and professional	60	25	85	570
Consultancy fees	1,375	575	1,950	26,850
Auditor's remuneration – audit fees	4,019	1,681	5,700	3,100
Auditor's remuneration – accountancy fees	1,058	442	1,500	1,000
Auditor's remuneration – other services	6,660	2,785	9,445	7,880
Trustees' indemnity insurance	352	147	499	2,226
	<u>13,524</u>	<u>5,655</u>	<u>19,179</u>	<u>41,626</u>
<b>Support</b>				
Depreciation	462	193	655	655
Sundry expenses	1,205	500	1,705	8,643
Programme costs	3,400	1,419	4,819	23,999
Computer costs	868	363	1,231	748
Bank charges	1,534	641	2,175	2,069
Travel expenses	8,372	3,493	11,865	3,268
Loss of currency transactions	11,562	4,825	16,387	12,670
Transportation	697	291	988	50
Irrecoverable VAT	70,967	29,614	100,581	21,302
Rent	10,668	4,452	15,120	14,400
Bad debts	-	-	-	12,860
Staff costs	133,748	27,532	161,280	123,963
National insurance	14,679	2,533	17,212	13,373
	<u>271,686</u>	<u>81,511</u>	<u>354,789</u>	<u>279,626</u>

	Costs of Raising funds 2014 £	Charitable Activities 2014 £	Total 2014 £
<b>Governance</b>			
Legal and professional	263	307	570
Consultancy fees	12,393	14,457	26,850
Auditor's remuneration – audit fees	1,431	1,669	3,100
Auditor's remuneration – accountancy fees	463	537	1,000
Auditor's remuneration – other services	3,637	4,243	7,880
Trustees' indemnity insurance	1,027	1,199	2,226
	<u>19,214</u>	<u>22,412</u>	<u>41,626</u>
<b>Support</b>			
Depreciation	302	353	655
Sundry expenses	3,989	4,654	8,643
Programme costs	11,077	12,922	23,999
Computer costs	345	403	748
Bank charges	955	1,114	2,069
Travel expenses	1,508	1,760	3,268
Loss of currency transactions	5,848	6,822	12,670
Transportation	23	27	50
Irrecoverable VAT	9,832	11,470	21,302
Rent	6,646	7,754	14,400
Bad debts	5,936	6,924	12,860
Staff costs	105,031	18,932	123,963
National insurance	11,152	2,221	13,373
	<u>181,858</u>	<u>97,768</u>	<u>279,626</u>

**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

All support costs are allocated to charitable activities and raising funds based upon direct costs except for staff costs which are allocated based on staff time.

**8. STAFF EMOLUMENTS AND TRUSTEE EXPENSES**

	<b>2015</b> £	<b>2014</b> £
Wages and salaries	161,280	123,963
Social security costs	17,212	13,373
	<u>178,492</u>	<u>137,336</u>

The average number of employees during the year was made up as follows expressed both as whole persons and full time equivalents:

	<b>2015</b> No. £	<b>2015</b> FTE £	<b>2014</b> No. £	<b>2014</b> FTE £
Administration	4	4	3	3
	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>

No employees received emoluments in excess of £60,000 (2014: none)

The charity considers its key management personnel to comprise of the Trustees, Finance Director and Chief Operating Officer.

None of the Trustees received any remuneration, expenses or benefits in kind from the charity during the year (2014: £nil).

The total employee benefits of the 2 key management personnel were £96,314 (2014: £95,625).

**9. NET EXPENDITURE**

Net expenditure is stated after charging:

	<b>2015</b> £	<b>2014</b> £
Depreciation	655	655
Auditors remuneration (see note 7)	16,645	11,980
Lease of Premises	15,120	14,400
	<u>16,420</u>	<u>14,400</u>

**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**10. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £</b>
<b>Cost</b>	
As at 1 January 2015 and 31 December 2015	1,966
<b>Depreciation</b>	
As at 1 January 2015	1,200
Charge of the year	655
As at 31 December 2015	<u>1,855</u>
<b>Net book value</b>	
As at 31 December 2015	<u>111</u>
As at 31 December 2014	<u>766</u>

**11. DEBTORS**

	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	10,563	41,369
Other debtors	8,933	11,905
Prepayments and accrued income	1,727	40,946
	<u>21,228</u>	<u>94,220</u>

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

	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	-	5,259
Taxation and social security	3,285	1,442
Accruals	8,988	6,100
Deferred income	15,000	-
	<u>27,273</u>	<u>12,801</u>

**Deferred income**

Deferred income relates to sponsorship received in advance for the Funfair 2016.



**THE NAKED HEART FOUNDATION  
NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES.**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net expenditure	(124,701)	(435,855)
<b>Adjusted for:</b>		
Depreciation charges	655	655
Dividends interest and rents from investments	(23)	(18)
(Increase)/Decrease in debtors	74,185	(91,979)
Increase in creditors	13,279	2,486
<b>Net cash used by operating activities</b>	<b>(36,605)</b>	<b>(524,711)</b>

**14. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Cash in hand	72,782	109,364
	<b>72,782</b>	<b>109,364</b>

**15. RELATED PARTY TRANSACTIONS**

During the year the charity paid grants of £252,535 (2014: £195,463) to The Children's Relief Foundations, a charity registered in Russia which has a common Trustee, Natalia Vodianova.

During the year the company received grants of £218,529 (2014: £28,725) from The Naked Heart Foundation Inc, a charity registered in the United States of America which has common Trustees Natalia Vodianova and Francois Chateau.

**16. FIRST TIME ADOPTION OF FRS102**

It is the first year the charity has presented the financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 and SORP 2015 was therefore 1 January 2014. As a consequence of adopting FRS 102 and SORP 2015 no restatements were required other than the reclassification of governance costs to support costs.