

Registered Company No: SC225422

Registered Charity No: SCO32430

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2013**

IMPACT ARTS (PROJECTS) LIMITED
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013

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IMPACT ARTS (PROJECTS) LIMITED

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name: Impact Arts (Projects) Limited

Registered Office and Operational Address: The Factory
319 Craigpark Drive
Glasgow
G31 2TB

Charity Registration Number: SCO32430

Company Registration Number: SC225422

Trustees
J Downie
Y Finlayson
A McElroy
S Montador
N McLean
E Ramsay
E Shaw

Secretary: M Sanders

Senior Management Team: Susan Aktemel, Director (until October 2012)
Rachael Brown, Business Development Director
Lynne Carr, Chief Executive (from May 2012)
Pam McLean, Interim Head of Delivery (from January 2012 to August 2012)
Joan Riddell, Interim Business Development (from December 2011 to June 2012)
Mairi Sanders, Head of Finance
Alison Urie Programme Director (until May 1 2013)

Auditors: Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Bankers: The Royal Bank of Scotland
Glasgow Alexandra Parade Branch
568 Alexandra Parade
Glasgow
G31 3BP

Solicitors: Burness LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

IMPACT ARTS (PROJECTS) LIMITED
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31 MARCH 2013

Introduction from Chairperson

It has been a busy and eventful year for Impact Arts. We reached a key milestone when our new Chief Executive, Lynne Carr, started in May 2012. She quickly developed her own style of leadership, focusing on learning about the business and staff, and building relationships with stakeholders.

In 2012/13, we engaged with 1,711 people through flagship programmes and commissions, and touched the lives of a further 7,457 people through our audiences.

We launched our Art Hire and Sponsorship programme. Successful collaborations with eBay and ASOS helped us to launch our Eco Chic Boutique Fashion products online.

Our Creative Pathways programme ran in four local authority areas – Scottish Borders, Glasgow, Edinburgh and North Ayrshire with over 130 participants.

Craft Café continues to go from strength to strength with new pilots in Glasgow and Edinburgh.

Gallery 37 engaged over 50 young people in a summer programme, culminating in a showcase event on the Royal Mile as part of the Edinburgh Fringe Festival.

What's next? Our plans are to focus on new ways of funding our ambitions and growth, through social investment and entrepreneurial activity. The Big Lottery Fund has chosen Impact Arts to participate in the Better By Design programme to develop a new Business Model, which will play a big part in achieving this goal.

This year also saw Simon Montador, a Management Consultant for Olcadan Consulting, join our board. We would all like to thank Gary Watt, Vice Chair, for his dedication and input into the board for two years before his resignation this year.

Thanks also to all of the board for their contribution over the past year and to all our staff for their creativity and hard work. Commitment from staff during the organisational review in February – April 2013, which led to a new structure, new job roles and a slight reduction in staff numbers, was much appreciated.

I'm grateful to all our partners including the Scottish Government, Local Authorities, Housing Associations and Funders, including Inspiring Scotland and the Big Lottery Fund, for their on-going support.

We're looking forward to another successful year in 2013/14.

Regards

John Downie

Chairperson Impact Arts (Projects) Ltd.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2013

Directors and Trustees

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2013. The legal and administrative information shown on page one and the Introduction from the Chairperson on page two, form part of this report.

Directors and Trustees

The directors of the company are also trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

There are currently eight directors serving as trustees, the maximum allowed under the Memorandum and Articles of Association is eleven.

The trustees who served during the year and since the year end (unless otherwise stated) were as follows:

S D Aktemel (Resigned 4 December 2013)

J Downie

Y Finlayson (From May 2012)

A McElroy

N McLean

S Montador (From 2 October 2012)

E Ramsay

J Riddell (Resigned 12 November 2013)

E Shaw

G Watt (Resigned 24 February 2013)

Structure, Governance and Management

- **Governing Document**

Impact Arts (Projects) Limited is a company limited by guarantee and is governed by its Memorandum and Articles of Association. During the year Impact Arts changed its memorandum and articles to reflect changes in good practice and Charity Law. These changes were approved by the Directors on 10 December 2012. Impact Arts is registered as a charity with the Office of the Scottish Charity Regulator (OSCR) and with HMRC.

- **Recruitment and Appointment of Trustees and Members**

Membership is open to any individual who wishes to support the aims and activities of the company, providing he/she is nominated for membership by two existing members of the company. The Directors shall be entitled, at their discretion, to refuse to admit any person to membership even if he/she is qualified for membership.

A person who wishes to become a member shall lodge with the company a written application for membership (in such form as the directors require), signed by him/her and signed by the persons nominating/him/her for membership. This application will then be considered by existing trustees at the next board meeting.

No employee of the company (other than an Executive Director) may become a member; a person admitted to membership shall automatically cease to be a member if he/she becomes an employee of the company. A person, once established to membership, shall remain a member unless and until he/she withdraws from membership.

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31 MARCH 2013

Nominations for trustees are encouraged from members based on the requirements for specialist skills and expertise that will help progress of Impact Arts (Projects) Limited, such as housing, regeneration, working with young people and the creative industries. Nominations are then considered at quarterly board meetings by other trustees.

• Trustee Induction and Training

New trustees undergo briefings on:

- Their legal obligations under company and charity law
- The content of the Memorandum and Articles of Association
- The strategic business plan
- Recent financial performance and forecasts.

During these briefings, they are able to observe the work of the charity, meet key employees as well as other trustees.

• Risk Management

The trustees have developed a comprehensive risk strategy for the charity. As a matter of course regular and formal reviews are undertaken by trustees to:

- Identify the key risks the charity may face
- Develop a business continuity plan in the case of these risks materialising
- Establish systems and procedures designed to minimise any potential impact on the charity should these risks materialise.

As part of this process, new procedures have been developed to address specific risks that have been identified, including:

- Improved procedures for reviewing the risks, including health and safety issues, when staff are working with vulnerable participants.
- Contingency planning procedures for dealing with the unforeseen closure of third party premises to minimise the impact on the delivery of services to participants.

• Organisational Structure

The directors and trustees have overall responsibility for the administration of the company and charity. The board meets quarterly and sub-committees covering staffing issues and finance meet as and when required.

Lynne Carr is Chief Executive, leading the senior management team of the company. They are supported operationally by a team of managers and staff with responsibility for the delivery of regional programmes and projects, business development and corporate services, such as Finance, HR and Operations.

Managers and staff have delegated authority to implement the charity's strategic business plan, within the terms of delegation approved by trustees. In doing this, they are supported by the Chairperson and other trustees.

IMPACT ARTS (PROJECTS) LIMITED

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• Related Parties

This year saw a continued reduction in the relationship between the Charity and Impact Arts (Glasgow) Ltd (IAGL), a company limited by shares. IAGL is in the process of being wound down. Susan Aktemel, Director and Rachael Brown, Development Director, remain, shareholder directors of IAGL and will do so until the company is closed down.

Objects and Activities

The objects of the charity are:

- (1) To advance the arts and culture.
- (2) To advance education through promotion of the arts by encouraging and providing opportunities for people to engage in arts activities, whether in the field of visual arts, the performing arts or otherwise.
- (3) To help relieve unemployment for the public benefit, in such ways as may be thought fit.
- (4) To advance environmental protection and/or improvement through the provision maintenance and/or improvement of public open space and other public amenities and other environmental and townscape regeneration projects, and in doing so, to seek wherever appropriate (but subject to appropriate safeguards to ensure that the public benefit so arising clearly outweighs any private benefit thereby conferred on private landowners) to carry out works of reclamation, remediation, restoration and other operations to facilitate the use for those purposes of land whose use has been prevented or restricted because of previous use.
- (5) To promote, operate and/or support other similar projects and programmes which further charitable purposes for the benefit of the community.

The main objectives set out in the Strategic Business Plan for 2012 -2015 are:

- Break the cycle of repeat homelessness by increasing tenancy sustainment and helping people prepare for their new home
- Enabling people to increase future life prospects, with specific focus on raising aspiration, self esteem, employability and enterprise
- Reducing social isolation amongst older people
- Use the arts as a vehicle for community regeneration
- To continue to strengthen our financial independence
- To continue to build the reputation of Impact Arts as a world-leading centre of excellence for community based arts programmes, ensuring that our systems and processes support staff to provide excellence.

IMPACT ARTS (PROJECTS) LIMITED

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2013

Core Programmes

Impact Arts (Projects) Ltd has developed a number of core programmes to deliver the charity's objectives. These core programmes are as follows:

- **Creative Pathways**

Creative Pathways is a creative engagement programme for "hard to reach" young people aged 16 -24 years old, who would otherwise not be in education, training or employment. The programme aims to sustain positive engagement, foster aspiration and develop the fundamental skills young people require to progress onto further education, training or employment. The programme does this by using creative activities to foster a positive work ethic, increase confidence, skills and enterprise amongst the young people we work with.

- **Gallery 37**

Gallery 37 is an intensive youth arts programme, which has been adapted from a model first developed in Chicago. The focus of the programme is to engage young people who are vulnerable, do not engage in other activities, have behavioural issues, have poor attendance at school or are in danger of being excluded. An intensive programme of multi-art activities, community challenges and learning opportunities are used to increase self esteem, confidence and provide opportunities to foster talents and celebrate achievements of individuals and groups.

- **Craft Cafe**

Craft Cafe is a programme of arts and creative activities for older people. The programme is designed to increase social interaction and thereby reduce isolation and loneliness amongst older people. By engaging those who are most vulnerable in the community, Craft Cafe contributes to improving the mental and physical health of older people, encourages people to become involved in other community based activities and signposts them to other support services that can contribute to improving their quality of life.

- **Urban Green**

The aim of Urban Green is to transform under or unused landscapes through community engagement and creative interventions. Urban Green can be an independent activity or fit within the larger regeneration of an area. It is a tailored service for each community with the community need always at its heart. Through engaging in quality community consultation, having access to environmental expertise and an artistic vision, communities can permanently transform their environment for the better. For the first time, Impact Arts conducted a pilot employability programme for Urban Green.

- **The Young Gallery**

The Young Gallery is a dedicated and aspirational space where children and their friends and families can celebrate their artistic achievements. The Young Gallery runs an on-going programme of theme-based visual workshops for children and young people. Young people work with experienced artists over eight workshops, creating artwork that then forms an exhibition in our Gallery based in Glasgow's East End. The Young Gallery is a Commonwealth Games 2014 legacy project.

- **Fab Pad**

Fab Pad was developed in 1998 to enable people who have either been homeless or are in danger of becoming homeless to sustain their tenancies. Through a combination of individual interior design support, structured creative group work combined with tailored employment and training advice, Fab Pad helps people turn their house into a home they want to live in. Fab Pad operated in Glasgow, Stirling, Edinburgh, Renfrewshire and North Ayrshire during 2012/13

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Achievements and Performance

Overview

This year 1,711 people participated in our core programmes, an increase of over 20% on the previous year. In addition we engaged approximately 7,457 people as audiences at events, performances and exhibitions, an increase of 67%.

Throughout the year, the charity managed individual projects in ten local authority areas. This reinforces our ambition to deliver opportunities to a wide range of people living in communities throughout Scotland.

Creative Pathways

Creative Pathways is building on its ever improving reputation as an engagement programme for young people who are not in education, training or employment. Creative Pathways has two main strands; Home is a furniture and product design project while Eco Chic focuses on fashion design and clothes making. Both projects have a strong emphasis on up-cycling and recycling and encourage very practical skill building while allowing for the discovery and unleashing of creativity and imagination. In addition Impact Arts piloted a third strand of the programme based on Urban Green environmental projects.

To compliment the Eco Chic programme, Impact Arts has the Eco Chic Boutique in Glasgow so that young people can learn about retail and the operation of a business, including visual merchandising, stock counting and cash collection. In addition pop up shops operated in Irvine and Edinburgh and products are sold online at <https://marketplace.asos.com/boutique/eco-chic-boutique>.

Over the year, a total of 131 new participants joined Creative Pathways Programmes in Glasgow, Ayrshire, Edinburgh and the Scottish Borders.

Impact Arts is now a SQA accredited learning centre to deliver Creative Pathways Programmes.

Gallery 37

This year in Edinburgh, Gallery 37 ran for four weeks during the summer holidays with taster sessions in advance of this. The focus was on engaging with the hardest to reach young people living in the city developing them and moving them into positive destinations. Artists worked with 53 young people to develop their skills in Animation, Costume Design, Drama and Movement, Music and Performance. The project took place in the National Museum of Scotland and using the museum as inspiration, a creative performance of music, drama and animation took place on the Royal Mile as part of the Edinburgh Fringe Festival.

Craft Cafe

During the year, five Craft Cafe projects operated in Castlemilk, Govan and Parkhead in Glasgow and also Westerhailes and Newington in Edinburgh.

The project also took part in the Luminare Festival, the national festival for creative ageing, with workshops taking place in Irvine and Bathgate. In total, 130 new participants took part in Craft Café.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

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Urban Green

Urban Green undertook a number of commissioned projects in Pollok, Castlemilk, Parkhead Irvine and Clydebank. 21 young people participated in a pilot Urban Green employability project carrying out environmental projects in North Ayrshire.

The Young Gallery

The Young Gallery engaged with 265 young people from the age of 3 to 15 producing artwork, sculptures and photography which was exhibited in The Young Gallery in Sword Street, Dennistoun. The Gallery was officially opened by Creative Scotland in June 2012 and has been designated a Commonwealth Games 2014 Legacy Project.

Fab Pad

Impact Arts continues to work in partnership with Renfrewshire Council Throughcare social work team that support young people, aged 16-20, as they move from children's units to their own tenancies. Renfrewshire Fab Pad works intensively with the young people who are moving to their own tenancy; to assist them to fully furnish, carpet and decorate their new home in order that it is personalised and increases the person's chances of settling in and progressing on. Young people attend weekly evening workshops to continue to make designs, artwork and soft furnishings for their home as well as going on inspirational trips. The project was commended in the 2013 CELCIS awards for its Innovative Partnership approach.

Fab Pad has also been operating in Glasgow, Stirling, Edinburgh and North Ayrshire supported by funding from Inspiring Scotland and Big Lottery Fund. A total of 171 new participants joined Fab Pad through the year.

Commissioned Projects

As part of Impact Arts continued growth the commissioned projects and the partnerships they create continue to be integral to the success of the business. This year we delivered 72 projects including community consultations, a music project in prisons, a continuing partnership with Strathclyde Fire and Rescue, public art and environmental improvements.

Inspiring Scotland

This was the fourth year of our seven year investment programme supported by Inspiring Scotland. The investment has contributed across the geographical regions towards the flagship programmes; Fab Pad, Creative Pathways, Gallery 37 and The Young Gallery as well as staffing infrastructure.

In 2012, through the Inspiring Scotland investment, 194 young people achieved a positive destination in employment, education or training. With 2 years to the end of the investment programme, Impact Arts is focusing on an exit strategy.

Social Investment Fund

The Social Investment Fund has provided a total of £494,000 in grant and loan funding to support the development of Urban Green and other activities until 2015/16.

Enterprise for Growth

Impact Arts secured funding through the Enterprise for Growth Fund to support an investment plan to support the growth of Impact Arts through geographical expansion and core infrastructure, including investment in IT.

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31 MARCH 2013

Scottish Enterprise

Impact Arts continues to be an account managed business with Scottish Enterprise. We have been able to access support in terms of training and business development. Scottish Enterprise has funded a major Leadership Development initiative at Impact Arts to improve skills, team working and leadership capacity in the organisation. The training is aimed at existing leaders and also rising stars.

Financial Overview

- **Financial Performance**

There is no doubt that the current environment is a challenging one for charities, and Impact Arts has focused on diversifying our income streams and funders. The trustees and staff have ensured that the overheads and spend within the charity has been as prudent as it could be. This has resulted in cost savings across areas such as utility bills, materials & resources and staffing costs. A new staff structure was introduced from April 2013 to create greater flexibility to deliver programmes and make the organisation fit for purpose. This resulted in a number of staff leaving Impact Arts. However, this has not compromised the excellent delivery for which Impact Arts is known.

This year we have continued to receive philanthropic investment from Inspiring Scotland which has allowed us to further cement our position as a key player in the delivery of high quality programmes for some of the country's most disadvantaged young people. This has resulted in the continued growth & development of key programmes allowing for other areas of income generation across other geographical locations.

We have also received funding for Enterprise Growth fund and Scottish Enterprise to invest in our infrastructure such as IT, marketing and business development. We received Consulting Support from Community Enterprise in Scotland to develop a marketing strategy.

- **Reserves Policy**

Impact Arts carried forward significant restricted reserves into 2012/13, some of which has been spent during the year on programme activities.

The trustees consider that the Charity ought to have an adequate level of free reserves which equate to 3 months core running costs (excluding project delivery), which would be in the region of £156,000 in the coming year. This is required to bridge the potential funding gaps between spending on projects and receiving income.

At 31st March 2013, the charity had an unrestricted funds balance of £477,623, including designated funds of £370,529. Therefore the balance of the free near cash backed reserves is £107,094, which means that Impact Arts had 2 months running costs at March 2013. The board agreed a strategy to improve this position at its meeting in August 2013.

- **Future Financial Planning**

Under the Statement of Recommended Practice (SORP) for charity accounts, income is reported in the year it is received whilst expenditure may be reported in future years. As a result of this requirement, Impact Arts has seen a reduction in restricted reserves from £526,561 in 2011/12 to £329,148 in 2012/13. This reduction of £197,413 is due entirely to spending of programme money, received in previous financial years, during 2012/13. During 2013/14, Impact Arts will be spending much of this carryover restricted reserve of £329,148

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2013

However, in relation to unrestricted reserves, the reserves position has improved from £370,943 to £447,623 i.e. a surplus of £106,680.

The current position of the charity is a strong one and a realistic business plan has been agreed going forward.

The external environment is likely to become even more challenging for charities across the board and Impact Arts will need to be extremely focused as pressure increases on funders and investors in how they distribute their funds. It is a widely held view that the arts are not an essential investment, therefore Impact Arts needs to continue to deliver high quality innovative solutions to main stream issues with a key focus on being ensuring that the impact of that work is spread as widely as possible. Having already secured investment required to build our property assets, & business development going forward, Impact Arts will focus on the development over the coming years on building the brand & reputation. Our strategic plan outlines the key areas of focus.

- Widen income stream
- National (UK) presence
- Strengthen the brands
- Excellence in delivery
- Developing our people

Impact Arts has been selected as one of 15 Scottish organisations to participate in Big Lottery Funds Better By Design programme in 13/14. This consists of consultancy support to develop a new business model, including strategic partnerships and new funding streams, such as social investment and enterprise activities. This is a two year project and it is hoped that the pilot will be a template which can be used throughout the third sector.

IMPACT ARTS (PROJECTS) LIMITED

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

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Statement of trustees' responsibilities

The trustees (who are also directors of Impact Arts (Projects) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

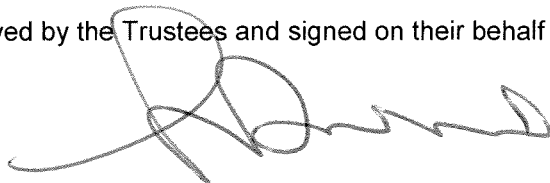
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Statement of recommended Practice: Accounting and Reporting by charities (issued March 2005) and in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

Name:



Date: 5 December 2013

J. DOWNIE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS PROJECTS LIMITED FOR THE YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Impact Arts (Projects) Limited for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet 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).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the 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 11, 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 Annual Report to identify material inconsistencies with the audited financial statements. 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 March 2012 and of its 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; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS PROJECTS LIMITED FOR THE YEAR ENDED 31 MARCH 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- 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.



Jenny Simpson (Senior statutory auditor)
For and on behalf of Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

5 December 2013

IMPACT ARTS (PROJECTS) LIMITED**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES****(including Income and Expenditure Account)****FOR THE YEAR ENDING 31 MARCH 2013**

	Notes	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Incoming Resources					
Incoming resources from voluntary funds					
Voluntary income	3	121,824	22,800	144,624	243,634
Activities for generating funds	4	11,783	-	11,783	17,435
Investment Income	5	4,287	-	4,287	4,984
Incoming resources from charitable activities	6	634,549	1,006,387	1,640,936	1,444,763
Other incoming resources		125	-	125	-
Total Incoming Resources		<u>772,568</u>	<u>1,029,187</u>	<u>1,801,755</u>	<u>1,710,816</u>
Resources expended					
Costs of generating voluntary income	7	11,426	-	11,426	17,266
Charitable activities	8	629,123	1,231,351	1,860,474	1,866,647
Governance costs	9	20,588	-	20,588	18,381
Total Resources Expended		<u>661,137</u>	<u>1,231,351</u>	<u>1,892,488</u>	<u>1,902,294</u>
Net incoming/(outgoing) resources before transfers					
		111,431	(202,164)	(90,733)	(191,478)
Transfers					
	22	(4,751)	4,751	-	-
Net income/(expenditure) for the year					
		<u>106,680</u>	<u>(197,413)</u>	<u>(90,733)</u>	<u>(191,478)</u>
Reconciliation of Funds					
Total funds brought forward	20,21	370,943	526,561	897,504	1,088,982
Total funds carried forward	20,21	<u>477,623</u>	<u>329,148</u>	<u>806,771</u>	<u>897,504</u>

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

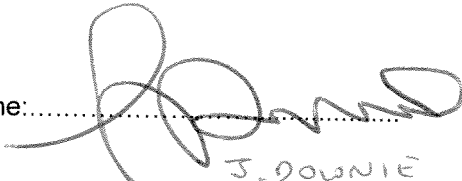
All incoming resources and resources expended derive from continuing activities.

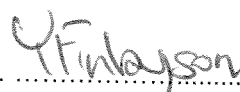
IMPACT ARTS (PROJECTS) LIMITED
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BALANCE SHEET AT 31 MARCH 2013

	Notes	£	2013 £	2012 £
FIXED ASSETS				
Tangible Assets	14		<u>621,196</u>	<u>618,678</u>
			621,196	618,678
CURRENT ASSETS				
Stocks	15	7,790		14,212
Debtors	16	279,772		205,512
Cash at bank and in hand		<u>469,121</u>		<u>681,078</u>
		756,683		900,802
Creditors: amounts falling due within one year	17	<u>(170,807)</u>		<u>(185,102)</u>
NET CURRENT ASSETS			585,876	715,700
Creditors: amounts falling due after one year	18		(400,301)	(436,874)
NET ASSETS			<u>806,771</u>	<u>897,504</u>
Unrestricted Funds				
General Funds	21	107,094		139,236
Designated Funds		<u>370,529</u>		<u>231,707</u>
			477,623	370,943
Restricted Funds	20		329,148	526,561
TOTAL FUNDS			<u>806,771</u>	<u>897,504</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the Trustees and signed on their behalf.

Name: 
 J. DOWNIE
 Date: 5 December 2013

Name: 
 Y. FINLAYSON

Company No: :SC225422

IMPACT ARTS (PROJECTS) LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

1. Accounting Policies (continued)

d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 10.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 are capitalised, including any incidental expenses of acquisition.

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

Equipment	-	25% on cost
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Property - The trustees consider the carrying value of these assets to be in excess of cost, and accordingly have not depreciated these assets.

f) Intangible Assets

Intangible Fixed Assets are capitalised and amortised on a straight line basis over 3 years in order to write off the asset over its estimated useful life.

g) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

2. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Voluntary Income

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Donations	659	-	659	65
You can do it	-	-	-	10
Miscellaneous income	11,922	-	11,922	1,400
Project income	24,055	22,800	46,855	21,381
Inspiring Scotland	85,000	-	85,000	90,778
Venue hire income from projects	188	-	188	-
Enterprise Growth Fund	-	-	-	130,000
	<u>121,824</u>	<u>22,800</u>	<u>144,624</u>	<u>243,634</u>

4. Activities for Generating Funds

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Caring Christmas Trees	8,152	-	8,152	17,372
Sale of materials	8	-	8	63
SCVO team building income	500	-	500	-
Graphic design income	1,682	-	1,682	-
Artwork hire income	1,441	-	1,441	-
	<u>11,783</u>	<u>-</u>	<u>11,783</u>	<u>17,435</u>

5. Investment Income

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Bank Interest	4,287	-	4,287	4,984
	<u>4,287</u>	<u>-</u>	<u>4,287</u>	<u>4,984</u>

6. Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2013 Total £	2012 Total £
Homelessness	105,219	301,663	406,882	606,768
Young People	375,933	554,250	930,183	595,377
Older People	67,970	90,342	158,312	37,641
Regeneration and Environmental	85,427	60,132	145,559	204,977
	<u>634,549</u>	<u>1,006,387</u>	<u>1,640,936</u>	<u>1,444,763</u>

IMPACT ARTS (PROJECTS) LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

7. Resources Expended- Fundraising Trading

	Direct Costs £	Support Costs £	2013 Total £	2012 Total £
Caring Christmas Trees	7,646	-	7,646	17,242
Material Sales	-	-	-	24
SCVO team building costs	460	-	460	-
Graphic design costs	1,638	-	1,638	-
Artwork hire costs	1,682	-	1,682	-
	<u>11,426</u>	<u>-</u>	<u>11,426</u>	<u>17,266</u>

8. Resources Expended- Charitable Activities

	Direct Costs £	Support Costs £	2013 Total £	2012 Total £
Homelessness	320,540	192,961	513,501	848,692
Younger People	594,170	375,780	969,950	705,665
Older People	113,611	72,535	186,146	75,679
Regeneration and Environmental	121,226	69,651	190,877	236,611
	<u>1,149,547</u>	<u>710,927</u>	<u>1,860,474</u>	<u>1,866,647</u>

9. Resources Expended – Governance Costs

	Direct Costs £	Support Costs £	2013 Total £	2012 Total £
Staff costs	-	14,413	14,413	11,418
Auditors' Remuneration	6,175	-	6,175	6,963
	<u>6,175</u>	<u>14,413</u>	<u>20,588</u>	<u>18,381</u>

10. Support Costs – Breakdown by Activities

	Homelessness £	Younger People £	Older People £	Regeneration and Environmental £	Governance £	Basis of Allocation
Staff costs	75,002	144,235	28,847	25,962	14,413	Time spent Usage
Other costs	117,959	231,545	43,688	43,689	-	
	<u>192,961</u>	<u>375,780</u>	<u>72,535</u>	<u>69,651</u>	<u>14,413</u>	

IMPACT ARTS (PROJECTS) LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

11. Net Incoming Resources for the Year

This is stated after charging:

	2013	2012
	£	£
Depreciation	20,773	18,471
Auditors' Remuneration – Audit Fees	6,175	6,963

12. Staff Costs and Numbers

Staff costs were as follows:

	2013	2012
	£	£
Salaries and wages	1,139,706	1,109,021
Social security costs	82,051	81,841
Other pension costs	22,609	19,887
Total	<u>1,244,366</u>	<u>1,210,749</u>

No employee received emoluments of more than £60,000.

The average number of employees during the year, calculated on the basis of fulltime equivalents, was as follows:

	2013	2012
	Number	Number
Total	<u>63</u>	<u>69</u>

13. Trustees' Remuneration and Related Party Transactions

S Aktemel (Trustee) received remuneration totalling £59,192 (2012 - £51,452). J Riddell (Trustee) received consultancy fees of £14,800 (2012 – £10,650).

No other Trustees received any remuneration during the year. No expenses were reimbursed to Trustees.

Following a planned company review and changes to the memorandum and articles of association during the previous year, the charity greatly reduced its involvement with Impact Arts (Glasgow) Limited (IAGL), a company limited by share providing infrastructure support to the charity. This company has been effectively wound down during the year. IAGL's directors and shareholders are S Aktemel, a Trustee and R O Brown, a Trustee (until October 2011).

During the year the company charged IAGL Nil (2012 - Nil) in respect Materials and Equipment Supply, Nil (2012 – Nil) in respect of Reimbursement of overheads/Direct Costs and Nil (2012 -Nil) which are costs incurred on behalf of the charity. In addition the charity purchased assets of Nil from IAGL (2012 – £90,000) and paid £48 (2012 – £1,698) in respect of Big Bag Royalties.

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

Trustees' Remuneration and Related Party Transactions (continued)

During the year the charity paid £Nil (2012 - Nil) for refurbishment and building works at the charity's properties and received £344 (2012 - £242) from the sale of furniture, to Maydos Developments Ltd, a company owned by Mr D Aktemel, husband of S Aktemel, a Trustee.

Robyn Brown, a freelance furniture designer and arts tutor received £10,289 (2012 - £4,658) in fees for the delivery of Creative Pathways and Home, groupwork programmes with young people. Robyn is the husband of R O Brown.

Pam McLean, Interim Head of Delivery, received £7,000 (2012 - £7,875) for her role during the year. Pam is the wife of N McLean.

No other Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

14. Tangible Fixed Assets

	Freehold Property	Equipment, Fixtures & Fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2012	576,879	78,402	655,281
Additions	-	24,228	24,228
Disposals	-	2,500	2,500
At 31 March 2013	<u>576,879</u>	<u>100,130</u>	<u>677,009</u>
Depreciation			
At 1 April 2012	-	36,603	36,603
On disposals	-	20,773	20,773
Charge for the year	-	1,563	1,563
At 31 March 2013	<u>-</u>	<u>55,813</u>	<u>55,813</u>
Net book values			
At 31 March 2013	<u>576,879</u>	<u>44,317</u>	<u>621,196</u>
At 31 March 2012	<u>576,879</u>	<u>41,799</u>	<u>618,678</u>

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

15. Stocks

	2013	2012
	£	£
Goods for resale	7,790	14,212
	<u>7,790</u>	<u>14,212</u>

16. Debtors

	2013	2012
	£	£
Trade debtors	240,179	83,301
Other debtors	33,902	119,732
Prepayments	5,691	2,479
	<u>279,772</u>	<u>205,512</u>

17. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	51,291	42,573
Other taxes and social security costs	58,125	56,441
Mortgages	16,682	10,767
Bank loans	15,962	13,580
Other Creditors	28,747	61,741
	<u>170,807</u>	<u>185,102</u>

The bank loans and mortgages are secured on the freehold property of the charity.

18. Creditors: Amounts falling due after one year

	2013	2012
	£	£
Bank Loans	180,230	194,787
Mortgages	220,071	242,087
	<u>400,301</u>	<u>436,874</u>

19. Analysis of maturity

	2013	2012
	£	£
Amounts falling due:		
Within one year	31,238	24,325
In one to two years	28,248	22,447
In two to five years	96,195	149,528
After five years	277,264	264,921
	<u>432,945</u>	<u>461,221</u>

The bank loans and mortgages are secured on the freehold property.

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

20. Restricted Funds

	Movement in funds				Balance at 31 March 2013 £
	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	
Fab Pad - National	6,538	181,813	163,012	-	25,339
Fab Pad - South Lanarkshire	4,305	-	-	-	4,305
Barrhead Fab Pad	3,307	-	2,002	-	1,305
Gallery 37	57,432	23,000	74,442	-	5,990
Creative Pathways	83,741	451,762	368,322	-	167,181
Fab Pad City Wide	8,696	127,322	135,775	-	243
Castlemilk Projects	12,360	49,252	54,996	-	6,616
Inspiring Scotland Innovation Space	31,370	-	19,011	-	12,359
Inspiring Scotland - New Programmes	20,526	-	20,526	-	-
The Young Gallery	17,458	24,635	42,093	-	-
SIF - Investment	139,498	-	99,498	-	40,000
Urban Green	1,235	4,987	10,793	4,751	-
Fire Reach - Urban Green	9,975	12,000	21,974	-	1
Glasgow Writers Residence Project	526	1,458	-	-	1,984
Total HOME	5,000	5,000	10	-	9,990
Enterprise Growth Fund	124,594	13	124,607	-	-
Urban Green, Parkhead	-	2,505	2,104	-	401
Polmont and Cortonvale Music Project	-	28,500	19,623	-	8,877
Connect 2	-	18,745	4,351	-	14,394
Workclub	-	4,155	3,991	-	164
Artist Mentoring Programme	-	30,000	-	-	30,000
Scottish Enterprise Investment	-	22,800	22,800	-	-
Elderpark Craft Cafe	-	41,240	41,240	-	-
	526,561	1,029,187	1,231,351	4,751	329,148

Fab Pad – interior design and support programme for young people moving into new tenancies across Scotland.

Barrhead Fab Pad

interior design and support programme for young people moving into new tenancies, working in partnership with Barrhead Housing Association tenants.

Gallery 37 – creative summer engagement programme for 14-17 year olds who are at risk of disengaging with education and training

Creative Pathways – a youth employability programme aimed at 16-19 year olds, who are not engaging in mainstream activities concentrating on sustainable fashion design and furniture design and manufacturing

Fab Pad – City Wide – interior design and support programme for young people moving into new tenancies across Glasgow.

Castlemilk Projects – a variety of programmes of creative activities based at Castlemilk Stables for Cassiltoun residents and the wider community including Craft Café and Urban Green.

Inspiring Scotland Innovation Space – activities relating to research and development of new programmes delivered by the Impact Arts core staff team

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

21. Restricted Funds (continued)

Inspiring Scotland Artist Training - a programme of capacity building and training for artists and tutors working with our core creative programmes for young people.

Inspiring Scotland – New Programmes – investment programme for new programmes

The Young Gallery - Scotland's first art gallery dedicated to children and young people based in the East End of Glasgow

Social Investment Fund –Investment an investment plan to include the purchase of property, assets and vehicles, the upgrade of current buildings as well as project/staff investment.

Urban Green - an innovative programme, designed to transform underused and underdeveloped green spaces by in-depth community involvement and creative landscaping.

Fire Reach – Urban Green a pilot programme in partnership with GHA and Strathclyde Fire & Rescue designed to reclaim underused green spaces in South Glasgow

Glasgow Writers Residence Project - The focus of the project was to engage with a professional writer.

Total Home- provides intensive support and crisis intervention at the point in which the individual receives the keys for their new tenancy.

Enterprise Growth Fund – an investment plan to support the growth of Impact Arts through geographical expansion and core infrastructure.

Polmont and Cortonvale Music Project - a project to develop choirs and music workshops in Polmont and Cortonvale YOI.

Urban Green Parkhead - a project to regenerate a piece of derelict land in Glasgow.

Connect 2 – An early intervention taster programme which aims to support unemployed school leavers make a successful transition into appropriate personal development employability or mainstream learning provision.

Artists Mentoring Programme – a project to mentor new graduates and develop community arts and entrepreneurial skills.

Scottish Enterprise Investment - Impact Arts is an account managed business and throughout the financial year funding was received towards supporting organisational growth.

Elderpark Craft Cafe - is a creative arts programme aimed at reducing social isolation with older people in Govan.

22. Unrestricted Funds

	Balance at 1 April 2012 £	Movement in funds		Transfers £	Balance at 31 March 2013 £
		Incoming resources £	Expenditure (gains)/losses £		
General charitable funds	139,236	772,568	640,364	(164,346)	107,094
Designated funds:					
Tangible fixed assets	231,707	-	20,773	51,567	262,501
Committed funds	-	-	-	108,028	108,028
	<u>370,943</u>	<u>772,568</u>	<u>661,137</u>	<u>(4,751)</u>	<u>477,623</u>

The designated fund for Tangible fixed assets represents the net book value of the charity's tangible assets less any applicable borrowings in respect of those assets.

The designated fund for Committed funds represents cash backed committed funds.

23. Transfers

The transfer of £4,751 represents a transfer from unrestricted reserves to restricted funds to cover a deficit on restricted projects.

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

24. Analysis of Net Assets between funds

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted funds	-	329,148	-	329,148
Unrestricted funds	621,196	256,728	(400,301)	477,623
Total funds	<u>621,196</u>	<u>585,876</u>	<u>(400,301)</u>	<u>806,771</u>