

Registered Company No: SC225422

Registered Charity No: SC032430

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2014**

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2014

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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 (Chair)
S D Aktemel (resigned 5 December 2013)
L Duncan (joined 5 December 2013)
Y Finlayson
A McElroy
S Montador
Lisa Maclean (joined 28 April 2014)
N McLean (resigned 22 April 2014)
T Quinn (joined 5 December 2013)
E Ramsay
J Riddell (resigned 12 November 2013)
E Shaw (resigned 5 December 2013)
T Shearer (joined 23 June 2014)

Secretary: M Sanders

Senior Management Team: Lynne Carr, Chief Executive
Rachael Brown, Business Development Director
(until 22 August 2014)
Jay McAllister, Head of Delivery (from 1 April 2014)
Mairi Sanders, Head of Finance
Alison Urie, Programme Director (until 1 May 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 Paull 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 2014

Introduction from Chairperson

I am pleased to write my third report as Chair of the Board of Trustees for Impact Arts following a year where we have consolidated our position.

It is hugely rewarding for me to see how we are progressing as an organisation. The Board continues to be committed to growing our impact, improving our effectiveness, and using creativity and the arts to make social change happen.

We have delivered £1,639,000 of projects and assisted 1,584 people to make a positive and real change to their lives, whether that be to get a job or a place at college, gain a qualification, sustain a tenancy or improve confidence and self-esteem.

The third sector as a whole faces a challenging environment and we began the year with some tough decisions as we re-structured our organisation to be more focussed, particularly on the delivery of our activities and reducing our core costs. With excellent financial management in place, we have kept our core costs to 4.7% below budget.

As an organisation we strive to be innovative and were overwhelmed with the support we received through our first foray into Crowdfunding activity for our Young Person's art gallery, raising over £14,000.

We became accredited to deliver Scottish Qualifications Authority and Arts Award accreditations and successfully obtained our first Employability Fund contract with Skills Development Scotland

We were also successful in being chosen to participate in The Big Lottery's Better By Design programme of organisational support

The Better By Design process has enabled the Board and the Senior Management Team to look with a fresh eye on the focus of what we do and our business model. As result we have revised our long-term strategic aims.

My thanks go to David Shrigley for agreeing to become patron of The Young Gallery and to all the Trustees who have supported me and the staff team.

We were sorry to lose this year some longstanding trustees who made a significant contribution to the growth and success of the organisation. I would like to pay my personal thanks for to Susan Aktemel, Neil McLean, Joan Riddell and Eleanor Shaw.

Four new trustees were welcomed onto Board – Linsay Duncan (Princess of Possibilities, Tree of Knowledge), Lisa Maclean (Regional Director, Activpayroll), Tessa Quinn (Head of Digital, National Galleries of Scotland) and Theresa Shearer (Management Consultant).

Thanks also go all our funders – especially Inspiring Scotland, Glasgow City Council, City of Edinburgh Council, SCVO, Skills Development Scotland, North Ayrshire Council and Scottish Government in 2013/14. We very much value all your trust and support for our activities which helped us achieve maximum impact.

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Finally, I would like to thank all the staff for their enthusiasm and commitment to delivering high quality outcomes for all our customers.

The most important outcome of all, is that we have a thriving organisation that can continue to make a difference to the lives of the individuals we work with.

Regards

John Downie
Chair Impact Arts (Projects) Ltd.

IMPACT ARTS (PROJECTS) LIMITED

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2014. The legal and administrative information shown on page one, and the chairman's report on page two forms part of this report.

OUR STRATEGY

Our Mission

To help people change their lives creativity and the arts

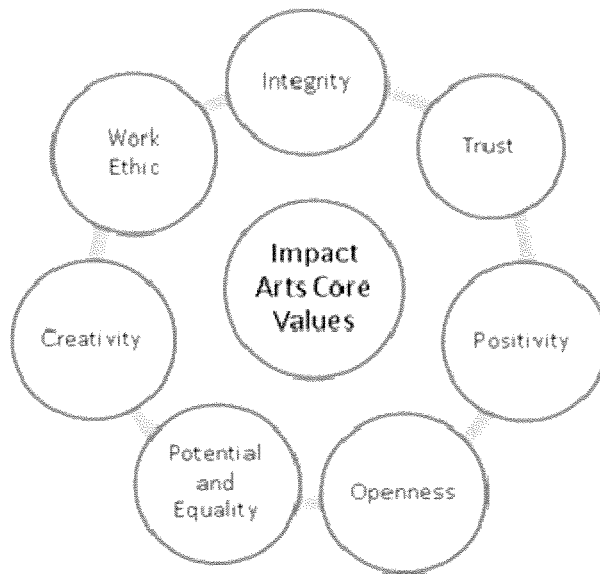
#arts changes lives

Our Vision

To become a sustainable charity and social enterprise using innovation, enterprise, continuous improvement and partnering with like-minded organisations to make social change happen.

In the backdrop of being a strong creative community arts organisation, we want to enable Impact Arts to flourish through developing and delivering a strategy for growth, by providing excellent services to our partners and programme participants and ensuring there is a positive and fulfilling creative environment for staff to achieve their potential.

Our Values



IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

OUR STRATEGY

Our Strategic Aims

Our aim is to achieve social change by the following means:

Inspiration

We inspire more people to feel aspirational, optimistic, confident and self motivated.

Potential

We enable more people to have more choices in routes to achieve their potential.

Empowerment

We ensure more people are aware of their strengths and capabilities and the opportunities that may be available to them.

Talent Development

We support more people to develop their talents within creative industries.

Our Key Activities



The Young Gallery is a dedicated and aspirational space where children, their friends and families can celebrate their artistic achievements. Working with the Young Gallery Artist in Residence children take part in theme based arts workshops that led to an exhibition in our dedicated space in Glasgow's East End. The Young Gallery is a Commonwealth Games 2014 legacy project and Scotland's only dedicated Gallery space for children 0-12 years.



Gallery 37 celebrates young people and their creativity, focusing in on early intervention with young people aged 14-17, Gallery 37 exposes them to a variety of arts activities including dance, fashion, music, song writing, film, animation, digital arts, stencilling, circus skills, design, performance and visual arts. Working with professional artists and creatives the young people engage in the artistic process as well as gaining increased social skills. This programme operates nationally in Rural & City locations.



Creative Pathways is our creative employability programme engaging young people aged 16-24 who were previously not in education, employment or training. Participants work full-time alongside Impact Arts' dedicated and inspiring artists. Young People can choose between Fashion and Style, Product Design, Environmental Projects or Theatre Arts to develop artistic and social skills that are transferable into a work setting. They also take part in drama, cultural trips, outward-bound days, team building and retail challenges. Their journey culminates in a high profile final show in a prominent venue. The Creative Pathways programme is SQA accredited to deliver programmes at SCQF levels 3 and 4.

IMPACT ARTS (PROJECTS) LIMITED

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31 MARCH 2014

OUR STRATEGY



The Artist Mentoring Programme (AMP) aims to instil under or unemployed visual artists with the skills, experience and confidence to forge a career in the arts both, through professional practice and community arts. Impact Arts supports artists into their own viable business model, equips them with the training, skills and experience needed to make their business a success, supports artists' personal development and own practice and offers a creative hub, where artists can access office, meeting and studio space during their business start-up period.



Older people can find themselves isolated and with little stimulus. We see first-hand how beneficial arts activities can be for them in many ways, particularly health-wise. Sometimes just the company and conversation of contemporaries is enough to help but in our Craft Café projects, aimed at the over 60s, we often see a re-awakening or an unexpected discovery of creative abilities which are truly rewarding. We work locally and in partnership with other relevant organisations, such as local housing associations, to ensure we find ways of engaging older people.

Our Overall Achievements

- We have engaged 250,000 people in creative activities – 4.7% of Scotland's population;
- We have delivered 1,500 projects and programmes;
- We have worked with 30 out of 32 local authorities in Scotland;
- Our Social Return on Investment research has shown that for every £1 spent on Impact Arts' programmes, social capital of up to £8.38 is achieved;
- We were the first creative organisation to receive Social Investment Scotland investment;
- In 2006 we launched Scotland's first Gallery 37 and have since worked with 487 young people at risk of disengaging from school;
- Since 2008, we have worked with 623 young people offering employability programmes to develop creative skills and facilitate progressions into creative industries;
- In 2005 we created the Arts Master plan for the Lowland Canals across 7 local authorities, paving the way for the Kelpies project;
- We have mentored 58 arts graduates, developing their talents to help them progress into jobs in community arts;
- Since 2010, we have engaged with 500 older people, offering them an opportunity to learn new creative skills and make better social connections, thereby reducing social isolation;
- In 2012, we set up Scotland's first art gallery dedicated to the work of children and have engaged with 626 children and attracted over 2,000 visitors with Turner Prize finalist, David Shrigley, becoming the patron of the Gallery.

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

Objects and Activities

Impact Arts (Projects) Limited is a company limited by guarantee and is governed by its Memorandum and Articles of Association. Impact Arts is registered as a charity with the Office of the Scottish Charity Regulator (OSCR) and with HMRC. The activities of the company are governed by the Board of Trustees.

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.

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 nine 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 were as follows:

S D Aktemel (resigned 5 December 2013)	N McLean (resigned 22 April 2014)
L Duncan (joined 5 December 2013)	T Quinn (joined 5 December 2013)
J Downie	E Ramsay
Y Finlayson	J Riddell (resigned 12 November 2013)
A McElroy	E Shaw (resigned 5 December 2013)
S Montador	T Shearer (joined 23 June 2014)
Lisa Maclean (joined 28 April 2014)	

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 can, at their discretion, refuse to admit any person to membership even if he/she is qualified for membership.

Any person who wishes to become a member should lodge with the company a written application for membership, 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.

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

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 at least six times per year 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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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

Our Impact 2013/14

Key Statistics	2013/14
Total audiences	5,909
The Young Gallery participants	324
Gallery 37 participants	64
Creative Pathways participants	311
Craft Café participants	170
Participants in other projects and commissions	715
Participants from Creative Pathways 2012/13 programme progressing into employment, education or training	88%
Participants from Creative Pathways 2013/14 programme progressing into employment, education or training	62% (to date)
People expressing themselves creatively and engaging in the arts	1,925
People with improved communication skills	740
People feel less isolated and form better social connections	743
People with improved physical and/or mental health	424

Our Highlights

Throughout the year, Impact Arts managed 80 individual projects in nine local authority areas.

The Young Gallery

The Young Gallery was designated a Commonwealth Games 2014 Legacy Project and Turner prize finalist, David Shrigley, agreed to become patron of the Gallery. A successful Crowdfunding campaign was held in October/November 2013 that raised over £14,000 towards the work of the Gallery. During the year, Impact Arts' artists delivered programmes of art and photography in schools and nurseries, also a specialised parent and baby/toddler project focussed on strengthening the parent and child bond through early years' creative engagement, funded by Cattanach Trust.

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Gallery 37

Gallery 37 ran for four weeks during the summer holidays in Edinburgh. 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 over 60 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 culminating in an exhibition and show at the Museum.

Creative Pathways

Creative Pathways was delivered in North Ayrshire, Edinburgh and Glasgow with a new programme that included five themes:

- Product Design
- Style Hair and Beauty with Photography
- Fashion Design
- Environmental Design
- Theatre Arts

For the first time, we delivered an Employability Fund contract in Glasgow, working with Skills Development Scotland and offered SQA accredited learning. 68 young people gained SQA qualifications. We are also an accredited Arts Award centre.

We also conducted a Social Return on Investment analysis on Creative Pathways that showed for every £1 spent on Creative Pathways, £5.68 of social capital was gained.

To complement the programme, Impact Arts has the Eco Chic Boutique in Glasgow, pop up shops operated in Irvine and Edinburgh and also sells merchandise online through ASOS marketplace. Young people can learn about retail and the operation of a business, including visual merchandising, stock counting and cash collection. A partnership was sealed with House of Fraser to offer work placements in store and a memorandum of understanding signed with Edinburgh College to ensure that young people from Creative Pathways in Edinburgh would automatically be interviewed for college places.

Craft Cafe

During the year, six Craft Cafe projects operated in Castlemilk, Whiteinch, Govan and Parkhead in Glasgow and also Leith and Newington in Edinburgh. We partnered with Kelvingrove Art Gallery to exhibit the work of all the craft cafes in an exhibition "Time For Tea".

The project also took part again in the Luminare Festival, the national festival for creative ageing, with workshops taking place in Ayrshire.

Commissioned and Other 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 projects including community consultations, music project in schools and prisons, set and furniture design, a continuing partnership with Scottish Fire and Rescue, public art and environmental improvements.

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. Impact Arts was commissioned to work with young people on an interior design commission for new accommodation for children in care in Renfrewshire.

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31 MARCH 2014

We are also participating in an Arts & Humanities Research Council/University of Glasgow research project that will engage the wider Dennistoun community over 3 years in a creative consultation process that will allow them to tell their stories. This research will be captured and feed into informing health related policy.

Partners

Inspiring Scotland

This was the fifth year of our seven year investment programme supported by Inspiring Scotland. Over £388,000 in 2013 contributed across the geographical regions towards the core programmes - Creative Pathways and Gallery 37 and commissioned work with young people as well as staffing infrastructure.

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.

The Big Lottery

Impact Arts has been selected as one of 15 Scottish organisations to participate in Big Lottery Fund's Better By Design programme in 2013/14. 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. During this programme Impact Arts has developed a theory of change model and restated its strategic outcomes to be more focussed on its key aim to promote social change through creativity and the arts.

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 IT 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

2013/14 has been a challenging environment for all charities. Impact Arts introduced a new staff structure in April 2013 to create greater flexibility to deliver programmes and also reviewed other core costs to create savings.

We have continued to be supported by venture philanthropists, Inspiring Scotland. Our largest customers have been Glasgow City Council, North Ayrshire Council, City of Edinburgh Council, Skills Development Scotland and Scottish Council for Voluntary Organisations.

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 £329,148 in 2012/13 to £132,610 in 2013/14. This reduction of £196,538 is due entirely to spending of programme money, received in previous financial years, during 2013/14.

However, in relation to unrestricted reserves, the reserves position has improved from £477,623 to £481,656.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED

31 MARCH 2014

It is important to note the true in year financial position of Impact Arts for 2013/2014, which can be stated as below:

Total Income for 13/14	£1,674,199
Plus brought forward income (restricted)	£329,148
Plus brought forward income (unrestricted)	£107,094
Minus carried forward income (restricted)	£132,610
Minus carried forward income (unrestricted)	£100,743
Actual 13/14 Income	£1,877,088
Total Expenditure for 13/14	£1,866,704
True in year position	£10,384

Reserves Policy

Impact Arts carried forward significant restricted reserves of £329,148 into 2013/14, the majority 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 £166,000 in the coming year. This is required to bridge the potential funding gaps between spending on projects and receiving income, as well as making an allowance for potential maternity and redundancy payments.

At 31st March 2014, the charity had an unrestricted funds balance of £481,656, an increase from 1st April 2013. This figure includes designated funds of £354,683, which can be broken down into; tangible fixed assets of £253,940, unrestricted committed project funds of £75,743 and a newly introduced designated fund for property maintenance of £25,000. Impact Arts has introduced this fund as all the properties on Impact Arts portfolio are over 100 years, therefore the board have decided that it would be prudent to create a designated fund property maintenance fund for the anticipated repairs and renewals over the coming financial years. The free near cash backed reserves balance is £126,973, which is sufficient to meet almost 3 months core running costs.

Future Financial Planning

The current baseline strategic plan shows a 13.5% increase in income by 2018/19. The organisation has also developed a more ambitious plan, tying into increased outcomes and impact. This could result in an increase in income of up to 50% by 2018/19. The Board will review these plans on an annual basis, whilst receiving quarterly financial updates on the plan.

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31 MARCH 2014

The current position of the charity is a strong one and a realistic business plan has been agreed going forward. The Better By Design process is enabling Impact Arts to look at long term strategic partnerships and opportunities through social investment to bring longer term certainty to funding streams.

Related Parties

Impact Arts (Glasgow) Ltd (IAGL), a company limited by shares, has previously traded with Impact Arts (Projects) Ltd but this relationship has now ceased.

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.

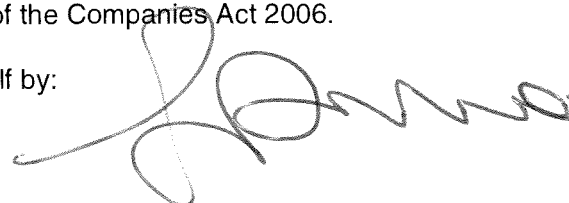
In so far as the trustees are aware:

- 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: J Downie



Date: 10 November 2014

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS PROJECTS LIMITED FOR THE YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Impact Arts (Projects) Limited for the year ended 31 March 2014 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 12, 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 2014 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 2014

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

Date: 10 November 2014

IMPACT ARTS (PROJECTS) LIMITED**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES****(including Income and Expenditure Account)****FOR THE YEAR ENDING 31 MARCH 2014**

	Notes	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Incoming Resources					
Incoming resources from voluntary funds					
Voluntary income	3	130,686	-	130,686	144,624
Activities for generating funds	4	953	-	953	11,783
Investment Income	5	3,144	-	3,144	4,287
Incoming resources from charitable activities	6	469,784	1,068,231	1,538,015	1,640,936
Other incoming resources		1,401	-	1,401	125
Total Incoming Resources		<u>605,968</u>	<u>1,068,231</u>	<u>1,674,199</u>	<u>1,801,755</u>
Resources expended					
Fundraising trading: costs of goods sold and other costs					
	7	20	-	20	11,426
Charitable activities	8	578,219	1,264,769	1,842,988	1,860,474
Governance costs	9	23,696	-	23,696	20,588
Total Resources Expended		<u>601,935</u>	<u>1,264,769</u>	<u>1,866,704</u>	<u>1,892,488</u>
Net incoming/(outgoing) resources before transfers					
		4,033	(196,538)	(192,505)	(90,733)
Transfers					
		-	-	-	-
Net income/(expenditure) for the year					
		4,033	(196,538)	(192,505)	(90,733)
Reconciliation of Funds					
Total funds brought forward	20,21	477,623	329,148	806,771	897,504
Total funds carried forward	20,21	<u>481,656</u>	<u>132,610</u>	<u>614,266</u>	<u>806,771</u>

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

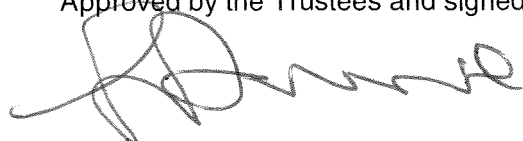
All incoming resources and resources expended derive from continuing activities.

IMPACT ARTS (PROJECTS) LIMITED**(A company limited by guarantee)****BALANCE SHEET AT 31 MARCH 2014**

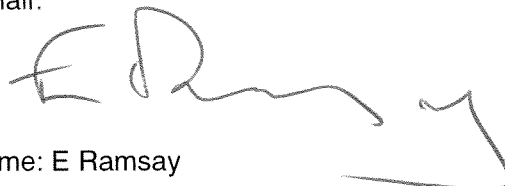
	Notes	£	2014 £	2013 £
FIXED ASSETS				
Tangible Assets	14		<u>581,405</u>	<u>621,196</u>
			581,405	621,196
CURRENT ASSETS				
Stocks	15	6,017		7,790
Debtors	16	226,392		279,772
Cash at bank and in hand		<u>305,676</u>		<u>469,121</u>
		538,085		756,683
Creditors: amounts falling due within one year	17	<u>(136,386)</u>		<u>(170,807)</u>
NET CURRENT ASSETS			401,699	585,876
Creditors: amounts falling due after one year	18		(368,838)	(400,301)
NET ASSETS			<u>614,266</u>	<u>806,771</u>
Unrestricted Funds				
General Funds	21	126,973		107,094
Designated Funds		<u>354,683</u>		<u>370,529</u>
			481,656	477,623
Restricted Funds	20		132,610	329,148
TOTAL FUNDS			<u>614,266</u>	<u>806,771</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



Name: E Ramsay

Date: 10 November 2014

Company No: SC225422

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

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 2014

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 2014

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	2014 Total	2013 Total
	£	£	£	£
Donations	24	-	24	659
Miscellaneous income	16,453	-	16,453	11,922
Project income	46,709	-	46,709	46,855
Inspiring Scotland	67,500	-	67,500	85,000
Venue hire income from projects	-	-	-	188
	<u>130,686</u>	<u>-</u>	<u>130,686</u>	<u>144,624</u>

4. Activities for Generating Funds

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Caring Christmas Trees	20	-	20	8,152
Sale of materials	-	-	-	8
SCVO team building income	-	-	-	500
Graphic design income	415	-	415	1,682
Artwork hire income	518	-	518	1,441
	<u>953</u>	<u>-</u>	<u>953</u>	<u>11,783</u>

5. Investment Income

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Bank Interest	3,144	-	3,144	4,287
	<u>3,144</u>	<u>-</u>	<u>3,144</u>	<u>4,287</u>

6. Incoming Resources from Charitable Activities

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Homelessness	43,100	36,116	79,216	406,882
Young People	257,245	897,247	1,154,492	930,183
Older People	99,488	110,690	210,178	158,312
Regeneration and Environmental	69,951	24,178	94,129	145,559
	<u>469,784</u>	<u>1,068,231</u>	<u>1,538,015</u>	<u>1,640,936</u>

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

7. Resources Expended- Fundraising Trading

	Direct Costs £	Support Costs £	2014 Total £	2013 Total £
Caring Christmas Trees	20	-	20	7,646
SCVO team building costs	-	-	-	460
Graphic design costs	-	-	-	1,638
Artwork hire costs	-	-	-	1,682
	<u>20</u>	<u>-</u>	<u>20</u>	<u>11,426</u>

8. Resources Expended- Charitable Activities

	Direct Costs £	Support Costs £	2014 Total £	2013 Total £
Homelessness	112,013	26,482	138,495	513,501
Younger People	940,986	420,708	1,361,694	969,953
Older People	157,753	63,476	221,229	186,146
Regeneration and Environmental	91,584	29,986	121,570	190,877
	<u>1,302,336</u>	<u>540,652</u>	<u>1,842,988</u>	<u>1,860,474</u>

9. Resources Expended – Governance Costs

	Direct Costs £	Support Costs £	2014 Total £	2013 Total £
Staff costs	-	17,521	17,521	14,413
Auditors' Remuneration	6,175	-	6,175	6,175
	<u>6,175</u>	<u>17,521</u>	<u>23,696</u>	<u>20,588</u>

10. Support Costs – Breakdown by Activities

	Homelessness £	Younger People £	Older People £	Regeneration and Environmental £	Governance £	Basis of Allocation
Staff costs	14,017	261,781	38,546	17,521	17,521	Time spent
Other costs	12,465	158,927	24,930	12,465	-	Usage
	<u>26,482</u>	<u>420,708</u>	<u>63,476</u>	<u>29,986</u>	<u>17,521</u>	

IMPACT ARTS (PROJECTS) LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

11. Net Incoming Resources for the Year

This is stated after charging:

	2013	2013
	£	£
Depreciation	22,392	20,773
Auditors' Remuneration – Audit Fees	6,175	6,175
Loss on disposal of fixed assets	1,400	-

12. Staff Costs and Numbers

Staff costs were as follows:

	2013	2013
	£	£
Salaries and wages	1,122,468	1,139,706
Social security costs	84,638	82,051
Other pension costs	17,168	22,609
Total	<u>1,224,274</u>	<u>1,244,366</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:

	2014	2013
	Number	Number
Total	<u>71</u>	<u>63</u>

13. Trustees' Remuneration and Related Party Transactions

S Aktemel (Trustee till 3 December 2013) received a salary of Nil (2013 - £59,192). J Riddell (Trustee till 12 November 2013) received consultancy fees of £Nil (2013 – £14,800). There are no such transactions to report for 2013/14.

No other Trustees received any remuneration during the year. No expenses were reimbursed to Trustees (2013: Nil).

Impact Arts (Glasgow) Ltd (IAGL), a company limited by shares, has previously traded with Impact Arts (Projects) Ltd but this relationship has now ceased. IAGL is in the process of being wound down. Former trustees, Susan Aktemel and Rachael Brown, remain shareholder directors of IAGL and will do so until the company is closed down. The charity paid £48 in 2012/13 to IAGL in respect of Big Bag royalties. There are no such transactions to report for 2013/14.

In the previous year 2012/13 the following transactions took place; the charity received £344 from the sale of furniture to Maydos Developments Ltd, a company owned by D Aktemel, husband of Susan Aktemel, former trustee. Robyn Brown, a freelance tutor, received £10,289 in fees for Creative Pathways, an employability programme. Robyn is the husband of Rachael Brown, former Business Development Director. Pam McLean, received £7,000 for her role as Interim Head of Delivery. Pam is the wife of Neil McLean, former trustee. There are no such transactions to report for 2013/14.

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

13. Trustees' Remuneration and Related Party Transactions (continued)

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 2013	576,879	100,130	677,009
Additions	-	7,236	7,236
Disposals	(23,440)	(3,226)	(26,666)
At 31 March 2014	<u>553,439</u>	<u>104,140</u>	<u>657,579</u>
Depreciation			
At 1 April 2013	-	55,813	55,813
Charge for the year	-	22,392	22,392
On disposals	-	(2,031)	(2,031)
At 31 March 2014	<u>-</u>	<u>76,174</u>	<u>76,174</u>
Net book values			
At 31 March 2014	<u>553,439</u>	<u>27,966</u>	<u>581,405</u>
At 31 March 2013	<u>576,879</u>	<u>44,317</u>	<u>621,196</u>

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

15. Stocks

	2014	2013
	£	£
Materials for use	6,017	7,790
	<u>6,017</u>	<u>7,790</u>

16. Debtors

	2014	2013
	£	£
Trade debtors	203,504	240,179
Other debtors	6,316	33,902
Prepayments	16,572	5,691
	<u>226,392</u>	<u>279,772</u>

17. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	30,747	51,291
Other taxes and social security costs	21,102	58,125
Mortgages	17,274	16,682
Bank loans	15,602	15,962
Other Creditors	51,661	28,747
	<u>136,386</u>	<u>170,807</u>

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

18. Creditors: Amounts falling due after one year

	2014	2013
	£	£
Bank Loans	166,033	180,230
Mortgages	202,805	220,071
	<u>368,838</u>	<u>400,301</u>

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

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

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

19. Analysis of maturity

	2014	2013
	£	£
Amounts falling due:		
Within one year	32,876	31,234
In one to two years	33,548	28,248
In two to five years	112,508	96,199
After five years	<u>222,783</u>	<u>277,264</u>
	<u>401,715</u>	<u>432,945</u>

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

20. Restricted Funds

	Movement in funds				Balance at 31 March 2014
	Balance at 1 April 2013	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Fab Pad – National	25,339	6,934	33,799	1,526	-
Fab Pad - South Lanarkshire	4,305	(4,084)	-	(221)	-
Barrhead Fab Pad	1,305	-	-	(1,305)	-
Gallery 37	5,990	57,089	43,174	-	19,905
Creative Pathways	167,181	711,664	788,824	-	90,020
Fab Pad City Wide	243	29,182	29,425	-	-
Castlemilk Projects	6,616	45,000	51,616	-	-
Inspiring Scotland Innovation Space	12,359	-	12,359	-	-
AHRC Dennistoun Consultation Programme	-	6,000	3,458	-	2,542
The Young Gallery	-	60,197	50,197	-	10,000
SIF – Investment	40,000	-	40,000	-	-
Urban Green	1	18,178	18,179	-	-
Glasgow Writers Residence Project	1,984	-	1,984	-	-
Total HOME	9,990	-	9,990	-	-
Urban Green, Parkhead	401	-	401	-	-
Polmont and Cortonvale Music Project	8,877	7,500	16,377	-	-
Elderpark	-	64,776	664,776	-	-
Connect 2	14,394	65,796	78,373	-	1,817
Workclub	164	-	164	-	-
Artist Mentoring Programme	30,000	-	21,674	-	8,326
	<u>329,148</u>	<u>1,068,231</u>	<u>1,264,769</u>	<u>-</u>	<u>132,610</u>

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

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

20. Restricted Funds (continued)

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

Fab Pad – South Lanarkshire - interior design and support programme for young people moving into new tenancies in South Lanarkshire.

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.

AHRC Dennistoun Consultation Programme - a research project that will engage the wider Dennistoun community over 3 years in a creative consultation process

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

Social Investment Fund – Business Development - 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.

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.

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

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

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

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

Workclub - a Dennistoun based workclub to help young people find work.

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

Big Lottery Fund - Actual amount received during the year from The Big Lottery Grant Funding is as follows: Investing in Ideas - The Young Gallery Creative Dyslexic Project, Glasgow - £10,000

IMPACT ARTS (PROJECTS) LIMITED
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

21. Unrestricted Funds

	Balance at 1 April 2013	Movement in funds			Balance at 31 March 2014
		Incoming resources	Expenditure (gains)/losses	Transfers	
	£	£	£	£	£
General charitable funds	107,094	605,968	547,258	(38,831)	126,973
Designated funds:					
Tangible fixed assets	262,501	-	22,392	13,831	253,940
Committed Funds	108,028	-	32,285	-	75,743
Property Maintenance	-	-	-	25,000	25,000
	<u>477,623</u>	<u>605,968</u>	<u>601,935</u>	<u>-</u>	<u>481,656</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.

The board have decided that it would be prudent to create a designated property fund for the anticipated repairs and renewals over the coming financial years, as all the properties on Impact Arts portfolio are over 100 years old.

22. Analysis of Net Assets between funds

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Restricted funds	-	132,610	-	132,610
Unrestricted funds	581,405	269,089	(368,838)	481,656
Total funds	<u>581,405</u>	<u>401,699</u>	<u>(368,838)</u>	<u>614,266</u>