

Registered Company No: SC 225422

Registered Charity No: SC 032430

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

IMPACT ARTS (PROJECTS) LIMITED
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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Impact Arts (Projects) Limited
Registered Office:	The Boardwalk 105 Brunswick Street Glasgow Scotland G1 1TF
Company Registration Number:	SC225422
Charity Registration Number:	SC032430
Trustees:	C S Sharkey M Allison C S Denholm P Pasino G H Gilmour J Sweeney J Hadwin J Wilson (resigned 21.02.2023) N Vaswani S Akram J Farrow K Daly (appointed 25.08.2023) W Halliday (appointed 25.08.2023)
Secretary:	M L McLaren
Independent Auditors:	Wylie & Bisset (Audit) Limited 168 Bath Street Glasgow G2 4TP
Bankers:	The Royal Bank of Scotland 1304 Duke Street Glasgow G31 5PZ
Solicitors:	MacRoberts LLP 60 York Street Glasgow G2 8JX

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

Report of the Trustees for the year ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Welcome from Impact Arts' Chair Jim Sweeney MBE and Chief Executive Officer Fiona Doring

The year 2022/23 has been a pivotal moment in Impact Arts journey as we boldly launched our vibrant events venue and social enterprise, The Boardwalk.

Our learning from Covid was clear: people require human connection in order to thrive, and both individuals and organisations need spaces to meet, learn, rehearse and perform. The third sector is grappling with many challenges in its funding how it operates with the cost-of-living crisis, the energy crisis and shifts in government policy creating a perfect storm of uncertainty and challenge.

The Impact Arts Board and executive team are resolute in their belief that for Impact Arts to evolve and remain forward thinking, we must innovate and reimagine what that future looks like.

The Boardwalk gives Impact Arts a fantastic, fit for purpose new home, which is accessible and prominent. It reflects our desire to deliver services in spaces that are trauma informed and reflect the value that we place on all the people we support. While we have ambitious plans for developing the potential of this social enterprise, for now, our new venture has launched and is thriving.

The people we support continue to tell us in no uncertain terms that our work has saved their lives. This conviction inspires the Impact Arts team to deliver more and better services that respond to their needs. Whether it's supporting children experiencing childhood trauma through art therapy, assisting adults to turn their tenancies into welcoming homes, combating child poverty with projects that support young people on their path to employment by developing their skills and gaining accreditations; our mission focuses on growing aspirations for futures filled with potential. Our reach is wide ranging but is fundamentally rooted in wellbeing, life chances and connecting people and communities.

A huge thank you to all of the Impact Arts team for the life transforming work that they deliver every day. Their creativity and kindness are the reason that our projects are so impactful. Thank you too to all of our funders, partners and supporters without whom we simply would not be able to deliver the work that you see outlined in this report. We look forward to continuing to work with you in the year ahead.

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Report of the Trustees for the year ended 31 March 2023

Impact Arts (Projects) Limited is a company limited by guarantee (Company number SC225422) and is governed by its Memorandum and Articles of Association. Impact Arts is registered as a charity (Charity number SCO32430) with the Office of the Scottish Charity Regulator (OSCR) and with HMRC. The activities of the charity are governed by the Board of Trustees.

The objectives of the charity are:

- To advance the arts and culture.
- The prevention and relief of poverty and improving people's quality of life through creative engagement and prioritising those disadvantaged by inequality.
- To advance education through the arts by encouraging and providing opportunities and facilities for people to engage in arts activities whether in the field of visual arts, the performing arts or otherwise and by providing training and skills development opportunities to improve life skills.
- To advance health and wellbeing through creative engagement.
- To advance citizenship and community development by promoting increased community participation through consultation and place making which enhances quality of life.

Mission & Values

We undertook a period of consultation with staff, participants and the Impact Arts Board throughout 2022 to review and update our vision, mission and values to ensure they will truly represent the charity for the next 5 years.

Vision

A Scotland where people benefit from life transforming creativity that tackles inequalities and addresses poverty.

Mission

To transform people's lives through participation in creative activities. To use creative engagement to build people's confidence and empower them to achieve their potential.

Ambition

To be the most trusted provider of creative arts engagement in Scotland.

Why arts & creativity?

We work with people on the basis that creativity can be a vehicle for positive change. Our goal is to make participation in arts and creative activities accessible and welcoming to all, no matter how much experience you have or how skilled you think you are at art.

To us, the most important part is the process of taking part in creative activity. It's this process rather than the outcome alone when people's lives are transformed. Creative engagement transforms lives by supporting people to learn, to feel better, to express themselves, to meet other people and to have fun.

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Our Values

Inclusive

We are non-judgmental and embrace diversity

Creative

We are artists, makers, thinkers and innovators

Kind

We are compassionate, caring and person-centered

Brave

We are bold and ambitious and embrace challenges

Fun!

We love to play and bring joy to people's lives

THE YEAR IN NUMBERS

- 3,416 people engaged with our projects, events and exhibitions
- 1,567 people took part in ongoing arts projects with Impact Arts
- Our social media reach was 18,719 followers
- We delivered 147 projects and celebrated achievements with 60 events and exhibitions
- Our team comprised 48 FTE employees, 53 artists & creatives, 6 people in supported employment positions and 10 volunteers

OUR SOCIAL IMPACT

- Our young people achieved 270 **positive destination progressions** and 246 **accreditations**
- 1,187 people reported improved **confidence** and 960 people said their **resilience and coping skills** had improved
- 1,001 people reported improved **mental wellbeing** and 266 people reported improved **physical wellbeing**
- 657 people felt **less socially isolated** and 619 people said they had **stronger relationships** with others

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Background to Impact Arts

Widely recognised as one of Scotland's leading **arts organisations**, Impact Arts has been supporting people and communities to transform their lives through creativity and the arts since 1994.

We specialise in using creative techniques to address common challenges that restrict life chances faced by those living in poverty, mainly: low aspiration, and lack of personal and community confidence alongside low educational attainment and high levels of localised unemployment, poor physical or mental health, and social isolation.

To tackle these issues, we deliver services in a range of communities, including working with young people to remove barriers (such as low confidence and poor mental health) and increase their core employability and life skills. The majority of young people we work with are from areas of high deprivation, including those who are care experienced, experience of or at risk of homelessness, disengaged from school, or with no or few qualifications.

We listen carefully to the needs of the people and communities we seek to serve while creating opportunities for their voices and views to be heard more widely. As such we provide art therapy for children and families experiencing trauma and have increased our wellbeing support for older people to reflect the increased isolation and poor mental health they are reporting as we move out of Covid restrictions.

Impact Arts works across Central Scotland, with headquarters in Glasgow's Merchant City and offices/studios in Irvine, North Ayrshire and Edinburgh, ensuring our services are accessible and inclusive for a diverse range of people and those living in communities with higher levels of deprivation.

Our Strategic Goals

During 2022/23 we continued to deliver on our Strategy 2019 – 2022 which was extended to 2023 to reflect the uncertainty felt throughout the Covid period. We undertook extensive consultation during 2022/23 with participants, staff and Board to ensure the voices of the people we seek to support were at the heart of our refreshed strategic plan that will see us develop and grow as an organisation for the next 5 years. Our future strategic goals are confirmed as the following:

Wellbeing

Transforming lives by improving wellbeing

Goal 1: Deliver outstanding creative and therapeutic services, and a supportive and inclusive working environment, that transforms people's wellbeing.

Life Chances

Empowering people to improve their life chances

Goal 2: Deliver an excellent and innovative pipeline of projects which responds to people's needs at each life stage and supports them to achieve their potential.

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Connected Communities

Enhancing inclusive community connections

Goal 3: Deliver engaging creative projects that enhance inclusive community connection, build community resilience and empower diverse people to have their voices heard.

Approach

Growing People, Impact and Profile

Goal 4: Equip our people with the skills and tools to grow our impact and develop our profile as leaders in achieving social impact through creative engagement.

Sustainable

Building foundations for the future

Goal 5: Build a secure future for Impact Arts through financial sustainability and our net zero strategy.

Wellbeing: Transforming lives by improving wellbeing

Art Therapy

Art Therapy offers a safe space for children to express, understand and work through difficult thoughts and feelings, and helps develop coping mechanisms and emotional resilience.

Art Therapy provides positive outlets alongside wrap-around therapeutic support and can develop an individual's self-awareness, resilience, and confidence. For younger children who often struggle to articulate the emotions they are struggling with, using art and play based techniques is a successful way of them releasing these difficult emotions.

The mental wellbeing of primary aged children has been a major focus throughout 2022/23 with significant expansion of our services in Glasgow, through delivery of the School's Counselling Contract and North Ayrshire through our Corra Foundation funded community-based art therapy programme.

In Glasgow, our team of art therapists:

- Supported a total of 219 children
- Delivered 330 one to one art therapy sessions for 33 children
- Delivered 310 sessions of group work art therapy for 173 children

The main reasons for referral to the service were low self-esteem, anxiety and stress, behavioural challenges and relationship problems.

Outcomes reported included:

- 93% increased confidence
- 93% increased coping skills
- 87% realising their potential

Our Art Therapy programme in North Ayrshire and funded by Corra Foundation, continues to play a key role in providing support for children and families.

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Sessions offer a safe space for children to express, understand and work through difficult thoughts and feelings, and to help develop coping mechanisms and emotional resilience. Many of the children engaged have experienced Adverse Childhood Experiences and the therapy aims to mitigate against the lifelong impacts that these stresses can have upon their health and behaviour. Our therapists are highly trained and skilled at supporting children experiencing severe trauma as a result of family addictions and breakdown, abuse, multiple disadvantages and poverty.

- Supported a total of 39 children
- Delivered 336 one to one art therapy sessions for 17 children
- Delivered 40 sessions of group work art therapy for 22 children

Outcomes reported included:

- 83% increased confidence
- 79% increased coping skills
- 86% realising their potential

“I feel like I was a drain with a giant hairball, and you’ve come along and dislodged some of it. You’ve started to untangle the hair ball!” – Art Therapy participant

In recognition of the increase in mental health support we have provided for children experiencing a range of traumas, we recruited dedicated Children’s Services & Safeguarding Manager Ann Marie Allan to oversee the safe management of the increasing number of safeguarding disclosures and concerns that the team were reporting across all projects.



Creative Outdoor Play

Throughout the 2022 summer holidays, the Impact Arts team delivered Creative Outdoor Play sessions in partnership with North Ayrshire Council’s summer holiday hunger programme in a range of community centres across North Ayrshire.

- 110 children engaged in creative outdoor play sessions
- 25 sessions delivered for 5-14 year olds

Children were encouraged to get active and to use their imaginations, using a range of found objects and art materials to take part in a huge range of fun activities....scavenger hunts, making seed bombs, painting, making cup phones, making slime, chalk art, clay models, the floor is lava, hunting for rubber ducks that were hidden around gardens and grounds and

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a variety of tig and chasing games. All activities were designed to be recreated and played at home with simple materials and objects and a huge amount of fun was had by everyone involved!

“I enjoyed all sessions and activities but one of my favourites was when I made a portrait of my mum using sticks, stones and leaves. I will definitely make another one this weekend.” – Creative Play Participant



Craft Café Govan

We delivered a slow and carefully managed return to full in person delivery for our work with older people as we came out of the restrictions that Covid 19 had imposed upon us.

Our dedicated Wellbeing Support Worker role at Craft Café in Govan has been a welcome and much needed addition to the team, providing one to one key worker support as well as bringing a wide range of local support organisations and guest speakers into the project providing information and guidance for our members around a variety of topics. Thank you to all of the partners who have helped to build community resilience and unity for our Govan Craft Café members throughout 2022/23:

Energy advice from Govan Housing Association; first aid and tackling loneliness sessions from the British Red Cross; a session on living with visual impairment by Visibility Scotland; nutrition advice and guidance workshops and nature sessions facilitated by Urban Roots.

We have worked in partnership with various local organisations to hold many celebration events:

The Summer Ball; summer afternoon tea with Moogety gardens; tea dances at the Clyde Community Halls; a Halloween and Christmas party with Urban Roots; a Craft Café open day; a Burns Night with Elderpark Housing Association and a morning brunch at Florence House Care home.

Artist Charlotte Craig continues to work with members to co-design exciting and innovative projects with local partners, culminating in the following creative outputs: ‘Strong women of the Clyde’ mural, Milepost at the SECC for walkers and cyclists and the ‘Let Govan Flourish’ banner for the Pearce Institute. The Craft Café members contributed art works to the ‘Out of Sight, Out of Mind’ exhibition which featured artwork submitted from people with lived experience of mental health.

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We have been able to help the members live independently and for longer within their local community, which we have done through by creating a vibrant creative community hub.

- 78 older people engaged in Craft Café Govan
- 75% of members state that they feel more socially connected
- 73% of members have identified improvements with their mental health
- 58% of members report improvements to their physical health

Throughout this period of delivery Craft Café has consistently demonstrated the benefits of active, meaningful, and participation in creative activities and in creating opportunities for older people to engage with local people, the wider community and stakeholders.

“You feel safe there, and you do not feel judged. It has such a warm feeling. It will be one of my core places to maintain connection, quality of life and wellbeing.” –

Craft Café Member

Craft Café Edinburgh

At Viewpoint Care Home in Edinburgh, Artist Sarah Derron provides a nurturing and creative safe space where residents living with Alzheimers and Dementia can express themselves creatively, feel part of a social network and engage in learning new skills.

Our Edinburgh team came together to deliver a lovely intergenerational project, bringing Craft Café members together with young people taking part in our Impactful Starts project at our Montgomery Street Lane workshop. Through this collaboration, participants shared creative inspirations and ideas which culminated in the creation of a silhouette portrait book that featured in both projects' exhibitions. Craft Café's 4th annual Christmas Card Challenge and 2023 Calendar went very well and were appreciated by residents, family, and friends. The Craft Café Spring Exhibition 2023 at the Craft Café Gallery was very well attended and featured work by many of the older artists who participate in the project.

- 89 Craft Café members engaged
- 40 Craft Café members exhibited over 60 artworks in the Craft Café Gallery

“I can so remember with perfect clarity the moment we removed our masks for the first time in September 2022 and the residents could see our faces – for many of them, it was the first time they had ever seen our faces.” - Sarah Derron Co-ordinating Artist



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Life Chances: Empowering people to improve their life chances

Employability

Our 3 year European funded programme through Skills Development Scotland's National Third Sector Funding finished at end December 2022. This significant fund has allowed us to expand our provision, growing our youth employability project Creative Pathways into new areas and leveraging the funds to significantly increase the scope and range of our work in the employability sector.

In addition, we were delighted to receive support from a number of local authorities who continue to invest in our services – Edinburgh & North Lanarkshire Councils who have invested in our year-round 'hub' models and East Ayrshire and South Lanarkshire who have commissioned bespoke programmes.

Over the 3 years of the NTSF programme:

- 349 young people successfully registered with Impact Arts employability programmes
- 269 young people recorded barrier removal outcomes
- 160 SQA qualifications were successfully achieved

The security of this fund allowed us to grow & develop the Impact Arts' creative employability team, building the scaffolding around the contract including dedicated compliance and youth engagement roles. This longer-term security allowed us to really develop this dedicated team.

In response to the significant barriers that our young people were experiencing the struggle they had in transitioning from being disengaged from services to engaging in full time programme, we developed Impactful Starts, an earlier entry programme, designed to develop core skills and to act as an initial re-introduction to learning and the possibility of the world of work.

“There's no such thing as being 'bad' at art, as long as you put work in and try, it'll be good. Enjoy it.” - Creative Pathways participant

Embedded within all of our youth projects is a recognition of the importance of developing community engagement and civic pride. As such, our artists designed a wide range of exciting partnership projects in 2022/23. Just some of these include:

- working with **Park Rangers in Holyrood Park**, Edinburgh to achieve the **John Muir Award**
- Partnering with **Historic Environment Scotland** to design new artworks, including stained glass, inspired by **Glasgow Cathedral**
- Working in partnership with the **Glasgow Science Centre** to create 2 murals for electricity boxes in the grounds outside the centre, based on learning & themes from the science exhibits
- Partnering with the Creative industries department at **New College Lanarkshire** to deliver a joined up programme
- Being commissioned by **Lush** to design an autumnal themed Knot Wrap to celebrate the opening of Lush flagship store in Glasgow, scheduled for late 2023
- Working with **Glasgow Wood Recycling** to create bird boxes, now installed in the grounds of **Summerlee Heritage Museum** in Coatbridge
- creating a mural for **Eglington Country Park** in Irvine, North Ayrshire
- Partnering with the **David Livingston Centre** in Blantyre to deliver heritage themed Impactful Starts for South Lanarkshire

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During 2022/23 our employability programmes took place in Glasgow, Edinburgh, North Ayrshire, North Lanarkshire, East Ayrshire & South Lanarkshire.

Employability in figures:

- 155 young people aged 16-25 years old engaged in dedicated employability projects
- 115 (74%) young people on employability projects achieved a positive destination progression
- 125 (81%) young people on employability projects achieved accreditations



Education & attainment

We delivered year 3 of Phase 5 of CashBack to the Future during 2022/23.

CashBack to the Future gives 14-19 year olds from across Scotland a high quality, fun and rewarding creative experience. A summer programme and year-round hub workshops deliver visual art, digital, music and performance engagement, designed to support young people to improve their wellbeing, develop new skills and reach their potential. Many of our younger participants were disengaging from school and at risk of engaging in anti-social behaviour. For those who had left school, our workshops provided more of an employability focus, supporting with goal setting, raising confidence and developing core skills.

CashBack to the Future allows our artists to work with young people on some of the most exciting creative projects. Our summer showcase event in July 2022 focussed on the UN Rights of the Child with young people learning more about their rights and creating artistic interpretations of many of these through performance, animation, textiles and visual art.

Through the project in 2023/23 we achieved some significant outcomes for the young people we supported:

- 142 new young people took part in CashBack to the Future
- 462 creative workshops were delivered
- 71 people reported a reduction in anti-social behaviour
- 85% of participants increased their confidence
- 82% of participants demonstrated increased resilience
- 89% of participants reported they felt able to do new things

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- 91% of participants reported improved wellbeing against SHANARRI indicators
- 63% of stakeholders reported perceived positive changes in the young people's behaviour
- 154 accreditations were achieved

"Impact Arts was really fun, it helped boost my confidence and got me closer to the others around me. The people in it were really nice and helped out with my confidence and skills a lot." - CashBack to the Future participant

"Going to CashBack motivated me to learn to use the Lothian buses app, and travelling on the buses myself helped my confidence." - CashBack to the Future participant



Schools Brochure

In response to our growing relationship with schools, we were proud to launch our Schools' Brochure this year, outlining all of the services we can deliver for schools to support engagement and pupil wellbeing. Profiling our range of offers from art therapy for primary school children to Reconnect for secondary school pupils who are disengaging from school to the provision of an artist within nurture hubs who provides creative therapeutic wellbeing and support designed to increase school attendance.

The response to the brochure and offers has been very promising from across local authorities and we have seen an increase in the number of schools we are directly working with.

Brochure

Tenancy sustainment

Our ongoing partnership with Renfrewshire Council continued in 2022/23 and Make It Your Own provided vital support to 66 adults who were accessing tenancy support services, either because they had previously been homeless or were at risk of becoming homeless. The service has been delivered closely with the local authority to ensure those who need the support most can be prioritised.

People coming to Make It Your Own have experienced a range of challenges including bereavement, domestic violence and breakdown of relationships. The service is designed to offer one to one support and very small group sessions in recognition of the high levels of anxiety and lack of confidence that those attending are experiencing.

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Make It Your Own uses a strengths-based approach and develops practical life skills in sewing, furniture upcycling, painting & decorating, the creation of accessories and support with budgeting and managing a home on a low income.

Some of the activities that Make It Your Own participants have created in the last year with Interior Designer Linda Burke include:

- Makeover of an old, run down chest of drawers including new paint finish and drawer handles to link it to the new room colour scheme
- Hand-made curtains, cushion covers and a table runner in coordinating fabrics
- Bringing a new lease of life to a set of dining chairs by reupholstering the seats and giving them a fresh coat of paint

As well as ensuring that people's home environments are improved and reflect their own style, the impact that the sense of accomplishment in creating such items has cannot be understated.

From the point of having a tenancy that feels safe and welcoming, people feel able to confidently look to the next stages of rebuilding their lives.

Make it Home is our tenancy sustainment project for parents, delivered in partnership with Paisley Housing Association. Recognising the importance of creating a home as a key contributor to family stability, our team work with parents in their own homes to makeover their child's bedroom. Ongoing discussion and dialogue between parent, child and interior designer ensure that the child feels valued and bonds between parent or carer and child are enhanced.

“The project has given me a lot of confidence. I know that I can do things on my own now...” – Make It Your Own Participant

- 66 people were supported through creative tenancy sustainment projects
- 72% of care experienced young people (26 individuals) continued to sustain their tenancy after attending MIYO
- 100% of adults (30 individuals) continued to sustain their tenancies after
- 9 children's bedrooms were redesigned by their parents or carers with support from Impact Arts' Interior Designer Linda Burke



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Criminal justice

Working in partnership with Scottish Prison Service, Barnardos Youth Work team and with funding support from Creative Scotland's Youth Music Initiative, CoCo has been delivering exciting music workshops within HMYOI Polmont since 2006.

Our talented musician team of Spee Six Nine, Bigg Taj, Michael Cassidy, Hugh Holton and Bobby Osbourne delivered DJing skills, production, Beatboxing, band skills, songwriting, singing and instrumentation.

- 86 young people took part in CoCo
- 55 days of workshops delivered
- 1 to 1 support provided via email a prisoner online service
- 1 young person's songs were selected for the Koestler Awards Exhibition at the Southbank Centre in London

"Thank you for your support...my primary passion in - not just music - but in life [is to] really push myself to become the greatest singer I can be...I appreciate all that you guys do, truly." - CoCo Participant

"Learning guitar has helped me in other aspects of my life socially, mentally and emotionally, which I'm incredibly grateful for. In the future I intend to study music through higher/ further education and I want to use my time within Polmont as positively as possible... [these sessions have gone] a long way in helping me achieve my personal goals, not just as a guitarist, but as a future member of the community." -CoCo Participant

Thank you to all of our artists, creatives and support workers who have delivered our projects this year, without their creativity and kindness, these projects would not have achieved what they have.

Looking to the Future

The Boardwalk

The Boardwalk is Impact Arts' social enterprise events and venue hire business, where the amazing studios, theatres and meeting rooms can be hired in the knowledge that you are supporting Impact Arts to deliver more of our life changing work.

Impact Arts moved into The Boardwalk in December 2021, and we took over the lease in January 2023. Thank you to Scottish Youth Theatre, who were previously housed in the building for their support in ensuring the transition to Impact Arts went smoothly.

The Boardwalk is a major factor in our ambitions to become more financially sustainable in the future. As like all charities, one of our greatest challenges is in how we fund and sustain the core of our organisation when faced with increasing pressures on funding, and an increased ask in terms of what we can achieve with limited resources. Alongside this, The Boardwalk allows Impact Arts to deliver our creative youth projects from an accessible, city centre venue and to grow our profile and reach with new audiences.

Since January 2023, the venue has been very busy with a range of events taking place there, from weekly ballet classes to third sector 10th Anniversary celebrations to corporate team meetings and

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training and college theatre performances. Developing the potential of the venue will be a major focus in 2023/24 and beyond as we aspire to grow its audience and profitability.

“The entire experience was an extremely positive one and I just want to thank you and all the staff for making our production such a success. Before we even stepped foot in the venue you were extremely helpful, keeping us right as I am new to the role, so this communication was so valuable to me. The venue staff made every one of us feel so welcome in the space and were happy to help with any request. You clearly have a fantastic team, and we are so grateful for all of the help and can't wait to work with the venue and staff again.” - Performing Arts, New College Lanarkshire



Net Zero

With thanks to support from Glasgow Chamber of Commerce Step Up to Net Zero project, we were delighted to have two funded SUNZ Coordinators join Impact Arts for 16 week placements in the spring of 2023.

A comprehensive Net Zero action plan was created with focus on increasing organisational circularity, moving to net zero and waste management.

We prioritised creating a carbon baseline for the organisation which, given our large new premises was a fairly complex piece of work. We are conscious that there is huge scope to increase the energy efficiency of The Boardwalk by upgrading lighting and heating systems and the placements allowed us to drive forward our baselines and research which in turn means we are now in a strong position to secure funding and investment to make these significant changes.

Similarly, waste reduction was a big focus for this work as our venue hire and events social enterprise generates significant waste. Over the 16 weeks of the project recycled waste increased by 20% with plans in place to increase this figure further.

Impact Arts' new Green team are helping to drive forward the actions that have come out of this report, including how we increase the circularity of our project delivery and the large volume of art materials that our projects utilise.

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Funders and Partners

A huge thank you goes to our valued funders and supporters without whom our work would simply not be possible. Thank you to B&Q Foundation, Barnardos, Building Brighter Futures, CashBack for Communities, Children in Scotland, City of Edinburgh Council, CMS, Corra Foundation, Creative Scotland, Don't Walk of St Andrew's University, Education Scotland, Gannochy Trust, Garfield Weston Foundation, Glasgow City Council, Glasgow Life, Glasgow Science Centre, Gordon Fraser Charitable Trust, Historic Environment Scotland, Inspiring Scotland, James T Howat Charitable Trust, KPE4 Charitable Trust, National Lottery Community Fund, North Ayrshire Council, North Lanarkshire College, North Lanarkshire Council, Paisley Housing Association, Renfrewshire Council, Scottish Children's Lottery Scottish Council for Voluntary Organisations, Scottish Government, Scottish Prison Services, Skills Development Scotland, Sky UK, South Lanarkshire Council, Viewpoint Housing Association, W A Cargill Fund, Walter Scott Giving group, Wheatley Care, William Syson Foundation, YouthLink Scotland and a wide range of primary and secondary schools across North Ayrshire, Glasgow, Edinburgh & North Lanarkshire. Thank you!

All of our work is delivered in partnership with a wide range of partner organisations who bring immense value to what we do. Thank you to each and every one of them including Aberlour, ABRDN, Age Scotland, Alzheimers Scotland, Beith Community Trust, BOLD Studio, British Red Cross, C.L.A.S.P. Hope Project, Certum, Challenges Group, Creative Enterprise, David Livingstone Birthplace Museum, Eglinton Community Garden, Elderpark Housing Association, Florence House Care Home, Friends of Elderpark, Galgael, GAMH, Glasgow Chamber of Commerce, Glasgow School of Art, Govan Health Clinic, Govan Housing Association, Guided Lilly, GYIP, Harbour Arts Centre, Holyrood Park Rangers, Lochlie Construction, Lush, Mainstay Trust, Marine Conservation Society, Maritime Museum, My Bnk, North Ayrshire Wellbeing & Recovery College, North Ayrshire Women's Aid, Phoenix Futures, Print Clan, Scottish Youth Theatre, Seasalt Streets, Skoto, Spacestor, Summerlee Heritage Centre, TCV, The Lines Between, Urban Roots, Visibility Scotland, Wheatley Group and YMCA Bellshill. Thank you!

Financial review

The Statement of Financial Activities on page 27 shows net expenditure for the year of £319,381 (2022: income of £183,610). The total income was £1,798,718 (2022: £2,169,873) of which £1,435,154, was restricted to fund specific activities (2022: £1,637,027). The total expenditure for the year £2,118,099 (2022: £1,986,263) of which £1,812,983 was restricted (2022: £1,469,198).

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Going into 2022/23, due to the timing of funding being awarded, we brought forward restricted funds of almost £468k, which we have fully delivered against and spent during the year. The net result of this is that our accounts show a deficit position at year end,

The restricted funds show a deficit of nearly £362k impacting total funds position which shows an overall organisational deficit of £319k. It is important to note that unrestricted funds show a positive year-end balance of just over £43k.

More information on the movement of unrestricted and restricted funds can be found on pages 39 & 40.

Reserves policy

The total reserves held by Impact Arts at 31st March 2023 were £800,096 (2022: £1,119,477). Unrestricted funds totalled £694,856 (2022: £651,850). Restricted reserves totalled £105,240 (2022: £467,627).

All of the restricted reserves that were carried forward into 2022/23 have been fully utilised during the year on programme activity and projects. We continue to carry forward a fairly significant level of restricted income into 2023/24. This is on account of grants being paid in advance and delivery timeframes straddling financial years. We anticipate this income being fully spent in the next financial year through planned delivery.

The trustees consider that the Charity ought to have an adequate level of free reserves equating to 3 months core running costs (excluding project delivery, but including permanent project delivery staff), which would be in the region of £365,000 for 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 costs and for significant compassionate leave costs and cover.

At 31st March 2023 there were a total of unrestricted reserves of £694,856, of which £599,939 is cash backed and £94,917 represents the net value of the freehold property and tangible fixed assets (after the deduction of outstanding mortgages).

Designated Funds

A number of key areas for spend of designated funds have been identified. These are all designed to have a lasting legacy for Impact Arts and support our higher-level strategic aims.

Development Fund - a key focus is on diversifying our income streams, addressing the funding challenges common to third sector organisations and developing our Corporate Strategy. Designated development funds are allocated to ongoing digital transformation work: upgrading our websites and CRM, ensuring our systems are integrated and that we are a data driven organisation where staff are supported with efficient processes and systems.

Property Development & Maintenance Fund - significant investment for property developments has been designated to reflect the ongoing upgrading required at our Irvine property and our ambitions for future developments at The Boardwalk. Developments will aim to increase our energy efficiency and reduce our carbon footprint as well as ensuring our spaces are inclusive, safe and trauma informed for our participants.

This means that Impact Arts has free reserves of £341,415 at 31st March 2023 (2022: £264,446), against the target of £365,000. See note 21 on page 39. The Trustees are satisfied that the level of free reserves meets the reserves policy, and they consider the charity to have sufficient reserves to continue as a going concern for the next 12 months.

IMPACT ARTS (PROJECTS) LIMITED
(A company limited by guarantee)**Report of the Trustees for the year ended 31 March 2023****Going concern**

The Trustees and Key Management Personnel have assessed the potential future of Impact Arts (Projects) Ltd and whether it can continue as a going concern. The budget for 2023/24 has been prepared to include all approved funding in place for next year and any funding pending approval is being tracked. Forecasts have been sensitised to understand potential impact and identify available mitigations in the unlikely event that committed funding is not received. The Trustees are satisfied there remains sufficient liquidity during the going concern assessment period.

The Trustees have also recognised the continuing strong performance of Impact Arts throughout the challenging transition period of No One Left Behind and the move from denationalised funding streams, recognising the ongoing success of the team in securing local authority funding for our employability programmes. New opportunities and growth areas continue to arise, including the significant growth in art therapy delivery and the potential for us to use our piloted work with parents and families to respond to Whole Family Wellbeing and Parental Employability policy areas. Impact Arts' track record means we are well placed to respond to these.

After assessing all potential impacts and future commitments, considering the continued receipt of funding over the past 6 months in addition to the ongoing project activity to date, the Trustees have a reasonable expectation that the charity has adequate resources and reserves to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Future financial planning

As we look to 2023/24, we are mindful of the potential funding challenges that exist with growing pressure on funders due to inflation, uncertainty over local authority budgets and changes to policy priorities. We are content though, as we look to the year ahead, that we are starting the new financial year in a strong financial position which stands us in good stead.

We saw a further small increase in turnover in 2022/23, largely inflated due to significant funding from North Ayrshire Community Renewal Fund. We anticipate a small drop in turnover in 2023/24 to reflect the absence of this funding in this year and have created a budget that reflects this. Demand for our work continues to grow and we are well placed to address the current and potential challenges that our people and communities are experiencing – high levels of unemployment, poor mental wellbeing and isolation and loneliness however we are aware that we will need to work hard to balance the needs of our communities versus the resource that is available to us as the country prioritises our economic recovery.

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

Report of the Trustees for the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Impact Arts is a Scottish Charity limited by guarantee with a governing document in its Memorandum & Articles of Association which was adopted by Resolution on 10th December 2012. The Memorandum and Articles of Association underwent a full governance review during 2019 and revised Memorandum and Articles of Association were adopted as revised by means of a written resolution on 15 April 2020.

Recruitment and appointment of new trustees

The Board is committed to diversity in its recruitment and appointment of new Trustees. The Board have committed to ensuring greater representation of our participant groups at Board level and have ensured there was a Young Trustee on the Board since 2019 with this position currently held by Sofia Akram. Impact Arts' Board members are attracted and selected based on identified skills shortages as identified through our comprehensive Trustee Skills Matrix. This report captures essential and desirable skills (and the timing priorities) for new Trustees to fully ensure the Board has strength and depth in its governance role. There is a Trustee Information Pack which outlines the duties/responsibilities of a non-executive Board member, along with the expected time commitment attached to the position.

Board positions are advertised widely including the "Join us" section of Impact Arts website, social media and external job site boards. Pro bono support and executive search support these methods. Where specific skills gaps are identified, support from external Executive recruitment agencies is utilised to ensure the breadth and calibre of candidates is strong. A formal interview process is conducted with opportunities for potential Trustees to observe the Board prior to any formal offer being made. The attraction and selection process aims to be inclusive and transparent.

Following interview, successful candidates are made offers of Board appointment (subject to appropriate references and Disclosure Scotland checks). The Chair confirms the appointment, then acceptance of the offer is recorded formally (as per our governing document).

Induction and training of new trustees

A full induction process for new Trustees is evidenced and managed and guided by regulation and best practice from OSCR, SCVO (our membership organisation) and our Memorandum & Articles of Association. There is a full Board Induction Pack for new Trustees joining the Board. This is a useful source of key information and captures all relevant documents (relating to governance, strategy, code of conduct, duties and responsibilities) in one place. The Company Secretary is responsible for taking each new Trustee through this pack. Each new Trustee is allocated a Board mentor (a more established Trustee). This approach ensures that all Board members are responsible for induction and creates a collaborative approach within the Board. All new Trustees are invited to "meet the team" at one of our sites.

This gives each new Trustee the opportunity to meet the wider Leadership Team, operational staff and build relationships and understanding at programme level.

Organisational structure

The Board of Trustees has overall responsibility for the operation of the company and charity. Their duties and responsibilities are captured in our Code of Conduct. The Board meets at least five times per year and our HR & Finance Committee meet ahead of each Board meeting on a quarterly basis to give further scrutiny to areas such as HR, Finance and Risk. The Board receives quarterly performance reports on our Balanced Scorecard that covers Key Performance Indicators in relation to Engagement, Social Impact, Finance, Business Processes and Our People.

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

Report of the Trustees for the year ended 31 March 2023

Annually, there is a separate session for the Board and leadership team to review the organisational strategy. The output of this review then refreshes our ongoing, longer term strategy development. Feedback is also used with the wider leadership team to ensure that Board direction is reflected in the operational plan.

Operational management of the organisation is delegated (through agreed powers and approved by the Board) to the Leadership Team.

The powers are categorised as follows: -

- Governance
- Planning and Performance
- HR and staff recruitment and training
- Programme development and delivery
- Fundraising and business development
- Operations
- Finance

Managers and staff have delegated authority to implement the charity's strategic business plan, within the terms of delegation approved by Trustees. They are supported by the Chair and the Board. Fiona Doring is the Chief Executive Officer of the charity with line management responsibility for the leadership team.

Risk management

The trustees, with support from Management, have conducted a review of the major risks to which the charity is exposed. A risk register drafted by the Leadership Team is reviewed and considered by the Finance & HR Committee on a quarterly basis with special focus on one theme per meeting to ensure an in depth and rigorous approach is taken to mitigating any identified risks. The Risk Register is also reported on to the full Board at quarterly meetings as part of our Governance papers. Where possible and appropriate, systems, procedures or action plans have been established to mitigate the risks the charity faces. Strategic planning has helped to identify risks to funding and enabled the organisation to address more effectively the need for the diversification of funding and activities. Risks are minimised by effective control procedures.

During 2022/23 the following key risks were identified:

- Changes to Government Policies – specifically a move to devolved local authority and UK Government funding e.g. NOLB
- Inflation/ recession – increasing costs (especially utilities & salaries) against a backdrop of commissioners putting increased pressure on budgets
- IT/ Cyber security – potential business interruption due to cyber-attacks/ systems failure
- Brexit – the ongoing impact of Brexit and loss of European funding has led to increased competition for other funds
- Insufficient income to cover core costs – increased pressures on core costs and funders' reluctance to fund full cost recovery for projects or unrestricted grants
- Property maintenance & lease – awaiting cladding replacement and upgrades to heating systems at The Boardwalk

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

Report of the Trustees for the year ended 31 March 2023

The following steps were taken to mitigate these risks:

- Significant investment in our digital infrastructure with new IT provider and work to ensure ongoing cyber security
- Development of The Boardwalk social enterprise to generate unrestricted income and work on corporate and alternative income strategies to support funding of core overheads
- Increased Business Development function to manage relationships across the local authorities where Impact Arts delivers services and to explore new funding opportunities
- Designated funds exit to support with property maintenance and repair and capital fundraising plan in development

Key management personnel

During 2022/23, the Leadership Team (Key Management Personnel) comprised of:

- Fiona Doring, Chief Executive Officer
- Mairi McLaren, Head of Finance and Corporate Services
- Sam Eccles, Deputy Director of Development (resigned 08.12.22)
- Neil Young, Head of Development (appointed 07.11.22)
- Caroline McGhee, Head of Operations

Remuneration

HR and staff recruitment and training duties are delegated to the Leadership Team. However, the Board retains its authority for setting the pay and remuneration of the charity's key management personnel. The Finance & HR Committee have delegated authority to review the remuneration package of the key management team on an annual basis. Where possible, job roles, content (duties and responsibilities) are externally benchmarked. This exercise is fully detailed in our People Plan and is consistent with the approach taken with the entire staff pay review process. Any recommendation on senior level pay is taken by the Finance & HR Committee to the full Board for approval.

IMPACT ARTS (PROJECTS) LIMITED

(A company limited by guarantee)

Report of the Trustees for the year ended 31 March 2023

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the Directors of Impact Arts (Project) Limited) for the purposes of company law), are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

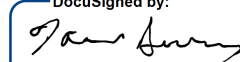
Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity'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 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:

DocuSigned by:


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Name: James Sweeney

Date: 27 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS (PROJECTS) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Impact Arts (Project) Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2023, 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;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS (PROJECTS) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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; or
- the directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS (PROJECTS) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations;

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Management bias in accounting estimates.
- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

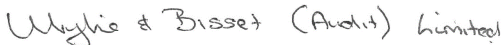
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF IMPACT ARTS (PROJECTS) LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Claire Dalrymple, FCCA (Senior Statutory Auditor)
For and on behalf on Wylie & Bisset (Audit) Limited, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

27 October 2023

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

IMPACT ARTS (PROJECTS) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income and endowments from:							
Donations and legacies	5	30,070	-	30,070	9,469	17,800	27,269
Charitable activities	6	284,812	1,435,154	1,719,966	522,957	1,619,070	2,142,027
Other trading activities	7	45,013	-	45,013			
Investments	8	3,669	-	3,669	420	-	420
Other incoming resources	9	-	-	-	-	157	157
Total Income		363,564	1,435,154	1,798,718	532,846	1,637,027	2,169,873
Expenditure on:							
Raising funds							
Raising donations & legacies	10	50,698	-	50,698	-	39,518	39,518
Other trading activities	11	55,782	-	55,782			
Charitable activities	12	198,636	1,812,983	2,011,619	517,065	1,429,680	1,946,745
Total Expenditure		305,116	1,812,983	2,118,099	517,065	1,469,198	1,986,263
Net income / (expenditure) for the year		58,448	(377,829)	(319,381)	15,781	167,829	183,610
Transfers between funds		(15,442)	15,442	-	(394)	394	-
Net movement in funds		43,006	(362,387)	(319,381)	15,387	168,223	183,610
Funds reconciliation							
Total Funds brought forward	21,22	651,850	467,627	1,119,477	636,463	299,404	935,867
Total Funds carried forward	21,22	694,856	105,240	800,096	651,850	467,627	1,119,477

The Statement of Financial Activities includes all gains and losses recognised in the year.

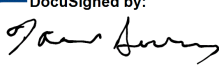
All income and expenditure derive from continuing activities.

IMPACT ARTS (PROJECTS) LIMITED**BALANCE SHEET AS AT 31 MARCH 2023**

		2023	2022
	Note	£	£
Fixed assets:			
Tangible assets	17	109,562	117,767
Current assets:			
Debtors	18	219,345	218,019
Cash at bank and in hand	25	614,225	925,120
Total Current assets		<u>833,570</u>	<u>1,143,139</u>
Liabilities:			
Creditors falling due within one year	19	<u>(133,412)</u>	<u>(126,878)</u>
Net Current assets		700,158	1,016,261
Creditors: Amounts falling due after more than one year	20	(9,624)	(14,551)
Net assets		<u>800,096</u>	<u>1,119,477</u>
The funds of the charity:			
Unrestricted funds	21	694,856	651,850
Restricted funds	22	<u>105,240</u>	<u>467,627</u>
Total charity funds		<u>800,096</u>	<u>1,119,477</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 27 October 2023 and signed on their behalf by:

DocuSigned by:

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Name: James Sweeney

Charity No: SC225422

IMPACT ARTS (PROJECTS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	24	<u>(307,120)</u>	<u>152,671</u>
Cash flows from investing activities:			
Interest and rents received		3,669	420
Interest paid		(2,584)	(3,175)
Proceeds from sale of property, plant and equipment		-	155,490
Net cash provided by investing activities		<u>1,085</u>	<u>152,735</u>
Cash flows from financing activities:			
Repayment of mortgage		(4,860)	(30,883)
Net cash (used in) financing activities		<u>(4,860)</u>	<u>(30,883)</u>
Change in cash and cash equivalents in the year		<u>(310,895)</u>	<u>274,523</u>
Cash and cash equivalents brought forward	25	925,120	650,597
Cash and cash equivalents carried forward	25	<u>614,225</u>	<u>925,120</u>

Analysis of net debt

	Note	1 st April 2022	Cashflow	31 st March 2023
		£	£	£
Cash & cash equivalents	25	925,120	(310,895)	614,225
Borrowings				
Mortgage due within one year	19	(4,954)	(67)	(5,021)
Mortgage due after one year	20	(14,551)	4,927	(9,624)
Total net cash		<u>905,615</u>	<u>(306,035)</u>	<u>599,580</u>

IMPACT ARTS (PROJECTS) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The charitable company's functional currency is sterling. Amounts in the financial statements are rounded to the nearest £.

(b) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

(c) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in notes 21 & 22.

(d) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition is met.

(e) Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

IMPACT ARTS (PROJECTS) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is what the contractual obligation is discharged, cancelled or expires.

(f) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

(g) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(h) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 13.

(i) Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised, including any incidental expenses of acquisition and valued at historical cost. All incidental costs relating to the acquisition of the property are also fully depreciated in the year of acquisition. Depreciation is charged as follows:

Freehold property	-	2% on cost
Fixtures, Fittings & Equipment	-	25% on cost

(j) Debtors

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

(k) Cash at bank and in hand

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

IMPACT ARTS (PROJECTS) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

(l) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant, property and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of the value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit and loss.

(m) Creditors and provisions

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

(n) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as they are incurred over the term of the lease.

(o) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance 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.

(p) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key estimations are detailed below:

Depreciation – Fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of the directors, with reference to assets expected life cycle.

3. Legal status of the Trust

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.

IMPACT ARTS (PROJECTS) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

4. Related party transactions and trustees' expenses and remuneration

The Trustees' all gave their time and expertise freely without any form of reimbursement or other benefit in cash or kind (2022: £nil). During the year, no Trustees received expenses relating to travel (2022: £nil). There were no trustee donations or other benefits for the year ended 31 March 2023 (2022: £Nil).

There were no trustees' expenses due or waived for the year ended 31 March 2023 (2022: £Nil).

No Trustees received any remuneration during the year (2022: £nil).

5. Income from donations and legacies

	2023	2022
	£	£
Donations	30,070	27,269
	<u>30,070</u>	<u>27,269</u>

6. Income from charitable activities

	2023	2022
	£	£
Children	281,248	241,054
Young People	1,268,491	1,445,114
Older People	97,352	152,592
Communities	72,875	303,267
	<u>1,719,966</u>	<u>2,142,027</u>

7. Income from other trading activities

	2023	2022
	£	£
Rental Income and Hire	45,013	-
	<u>45,013</u>	<u>-</u>

8. Investment income

	2023	2022
	£	£
Interest on cash deposits	3,669	420
	<u>3,669</u>	<u>420</u>

9. Other incoming resources

	2023	2022
	£	£
Coronavirus Job Retention Scheme	-	157
	<u>-</u>	<u>157</u>

10. Raising Funds – expenditure on raising donations and legacies

	Total	Total
	2023	2022
	£	£
Staff costs	50,698	39,518
	<u>50,698</u>	<u>39,518</u>

IMPACT ARTS (PROJECTS) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

11. Raising Funds – expenditure on other trading activities

	Total 2023 £	Total 2022 £
Rental and Hires	55,782	-
	<u>55,782</u>	<u>-</u>

12. Analysis of expenditure on charitable activities

	Children £	Young People £	Older People £	Communities £	Total 2023 £
Project costs	226,738	1,133,689	145,760	113,369	1,619,556
Governance costs (note 13)	2,721	13,605	1,749	1,361	19,436
Support costs (note 13)	24,349	311,726	15,568	20,984	372,627
	<u>253,808</u>	<u>1,459,020</u>	<u>163,077</u>	<u>135,714</u>	<u>2,011,619</u>

	Children £	Young People £	Older People £	Communities £	Total 2022 £
Project costs	141,264	1,035,926	109,871	282,524	1,569,585
Governance costs (note 13)	1,634	14,294	2,042	2,450	20,420
Support costs (note 13)	12,137	305,630	19,450	19,523	356,740
	<u>155,035</u>	<u>1,355,850</u>	<u>131,363</u>	<u>304,497</u>	<u>1,946,745</u>

13. Allocation of governance and support costs

	Total 2023 £	Children £	Young People £	Older People £	Communities £	Governance £	Basis
Staff costs	226,166	2,261	201,288	4,523	6,785	11,308	<i>Time spent</i>
Other costs	157,770	22,088	110,439	11,045	14,199	-	<i>Time spent</i>
	<u>383,936</u>	<u>24,349</u>	<u>311,727</u>	<u>15,568</u>	<u>20,984</u>	<u>11,308</u>	

	Total 2022 £	Children £	Young People £	Older People £	Communities £	Governance £	Basis
Staff costs	248,495	2,484	221,161	4,970	7,455	12,425	<i>Time spent</i>
Other costs	120,670	9,653	84,469	14,480	12,068	-	<i>Time spent</i>
	<u>369,165</u>	<u>12,137</u>	<u>305,630</u>	<u>19,450</u>	<u>19,523</u>	<u>12,425</u>	

IMPACT ARTS (PROJECTS) LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****13. Allocation of governance and support costs (continued)**

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the tables below:

Governance costs:	2023	2022
	£	£
Auditor's remuneration	8,128	7,995
Staff support costs (see above)	11,308	12,425
	<u>19,436</u>	<u>20,420</u>

Breakdown of governance and support costs by activity:

	Support Costs	Governance	2023
			£
Children	24,349	2,721	27,070
Young People	311,727	13,605	325,331
Older People	15,568	1,749	17,317
Communities	20,984	1,361	22,345
	<u>372,628</u>	<u>19,436</u>	<u>392,064</u>

	Support Costs	Governance	2022
			£
Children	12,137	1,634	13,771
Young People	305,630	14,294	319,924
Older People	19,450	2,042	21,492
Communities	19,523	2,450	21,973
	<u>356,740</u>	<u>20,420</u>	<u>377,160</u>

14. Analysis of staff costs and remuneration of key management personnel

	2023	2022
	£	£
Salaries and wages	1,299,592	1,291,649
Social security costs	107,010	93,365
Pension costs	57,514	53,969
Total staff costs	<u>1,464,116</u>	<u>1,438,983</u>

No employees had employee benefits in excess of £60,000 (2022: Nil).

	2023	2022
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>70</u>	<u>72</u>

	2023	2022
	£	£
Key management personnel remuneration:	<u>184,123</u>	<u>180,846</u>

IMPACT ARTS (PROJECTS) LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****15. Net income for the year**

This is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation	3,777	7,530
Auditor's remuneration:		
Audit fees	8,128	7,995
Loss / (Profit) on disposal of fixed assets	<u>4,428</u>	<u>6,895</u>

16. Government Grants

	2023	2022
	£	£
East Ayrshire Council	13,124	-
Edinburgh City Council	102,195	143,883
Glasgow City Council	129,557	113,402
Glasgow Communities Fund	42,402	41,586
HMRC Job Retention scheme	-	157
North Ayrshire Council	203,493	401,863
North Lanarkshire Council	104,767	-
Renfrewshire Council	40,000	53,221
Scottish Government – Cashback for Communities	185,055	-
South Lanarkshire Council	<u>32,396</u>	<u>-</u>
Total	<u>852,989</u>	<u>754,112</u>

17. Tangible Fixed Assets

	Fixtures, fittings and Equipment	Plant & Machinery	Motor Vehicles	Total
Cost or valuation				
At 1 April 2022	115,000	10,720	33,623	159,343
Disposals	-	(10,720)	-	(10,720)
At 31 March 2023	<u>115,000</u>	<u>-</u>	<u>33,623</u>	<u>148,623</u>
Depreciation				
At 1 April 2022	3,138	4,815	33,623	41,576
Charge for the year	2,300	1,477	-	3,777
Eliminated on disposal	-	(6,292)	-	(6,292)
At 31 March 2023	<u>5,438</u>	<u>-</u>	<u>33,623</u>	<u>39,061</u>
Net book value				
At 31 March 2023	<u>109,562</u>	<u>-</u>	<u>-</u>	<u>109,562</u>
At 31 March 2022	<u>111,862</u>	<u>5,905</u>	<u>-</u>	<u>117,767</u>

A fair value of £109,562 (2022: £111,862) for free hold property. Upon annual review there has been no change in value in the properties held. The Trustees deem the financial statements reflect appropriate market value at 31 March 2023.

IMPACT ARTS (PROJECTS) LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****18. Debtors**

	2023	2022
	£	£
Trade debtors	103,513	121,138
Other debtors	115,832	96,881
	<u>219,345</u>	<u>218,019</u>

19. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	27,855	8,754
Social Security	24,853	27,383
Mortgage	5,021	4,954
VAT	5,643	2,002
Accruals	39,204	39,570
Other Creditors	30,836	44,215
	<u>133,412</u>	<u>126,878</u>

20. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Mortgage	9,624	14,551
	<u>9,624</u>	<u>14,551</u>

Mortgage

	2023	2022
	£	£
Due:		
In one year or less	5,021	4,954
Between one and two years	5,364	5,130
Between two and five years	4,260	9,421
	<u>14,645</u>	<u>19,505</u>

Triodos Bank holds standard securities for all sums due over all the heritable properties of the charity.

IMPACT ARTS (PROJECTS) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

21. Unrestricted Funds

Analysis of Fund movements - 2023	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Unrestricted funds					
Designated funds:					
Committed funds	14,915	-	-	878	15,793
Tangible fixed assets	98,262	-	3,777	432	94,917
Development fund	95,871	-	8,749	(12,912)	74,210
Cost of living crisis support	16,087	-	16,087	-	-
Property maintenance	162,269	44,167	37,915	-	168,521
	387,404	44,167	66,528	(11,602)	353,441
General funds	264,446	319,397	238,588	(3,840)	341,415
Total unrestricted funds	651,850	363,564	305,116	(15,442)	694,856

Analysis of Fund movements - 2022	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Unrestricted funds					
Designated funds:					
Committed funds	6,350	-	-	8,565	14,915
Tangible fixed assets	237,294	-	7,530	(131,502)	98,262
Development fund	54,298	-	18,427	60,000	95,871
Cost of living crisis support	-	-	-	16,087	16,087
Property maintenance	67,311	-	5,042	100,000	162,269
Covid wellbeing and adoptions	4,213	-	4,213	-	-
	369,466	-	35,212	53,150	387,404
General funds	266,997	532,846	481,853	(53,544)	264,446
Total unrestricted funds	636,463	532,846	517,065	(394)	651,850

The nature and purposes of the various designated funds are as follows:

Committed fund – represents unrestricted cash backed committed funds for delivery of a small number of projects to continue and complete early in the next financial year.

Tangible fixed asset fund – represents the net book value of the charity's unrestricted assets.

Development fund – represents funds for new areas/business streams to tie in with the growth plan in the 2026 strategy.

Cost of living crisis support – in light of the cost-of-living crisis and economic pressures, the Board of Impact Arts approved a small, one-off payment in Autumn 2022, to all staff to help ease the pressures facing them at this time.

Property maintenance- designed to cover anticipated repairs and renewals at Impact Arts' Ayrshire property and to support ambitions for Glasgow venue.

General fund - this can be used in accordance with the charitable objectives at the discretion of the trustees.

Covid wellbeing and adaptations – funds designated to support with staff wellbeing as we transition away from the Covid pandemic.

IMPACT ARTS (PROJECTS) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22. Restricted Funds

Analysis of Fund movements - 2023	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Restricted funds					
Art Therapy Glasgow	62,674	154,559	118,097	-	99,136
Art Therapy North Ayrshire	22,109	86,815	108,924	-	-
Coco Music Project	24,000	37,313	67,673	6,360	-
Make It Your Own	71,332	14,181	81,844	(3,669)	-
Dumbarton Rocks	1,903	4,000	6,118	215	-
Craft Café	19,282	71,719	92,016	1,015	-
Listening Fund	511	-	507	(4)	-
Digital Developments	48,840	-	61,752	12,912	-
Creative Play	-	34,757	34,757	-	-
Velcro Poetry	12,154	-	12,324	170	-
Community Renewal Fund	167,188	182,150	349,374	36	-
CashBack to the Future	10,000	291,788	299,632	(2,156)	-
St Marks Shettleston	1,768	-	2,386	618	-
Volunteer Development Project	-	15,629	15,629	-	-
CLD Device Development Fund	-	14,705	14,650	(55)	-
Employability Pipeline- Impactful Starts, Creative Pathways & Employability Hubs	25,866	527,538	547,300	-	6,104
Total restricted funds	467,627	1,435,154	1,812,983	15,442	105,240

Analysis of Fund movements - 2022	Balance b/fwd £	Income £	Expenditure £	Transfers £	Balance c/fwd £
Restricted funds					
Art Therapy Glasgow	32,681	91,251	61,562	304	62,674
Art Therapy North Ayrshire	-	96,302	74,193	-	22,109
Creative Pathways	17,869	326,584	318,677	90	25,866
Coco Music Project	26,938	61,378	66,803	2,487	24,000
Express Yourself	-	10,356	7,869	(2,487)	-
Makers Mentoring Programme	11,070	23,521	34,591	-	-
Make It Your Own	99,243	212,562	240,473	-	71,332
Dumbarton Rocks	14,420	-	12,517	-	1,903
Craft Café	21,463	101,966	104,147	-	19,282
Listening Fund	1,511	-	1,000	-	511
Digital Developments	67,004	1,100	19,264	-	48,840
Creative Play	7,205	-	7,205	-	-
Velcro Poetry	-	13,000	846	-	12,154
Community Renewal Fund	-	327,863	160,675	-	167,188
Coronavirus Job Retention Scheme	-	157	157	-	-
CashBack to the Future	-	364,553	354,553	-	10,000
St Marks Shettleston	-	6,434	4,666	-	1,768
Total restricted funds	299,404	1,637,027	1,469,198	394	467,627

IMPACT ARTS (PROJECTS) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22. Restricted Funds (continued)

The nature and purposes of the various restricted funds are as follows:

Art Therapy Project – The Art Therapy Project provides a range of one-to-one art therapy and creative therapeutic groupwork projects delivered in schools and from our own dedicated spaces across Glasgow and North Ayrshire designed to increase the resilience and confidence of our most vulnerable children. Our art therapy sessions offer a safe relaxed space for children to express themselves through creativity and play and an art therapist offer support that identifies strengths and coping mechanisms.

CashBack to the Future – this connects under supported 12-19 year olds, with high quality, fun and varied creative learning opportunities delivered year round via local hubs and an intensive 4 year Summer programme Using Creativity as a hook to engagement, Cashback to the Future provides alternative opportunities for young people to express themselves, gain skills, learn and realise personal growth.

Coronavirus Job Retention Scheme – funding received from the Government in respect of furloughed employees.

Coco Music Project – delivered within HMYOI Polmont talented musicians, songwriters and artists work with young people as part of their onward progression. The therapeutic experience of learning how to play instruments, write and record songs, and all aspects of DJ-ing helps participants to gain a sense of purpose, have a voice, reconnect with families and start to think more positively about future life choices.

Community Renewal Fund – funded by UK Government, the project expanded our employability, enterprise and environmental work in North Ayrshire as well develop the skills and expertise of local artists, providing valuable opportunities for them to engage with their local communities on matters of importance to them.

Community Learning & Development (CLD) Digital Device Fund – provided investment in digital devices for young people working across all of our creative youth programmes and screens to support with workshop learning and showcasing of work.

Craft Café - the café creates a safe, social space, with which harnesses the joy of creativity, artistic expression, and learning, and encourages older people to reduce social networks, connect with their community and grow in confidence.

Creative Pathways – a programme for unemployed 16–26-year-olds. Working with young people to remove barriers to employment, a Lead Artist, Youth Worker and Opportunities Support worker encourage personal development and growth and develop employability skills.

Creative Play - engages primary school children in creative outdoor pursuits which is still a lot of playing outside. Children are encouraged to interact with natural found materials and their local green spaces. The work is designed to spark imaginations of children, allowing them to explore new ideas and activities, which are fun and designed to increase physical activity and engagement with the environment.

Digital Developments - we have embarked on an exciting program of digital development which will set us in good stead for the future. This includes work to redesign our branding website, consultation to inform a full digital roadmap and plans to migrate our digital systems to the cloud.

Dumbarton Rocks - a partnership project with Historic Environment Scotland, aimed at engaging local people with their heritage and specifically Dumbarton Castle.

IMPACT ARTS (PROJECTS) LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****22. Restricted Funds (continued)**

Employability Pipeline – Impactful Starts, Creative Pathways & Employability Hubs - A pipeline of creative employability programmes for unemployed 16-26 year olds, offering different levels of support depending on the needs of young people. Working with young people to remove barriers to employment, a Lead Artist, Youth Worker and Opportunities Support worker, using a creative approach, encourage personal development and growth and develop employability skills. Young people are supported to achieve SQA accreditations and their onward progression to the next step in their employability journey. Currently delivered in Glasgow, Edinburgh, North Lanarkshire, North Ayrshire, South Lanarkshire, East Ayrshire.

Express Yourself – a creative project working with care experienced young people in North Ayrshire. Through a mix of fun, arts activities, individuals will be supported to use creativity to develop their voice so that they can express themselves and develop their personal and artistic skills and ambitions for the future.

Listening Fund – a programme of work, supported by Corra Foundation, that sought to embed a culture of listening within Impact Arts. It aimed to ensure that participant voices were at the heart of decision making and that feedback loops were in place to share how ideas were considered and implemented in our decision making.

Make It Your Own - creative interior design project for those with care experience. This tenancy sustainability program provides bespoke support that helps young people take ownership of their tenancy and develop and make it in the sale. Participants benefit from practical decorating, support and equipment and home improvement projects as well as life, skills, training, and support to set goals for the future, one step at a time.

Makers Mentoring Programme: Ayrshire - engaging artists, and makers who are currently unemployed or underemployed, by providing a structured training program and hands on experience in community engagement practice. As a result, and whilst engaging members of their local community, participants become equipped with the tools and skills needed to have a viable and sustainable career with participatory and community settings, and or to support the development of a self-employed portfolio career.

St Marks Shettleston – a local creative consultation with young people, designed to inform and shape a public artwork for a prominent wall in Shettleston.

Velcro Poetry – a partnership with North Ayrshire Council, Creative Scotland and Education Scotland, using the arts alongside poetry to encourage primary children to express themselves in local dialect.

Volunteer Development Project – a project designed to increase Impact Arts' capacity to effectively embed youth volunteering across our services.

IMPACT ARTS (PROJECTS) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

23. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Fixed assets	109,562	-	109,562
Debtors	135,869	83,476	219,345
Cash	592,461	21,764	614,225
Current liabilities	(133,412)	-	(133,412)
Long term liabilities	(9,624)	-	(9,624)
	<u>694,856</u>	<u>105,240</u>	<u>800,096</u>

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Fixed assets	117,767	-	117,767
Debtors	164,555	53,464	218,019
Cash	510,957	414,163	925,120
Current liabilities	(126,878)	-	(126,878)
Long term liabilities	(14,551)	-	(14,551)
	<u>651,850</u>	<u>467,627</u>	<u>1,119,477</u>

24. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per the Statement of Financial Activities)	(319,381)	183,610
Adjustments for:		
Loss on disposal of fixed assets	4,428	6,895
Depreciation charges	3,777	7,530
Dividends, interest and rents from investments	(3,669)	(420)
Interest payable	2,584	3,175
(Increase) in debtors	(1,326)	(59,134)
Increase in creditors	6,467	11,015
Net cash (used in)/provided by operating activities	<u>(307,120)</u>	<u>152,671</u>

25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	614,225	925,120
Total cash and cash equivalents	<u>614,225</u>	<u>925,120</u>

IMPACT ARTS (PROJECTS) LIMITED
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26. Operating Lease Commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Property		Photocopier	
	2023	2022	2023	2022
	£	£	£	£
Under 1 year	2,388	2,388	2,388	2,388
Between 2 and five years	4,975	7,164	4,975	7,164
Over 5 years	-	199	-	199
	<u>7,363</u>	<u>9,751</u>	<u>7,363</u>	<u>9,751</u>

27. Employee benefit obligations

Employees of the charity are entitled to join a defined contribution pension scheme, the assets of which are held in a separate fund and managed separately by each employee. The charity contributes 5% of pensionable salary. The pension costs during the year amounted to £57,514 (2022: £53,969) with amounts outstanding at 31 March 2023 totalling £8,970 (2022: £8,283).