



Making a positive difference for every generation in Sussex

Impact Initiatives

Financial Statements – 31 March 2011

IMPACT INITIATIVES

Financial Statements – 31 March 2011

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IMPACT INITIATIVES

GENERAL INFORMATION

PRESIDENT

Peter Bunker OBE

TRUSTEES

Kaye Crittall – resigned 7 October 2010
Wilfrid Grenville-Grey – appointed 11 October 2010
Leo Jago
The Reverend John Joyce
Mike Long (Chair part year, then Vice Chair)
Neil Moscrop (Vice-Chair, Chair since 19 November 2010)
Kayleigh Newbury – appointed 11 October 2010
Christine Anne Parkinson
Tushar Srivastava – resigned 18 April 2011
Andrew Wealls
Claire Whyley – appointed 19 April 2011

SECRETARY

Daphne de Courcy

GENERAL MANAGER AND HR DIRECTOR

Heather Leach

OPERATIONS DIRECTOR

Caroline Ridley

REGISTERED OFFICE

19 Queens Road
Brighton
BN1 3XA

STATUTORY AUDITORS

Mazars LLP
37 Frederick Place
Brighton BN1 4EA

SOLICITORS

DMH Stallard
100 Queens Road
Brighton BN1 3YH

BANKERS

Bank of Scotland
First Floor
8 Lochside Avenue
Edinburgh
EH12 9DJ

CHARITY NUMBER

276669

COMPANY NUMBER

1402692

IMPACT INITIATIVES

Trustees' Annual Report

INTRODUCTION

Impact Initiatives (Impact) has worked with local people in need for more than 30 years providing over 50 services and projects over that time. The original remit of filling gaps in statutory services set by the founders of the Charity in 1978 remains today.

The current services are in three groups:

- Children and Young People
- Adults of working age
- Older People

These services help thousands each year and have developed across Sussex in line with the varying needs of those who use them which are often linked to changes in the economy and legislation. All our services aim to help people to reach their potential and to be easily accessible, innovative, professional and high quality.

Impact work closely with service users and other agencies to ensure we continue to meet existing and developing needs. Impact now has over 3,000 service users 120 volunteers 71 permanent and 10 relief staff.

The Trustees, who are also Directors of the company for the purposes of the Companies Act, present their annual report together with the audited financial statements for the period from 1 April 2010 to 31 March 2011.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" issued in March 2005. The Charity's Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to Public Benefit guidance published by the Charity Commission.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The law applicable to charitable companies in England and Wales requires the trustees, who are also the directors of the charitable company, to prepare financial statements for each year which give a true and fair view of the state of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable United Kingdom accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee has taken all steps that they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the charity's auditors were unaware.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

The charity was incorporated on 29 November 1978 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital.

The charity was registered with the Charity Commission on 30 April 1979 under registration number 276669. The charity changed its name from PACT Community Projects Ltd to Impact Initiatives with effect from 26 November 2002.

Organisational structure and how decisions are made

The SMT conducts the business of the charity on a day-to-day basis, reporting monthly to the Finance Committee or Trustees. A number of Trustees assist the SMT either directly or through Working Groups. The Central Team provide back-office infrastructure support and management, ensuring our projects deliver frontline services effectively and efficiently and that they comply with their contractual and legal requirements and funders' needs. We have a clear policy and procedure laying out how we manage financial risk and who is responsible for agreeing and signing off financial agreements.

Governance

Impact Initiatives is a large regional charity, with substantial legal and contractual liabilities, and needs to operate at a similar level of experience and efficiency as a large commercial business. The Board of Trustees is ultimately responsible for the organisation. Good governance demands that the Trustees set clear aims and objectives, establish priorities, safeguard the charity's assets and use them effectively and exclusively for the benefit of the organisation's beneficiaries.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

The Board of Trustees consists of up to 18 individuals appointed by the members in general meeting and includes a Chair and Vice Chair. The Board of Trustees has the power to appoint individuals to the Board either to fill a casual vacancy or as an addition to the Board. Emergency decision procedures are in place which always involve the Chair or Vice Chair plus a second Trustee.

Trustees have also adopted the Model Code of Conduct developed by NCVO.

The Trustees meet in full session every three months, providing clear direction and overview of the organisation's operation and compliance with agreed strategies and business plan. The Finance Committee which all trustees are invited to attend meets in the intervening months. In addition, two Trustees meet regularly with the Senior Management Team (SMT).

The Trustees set out on page 2 have held office during the whole period from 1 April 2010 to the date of this report, unless otherwise stated. In accordance with the Articles of Association, one third of the Trustees retire annually and are eligible for re-election at the Annual General Meeting.

Each member has agreed to contribute £1. All Trustees are members.

Recruitment, Induction and Training of Trustees

Impact's equal opportunities policy applies to the recruitment of Trustees except where specialist knowledge or skills, or representation of a geographic area, has been identified to enhance the capacity of the Board. In these circumstances individuals with appropriate skills or background would be approached directly. New Trustees are interviewed and recommended for appointment by the Chair. Their appointment is confirmed at the Annual General Meeting. When they are first appointed Trustees receive an induction pack and are briefed by the Chairman and General Manager as well as having the chance to meet other members of staff. The Board's performance is reviewed annually by the Chair. Trustees are offered internal training and all are encouraged to attend the briefing by the Finance Manager and Auditor and adoption of the Annual Accounts and seminars by local solicitors and accountants.

RISK MANAGEMENT

The Trustees review the major risks to which the organisation is exposed on a regular basis and systems are implemented wherever possible to manage those risks. A risk management plan has been prepared identifying the risks to which the organisation is exposed and outlining controls in place to deal with those risks. New services and projects are subject to an evaluation of the risk presented to the organisation. The Finance Committee or Trustees are appraised of any major risks both internal and external identified by the SMT on a regular basis at meetings held monthly.

The trustees risk management strategy comprises of the following:

- An annual review of the risks that the charity may face
- The establishment of systems and procedures that will mitigate those risks identified in the review
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise
- Disaster recovery for all aspects of the organisation have been reviewed and a policy is now being implemented across all services along with support so all staff are aware of and understand their responsibilities.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

- Impact continues to invest in Health & Safety training and is progressing CHAS accreditation on a service by service basis.

Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks are being adequately managed.

OBJECTIVES AND ACTIVITIES

Summary of the objects of the charity as set out in governing document

The objects for which Impact is established are to promote any charitable purpose for the benefits of the inhabitants of Sussex and surrounding areas. This includes providing facilities for recreation or leisure time occupation which improve people's quality of life.

We do this through:

Children and Young People's Services

These provide safe places where children and young people can get advice and guidance, learn new skills such as cooking and IT and have a break from often extremely difficult lives. The services are fun and innovative with adults who will truly listen and understand and so can help children and young people to create a positive future for themselves.

Adults Services

Our services help people to achieve independence through training, advocacy and one to one support. We provide advice and guidance to support people into work. We ensure those with disabilities have the right support at the right time from the right people so they have the opportunities that many people take for granted.

Older People

Our services provide places to go where older people can feel safe, meet others, learn new skills and get a freshly cooked meal. We do this through having a modern approach to working with older people within our own centres, local community venues, peoples own homes and through our supported minibus trips.

STRATEGIES AND ACTIVITIES

Impact's Central team provides management and support in Finance, IT, HR, Admin and fundraising. This enables the specialist teams to focus on the service delivery and development.

The main objective for this year was to secure the long term future of the organisation, whilst supporting the services and tendering for new contracts and identifying new ways of funding our work. This was achieved by reducing costs and included the move of our central office to Queens Road, Brighton.

Through the work of a steering group we have sought to evolve how the organisation approaches future development and to diversify how we engage with key supporters of Impact.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

OUR SERVICES AND WORK

The services provided during the year and included in this report are:

Children and Young People

- **Stopover** provides vulnerable young women with supported accommodation to make informed choices and live independently
- **WASP** after school club, holiday scheme and 8-13 youth club which improve the quality of life for the children and families of Whitehawk and Manor Farm estates
- **YPC** offers support to young people aged 13-25 with issues around employment and training, sexual health, teenage pregnancy mental health, homelessness and drugs and alcohol

Adults of Working Age

- **Workability West Sussex** provides help into work, education or training for people with physical or sensory impairments, an acquired brain injury or substance misuse issues
- **Advocacy Services** give a voice to adults with disabilities including learning difficulties, an acquired brain injury and physical or sensory impairments

Older People

- **Brunswick Older People's Project** a centre, café and community based activities that improve the lives of those aged 60+ and maintain physical and emotional wellbeing
- **Dingemans Centre** a centre and café to improve the lives of those aged 60+ through the provision of a range of services, which improve and maintain physical and emotional wellbeing

Volunteers

Our work was supported throughout the year by 120 volunteers who worked a total of 16,500 hours.

Our volunteer support included:

- Advocates supporting people with learning disabilities through complicated legal proceedings
- Supporting young people at drop in advice sessions
- Providing counselling for young people
- Supporting older people on trips and outings
- Supporting kitchen staff in our Cafes for older people

In addition to this our Trustees worked over 830 hours, we also had pro bono support from DMH Stallard and individuals who gave time and materials to redecorate our new central offices.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

REVIEW OF THE YEAR

At the start of the financial year the Trustees and Management undertook the following:

- To implement the new Central team Structure
- To complete the move of our central office to new premises
- To ensure break even budgets for each service for the following year
- To raise the profile of the organisation
- To take care of our assets – such as our premises in Ship Street, Brighton
- To sustain the organisation throughout the challenge of the ongoing recession

How the year compared to Trustee plans and aspirations

The year has seen Impact meet many challenges and end in a stronger financial position with a clear plan for the forthcoming years.

This has involved a review of the services we provide and their strengths, outcomes and cost effectiveness, taking into account potential future cuts in government funding and putting ourselves in as strong a position as possible to ensure the ongoing viability of the organisation.

New premises were sought and found which better meet the needs of the organisation. This was a major move as Impact had been based in its previous location since the premises were built over 20 years ago. This move also coincided with the implementation of the new management structure agreed by the Board of Trustees.

Managers were tasked with producing break even budgets based only on confirmed income, for all services without exception for the year 2010 -11. To the credit of all involved this was achieved with the year ending in a financial surplus enabling the following year to start with growth in our reserves.

Several events were held during the course of the year giving us the opportunity to invite key people to meet some of our volunteers, staff and service users to hear at first hand how our work has impacted positively with them as individuals.

We secured support and a commitment from the Keir Group and Pavilion Scaffolding to carry out much needed extensive remedial work to the exterior of our premises in Ship Street with work to begin in April 2011.

Through the continued efforts of those engaged in fundraising and sustaining contracts we were able to achieve our aim of no reduction in services. This proved extremely challenging on occasions and some of our long serving staff experienced the uncertainty of potential redundancy where sufficient funding proved hard to secure. The fact we achieved this with no reduction in service provision or redundancies is a credit to all involved in the delivery of services.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

Main or significant achievements of our services:

Children and Young People's services

- Over 600 young people were supported by the Young People's Centre (YPC) in central Brighton
- 427 referrals made to the YPC Counselling, 77.5% of people provided with, or linked into, therapeutic support
- Over 200 children used the Whitehawk After School Project (WASP)
- WASP Summer Play scheme included trips for 80 children
- 17 vulnerable young women were supported and housed by Stopover
- Occupancy rates at our Stopover houses were 97.8% and 99.1% for the year

Adults of Working Age

- Workability West Sussex exceeded contracted job outcome targets by 60.1% supporting 450 service users in total
- Workability West Sussex was identified as being in the top 5 providers across the country in respect of moving people from benefits back into work
- Advocacy approached to support the delivery of a Safeguarding Pilot project
- Over 190 people were supported by the Advocacy services

Older People's Services

- Over 800 older people were supported through drop-ins, activities, outings and our cafes
- Over 12,750 home cooked meals were served in our cafes
- We provided 1,588 places on 200 trips and outings
- 20 IT courses have been delivered allowing 186 older people to access services online

Plans for the forthcoming year

Work is now underway to review and update our five-year strategic business plan last developed and laid before the Board of Trustees in July 2009.

This, together with the Service Area Strategies, provides the framework to set organisational, project and staff goals. It is also against this that all our work is measured and evaluated and it gives the organisation clear aims and objectives against which all services will monitor their work.

Throughout 2011 – 2012 it is planned that we will:

- **Raise our profile and Diversify our Income Streams**

This is ongoing work planned and implemented through the Steering Group. It will involve all services and staff and external help as required. It will result in a broader range and higher number of supporters of the organisation and improved opportunities to attract funding. As part of this we will produce a book documenting the history of the organisation and how it has changed along with the environment within which Impact operates.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

- **Fill an identified gap in local service provision**

We have identified a gap in local service provision within the specialised area of support for those with autistic spectrum disorder. We aim to secure funding to provide much needed support to those affected.

- **Investigate fresh opportunities in all business areas**

We have well grounded and successful evidenced based business models capable of replication in other localities. We will continue to work at both a strategic and local level to build on our experience and identify gaps in service provision.

- **Continue to identify ways of ensuring best value within our services**

Some of our funding streams change during the lifetime of a contract, alongside inflationary budget pressures. We will review each project to ensure we deliver the best service achievable within the resources available.

FINANCIAL REVIEW

Incoming resources during the year increased to £1,891,533 from £1,776,023.

In April 2010 a surplus of £2,000 was forecast for the forthcoming financial year. This increased considerably over the year and the final result was a surplus of £82,155. This result arose primarily from securing three-year contracts with West Sussex County Council (WSCC) for £750,000 per annum, and also from the efficiency and economy measures taken by the senior management with full support from the Trustees. As stated in the introduction this is a very positive position and has been achieved without compromising service. We have also moved to new premises and reduced central office costs by over £25,000 per year.

The final outcome is a significant improvement on the previous three years, which ended with deficits. The deficit in 2009/10 was £46,555, for 2008/09 was £229,567 and for 2007/8 was £316,629.

The forecast for 2011/12 is for an overall deficit of just under £47,000. This is based on confirmed income as at September 2011 and in addition we are currently negotiating further contracts and submitting funding applications. The deficit is a consequence of the non-renewal of several grants and the general economic climate affecting local authorities.

Throughout the last three years we have worked closely with our auditors, and the Trustees or Finance Committee have met monthly to monitor and act on the situation.

In 2009/10 the trustees took the decision to draw down part of a loan facility we had secured with Triodos Bank. The loan is secured against the YPC, a building owned by the organisation, and it has been renewed for the financial year 2011/12.

Our Fundraising and Profile Raising Steering Group is working to secure further trust funds and is linking with the relevant people to do this. We have a clear plan of the future of the organisation including realistic development of services and new projects, which meet the objectives of Impact and local City, District and County Councils and Trusts and will be progressing these over this year.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

Policy on reserves and reserves held

At the end of the year the free reserves, as defined by the charity commission, showed a deficit of £67,849. Impact Initiatives aims (in due course) to re-establish liquid reserves at a level that would represent at least three months' overall running costs in addition to the security of its freehold premises in Ship Street. This will enable the charity to cope with any periods of unexpected turbulence and have the flexibility to undertake research and other types of work to further its aims in the future. Financial policies and procedures form the framework upon which decisions for expenditure are made.

Going concern and cash flow

Although Impact Initiatives made deficits in the three years 2007/08 to 2009/10, the Trustees have taken the necessary steps (as outlined earlier in this report) to enable the charity to return to a surplus in 2010/11.

The key issue for the trustees is cash flow and the ability of Impact to continue to pay its liabilities as they fall due. The trustees have conducted an exercise and concluded that it is reasonable to continue business and expect liabilities to be met as they arise. The position is reviewed on a month by month basis, and should this situation change then the trustees would take the appropriate steps. The Trustees are confident that the charity will remain a going concern for the foreseeable future, and these financial statements have therefore been prepared on the going concern basis.

Public Benefit statement

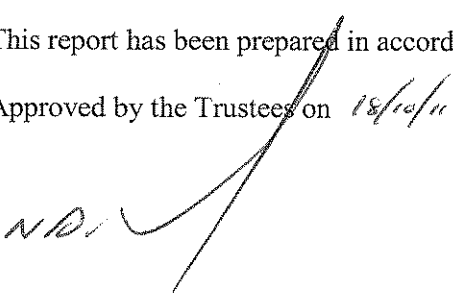
The Trustees have reviewed the objectives and activities of the organisation against the Charity Commission's guidance on Public Benefit and are satisfied that the organisation meets the Public Benefit criteria.

Auditors

A resolution will be proposed at the forthcoming AGM to authorise the trustees to confirm the appointment of the winners of the tender for provision of audit services in 2011/12.

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Approved by the Trustees on 18/10/11, and signed on their behalf by NEIL MOSCROP



N Moscrop
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPACT INITIATIVES

We have audited the financial statements of Impact Initiatives for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPACT INITIATIVES
(continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report.

Richard Hopkins

Richard Hopkins (Senior statutory auditor)

for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
37 Frederick Place, Brighton, BN1 4EA

1 November 2011

IMPACT INITIATIVES

Statement of Financial Activities (including Income and Expenditure Account) For the Year Ended 31 March 2011

	Notes	Unrestricted £	Restricted £	2011 Total funds £	2010 Total Funds (as restated) £
INCOME AND EXPENDITURE					
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	28,348	91,312	119,660	134,221
Activities for generating funds	4	118,437	-	118,437	165,396
Investment income		122	-	122	184
Incoming resources from charitable activities	5	1,653,314	-	1,653,314	1,503,252
Total incoming resources		1,800,221	91,312	1,891,533	1,803,053
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	6	2,441	-	2,441	2,633
Fundraising trading: costs of goods sold and other costs	6	1,560	-	1,560	2,827
Charitable activities	6	1,702,161	93,619	1,795,780	1,834,327
Governance costs	6	9,597	-	9,597	9,821
Total resources expended		1,715,759	93,619	1,809,378	1,849,608
Net incoming (outgoing) resources		84,462	(2,307)	82,155	(46,555)
Fund balances brought forward as restated)		(94,395)	188,001	93,606	140,161
Funds carried forward		£(9,933)	£185,694	£175,761	£93,606

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

All incoming resources and resources expended derive from continuing activities.

The net outgoing resources for the year have been calculated on the historical cost basis.

IMPACT INITIATIVES

Statement of Total Recognised Gains and Losses For the Year Ended 31 March 2011

	Notes	2011 £	2010 (as restated) £
Net incoming (outgoing) resources		82,155	(46,555)
Total recognised gains relating to the year		----- 82,155	----- £(46,555) -----
Prior year adjustment	22	27,030	
Total recognised gains since last report		----- £109,185 -----	

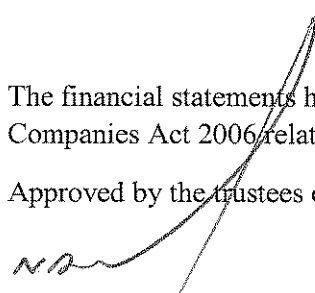
IMPACT INITIATIVES

Balance Sheet at 31 March 2011

	Notes	2011	2010
		(£)	(as restated) (£)
FIXED ASSETS			
Tangible assets	12	233,149	239,521
CURRENT ASSETS			
Debtors	13	17,323	181,553
Cash at bank	14	182,444	134,547
		-----	-----
		199,767	316,100
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
	15	(257,155)	(462,015)
		-----	-----
NET CURRENT LIABILITIES			
		(57,388)	(145,915)
		-----	-----
NET ASSETS			
		£175,761	£93,606
		-----	-----
ACCUMULATED FUNDS			
Unrestricted funds			
General fund	17	(89,803)	(247,378)
Designated funds	17	79,870	152,983
		-----	-----
		(9,933)	(94,395)
Restricted funds	17	185,694	188,001
		-----	-----
		£175,761	£93,606
		-----	-----

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees on 18/10/11, and signed on their behalf by Neil Douglas Moscrop


N D Moscrop
Chair

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in accordance with applicable United Kingdom accounting standards, and under the historical cost convention, except as noted in (b) below. These accounts have also been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives, using the rates disclosed in note 12.

Assets purchased for specific projects are written off to the Statement of Financial Activities in the year in which they are acquired, because funding for the projects is on a year by year basis. As a result, it is assumed that one year represents the period for which the asset will be economically useful. This is a departure from the guidelines given in the Statement of Recommended Practice 'Accounting and Reporting by Charities' but, in the trustees' opinion, it gives a fair view of the assets of the charity.

(c) Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

(d) Incoming resources

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

Voluntary income is received by way of donations, legacies and grants. Cash donations are accounted for on a received basis and are grossed up for any income tax recoverable. Some donors provide materials and other items to the charity, free of charge. Where possible, the value of these items is quantified and recorded in the financial statement as donated income with a corresponding entry as expenditure.

Where grants are restricted to future accounting periods, they are deferred and recognised in those future accounting periods. Grants for immediate financial support and assistance, or to reimburse costs previously incurred, are recognised immediately.

Income from legacies is recognised as and when it can be quantified with reasonable accuracy and entitlement can be demonstrated.

Activities for generating funds comprise of café sales, fees for services delivered, room lettings and funds raised through specific fundraising activities. All items are included when receivable.

Investment income comprises interest receivable on cash balances held in appropriate interest bearing deposits.

Incoming resources from charitable activities are recognised when the conditions for receipt have been met.

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

1. ACCOUNTING POLICIES (continued)

(e) Resources expended

Expenditure is recognised on an accruals basis.

Costs of generating voluntary income includes fundraising and publicity costs attributable to the raising of all voluntary income.

Fundraising trading: cost of goods sold and other costs includes the cost of running the cafes at BOPP and Dingemans.

Charitable activities costs includes the direct and indirect running costs of the various projects.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Support costs represent the running costs of a central office to manage and administer the projects including the functions of general management, payroll and administration, budgeting and accounting, information technology and human resources. They are allocated across the categories of charitable expenditure and projects on the proportion of time spent upon them.

(f) Fund accounting

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific project and for a specific purpose.

Designated funds are unrestricted funds which the trustees have set aside for a specific purpose. See note 18 for further details.

Unrestricted general funds are funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

(g) Pension costs

Contributions payable to the company's pension schemes are charged to the Statement of Financial Activities in the period to which they relate (see note 21).

(h) Operating leases

Rental costs under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

1 ACCOUNTING POLICIES (continued)

(i) Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(j) Going concern

As at 31 March 2011 the charity had net current liabilities. The charity's day to day operations are financed through a combination of a loan facility and supplier credit.

The trustees have prepared cash flow forecasts for the next twelve months and based on these, they expect the charity to be able to operate within its currently available bank facility, providing that the projected funding can be secured in the current challenging economic conditions, and expected credit terms are made available in respect of certain liabilities. Should the level of projected funding secured not be as anticipated or the expected credit terms not be made available, the charity would need to further reduce costs and/or raise additional funds to meet its cash requirements. The charity's projections also assume that its current loan facility will remain in place for the foreseeable future.

On this basis the trustees consider it appropriate to prepare the charity's financial statements on the going concern basis.

2 SEGMENTAL INFORMATION

The net movement in funds and accumulated funds are attributable to the principal activity of the promotion of charitable projects for the inhabitants of Sussex. The company operates in the UK and the whole of its income is derived from the UK market.

3 VOLUNTARY INCOME

	Unrestricted £	Restricted £	2011 Total funds £	2010 Total funds £
Donations	28,348	7,500	35,848	31,361
Grants	-	83,812	83,812	102,860
	-----	-----	-----	-----
	£28,348	£91,312	£119,660	£134,221
	-----	-----	-----	-----

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted £	Restricted £	2011 Total funds £	2010 Total funds £
Accommodation and room hire	26,031	-	26,031	38,641
Fees for services	25,970	-	25,970	70,345
Catering receipts	52,484	-	52,484	50,545
Fundraising events	13,952	-	13,952	5,865
	-----	-	-----	-----
	£118,437	-	£118,437	£165,396
	-----	-	-----	-----

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total 2011 £	Total 2010 (as restated) £
Adur District Council	-	4,711
Age Concern	-	1,250
Brighton & Hove City Council	339,763	331,759
Brighton & Hove Primary Care Trust	61,038	158,114
Community Development Foundation	70,798	38,388
Connexions	64,348	53,015
Future Jobs Fund	10,246	-
Horsham District Council	11,790	11,790
Skills South East Ltd	-	730
Southern FM	-	16,667
Sure Start	-	300
Sussex Learning & Skills Council	-	2,766
Sussex Partner NHS Trust	-	500
Trusts	-	50
UK Online	10,000	-
University of Brighton	5,200	8,000
University of Sussex	7,540	2,340
West Sussex County Council	588,176	518,512
West Sussex PCT	203,454	71,900
Youth Opportunities Fund	-	5,000
Youth Support Service	-	4,500
Housing Support	140,027	147,971
Rent and amenities	101,528	89,266
Client contributions	39,406	35,723
	-----	-----
	£1,653,314	£1,503,252
	-----	-----

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

6 ANALYSIS OF ACTIVITIES AND SUPPORT COSTS

	Direct costs £	Support costs £	Total 2011 £	Total 2010 £
Cost of generating funds:				
Voluntary income	1,597	844	2,441	2,633
Fundraising trading	1,347	213	1,560	2,827
Charitable activities	1,542,009	253,771	1,795,780	1,834,327
Governance costs	7,198	2,399	9,597	9,821
	-----	-----	-----	-----
Total resources expended	£1,552,151	£257,227	£1,809,378	£1,849,608
	-----	-----	-----	-----

7 SUPPORT COSTS

	Cost of generat £	Charitable activities and trading £	Governance costs £	Total 2011 £	Total 2010 £
Human resources	619	186,148	1,758	188,525	298,662
Establishment costs	176	53,147	502	53,825	42,387
Office and administration	49	14,689	139	14,877	28,007
	-----	-----	-----	-----	-----
	£844	£253,984	£2,399	£257,227	£369,056
	-----	-----	-----	-----	-----

All support costs are based on a project by project management review of estimated usage of central staff time.

8 NET OUTGOING RESOURCES FOR THE YEAR

	Total 2011 £	Total 2010 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,372	6,372
Auditors' remuneration	9,511	9,341
Amounts payable under operating leases, land and buildings	63,525	113,535
	-----	-----

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

9 STAFF COSTS AND NUMBERS

	Total 2011 £	Total 2010 £
Salaries	1,268,100	1,229,985
Social security costs	94,329	110,713
Pension contributions	28,286	20,743
	-----	-----
	£1,390,715	£1,361,441
	-----	-----

The average number of persons employed by the company was:

	Total 2011	Total 2010
Administration	7	9
Project staff	58	65
	--	--
	65	74
	--	--

This includes 44 (2010 - 30) part time staff and does not include volunteers. In addition 19 (2010 - 29) people were employed on a sessional basis.

No employees received remuneration in excess of £60,000 (2010 - nil).

The charity participates in an insurance policy which protects the charity from loss arising from the negligence of its employees and indemnifies employees against the consequences of such negligence. The cost to the charity of this insurance was £9,188 (2010 - £8,159).

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

10 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

None of the trustees received remuneration from the charity during the year (2010 – nil). A total of £64 was paid to trustees during the year as reimbursement of travel expenses (2010 – £28).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2010 - nil).

11 TAXATION

As a charity, Impact Initiatives is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

12 TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Total £
COST			
At 1 April 2010 and 31 March 2011	318,608	26,640	345,248
	-----	-----	-----
ACCUMULATED DEPRECIATION			
At 1 April 2010	79,087	26,640	105,727
Charge for year	6,372	-	6,372
	-----	-----	-----
At 31 March 2011	£85,459	£26,640	£112,099
	-----	-----	-----
NET BOOK VALUES			
At 31 March 2011	£233,149	-	£233,149
	-----	-----	-----
At 31 March 2010	£239,521	-	£239,521
	-----	-----	-----
Depreciation rates - straight line	2%	20%	

In November 2008 the freehold property was valued at £525,000 by Parsons Son & Basley Chartered Surveyors. This valuation has not been incorporated into the balance sheet.

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

13 DEBTORS

	2011 £	2010 £
DUE WITHIN ONE YEAR		
Accrued grant income	14,523	167,765
Prepayments	2,800	13,788
	-----	-----
	£17,323	£181,553
	-----	-----

14 CASH AT BANK ON DEPOSIT AND IN HAND

	2011 £	2010 £
Bank current accounts	5,544	105,314
Bank deposit accounts	175,000	27,233
Cash in hand	1,900	2,000
	-----	-----
	£182,444	£134,547
	-----	-----

15 CREDITORS

	2011 £	2010 (as restated) £
DUE WITHIN ONE YEAR		
Bank loan	100,000	100,000
Deferred income	62,238	286,910
Creditors and accruals	64,263	45,224
Income tax and social security payments	30,654	29,881
	-----	-----
	£257,155	£462,015
	-----	-----

The bank loan of £100,000 is secured by a 1st legal charge over the freehold property at 69 Ship Street.

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

16 DEFERRED INCOME

The deferred income included in note 15 above is broken down as follows:

	£
Deferred income at 1 April 2010	286,910
Released in the year	(286,910)
Deferred in the year	62,238

	£62,238

IMPACT INITIATIVES

**Notes to the Financial Statements
For the Year Ended 31 March 2011**

17 FUNDS

Designated	Balance at 1 April 2010 (as restated)	Unrestricted				Transfers	Balance at 31 March 2011	Balance at 1 April 2010	Restricted		Balance at 31 March 2011	Total Balance at 31 March 2011
		Incoming Resources	Outgoing Project Costs	Support Costs					Incoming Resources	Outgoing Restricted Funds		
Heritage Trust	-	-	-	-	-	-	-	-	2,533	(2,533)	-	-
BOPP	74,271	311,541	(257,462)	(38,619)	(74,271)	15,460	-	-	-	-	-	15,460
POPP	5,864	28,710	(20,515)	(3,077)	(5,864)	5,118	-	-	-	-	-	5,118
Dingemans	(30,037)	68,659	(62,345)	(9,352)	30,037	(3,038)	-	-	14,250	(14,250)	-	(3,038)
Advocacy	(5,983)	252,863	(211,165)	(31,675)	5,983	10,023	-	-	-	-	-	10,023
Workability West Sussex	134,643	525,284	(434,860)	(65,229)	(134,643)	25,195	-	-	-	-	-	25,195
Wasp	(34,635)	90,739	(77,280)	(11,592)	34,635	1,867	-	-	10,000	(10,000)	-	1,867
YPC	42,476	230,993	(186,937)	(28,041)	(42,476)	16,015	-	-	6,500	-	6,500	22,515
YPC - 69 Ship Street	-	-	-	-	-	-	181,605	-	-	(6,372)	175,233	175,233
Stopover 1	(33,840)	172,659	(138,662)	(20,799)	33,840	13,198	-	-	27,500	(27,500)	-	13,198
Stopover 2	2,659	81,808	(74,588)	(11,188)	(2,659)	(3,968)	-	-	-	-	-	(3,968)
Stopover Peer Mentoring	(2,435)	-	-	-	2,435	-	2,435	-	-	(2,435)	-	-
Money in Mind	-	-	-	-	-	-	3,961	3,961	30,529	(30,529)	3,961	3,961
General fund	(247,378)	36,965	(32,373)	-	152,983	(89,803)	-	-	-	-	-	(89,803)
	(94,395)	1,800,221	(1,496,187)	(219,572)	-	(9,933)	188,001	91,312	(93,619)	185,694	175,761	175,761

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

17 FUNDS (continued)

Designated funds are unrestricted funds which have been set aside by the trustees for use in a particular project. The trustees decided to transfer the brought forward balances on each Designated fund to the General fund to reflect the ongoing reality of the charity's day to day funding. All of the designated funds relate to projects run by the charity. Details of these projects can be found in the Trustees' Annual Report starting on page 3.

Restricted funds are funds that can only be used for specific purposes within a particular project.

The Heritage Trust restricted fund consists of £2,533 to cover the costs of producing the Impact Initiatives history book (due in October 2011).

The Dingemans restricted fund consisted of £14,250 from the Suzanne Green Trust to cover general expenditure within the project.

The Wasp restricted fund consisted of £7,500 from The Henry Smith Charity to cover the general expenditure of the After School Club, and £2,500 from the Grocers' Trust to cover the general expenditure of the Youth Club.

The YPC restricted fund consisted of grants of £5,000 and £1,500 from the Youth Capital Fund and Youth Opportunities Funds respectively for specific work to the YPC premises.

The YPC – 69 Ship Street fund represents the depreciated original cost of the property.

The Stopover 1 restricted fund consisted of £7,500 from the Community Trust of the Blessed Virgin Mary and £20,000 from the Volant Charitable Trust to cover general expenditure of the project.

The Money in Mind restricted fund consists of £30,529 from the Big Lottery Fund.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2011 £
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	57,916	175,233	233,149
Net current liabilities	(67,849)	10,461	(57,388)
	<u>£(9,933)</u>	<u>£185,694</u>	<u>£175,761</u>

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2011

19 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011, the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire: Between 2 and 5 years	11,938	11,938

20 SHARE CAPITAL

The charity is a company limited by guarantee and does not have share capital.

The liability guaranteed by each member is £1. The authorised membership of the charity is 500. At 31 March 2011, the membership was 39 (2010 - 37).

21 PENSION COMMITMENTS

The charity operates a group of defined contribution schemes with funds assigned for individual members. The assets of these schemes are held separately from those of the charity in independently administered funds.

22 PRIOR YEAR ADJUSTMENT

An adjustment has been made to the comparative figures to correct an error on the allocation between creditors and income. Funds totalling £27,030 had been included in creditors which should have been recognised as income. The changes made are as follows:

	As previously reported	Adjustment	As restated
	£	£	£
Creditors and accruals at 31 March 2010	72,254	(27,030)	45,224
Incoming resources from charitable activities	1,476,222	27,030	1,503,252

