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Impact Initiatives

Financial Statements – 31 March 2010

IMPACT INITIATIVES

Financial Statements – 31 March 2010

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IMPACT INITIATIVES

GENERAL INFORMATION

PRESIDENT	Peter Bunker OBE
TRUSTEES	Bena Armitage (Finance & Executive Committee) - resigned 23 March 2010 Councillor George Cockman - resigned 10 November 2009 Kaye Crittall – resigned 7 October 2010 Cynthia Grenville-Grey - resigned 10 November 2009 Wilfrid Grenville-Grey – appointed 11 October 2010 Leo Jago (Finance & Executive Committee) The Reverend John Joyce Mike Long (Chair and Finance & Executive Committee) Neil Moscrop (Vice-Chair) Anne Parkinson Kayleigh Newbury – appointed 11 October 2010 Tushar Srivastava – appointed 13 July 2009 Andrew Wealls (Finance & Executive Committee)
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 Queens Square House Brighton BN1 3FD The Royal Bank of Scotland plc Brighton & Hove Branch PO Box 300 Brighton BN1 9TE
CHARITY NUMBER	276669
COMPANY NUMBER	1402692

IMPACT INITIATIVES

Trustees' Report

INTRODUCTION

Impact Initiatives (Impact) has worked with local people in need for over 30 years. The remit of filling the gaps (in statutory services) set by the founders in 1978 remains today.

Impact has provided over 50 services and projects over the years some of which now run independently. 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 changing needs of those who use them which are often linked to changes in the economy and legislation. All aim to help people to reach their potential through provision being 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 5000 service users 198 volunteers and 78 permanent staff.

After three years of deficits the budget forecast for 2010/11 is for an overall surplus of approximately £55,000. This is based on confirmed income as at September 2010 and in addition we are currently negotiating further contracts and submitting funding applications.

It is the first time in 32 years that Impact will have started the year in this positive position which has been achieved (with minimal impact on service users) by fundraising and reductions in the Central Team.

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 2009 to 31 March 2010. 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 2009 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.

OUR SERVICES AND WORK

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

Children and Young People

- **Open Door** Counselling Service for 13-25 year olds
- **Stopover** supported housing for 16-25 year old women
- **WASP** Out of School activities for 4 – 13 year olds living in Whitehawk
- **YPC** Support and advice for 13-25 year olds

Adults of Working Age

- **Workability West Sussex** Support into work for people with mental health issues or disabilities
- **Workability Brighton and Hove** – Support into work or training for people who have barriers to employment
- **Advocacy Services** individual and self advocacy for people with learning disabilities

Older People

- **Brunswick Older People's Project** A centre, café and community based activities for people aged 60+
- **Dingemans Centre** A centre and café for people aged 60+

IMPACT INITIATIVES

Trustees' Annual Report (continued)

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. This was through reducing costs and identifying new ways of income generation.

To continue funding our current services and to seek funding for new services we engaged a Fundraising Consultant to advise us and help to develop a fundraising strategy including broadening our range of funders.

To reduce spending and help to secure the long term future of the organisation, it was agreed to search for cheaper central offices and all services, including the Central Team had to achieve a minimum break even budget for the following year.

REVIEW OF THE YEAR

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

- Reviewed the Central team Structure
- Relocation of central office to new premises
- Ensure break even budgets for each service for the following year
- Identify new projects to develop
- Develop working groups including Service user engagement, Staff Empowerment and Fundraising and Profile raising

IMPACT INITIATIVES

Trustees' Annual Report (continued)

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, considering potential future cuts in government funding and putting ourselves in as strong a position as possible to ensure the ongoing viability of the organisation.

The restructure of the Central Team took place over several months in line with reviewing the needs of the existing services, the capacity to develop new work and in line with the budget available. Several models were considered prior to the current structure being decided. This was finally put into place to start on 1 April 2010.

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 it was built over 20 years ago. However as the organisation has developed over the years the needs for office space have changed which combined with rising costs and the advantage of being more visible led to the decision to move at the end of March 2010.

Due to diminished reserves held by the organisation, managers were tasked with producing break even budgets based only on confirmed income, for all services without exception for the year 2010-11. Although essential this led to some difficult decisions being made to secure the longer term future of the services and the organisation and the closure of two non viable services.

To further develop our work an Away Day was held to identify gaps in service provision. This resulted in 3 new projects being identified which have been prioritised for development over the next 12 months. These include work to include parents in our children's services, support into work for people with autism and development of a building project with young people.

Further work was carried out by the Staff Empowerment Group with a questionnaire being developed and used which will be repeated annually to measure satisfaction and areas for development. The first showed areas we currently do well in and those needing improvement. The second survey taken in September 2010 shows significant improvement in these areas, including more staff members (85% of staff replying) understanding how their role contributes to Impact's overall Vision. The Fundraising and Profile Raising Group (now called the Steering Committee and chaired by Andrew Wealls) have made great headway engaging supporters in the organisation working with Fundraising Consultant Andrew de Mille. The Service User Engagement Group have met initially to map what good practice we currently have, how we replicate this across all our services and areas we need to develop, which will be progressed over the next year.

Key achievements:

- Restructuring the Central team and relocating to a new office giving higher profile, more flexibility in office hours and reducing rent costs by two thirds
- Securing significant new three year contracts for Workability West Sussex and Advocacy to start in April 2010 (total £750,000).
- Reviewing services to ensuring the year 2010-11 starts with a projected surplus
- Achieving a clear fundraising strategy and a wider range of actual and potential funders

IMPACT INITIATIVES

Trustees' Annual Report (continued)

Main or significant achievements of our services:

Children and Young People's services

- Over 1,000 young people were supported by the Young People's Centre (YPC) in central Brighton
- The YPC Counselling service exceeded their target number of clients by 45%
- Over 300 children used the Whitehawk After School Project (WASP)
- WASP Summer Play scheme included trips for over 50 children
- 26 vulnerable young women were supported and housed by Stopover
- Stopover set up a Volunteer Befriending Scheme for residents

Adults of Working Age

- Workability West Sussex produced a DVD which is being used nationally as a training resource for staff and an information resource for service users
- 12 people aged 50+ were matched with trained peer mentors to support them into work
- Over 280 people with learning disabilities were supported by the Advocacy services

Older People's Services

- Over 100 older people took part in a physical exercise class each week
- Over 12,240 home cooked meals were served in our cafes
- Over 150 minibus trips ran each taking 10 older people
- Over 500 visits were made to older people by volunteer befrienders

Volunteers

Our work was supported throughout the year by 198 volunteers who worked a total of 12,083 hours.

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
- Peer mentors helping people aged 50+ find work or training
- Supporting older people on minibus 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. We had practical help from several organisations and individuals who gave time and materials to redecorate two of our buildings.

IMPACT INITIATIVES

Trustees' Annual Report (continued)

STRATEGIC PLANNING

An updated version of the five-year strategic business plan was developed and laid before the Board of Trustees on 24 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. However, a substantial revision is now under way in the light of new three-year contracts awarded in West Sussex and a review of services and funding carried out in conjunction with Andrew de Mille, our fundraising consultant.

Throughout 2010 – 2011 it is planned that we will:

- **Raise our profile** – This is planned and implemented through the Steering Committee, 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
- **Take forward 3 new projects** – These were identified as needed and realistic at our Away Day and are being developed through the Steering Committee. They will run alongside current service provision in our Children and Young People's and Adults services
- **Update and implement policies needed** – This will include progressing Service User Involvement and Disaster recovery across the organisation
- **Prepare for the year ahead** – This will be through forging links with other organisations and individuals, ensuring we have a clear realistic plan and our business is as robust as possible

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 apprised 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 new policy is now being implemented across all services along with support so all staff are aware of and understand their responsibilities.

Impact continues to invest in Health & Safety training and is progressing CHAS accreditation.

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

IMPACT INITIATIVES

Trustees' Annual Report (continued)

FINANCIAL REVIEW

Incoming resources during the year reduced to £1,776,023 from £2,224,269

In April 2009 a deficit of approaching £85,000 was forecast for the forthcoming financial year. Although this increased considerably over the first half of the year the final deficit was reduced to £73,585. One-off costs were incurred which included some substantial statutory redundancy payments which although costly will reduce costs for the longer term. In 2009-10 most employees agreed to not taking the 1% cost of living pay award for the year.

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

The budget forecast for 2010/11 is for an overall surplus of just over £56,000. This is based on confirmed income as at September 2010 and in addition we are currently negotiating further contracts and submitting funding applications.

As stated in the introduction this is a very positive position to be in 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.

Throughout the last two years (which have been financially challenging) we have worked closely with our auditors, and the Trustees or Finance Committee have met monthly to monitor and act on the situation, focussing on cashflow and the ongoing viability of the organisation.

In December 2009 we secured three-year contracts with West Sussex County Council (WSSCC) for £750,000 per annum. This was a major achievement as we were competing against national and much larger organisations and businesses. To be in a position to start these contracts on 1 April 2010 we recruited new staff and took a transfer of other staff from WSSCC, set up office space and put IT equipment in place. In order to enable us to do this and to ensure cashflow the trustees took the decision to draw down part of a loan facility we had secured with Triodos Bank in case it was needed.

The loan is secured against the YPC, a building owned by the organisation in which we have substantial equity. It is the intention of the trustees to retain this property for the foreseeable future.

Our Fundraising and Profile Raising Steering Group are working to secure further trust funds and are 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 £179,341, as a result of accumulated deficits. 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 a significant deficit in 2007/08, and a further deficit in 2008/09 the Trustees have taken the necessary steps (as outlined earlier in this report) to enable the charity to reduce its deficit in 2009/10 and expects 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. It is often the case that funding for the individual projects is received in the early part of the financial year which provides a requirement for the trustees to look ahead until the end of the year to assess whether funds are sufficient. 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 at the present time, 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.

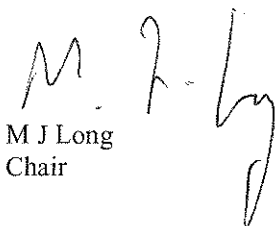
Auditors

A resolution will be proposed at the forthcoming AGM to authorise the trustees to put the audit for next year out to tender

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

Approved by the Trustees on 11/10/10, and signed on their behalf by MICHAEL JOHN LONG

M J Long
Chair



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPACT INITIATIVES

We have audited the financial statements of Impact Initiatives which comprise the Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPACT INITIATIVES
(continued)**

Emphasis of matter – going concern

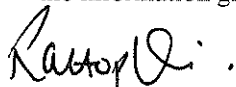
As at 31 March 2010 the charity has net current liabilities of £172,945 including a bank loan of £100,000.

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements in respect of the charity's ability to continue as a going concern. This is reliant upon the charity securing sufficient funds to continue operating and to pay its liabilities as they fall due for the foreseeable future. The assumptions used in its cashflow projections set out in note 1 to the financial statements indicate the existence of material uncertainties, which may cast significant doubt about the charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charity was unable to continue as a going concern.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Richard Hopkins (Senior statutory auditor)

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

18 October 2010

IMPACT INITIATIVES

Statement of Financial Activities (including Income and Expenditure Account) For the Year Ended 31 March 2010

	Notes	Unrestricted £	Restricted £	2010 Total funds £	2009 Total Funds £
INCOME AND EXPENDITURE					
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	23,861	110,360	134,221	181,022
Activities for generating funds	4	165,396	-	165,396	192,614
Investment income		184	-	184	7,900
Incoming resources from charitable activities	5	1,476,222	-	1,476,222	1,842,733
Total incoming resources		<u>1,665,663</u>	<u>110,360</u>	<u>1,776,023</u>	<u>2,224,269</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	6	2,633	-	2,633	3,594
Fundraising trading: costs of goods sold and other costs	6	2,827	-	2,827	10,006
Charitable activities	6	1,721,556	112,771	1,834,327	2,424,932
Governance costs	6	9,821	-	9,821	15,304
Total resources expended		<u>1,736,837</u>	<u>112,771</u>	<u>1,849,608</u>	<u>2,453,836</u>
Net outgoing resources		(71,174)	(2,411)	(73,585)	(229,567)
Fund balances brought forward		(50,251)	190,412	140,161	369,728
Funds carried forward		<u>£(121,425)</u>	<u>£188,001</u>	<u>£66,576</u>	<u>£140,161</u>

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

All incoming resources and resources expended derive from continuing activities.

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

IMPACT INITIATIVES

Balance Sheet at 31 March 2010

	Notes	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		239,521		240,380
CURRENT ASSETS					
Debtors	13	181,553		88,174	
Cash at bank	14	134,547		447,985	
		<u>316,100</u>		<u>536,159</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(489,045)</u>		<u>(626,378)</u>	
NET CURRENT LIABILITIES					
			<u>(172,945)</u>		<u>(90,219)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			66,576		150,161
PROVISIONS	17		-		(10,000)
NET ASSETS			<u>£66,576</u>		<u>£140,161</u>
ACCUMULATED FUNDS					
Unrestricted funds					
General fund	18		(274,408)		(240,943)
Designated funds	18		152,983		190,692
			<u>(121,425)</u>		<u>(50,251)</u>
Restricted funds	18		188,001		190,412
			<u>£66,576</u>		<u>£140,161</u>

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 11/10/10, and signed on their behalf by MICHAEL JOHN LONG

M J Long
Chair

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

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 2010

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 22).

(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 2010

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 2010 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 £	2010 Total funds £	2009 Total funds £
Donations	23,861	7,500	31,361	40,035
Grants	-	102,860	102,860	140,987
	<u>£23,861</u>	<u>£110,360</u>	<u>£134,221</u>	<u>£181,022</u>

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted	Restricted	2010 Total funds	2009 Total funds
	£	£	£	£
Accommodation and room hire	38,641	-	38,641	33,045
Fees for services	70,345	-	70,345	112,580
Catering receipts	50,545	-	50,545	43,599
Fundraising events	5,865	-	5,865	3,390
	<u>£165,396</u>	<u>-</u>	<u>£165,396</u>	<u>£192,614</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total 2010	Total 2009
	£	£
Adur District Council	4,711	10,000
Age Concern	1,250	7,500
Arun District Council	-	8,800
Brighton & Hove City Council	331,759	366,240
Brighton & Hove Primary Care Trust	131,084	78,906
Capital Learning Fund	-	4,940
Community Development Foundation	38,388	-
Connexions	53,015	50,589
Department of Work and Pensions (DAF)	-	9,606
East Sussex County Council	-	45,638
Fast Lane	-	5,000
Horsham District Council	11,790	23,540
NLDC	-	1,999
Skills South East Ltd	730	-
Southern FM	16,667	8,333
Street Smart	-	1,000
Sure Start	300	-
Sussex Advice and Skills	-	760
Sussex Careers	-	490
Sussex Downs College	-	8,322
Sussex Learning & Skills Council	2,766	15,676
Sussex Partner NHS Trust	500	-
Turner Community Development Trusts	- 50	989 3,600
UK Online	-	7,500
University of Brighton	8,000	-
University of Sussex	2,340	2,080
West Sussex County Council	518,512	822,918
West Sussex PCT	71,900	-
Sub total	<u>1,193,762</u>	<u>1,484,426</u>

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (continued)

Sub total brought forward	1,193,762	1,484,426
Working Links	-	1,000
Youth Opportunities Fund	5,000	13,170
Youth Support Service	4,500	4,500
Housing support	147,971	179,780
Rent and amenities	89,266	81,599
Client contributions	35,723	78,258
	<u>£1,476,222</u>	<u>£1,842,733</u>

6 ANALYSIS OF ACTIVITIES AND SUPPORT COSTS

	Direct costs £	Support costs £	Total 2010 £	Total 2009 £
Cost of generating funds:				
Voluntary income	2,349	284	2,633	3,594
Fundraising trading	881	1,946	2,827	10,006
Charitable activities	1,469,956	364,371	1,834,327	2,424,932
Governance costs	7,366	2,455	9,821	15,304
	<u>£1,480,552</u>	<u>£369,056</u>	<u>£1,849,608</u>	<u>£2,453,836</u>

7 SUPPORT COSTS

	Cost of generating funds £	Charitable activities and trading £	Governance costs £	Total 2010 £	Total 2009 £
Human resources	231	296,442	1,989	298,662	390,312
Establishment costs	32	42,074	281	42,387	46,588
Office and administration	21	27,801	185	28,007	26,022
	<u>£284</u>	<u>£366,317</u>	<u>£2,455</u>	<u>£369,056</u>	<u>£462,922</u>

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

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

8 NET OUTGOING RESOURCES FOR THE YEAR

	Total 2010	Total 2009
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	6,372	6,217
Auditors' remuneration	9,341	9,200
Amounts payable under operating leases, land and buildings	113,535	152,153
Profit on disposal of fixed assets	-	269
	<u> </u>	<u> </u>

9 STAFF COSTS AND NUMBERS

	Total 2010	Total 2009
	£	£
Salaries	1,229,985	1,677,318
Social security costs	110,713	143,337
Pension contributions	20,743	29,923
	<u> </u>	<u> </u>
	<u>£1,361,441</u>	<u>£1,850,578</u>

The average number of persons employed by the company was:

	Total 2010	Total 2009
Administration	9	11
Project staff	65	94
	<u> </u>	<u> </u>
	<u>74</u>	<u>105</u>

This includes 30 (2009 - 50) part time staff and does not include volunteers. In addition 29 (2009 - 25) people were employed on a sessional basis.

No employees received remuneration in excess of £60,000 (2009 - 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 £8,159 (2009 - £10,136).

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

10 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

None of the trustees received remuneration from the charity during the year (2009 – nil). A total of £28 was paid to trustees during the year as reimbursement of travel expenses (2009 – £450).

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 (2009 - 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 2009	313,095	26,640	339,735
Additions	5,513	-	5,513
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2010	<u>£318,608</u>	<u>£26,640</u>	<u>£345,248</u>
ACCUMULATED DEPRECIATION			
At 1 April 2009	72,715	26,640	99,355
Charge for year	6,372	-	6,372
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2010	<u>£79,087</u>	<u>£26,640</u>	<u>£105,727</u>
NET BOOK VALUES			
At 31 March 2010	<u>£239,521</u>	<u>-</u>	<u>£239,521</u>
At 31 March 2009	<u>£240,380</u>	<u>-</u>	<u>£240,380</u>
Depreciation rates - straight line	2%	20%	

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

12 TANGIBLE FIXED ASSETS (continued)

A charge of £205,000 is held over the property by the Single Regeneration Budget in favour of Brighton and Hove City Council.

In the event of the disposal of this property this amount would become repayable. There are currently no plans to dispose of the property in the foreseeable future.

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.

13 DEBTORS

	2010 £	2009 £
DUE WITHIN ONE YEAR		
Accrued grant income	167,765	78,068
Prepayments	13,788	10,106
	<u>£181,553</u>	<u>£88,174</u>

14 CASH AT BANK ON DEPOSIT AND IN HAND

	2010 £	2009 £
Bank current accounts	105,314	27,856
Bank deposit accounts	27,233	417,020
Cash in hand	2,000	3,109
	<u>£134,547</u>	<u>£447,985</u>

15 CREDITORS

	2010 £	2009 £
DUE WITHIN ONE YEAR		
Bank loan	100,000	-
Deferred income	286,910	481,866
Creditors and accruals	72,254	109,202
Income tax and social security payments	29,881	35,310
	<u>£489,045</u>	<u>£626,378</u>

The bank loan of £100,000 is secured by a 2nd legal charge over the freehold property at 69 Ship Street.

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

16 DEFERRED INCOME

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

	£
Deferred income at 1 April 2009	481,866
Released in the year	(481,866)
Deferred in the year	286,910
	<u>£286,910</u>

17 PROVISIONS

	2010	2009
	£	£
Property repair	-	10,000
	<u>-</u>	<u>10,000</u>
	=	=

The property repair provision consists of nil (2009 – £10,000) to cover the estimated costs of dilapidations at premises occupied by Workability Brighton & Hove.

IMPACT INITIATIVES

**Notes to the Financial Statements
For the Year Ended 31 March 2010**

18 FUNDS

Designated	Balance at 1 April 2009	Incoming Resources	Unrestricted			Transfers	Balance at 31 March 2010	Balance at 1 April 2009	Restricted		Total Balance at 31 March 2010
			Outgoing Project Costs	Support Costs					Incoming Resources	Outgoing Restricted Funds	
Ale	-	912	(914)	-	2	-	-	-	-	-	
BOPP	26,057	298,106	(214,558)	(35,334)	-	74,271	-	-	-	74,271	
POPP	-	91,724	(73,072)	(12,788)	-	5,864	-	-	-	5,864	
Dingemans	12,372	61,924	(90,405)	(13,928)	-	(30,037)	-	21,000	(21,000)	(30,037)	
Help at Home	64,841	70	(252)	-	(64,659)	-	-	-	-	-	
Tamer	3,252	-	(9)	-	(3,243)	-	-	-	-	-	
Advocacy	(13,035)	169,261	(143,526)	(18,683)	-	(5,983)	-	-	-	(5,983)	
Workability West Sussex	105,735	380,812	(306,005)	(45,899)	-	134,643	-	-	-	134,643	
Workability Activities Fund	-	-	(12,276)	-	12,276	-	-	-	-	-	
Workability Brighton and Hove	(20,796)	36,367	1,857	(6,698)	(10,730)	-	-	-	-	-	
Open Door	-	2,881	(22,984)	-	20,103	-	-	-	-	-	
Wasp	(2,548)	63,279	(82,096)	(13,270)	-	(34,635)	-	46,507	(46,507)	(34,635)	
YPC	16,960	234,708	(178,319)	(30,873)	-	42,476	-	-	-	42,476	
YPC - 69 Ship Street	-	-	-	-	-	-	187,977	-	(6,372)	181,605	
Stopover 1	-	172,156	(179,127)	(26,869)	-	(33,840)	-	27,500	(27,500)	(33,840)	
Stopover 2	289	73,548	(61,894)	(9,284)	-	2,659	-	-	-	2,659	
Stopover Outreach	-	-	(209)	-	209	-	-	-	-	-	
Stopover Peer Mentoring	(2,435)	-	(52)	-	52	(2,435)	2,435	-	-	2,435	
Money in Mind	-	-	-	-	-	-	-	15,353	(11,392)	3,961	
General fund	(240,943)	79,915	(159,370)	-	45,990	(274,408)	190,412	110,360	(112,771)	188,001	
	(50,251)	1,665,663	(1,523,211)	(213,626)	-	(121,425)	190,412	110,360	(112,771)	66,576	

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

18 FUNDS (continued)

Designated funds are unrestricted funds which have been set aside by the trustees for use in a particular project. A number of the designated funds were in deficit at the year end. These deficits represent funding deficits which have arisen on particular projects. The deficits are carried forward to be set against future income. Fund transfers have been made where projects with deficits have closed during the year.

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 6.

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

The Dingemans restricted fund consisted of £21k from the Suzanne Green Trust to cover general expenditure within the project.

The Wasp restricted fund consisted of £34,700 from the Big Lottery Fund and £11,807 from BBC Children in Need to cover the general expenditure of the project.

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 £20k from the Volant Charitable Trust to cover general expenditure of the project.

The Money in Mind restricted fund consists of £15,353 from the Big Lottery Fund.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2010 £
Fund balances at 31 March 2010 are represented by:			
Tangible fixed assets	57,916	181,605	239,521
Net current liabilities	(179,341)	6,396	(172,945)
	<u>£(121,425)</u>	<u>£188,001</u>	<u>£66,576</u>

IMPACT INITIATIVES

Notes to the Financial Statements For the Year Ended 31 March 2010

20 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010, the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2011:

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire:		
Within one year	-	17,983
Between 2 and 5 years	11,938	-
Over 5 years	-	1
	<u>£11,938</u>	<u>£17,984</u>

21 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 2010, the membership was 37 (2009 - 45).

22 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.