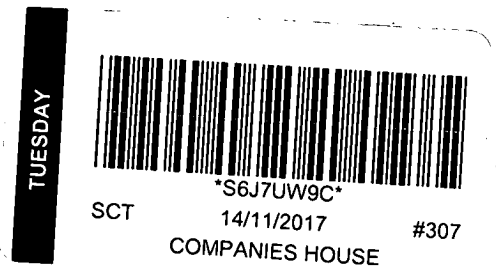


Registered Company No: SC531695  
Registered Charity No: SC046904

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as IMPACT Scotland)  
(A company limited by guarantee)

**Report and Financial Statements**  
**For the period from 5 April 2016 to 31 March 2017**



**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**Period from 5 April 2016 to 31 March 2017**

**CONTENTS**

	<b>Page</b>
Legal & Administrative information	1
Directors' Report	2
Independent Auditor's Report	6
Statement of Financial Activities	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as **IMPACT Scotland**)  
(a company limited by guarantee)

**Directors' Report**  
**Period from 5 April 2016 to 31 March 2017**

**LEGAL AND ADMINISTRATIVE INFORMATION**

International Music and Performing Arts Charitable Trust Scotland (known as **IMPACT Scotland**) is a company limited by guarantee (company number SC531695) and a registered Scottish charity (charity number SC046904). It was incorporated on 5 April 2016 under the name International Music and Performing Arts Limited, and changed its name to International Music and Performing Arts Charitable Trust Scotland on 5 January 2017.

**DIRECTORS AND TRUSTEES**

The directors, and key management personnel, of the charitable company ("the charity") are its trustees for the purposes of charity law. The directors are:

Sir Ewan Brown	Appointed 05/04/2016
Carol Grigor	Appointed 05/04/2016
Donald MacDonald	Appointed 05/04/2016
Colin Buchan	Appointed 22/05/2017
James Naughtie	Appointed 22/05/2017
Dame Joan Stringer	Appointed 22/05/2017
Keith Miller	Appointed 19/06/2017
Gavin Reid	Appointed 12/06/2017
Tom Duguid	Appointed 05/04/2016; Resigned 05/04/2016

**REGISTERED OFFICE**

c/o Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9EE

**PRINCIPAL ADDRESS**

c/o 4 Royal Terrace  
Edinburgh  
EH7 5AB

**AUDITOR**

Scott-Moncrieff  
Exchange Place 3  
Sempie Street  
Edinburgh  
EH3 8BL

**BANKERS**

Royal Bank of Scotland plc  
36 St Andrew Square  
Edinburgh  
EH2 2AD

**SOLICITORS**

Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9EE

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**Directors' Report**

**Period from 5 April 2016 to 31 March 2017**

The Board of Directors is pleased to present its report and the audited accounts of the company for the period ended 31 March 2017.

Legal and administrative information set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with the Companies Act 2006.

**OBJECTIVES AND ACTIVITIES**

The company was incorporated in Scotland on 5 April 2016 as International Music and Performing Arts Limited (registration number SC531695) and changed its name to International Music and Performing Arts Charitable Trust Scotland on 5 January 2017.

The primary objectives of the company as set out in the Memorandum and Articles of Association of the company are:

"The advancement of the arts, heritage and culture and the advancement of education for the benefit of the public"; and

"To promote such similar Charitable Purposes, objects or institutions and in such proportions and manner as the Trustees shall think fit."

IMPACT Scotland plans to create a 1,000-seat concert hall; together with a 200 seat studio for public performances, rehearsal and the delivery of a wide range of education programmes and a resource for public engagement. It will be the new home of the Scottish Chamber Orchestra (SCO), one of the national performing companies.

It will be an inclusive cultural hub for all kinds of musical performance – from orchestral to jazz and folk – welcoming chamber groups, soloists, choirs and dance ensembles.

It will also be a principal, all-day performance venue each August for the Edinburgh International Festival ("EIF"), which is the world's leading arts festival; and it will provide access to the finest musical accommodation for school and youth musicians to perform, train and receive coaching from the SCO, other musical experts and EIF performers.

The proposal is to build immediately behind, and connected with, the RBS Head Office building at 36 St Andrew Square, Edinburgh.

The Trustees intend that the proposed new venue will:

- provide an excellent opportunity to build new audiences across the age groups by programming a wide range of music as well as other forms of entertainment;
- provide community arts companies from across Scotland and further afield with improved performance space.

IMPACT Scotland has been set up to promote the development of the new venue. For the venture to succeed will require the company to engage with a number of key stakeholders including Dunard Fund, RBS, SCO, EIF, neighbouring proprietors, public sector funders and private philanthropy.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as IMPACT Scotland)  
(a company limited by guarantee)

**Directors' Report**  
**Period from 5 April 2016 to 31 March 2017**

**ACHIEVEMENTS AND PERFORMANCE**

The principal achievements in the year were:

- the preparation, by an independent consultant, of a Masterplan that showed the planned concert hall and studio could be fitted on the site, provided a cost estimate and identified the principal risks and uncertainties of the project;
- the appointment of a world-leading acoustic consultant;
- the commencement of an OJEU competition to select an architect-led design team;
- the hiring of an experienced fund-raiser, initially on a part-time basis.

**FINANCIAL REVIEW**

The results for the period are detailed in the Statement of Financial Activities on page 8 and show net income in the period of £511,531. At 31 March 2017 the charity had total reserves of £511,531 of which £59,368 relates to general unrestricted funds and £452,163 to restricted funds.

The principal sources of funding during the period have been donations received from the Dunard Fund and grants received from the Scottish Government and Creative Scotland.

The costs incurred during the year were met by private philanthropy.

On 20 July 2017, The Scottish and UK Governments announced that as part of an Edinburgh City Deal, they will provide up to £10m each (a maximum of £20m) of capital funding to support the delivery of a new IMPACT Scotland concert hall.

**RESERVES POLICY**

It is the intention of the Directors that a Reserves Policy will be adopted to coincide with the opening of the venue; but recognising that it will take some time to achieve an operating surplus.

**RISK MANAGEMENT**

The principal risks and uncertainties identified during the period were:

- Development - planning and listed buildings consents; site servicing; pedestrian access; neighbour relations; OJEU process for selection of architect-led design team;
- Design - aligning construction costs with available funding;
- Site - ground conditions; demolition of existing office buildings;
- Financial - inadequate funding; cost inflation; inadequate contingencies; accuracy of operating business model.

The plans and strategies for managing these risks are to have a Donation Agreement with Dunard Fund; to have the project included in the Edinburgh City Deal; to make an early appointment of an architect-led design team; to appoint an experienced firm of project managers and cost consultants together with advisers and staff of the highest quality.

**PLANS FOR FUTURE PERIODS**

The Trustees' plans continue to be determined by the need to secure funding from the public sector, obtain planning consent and confirm the affordability of the project.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as IMPACT Scotland)  
(a company limited by guarantee)

**Directors' Report**

**Period from 5 April 2016 to 31 March 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The company is a charitable company limited by guarantee governed by its Memorandum and Articles of Association.

A Board of Directors administers the charity. The directors of the company during the period ended 31 March 2017 were as noted on page 1.

During the year, governance was exercised by a Project Board comprising the Trustees together with representatives from RBS, the Scottish Chamber Orchestra and the Edinburgh International Festival. Creative Scotland, the Scottish Government and Edinburgh Council enjoyed observer status with the right to attend all meetings.

There were monthly meetings of the Project Board, which was chaired by the Chair of the Trustees and serviced by a project manager. Decisions taken at Project Board meetings were implemented by the chairman and the project manager who reported to the Board at the next meeting.

The Trustees believe that at this formative stage of the charity's activities, the Project Board, meeting regularly, was the most effective way of ensuring all the relevant stakeholders in the project were kept informed and participated in decision-taking.

None of the Trustees or Project Board members received any remuneration.

A part-time fundraiser was employed with effect from 1 January 2017. There were no other members of staff during the period.

The Trustees who served throughout the period were Sir Ewan Brown and Donald MacDonald (both of whom have previous trustee experience) and Carol Grigor (Dunard Fund). Additional Trustees will be appointed as the project develops, and will receive appropriate induction and training.

**Related parties.**

The charity owns 100% of the share capital of IMPACT Scotland Trading Limited a company incorporated and registered in Scotland on 26 January 2017 (company number SC555692) and which was dormant in the period.

IMPACT Scotland is dependent on Dunard Fund for funding the early stages of its development. Dunard Fund is a long-term funder of the arts in Scotland and elsewhere and supports the SCO and EIF, both of which will benefit from the project.

**Statement of Directors' Responsibilities**

The directors (who are also the trustees of IMPACT Scotland) are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as **IMPACT Scotland**)  
(a company limited by guarantee)

**Directors' Report**

**Period from 5 April 2016 to 31 March 2017**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are directors at the time when the Directors' Report is approved:

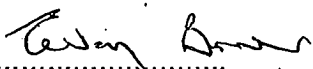
- so far as the trustees are aware, there is no relevant information of which the charity's auditor is unaware; and
- each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

The auditor, Scott-Moncrieff, is deemed to be reappointed under section 485 of the Companies Act 2006.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report was approved by the board on ..... 14 August ..... 2017 and signed on its behalf by:



.....  
**Sir Ewan Brown**

**Director**

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS**  
**Period ended 31 March 2017**

We have audited the financial statements of IMPACT Scotland for the period ended 31 March 2017 which comprise the charitable company Statement of Financial Activities, the charitable company Balance Sheet, the charitable company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the company's members and the charitable company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and the auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of 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 accounts give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)", in the circumstances set out in note 17 to the financial statements.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the charitable company's incoming resources and application of resources, including income and expenditure, for the period 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as **IMPACT Scotland**)  
(a company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS**  
**Period ended 31 March 2017**

**Opinion on other matters prescribed by the Companies Act 2006**

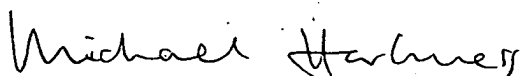
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and the Strategic and Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirements to prepare a strategic report.



**Michael Harkness, Senior Statutory Auditor**  
**For and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Chartered Accountants**  
**Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**  
**Exchange Place 3**  
**Seiple Street**  
**Edinburgh**  
**EH3 8BL**

**Date:** 14 August 2017

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(b known as IMPACT Scotland)  
(a company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

For the period from 5 April 2016 to 31 March 2017

	Notes	Unrestricted £	Restricted £	Total £
<b>Income from:</b>				
Donations and legacies	3	112,500	640,000	752,500
<b>Total income</b>		<u>112,500</u>	<u>640,000</u>	<u>752,500</u>
<b>Expenditure on:</b>				
Charitable activities	4	53,132	187,837	240,969
<b>Total expenditure</b>		<u>53,132</u>	<u>187,837</u>	<u>240,969</u>
<b>Net income and movement in funds</b>		59,368	452,163	511,531
<b>Reconciliation of funds</b>				
Balance at 5 April 2016		-	-	-
<b>Total funds carried forward</b>	12	<u>59,368</u>	<u>452,163</u>	<u>511,531</u>

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 17 form part of these financial statements.

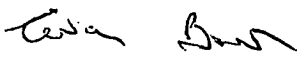
**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**BALANCE SHEET**

**As at 31 March 2017**

	Notes	2017 £	2017 £
<b>FIXED ASSETS</b>			
Investments	8		100
<b>CURRENT ASSETS</b>			
Debtors	9	298,691	
Cash at bank and in hand	15	500,000	
		<u>798,691</u>	
Creditors: amounts falling due within one year	10	287,260	
<b>NET CURRENT ASSETS</b>			<u>511,431</u>
<b>TOTAL NET ASSETS</b>			<u>511,531</u>
<b>Funds</b>	12		
<b>Unrestricted funds:</b>			
General funds			59,368
<b>Restricted funds</b>			<u>452,163</u>
<b>TOTAL FUNDS</b>			<u>511,531</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small companies. The financial statements were approved and authorised for issue on 14 AUGUST 2017 and signed on behalf of the board by:



Sir Ewan Brown

Director

Company Registration No. SC531695

The notes on pages 11 to 17 form part of these financial statements.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**STATEMENT OF CASH FLOWS**

**For the period from 5 April 2016 to 31 March 2017**

	Notes	2017 £
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	14	<u>500,100</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments		<u>(100)</u>
Net cash used in investing activities		<u>(100)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		500,000
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>-</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	15	<u><u>500,000</u></u>

The notes on pages 11 to 17 form part of these financial statements.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period from 5 April 2016 to 31 March 2017**

**1. Principal accounting policies**

**General information**

IMPACT Scotland is a company limited by guarantee and the contribution of members to the liability of the Company is restricted by the Memorandum and Articles of Association to a maximum of £1. The company was incorporated on 5 April 2016 and is registered in Scotland with registration number SC531695. The address of its registered office is c/o Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE.

The principal activity of the company in the period under review was preparation for the construction of arts facilities.

**Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council (September 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They are prepared on the historical cost basis.

IMPACT Scotland Ltd meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements of the company contain the results of the charity only. The wholly owned subsidiary, IMPACT Scotland Trading Limited (company number SC555692) was incorporated on 26 January 2017 and was dormant in the period to 31 March 2017.

**Going concern**

Due to the level of reserves and cash reserves held, the directors are of the opinion that the company can continue to meet its obligations as they fall due for the foreseeable future. As a consequence the directors have prepared the financial statements on a going concern basis.

**Recognition and allocation of income**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, the receipt is probable and the amount can be measured reliably.

Income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as **IMPACT Scotland**)  
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period from 5 April 2016 to 31 March 2017

**1. Principal accounting policies (continued)**

**Recognition and allocation of income (continued)**

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the company's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable. Where donor imposed conditions require that the resource is expended in a future accounting period, income is recorded as deferred income at the Balance Sheet date.

Where incoming resources are given specifically to provide a fixed asset, all of the incoming resource is recognised when receivable. Where restrictions on the use of the asset are specified by the funder, the asset is placed into a restricted fund which is reduced in line with depreciation.

Gift aid is treated as part of the related gift unless the donor or terms of appeal have specified otherwise and is credited when receivable.

**Recognition and allocation of expenditure**

Expenditure is recognised when the charity has entered into a legal or constructive obligation and is related where practicable to the operating activities of the charity. Expenditure is recognised on an accruals basis and includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on a time spent basis.

**Funds**

- Unrestricted funds are income sources which are receivable for the objects of the charity without further specified purposes and are available as general funds.
- Designated funds are unrestricted income sources which have been earmarked by the directors for a specific future purpose.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**Legal status**

IMPACT Scotland Ltd is a company limited by guarantee and not having share capital. The members' liability on a winding up is limited by guarantee not exceeding £1 per member. The registered office is c/o Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(known as IMPACT Scotland)  
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period from 5 April 2016 to 31 March 2017

**1. Principal accounting policies (continued)**

**Investments**

Investments are stated at cost less provision for any permanent diminution in value.

**Debtors**

Trade debtors are amounts due from customers for goods sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible, being those with maturities of three months or fewer from inception and are measured at fair value.

**Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**Taxation**

IMPACT Scotland is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

**Pensions**

Pension costs relate to contributions payable to the employee personal pension.

**Financial instruments**

Financial instruments are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period from 5 April 2016 to 31 March 2017**

**2. Critical judgements and estimates**

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

**3. Donations and legacies**

	Unrestricted funds £	Restricted funds £	Period to 31 March 2017 Total £
<b>Grant income:</b>			
Scottish Government	-	40,000	40,000
Creative Scotland	-	40,000	40,000
<b>Donations:</b>			
Dunard Fund	-	560,000	560,000
Individual donations	90,000	-	90,000
Gift Aid	22,500	-	22,500
	<u>112,500</u>	<u>640,000</u>	<u>752,500</u>

**4. Charitable activities**

All costs relate to the one charitable activity of the advancement of the arts, heritage and culture and the advancement of education for the benefit of the public.

	Direct costs £	Support costs £	2017 Total £
Wages and salaries	6,160	-	6,160
Project manager costs	21,253	-	21,253
Legal and professional fees	1,307	-	1,307
Consultancy and feasibility costs	187,837	-	187,837
Administration costs	257	-	257
Consultancy costs	2,400	-	2,400
Marketing costs	10,253	-	10,253
Governance costs (note 5)	-	11,502	11,502
	<u>229,467</u>	<u>11,502</u>	<u>240,969</u>



**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
**(known as IMPACT Scotland)**  
**(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 5 April 2016 to 31 March 2017**

**5. Governance costs**

	2017 Total £
Auditor: audit fee	3,250
Auditor: non audit services	3,890
Legal fees	2,000
Project manager fees	2,362
	<u>11,502</u>

**6. Net Income for the period is stated after charging**

	2017 Total £
Auditor's remuneration:	
Audit fees	3,250
Non audit services	3,890
	<u>7,140</u>

**7. Staff costs and numbers**

	2017 £
Wages and salaries	5,000
Social security costs	410
Pension costs	750
	<u>6,160</u>

The average number of persons employed by the charity during the period was 1.

There were no employees in the period whose emoluments were over £60,000.

The key management personnel of the charity comprise the trustees. Total employee benefits for key management personnel during the period were £nil.

**8. Fixed asset investments**

	2017 £
Investment in subsidiary	100
	<u>100</u>

The investment relates to the purchase of the shares in IMPACT Scotland Trading Limited, which is incorporated in Scotland (company number SC555692). The charity owns the entire share capital of £100. The subsidiary was incorporated on 26 January 2017 and was dormant during the period.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
(b known as IMPACT Scotland)  
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period from 5 April 2016 to 31 March 2017

**9. Debtors**

	2017 £
Accrued income	252,500
Other debtors	46,191
	<u>298,691</u>

**10. Creditors: amounts falling due within one year**

	2017 £
Trade creditors	277,145
Taxation and social security	589
Other creditors	9,526
	<u>287,260</u>

**11. Financial assets and liabilities**

	2017 £
Financial assets measured at amortised cost	752,500
Financial liabilities measured at amortised cost	286,670

Financial assets measured at amortised cost comprise: cash at bank and in hand and accrued income.  
Financial liabilities measured at amortised cost comprise: trade creditors and other creditors.

**12. Movement in funds**

	Balance at 5 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>					
General fund	-	112,500	(53,132)	-	59,368
<b>Total unrestricted funds</b>	-	112,500	(53,132)	-	59,368
<b>Restricted funds</b>					
Concert hall feasibility and development	-	640,000	(187,837)	-	452,163
<b>Total restricted funds</b>	-	640,000	(187,837)	-	452,163
<b>Total funds</b>	-	752,500	(240,969)	-	511,531

The concert hall feasibility and development restricted fund comprises grants and donations received towards the development of the new concert hall.

**INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND**  
 (known as IMPACT Scotland)  
 (a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
 For the period from 5 April 2016 to 31 March 2017

**13. Analysis of net assets between funds**

	Tangible fixed assets & investments £	Net current assets £	Total £
Restricted funds	-	452,163	452,163
Unrestricted funds	100	59,268	59,368
<b>Total funds</b>	<b>100</b>	<b>511,431</b>	<b>511,531</b>

**14. Reconciliation of net income to net cash flow from operating activities**

	2017 £
Net income for the reporting period (per SOFA)	511,531
Adjustments for:	
Increase in debtors	(298,691)
Increase in creditors	287,260
<b>Net cash inflow from operating activities</b>	<b>500,100</b>

**15. Analysis of changes in cash and cash equivalents during the period**

	At 5 April 2016 £	Cash flows £	At 31 March 2017 £
Cash at bank	-	500,000	500,000

**16. Related parties**

No director received any remuneration or expenses as a result of their office as a director.  
 During the period the aggregate amount of donations received from directors was £90,000.  
 The charity received donations of £560,000 from the Dunard Fund, a charity in which director C Grigor is also a Trustee.

**17. Non-audit services**

In common with many other charities of our size, we use our auditors to assist with the preparation of the financial statements.

**18. Post balance sheet**

On 20 July 2017, The Scottish and UK Governments announced that as part of an Edinburgh City Deal, they will provide up to £10m each (a maximum of £20m) of capital funding to support the delivery of a new IMPACT Scotland concert hall.