

Registered Company No: SC531695
Registered Charity No: SC046904

**COMPANIES HOUSE
EDINBURGH**

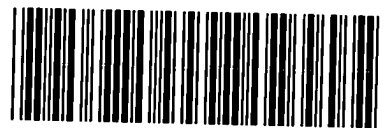
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INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
(known as **IMPACT Scotland**)
(A company limited by guarantee)

Report and Financial Statements
For the year ended 31 March 2018

WEDNESDAY



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SCT 12/09/2018 #388
COMPANIES HOUSE

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

For the year ended 31 March 2018

CONTENTS

Page

Legal & Administrative information

1

Directors' Report

2

Independent Auditor's Report

6

Statement of Financial Activities

9

Balance Sheet

10

Statement of Cash Flows

11

Notes to the Financial Statements

12

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

Directors' Report
For the year ended 31 March 2018

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	
Carol Grigor	
Donald MacDonald	
Colin Buchan	Appointed 22/05/2017
James Naughtie	Appointed 22/05/2017
Dame Joan Stringer	Appointed 22/05/2017, Resigned 03/10/2017
Keith Miller	Appointed 19/06/2017
Gavin Reid	Appointed 12/06/2017
Morag Campbell	Appointed 26/01/2018
Fergus Linehan	Appointed 26/01/2018
Karine Polwart	Appointed 15/03/2018

KEY MANAGEMENT PERSONNEL

Development Director	S Richardson
Director of Communications	E Ravenscroft

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
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Directors' Report
For the year ended 31 March 2018

The Board of Directors is pleased to present its report and the audited accounts of the company for the year ended 31 March 2018.

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 be 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**)
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Directors' Report
For the year ended 31 March 2018

ACHIEVEMENTS AND PERFORMANCE

The principal achievements in the year to 31 March 2018 were:

- following an OJEU competition to select an architect-led design team, the appointment of David Chipperfield Architects, together with ARUP, Whitby Mohajer Engineers, Gross.Max Landscape Architects, Theatre Projects. and, as executive architects, Reiach & Hall
- the appointment of Turner & Townsend as project managers and cost consultants
- inclusion in the Edinburgh and Regions City Deal, which was announced in August, and featured the IMPACT Scotland project as the cultural flagship, supported by £10 million from each of the Scottish and UK Governments.
- an indication of £5 million support for the project from Edinburgh Council as part of the City Deal
- the holding of well-attended public consultations at 36 St Andrew Square in November and 35 St Andrew Square in March.
- development and refinement of the design of the concert hall to respond to the public consultations as well as requirements of the city planners and heritage bodies
- the appointment of an experienced consultant to advise on year-round musical programming for the venue
- increase in the staffing complement to three with the recruitment of a director of communications and an administration manager
- the launch in October of the IMPACT Scotland website with distinctive branding
- a major fundraising event in the Banking Hall of 36 St Andrew Square.

FINANCIAL REVIEW

The results for the period are detailed in the Statement of Financial Activities on page 9 and show net income in the period of £4,973,088. At 31 March 2018 the charity had total reserves of £5,484,619 of which £125,869 relates to general unrestricted funds and £5,358,750 to restricted funds.

The principal sources of funding during the period were donations received from the Dunard Fund and from individual donations from our fundraising campaign.

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

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 and vehicle access; neighbour relations;

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.

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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Directors' Report
For the year ended 31 March 2018

The plans and strategies for managing these risks are to have the project included in the Edinburgh and Regions City Deal, to have a successful fund-raising campaign and to have a Donation Agreement with Dunard Fund.

PLANS FOR FUTURE PERIODS

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

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 and appoints any new directors. The directors of the company during the year ended 31 March 2018 were as noted on page 1. Directors appointed during the year received appropriate induction and training.

The primary roles and responsibilities of the Board of Trustees remain focused on setting and directing the objectives of the project; taking the major decisions affecting the project; and governance.

In May 2017 it was agreed to set up an Executive Committee comprising, initially, Ewan Brown, Gavin Reid, and Keith Miller. The Committee operates with delegated authority in writing from the Trustees to take decisions on behalf of IMPACT Scotland. This change in governance arrangements from a Project Board recognised the need for a small group to deal effectively with the many decisions required during the design and construction process.

The Trustees meet four times a year. The Executive Committee meets at least twice a month.

Reference Groups for construction, fundraising, planning and programming, each of which is chaired by a Trustee, continue to be responsible for progressing their remits as the chairs see fit. The chair of each Reference Group, together with the chair of the Executive Committee, report directly to meetings of the Trustees.

None of the Trustees received any remuneration. Remuneration of key management is determined by the Board.

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 Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

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Directors' Report
For the year ended 31 March 2018

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 charitable 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 charitable 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 charitable 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 directors are aware, there is no relevant information of which the charitable company's auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company'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 21 August 2018 and signed on its behalf by:


.....
Sir Ewan Brown

Director

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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Independent Auditor's Report to the Directors and Members
For the year ended 31 March 2018

Opinion

We have audited the financial statements of IMPACT Scotland for the year ended 31 March 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions applicable for small entities, in the circumstances set out in note 19 to the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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Independent Auditor's Report to the Directors and Members
For the year ended 31 March 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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Independent Auditor's Report to the Directors and Members
For the year ended 31 March 2018

Auditor's responsibilities for the audit of the financial statements

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

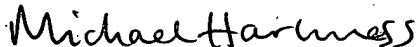
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

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



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

Date: 21/8/ 2018

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2018

	Notes	Unrestricted	Restricted	Total 2018	Total 2017
		£	£	£	£
Income from:					
Donations and legacies	4	65,992	6,791,973	6,857,965	752,500
Investment income		509	-	509	-
Total income		<u>66,501</u>	<u>6,791,973</u>	<u>6,858,474</u>	<u>752,500</u>
Expenditure on:					
Charitable activities	5	-	1,883,093	1,883,093	240,969
Costs of raising funds	6	-	2,293	2,293	-
Total expenditure		<u>-</u>	<u>1,885,386</u>	<u>1,885,386</u>	<u>240,969</u>
Net income and movement in funds		<u>66,501</u>	<u>4,906,587</u>	<u>4,973,088</u>	<u>511,531</u>
		66,501	4,906,587	4,973,088	511,531
Reconciliation of funds					
Balance at 1 April 2017		59,368	452,163	511,531	-
Total funds carried forward	14	<u>125,869</u>	<u>5,358,750</u>	<u>5,484,619</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 12 to 20 form part of these financial statements.

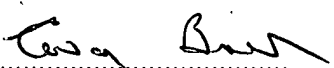
INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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BALANCE SHEET

As at 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Investments	10		100		100
CURRENT ASSETS					
Debtors	11	180,064		298,691	
Cash at bank and in hand	17	5,386,139		500,000	
		5,566,203		798,691	
Creditors: amounts falling due within one year	12	81,684		287,260	
NET CURRENT ASSETS			5,484,519		511,431
TOTAL NET ASSETS			5,484,619		511,531
Funds	14				
Unrestricted funds:					
General funds			125,869		59,368
Restricted funds			5,358,750		452,163
TOTAL FUNDS			5,484,619		511,531

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 21 August 2018 and signed on behalf of the board by:



 Sir Ewan Brown
 Director

Company Registration No. SC531695

The notes on pages 12 to 20 form part of these financial statements.

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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(a company limited by guarantee)

STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

	Notes	2018 £	5/4/16 to 31/3/17 2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	16	4,885,630	500,100
Cash flows from investing activities:			
Interest		509	-
Purchase of investments		-	(100)
Net cash used in investing activities		509	(100)
Change in cash and cash equivalents in the reporting period		4,886,139	500,000
Cash and cash equivalents at the beginning of the reporting period		500,000	
Cash and cash equivalents at the end of the reporting period	17	5,386,139	500,000

The notes on pages 12 to 20 form part of these financial statements.

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Principal accounting policies

General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of IMPACT Scotland.

The principal activity of IMPACT Scotland is preparation for the construction of arts facilities.

IMPACT Scotland is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC046904. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 1 of these financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), 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)', Update Bulletin 1 to the SORP published in February 2016, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

IMPACT Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

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 principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

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
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

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.

Tangible fixed assets

All capital expenditure over £1,000 is capitalised, with amounts under this expensed in the Statement of Financial Activities.

Investments

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

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Principal accounting policies (continued)

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 Balance Sheet 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.

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).

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 year ended 31 March 2018

3. Comparative statement of financial activities

	Unrestricted £	Restricted £	Total £
Income from:			
Donations and legacies	112,500	640,000	752,500
Total income	<u>112,500</u>	<u>640,000</u>	<u>752,500</u>
Expenditure on:			
Charitable activities	53,132	187,837	240,969
Total expenditure	<u>53,132</u>	<u>187,837</u>	<u>240,969</u>
Net income and movement in funds	59,368	452,163	511,531

4. Donations and legacies

	Unrestricted funds £	Restricted funds £	2018 £	5/4/16 to 31/3/17 2017 £
Grant income:				
Scottish Government	-	-	-	40,000
Creative Scotland	-	-	-	40,000
Donations:				
Dunard Fund	-	2,000,000	2,000,000	560,000
Individual donations	791,973	4,000,000	4,791,973	90,000
Gift Aid	65,042	-	65,042	22,500
SCO Partnership Funding	950	-	950	-
Bank interest	509	-	509	-
	<u>858,474</u>	<u>6,000,000</u>	<u>6,858,474</u>	<u>752,500</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 year ended 31 March 2018

5. Charitable activities

These 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 £	2018 £	5/4/16 to 31/3/17 2017 £
Wages and salaries	115,748	-	115,748	6,160
Project manager costs	11,700	-	11,700	21,253
Legal and professional fees	22,096	-	22,096	1,307
Consultancy and feasibility costs	140,623	-	140,623	68,430
Planning and design fees	1,560,424	-	1,560,424	119,407
Administration costs	7,007	-	7,007	257
Consultancy costs	950	-	950	2,400
Marketing costs	11,450	-	11,450	10,253
Governance costs (note 7)	-	13,095	13,095	11,502
	<u>1,869,998</u>	<u>13,095</u>	<u>1,883,093</u>	<u>240,969</u>

6. Costs of raising funds

	Direct costs £	Support costs £	2018 £	5/4/16 to 31/3/17 2017 £
Cultivation Dinner	2,293	-	2,293	-
	<u>2,293</u>	<u>-</u>	<u>2,293</u>	<u>-</u>

7. Governance costs

	2018 Total £	5/4/16 to 31/3/17 2017 Total £
Auditor: audit fee	3,350	3,250
Auditor: non audit services	8,445	3,890
Legal fees	-	2,000
Project manager fees	1,300	2,362
	<u>13,095</u>	<u>11,502</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 year ended 31 March 2018

8. Net income for the period is stated after charging

	2018 Total £	5/4/16 to 31/3/17 2017 Total £
Auditor's remuneration:		
Audit fees	3,350	3,250
Tax advisory fees	5,170	2,250
Other non audit services	3,275	1,640
	<u> </u>	<u> </u>

9. Staff costs and numbers

	2018 Total £	5/4/16 to 31/3/17 2017 Total £
Wages and salaries	95,583	5,000
Social security costs	11,165	410
Pension costs	9,000	750
	<u>115,748</u>	<u>6,160</u>

The average number of persons employed by the charity during the period was 2 (2017: 1).

There was 1 employee in the period whose emoluments were over £60,000 (2017: none).
The employee's emoluments fell in the £60,000 - £70,000 band.

The key management personnel of the charity comprise the trustees, the Development Director and the Director of Communications. Total employee benefits for key management personnel during the period were £102,809 (2017: £nil).

10. Fixed asset investments

	2018 £	5/4/16 to 31/3/17 2017 £
Investment in subsidiary	100	100
	<u>100</u>	<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
(known as IMPACT Scotland)
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

11. Debtors

	2018	5/4/16 to 31/3/17 2017
	£	£
Accrued income	66,522	252,500
Other debtors	113,542	46,191
	<u>180,064</u>	<u>298,691</u>

12. Creditors: amounts falling due within one year

	2018	5/4/16 to 31/3/17 2017
	£	£
Trade creditors	4,323	277,145
Taxation and social security	4,534	589
Accruals	71,727	9,426
Other creditors	1,100	100
	<u>81,684</u>	<u>287,260</u>

13. Financial assets and liabilities

	2018	5/4/16 to 31/3/17 2017
	£	£
Financial assets measured at amortised cost	5,452,661	752,500
Financial liabilities measured at amortised cost	<u>77,150</u>	<u>286,670</u>

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, accruals and other creditors.

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 year ended 31 March 2018

14. Movement in funds

	Balance at 31 March 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted funds					
General fund	59,368	66,501	-	-	125,869
Total unrestricted funds	59,368	66,501	-	-	125,869
Restricted funds					
Dunard fund	452,163	2,000,000	(1,885,386)	-	566,777
Campaign Income	-	4,791,973	-	-	4,791,973
Total restricted funds	452,163	6,791,973	(1,885,386)	-	5,358,750
Total funds	511,531	6,858,474	(1,885,386)	-	5,484,619

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

The Dunard Fund restricted fund comprises grants and donations received towards the development of the new concert hall. The Campaign Income restricted fund represents grants and donations received towards the capital costs of the concert hall.

INTERNATIONAL MUSIC AND PERFORMING ARTS CHARITABLE TRUST SCOTLAND
(known as IMPACT Scotland)
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

15. Analysis of net assets between funds

	Tangible fixed assets & investments	Net current assets	Total
	£	£	£
Restricted funds	-	5,358,750	5,358,750
Unrestricted funds	100	125,769	125,869
Total funds	<u>100</u>	<u>5,484,519</u>	<u>5,484,619</u>

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

	2018	5/4/16 to 31/3/17 2017
	£	£
Net income for the reporting period (per SOFA)	4,973,088	511,531
Adjustments for:		
Interest	(509)	-
Decrease/(increase) in debtors	118,627	(298,691)
(Decrease)/increase in creditors	(205,576)	287,260
Net cash inflow from operating activities	<u>4,885,630</u>	<u>500,100</u>

17. Analysis of changes in cash and cash equivalents during the period

	At 31 March 2017	Cash flows	At 31 March 2018
	£	£	£
Cash at bank	<u>500,000</u>	<u>4,886,139</u>	<u>5,386,139</u>

18. 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 £340,972 (2017: £90,000).

The charity received donations of £2,000,000 (2017: £560,000) from the Dunard Fund, a charity in which director C Grigor is also a Trustee.

19. 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.