

Company no. 04556227
Charity no. 1094681

Impetus Trust
Report and Financial Statements
30 June 2005

Sayer Vincent

Accountants and Auditors



Impetus Trust

Reference and administrative details

For the year ended 30 June 2005

Status	The organisation is a charitable company limited by guarantee, incorporated on 8 October 2002 and registered as a charity on 19 November 2002.	
Governing document	The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.	
Company number	04556227	
Charity number	1094681	
Registered office/operational address	Hamilton House Mabledon Place London WC1H 9BB	
Principal staff	Judith Brodie	Chief Executive
Bankers	CAF BANK Ltd PO Box 289 West Malling Kent ME19 4TA	
Solicitors	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL	
Auditors	Sayer Vincent Chartered accountants and registered auditors 8 Angel Gate City Road London EC1V 2SJ	

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

The trustees present their report and the audited financial statements for the period ended 30 June 2005.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Structure, governance and management

Structure

Impetus Trust is a registered charity and a company limited by guarantee. The governing document is a Memorandum and Articles of Association incorporated 8th October, 2002, and amended 4 December, 2003. The Objects of Impetus Trust (Impetus) as stated in the Memorandum and Articles of Association are:

"the advancement of such exclusively charitable purposes as the trustees shall determine and in particular to advance the efficient and effective administration of charities by the provision of:

- a. financial grants, loans and guarantees; and
- b. the advice and services of people who have experience and skills appropriate to meet the requirements of charities which are in need of development or extension."

Governance and management

The governing body of the charity is the Board of Trustees, which comprises six members and has met formally five times in the past year. The chief executive attends all Board meetings. A board awayday to develop a plan for long-term sustainability took place in January 2005.

Trustees are elected for three year periods and may be re-elected for further three year periods. During autumn 2004, the Designated Director conducted an appraisal of: the Board's performance and composition and the functioning of its committees; the Chair's role and performance.

The Board has a number of sub-committees: the Investment Committee (to recommend grant making decisions), the Finance and Audit Committee and the Fundraising Committee. The Board took a decision to incorporate the remit of the Remuneration Committee into its own agenda and so that Committee was terminated. The Board has agreed specific terms of reference and clear guidelines (which were revised during the year) for the Investment Committee, to which the detailed review of grants is delegated. All grants are subsequently authorised by the Board. The Board also approved terms of reference for the Finance and Audit Committee and for the Fundraising Committee during the year.

The Board sets strategy and reviews policy. Day to day responsibility is delegated to the chief executive, who works closely with the Chair and Vice-Chair who also have volunteer executive roles in the charity.

Related parties and connected organisations

There was one related party transaction in the period. Nicholas Sloane, son of the Trustee Nat Sloane, performed work on the charity's website. The cost of this work was £202.50.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

Risk and internal control

The Trustees are responsible for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Board has approved the charity's risk profile and action plan and satisfied itself that the major risks to which Impetus Trust is exposed have been reviewed and that systems have been established to mitigate those risks. The Board reviews risk management annually.

Objectives and activities

Background and approach

Impetus Trust was established in 2002, became operational in August 2003 and is the first specific venture philanthropy charitable foundation in the UK.

Impetus strives to make the biggest difference with donors' money by supporting small to medium-sized charities making a demonstrable, significant and sustainable difference to the lives of disadvantaged people. These will be charities with ambition – wanting to make a “step change” (probably growth, turnaround or merger). The charities have to both want and need the integrated package of support Impetus offers to take them through the step change and be stronger and more sustainable when Impetus exits. The ultimate goal is to enable these charities to have a greater impact on the lives of more people in need by improving the quality, efficiency, and effectiveness of the services delivered.

Impetus offers an integrated venture philanthropy package which comprises three elements:

- long term core funding: three to five years
- hands on management support: an Impetus executive meeting monthly with the charity's chief executive, providing a sounding board, challenge and support, and monitoring progress against business plan objectives and agreed milestones
- capacity-building: targeted on specific areas for development, delivered on a project basis by Impetus volunteer associates.

Through deploying high calibre volunteer associates and through our partner companies on due diligence, we estimate the value of the non-financial support we can leverage could become three times that of the financial support (based on experience of venture philanthropy organisations in the US).

The Impetus investment process comprises three stages, with Investment Committee approval required to move through each stage:

- screening: reviewing paper applications, meeting the chief executive/chair and visiting the charity
- assessment: for those charities considered strong prospects, a detailed due diligence assessment covering all aspects of the charity's operations
- investment.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

The venture philanthropy approach has parallels with the venture capital industry where partnership and long term collaboration help build the capacity of the organisations supported. We aim to lead the way in the development of venture philanthropy in the UK through winning recognition for this pioneering and innovative approach. We hope this will ultimately expand the funding and people resources available to charities delivering innovation and excellence.

Vision and mission

Impetus has a vision of "a diverse, innovative and effective market for investment in social gain, in which charities and funders work together to achieve the greatest benefit for society." Our mission is "to enable our charities to make a step change to deliver more, maximising the social impact of our donors' money and our time"; we will achieve this by:

- enabling distinctive charities to make a step change in their performance
- encouraging donors to give and give more
- encouraging people to contribute time and expertise
- combining the best of the business and non profit worlds
- demonstrating our brand of venture philanthropy is successful.

The Board has agreed a set of strategic objectives covering:

- ***Investment in charities*** – continuing to invest in new charities, including coinvestments, and demonstrating results from those in the portfolio
- ***Support from donors*** – raise funds to support a growing portfolio of charities, and work towards long term income sustainability for Impetus
- ***Working with partners*** to secure and manage a steady stream of high quality associates
- ***Evaluation, communication and excellence*** – keeping our approach under review and sharing learning, promoting our venture philanthropy model and implementing best practice in charity leadership and management within Impetus.

The Board awayday during the year focused on how to ensure Impetus achieves long-term sustainability, and the business plan for 2005/06 was developed following that discussion.

Achievements and performance

Investment in charities

Four investments were made in 2004-05. A coinvestment relationship with another grant maker was established, and at the end of the year a specific charity was being assessed as an imminent potential coinvestment.

The four charities approved as investments during the year were:

Speaking Up – a disability charity based in Cambridge focusing on empowerment and advocacy aiming to grow substantially.

St Giles Trust – a housing and homelessness charity in South London establishing and implementing a new strategic focus with prisoners and ex offenders.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

Eating Disorders Association – the only national charity providing information and support to those suffering from an eating disorder and their families and friends, aiming to reposition and rebrand to increase impact.

Leap Confronting Conflict – an innovative north London charity pioneering work developing conflict resolution and mediation skills with young people, planning significantly to extend their impact on young people through disseminating their expertise more effectively.

During the year, the charity was contacted by 160 organisations, a 12% increase over the previous year, consisting of 72 applications and a further 88 enquiries.

We review the charities in the portfolio regularly and assess whether they are:

- Broadly on or above plan expectations
- Operating with mixed results against plan
- Operating significantly below plan.

Currently all charities are broadly on or above plan. Reports on the progress of portfolio charities against milestones are reviewed by the Impetus Board at every meeting. We are supporting the charities to develop their performance management based on the balanced scorecard approach, with the help of a volunteer associate who is very experienced in this field.

Support from donors

A new fundraising campaign was launched in May 2005 to seek the next tranche of income from supporters, mainly individuals in the venture capital industry. New donors, including trustees, have contributed a significant proportion of the approximately £1m already committed. All initial donor commitments have been fulfilled.

We have succeeded in securing grant income to cover our core costs fully to date. For future years, this is likely to prove harder to secure, but fundraising efforts are continuing.

Working with partners

We have established two corporate partnerships with strategy consultants (OC&C and RSM Robson Rhodes) who between them have delivered pro bono sector and competition analyses for three charities as part of our due diligence. In addition, 20 individual associates have been recruited since our inception – 10 working with Impetus itself and 10 with the charities we have invested in. Generally, the investee charities and our own satisfaction with associates have been high.

Examples of some of the individual associate projects are:

- advising and supporting a charity through a brand review and rebranding process
- assisting a charity to develop a set of key performance indicators using the balanced scorecard framework
- reviewing a charity's financial systems and management to assess where they could make improvements
- management development for the chief executive and senior managers of a charity.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

Individual volunteer associates collectively contributed 100 days work to Impetus or our portfolio charities. In addition, the Chair and Vice-chair between them contributed the equivalent time of one full-time executive. The Accounts show in excess of £200,000 in pro bono professional services contributed during the year.

Evaluation, communication and excellence

An independent evaluation by Social Solutions Ltd was commissioned early in 2005 to explore the experience of charities and associates in our first phase. The evaluation was very positive about our progress, and also offered some valuable learning points. 79% of the charities responding said that the application process they went through was of value to their organisation.

The executive team regularly reviews policy and practice to ensure it evolves and develops in the context of experience.

We have achieved features in a range of publications including The Guardian newspaper, Professional Fundraising and Director magazine. We have also secured some media coverage in broadsheets and specialist private equity and third sector media.

Impetus presents regularly to conferences and in June contributed to the European Venture Philanthropy Association (EVPA) conference in London.

In a short time, Impetus has established itself on the charity funding scene as a significant contributor to the developing charity investment space. The evaluation assessed our initial phase to have been "positive and successful" and that we have "the potential to not only lead the sector but also to deliver real and valuable change within it". Internally, Impetus continues to aspire to best practice in all its activities.

We would like to take this opportunity to express our warm thanks to the donors, volunteers, pro bono contributors and staff who have helped Impetus to achieve the progress it has made in its first two years.

Financial Review

Reserves

The charity has a healthy reserves position at the balance sheet date. Four investments in charities were commenced during the year and the commitments to these charities will be drawn down over three to five years.

The board has approved a reserve of £65,000, as the amount required to cover three months' operating cost commitments, plus provision to replace one of the volunteer executives should they not be able to continue in the year for whatever reason.

Investments

The charity does not operate an endowment fund. Given the need to be able to honour long-term commitments to the charities it invests in, the Board has adopted a cautious investment strategy.

Towards the end of the financial year, the charity invested significant sums in fixed term bonds. These appear as short term deposits on the balance sheet.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

Income and expenditure

The principal source of income for Impetus during the year was donations from individuals. In the main these constitute long-term commitments from donors to contribute regular amounts over a three to five year period. Donors have fully fulfilled their commitments to date.

Impetus estimates the value of associate time contributed over the past year to be £405,000. Of this total, £205,000 is reflected in the accounts both in income (grants and donations) and expenditure (mainly supporting charities); this comprises pro bono professional services from our corporate partners and some individual associates. The remaining £200,000 cannot be formally included in the accounts under the SORP definitions and represents the time of 12 volunteer associates, including the Chair and Vice Chair.

We have been fortunate also to receive grants from major foundations which have fully covered our infrastructure expenditure (staffing and operating costs).

Grants to charities during the year amounted to £317,500. Over 90% of all expenditure is focused on supporting charities, both those charities in the portfolio, and those charities being reviewed and assessed as potential investments.

Plans for 2005/06

Plans for the coming year will be to take forward our strategic objectives and in addition.

Investment in charities

The Board agreed to invest further in Impetus capacity, and a venture philanthropy manager has been recruited (starting in September 2005) to ensure that we can continue to assess and support new charities.

Through supporting charities to enhance their approach to performance management, our monitoring will increasingly focus on outcome and impact measurement.

Support from donors

Grant applications will continue to be submitted for funds to cover our infrastructure costs.

A priority in the coming year is to explore other sources of income for Impetus with a view to diversifying our income sources and enabling us to improve our long-term sustainability. A donor relations manager will be recruited as our first staff member dedicated to income generation, to enhance our donor support and fundraising capacity.

Working with partners

We aim to continue to extend our corporate and other partnerships for sourcing high quality pro bono associates to work on due diligence and post investment support.

Impetus Trust

Report of the trustees

For the year ended 30 June 2005

Evaluation, communication and excellence

We will share our progress through an enhanced e-newsletter which will be made widely available.

Opportunities for promoting our approach and learning will continue to be sought, including holding a specific venture philanthropy workshop, placing articles/features in key publications and seeking appropriate media coverage. A priority in the year is the production of a specific marketing and communications strategy.

Statement of Responsibilities of the Trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 the going concern basis unless it is inappropriate to presume 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 charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

The Trustees

The trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:

Stephen Dawson (Chair)
Nat Sloane (Vice Chair)
Chris Mathias
Julia Middleton
Doug Miller
Michael Webber

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2005 was 6 (2004:6). The trustees are members of the charity but this entitles them only to voting rights.

Impetus Trust

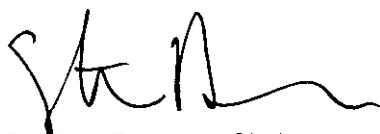
Report of the trustees

For the year ended 30 June 2005

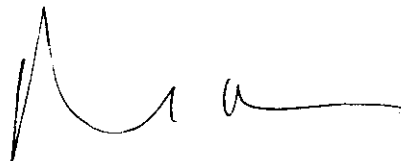
Auditors

Sayer Vincent were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 28 September 2005 and signed on their behalf by



Stephen Dawson - Chair



Michael Webber - Chair of Finance and Audit Committee

Independent auditors' report

To the members of

Impetus Trust

We have audited the financial statements of Impetus Trust for the year ended 30 June 2005 which comprise the statement of financial activities, balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also directors of Impetus Trust for the purposes of company law) for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the trustees. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the report of the trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

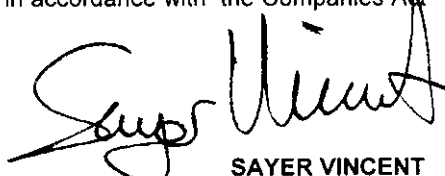
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company'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.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 30 June 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

18 November 2005


SAYER VINCENT
Chartered accountants & registered auditors
London

Impetus Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2005

	Note	Restricted £	Unrestricted £	2005 Total £	2004 Total £
Incoming resources					
<i>Activities in furtherance of the charity's objects:</i>					
Grants and donations for supporting charities and capacity building	2	45,000	871,906	916,906	600,100
Investment income		-	42,791	42,791	21,094
Total incoming resources		<u>45,000</u>	<u>914,697</u>	<u>959,697</u>	<u>621,194</u>
Resources expended					
<i>Costs of generating funds:</i>					
Fundraising and publicity	3	-	21,167	21,167	10,452
		-	21,167	21,167	9,978
<i>Charitable expenditure</i>					
Set up costs	3	-	-	-	14,677
Supporting charities		-	617,292	617,292	59,354
Governance costs		-	36,323	36,323	34,843
Total resources expended		<u>-</u>	<u>674,782</u>	<u>674,782</u>	<u>119,326</u>
Net incoming resources/net movement in funds	5	45,000	239,915	284,915	501,868
Funds at the start of the year		<u>-</u>	<u>889,605</u>	<u>889,605</u>	<u>387,737</u>
Funds at the end of the year		<u><u>45,000</u></u>	<u><u>1,129,520</u></u>	<u><u>1,174,520</u></u>	<u><u>889,605</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

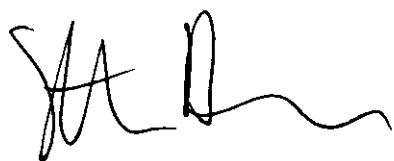
Impetus Trust (Limited by Guarantee)

Balance sheet

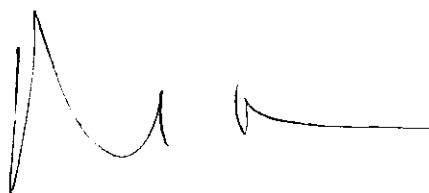
As at 30 June 2004

	Note	£	2005 £	2004 £
Fixed assets	8		2,606	4,605
Current assets				
Debtors	9	25,042		42,952
Short term deposits		1,102,348		804,854
Cash at bank and in hand		64,724		45,810
		1,192,114		893,616
Creditors: amounts due within 1 year	10	20,200		8,616
Net current assets			1,171,914	885,000
Net assets	11		1,174,520	889,605
Funds				
Restricted funds	12		45,000	-
Unrestricted funds				
General funds			1,129,520	889,605
Total funds			1,174,520	889,605

Approved by the trustees on 28 September 2005 and signed on their behalf by



Stephen Dawson - Chair



Michael Webber - Chair of Finance and Audit Committee

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in April 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

Intangible income and expenditure is recognised in the financial statements when companies or individuals offer their professional advice pro bono. This is an estimated figure based upon the valuation the professional individual or organisation places upon the time and services they have given to Impetus Trust. Individuals offering their time to work in areas where they are not plying their trade are classified as volunteers and their time is not quantified in the accounts, but is recognised in the trustees' report.

- c) Grants to Impetus are recognised in full in the statement of financial activities in the year in which they are receivable. No recognition is contained in the accounts in respect of donor commitments.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff estimates of time spent on each activity (including the time of the two volunteer executives). This allocation is expected to change as the charity develops.

	2005	2004
Fundraising & publicity	15%	10%
Set up costs	-	10%
Supporting charities	55%	50%
Support costs	15%	10%
Governance	15%	20%

Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

- f) Support costs are reallocated within total resources expended note as follows: The staff cost element of support costs is reallocated across supporting charities and governance expenditure using a ratio of 75% : 25%. This is based on the direct staff costs allocated to specific activities within each of the main expenditure headings (above). The remaining support costs are reallocated to cost of generating funds, supporting charities and governance expenditure also on the basis of direct staff costs. A ratio of 15% : 65% : 20% has been used.

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

1. Accounting policies (continued)

- g) Grants payable are charged in the year when the offer is conveyed to the investee charity except in those cases where the offer is conditional. Funding is typically offered over a period of up to five years, which is reviewed on a regular basis throughout the funding relationship. Continued funding is conditional on the charities meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end the grants are noted as a commitment but not shown as expenditure.
- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment

3 years

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- i) Short term deposits represent cash on deposit including allocations in the form of 6 or 12 month bonds, which are not accessible within 24 hours without incurring a penalty.
- j) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- k) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- l) Designated funds are unrestricted funds earmarked by the trustees at the balance sheet date for particular purposes.
- m) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- n) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2. Activities in furtherance of the charity's objects

	Restricted	Unrestricted	2005 Total	2004 Total
	£	£	£	£
Grants	45,000	181,667	226,667	72,500
Donations from individuals	-	690,239	690,239	527,600
Total	45,000	871,906	916,906	600,100

Impetus has received grant funding from The Gatsby Charitable Foundation, City Parochial Foundation and Esmée Fairbairn Foundation to cover its core costs.

In 2004/5 core costs were completely funded by grant income.

Some professional services are provided free of charge to Impetus Trust. These have an estimated value of £205,000 and are included in donations from individuals above.

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

3. Charitable expenditure

	Costs of generating funds	Supporting charities	Support costs	Governance	2005 Total	2004 Total
	£	£	£	£	£	£
Staff costs (note 6)	12,665	46,535	12,569	12,664	84,433	68,481
Grants payable to charities (note 4)	-	317,500	-	-	317,500	-
Recruitment	-	6,331	-	-	6,331	1,297
Travel & subsistence	408	1,497	408	408	2,721	1,129
Volunteer expenses	-	1,953	-	-	1,953	120
Consultancy	-	202,973	259	5,169	208,401	5,246
Office overheads	6,052	21,957	5,988	5,988	39,985	30,709
Legal and Professional	-	1,410	2,723	3,736	7,869	6,779
Audit	-	-	-	3,590	3,590	4,109
Depreciation	300	1,099	300	300	1,999	1,456
Reallocation of support costs	1,742	16,037	(22,247)	4,468	-	-
	<u>21,167</u>	<u>617,292</u>	<u>-</u>	<u>36,323</u>	<u>674,782</u>	<u>119,326</u>

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

4. Grants payable

All grants are payable to institutions. In 2004/5 grants were payable as follows:

	£
Speaking Up	197,500
St Giles Trust	70,000
Eating Disorders Association	20,000
LEAP Confronting Conflict	30,000
	<u>317,500</u>

The total of grants paid to charities was £307,500, due to £10,000 of the grant payable to Eating Disorders Association having been paid after the end of the financial year.

All grants made by Impetus are for the furtherance of its charitable objective to advance the efficient and effective advancement of charities. Continued funding is conditional on the charities meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end the grants are noted as a commitment but not shown as expenditure.

The total amount of grants that are authorised but not accrued as expenditure at 30 June 2005 was £1,017,500 (2004: NIL). This all relates to the charities listed above and, if all charity investments progress as required, is estimated to be expended as follows:

	£
2005/06	441,250
2006/07	346,250
2007/08	186,250
2008/09	43,750
Total	<u>1,017,500</u>

The above conditional grant commitments to charities are underwritten by existing reserves and donor commitments to Impetus which are not recognised in the accounts.

5. Net incoming resources for the year

This is stated after charging:

	2005 £	2004 £
Trustees' remuneration	Nil	Nil
Trustees' life assurance	240	-
Trustees' reimbursed expenses	593	309
Depreciation	1,999	1,456
Auditors' remuneration:		
▪ audit	3,590	4,109
▪ other services	88	-

Trustees' life insurance represents key person insurance taken out due to the contribution of the Chair and Vice-Chair as volunteer executives.

Trustees' reimbursed expenses represents the reimbursement of travel and subsistence costs to two members relating to supporting charities as volunteer executives.

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

6. Staff costs

Staff costs were as follows:

	2005 £	2004 £
Salaries and wages	75,408	61,328
Social security costs	8,413	7,004
Pension contributions	612	149
	<u>84,433</u>	<u>68,481</u>

One employee earned more than £50,000 during the year. Pension contributions outstanding at the year end were £714 (2004: £693).

Staff numbers

The average weekly number of employees (full-time equivalent) during the year was 1.6. Because of the small staff complement, further breakdown of staff between function is not included.

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible Fixed Assets

	2005 £	2004 £
Cost		
At the start of the year	6,061	-
Additions in year	-	6,061
At the end of the year	<u>6,061</u>	<u>6,061</u>
Depreciation		
At the start of the year	1,456	-
Charge for the year	1,999	1,456
At the end of the year	<u>3,455</u>	<u>1,456</u>
Net book value		
At the end of the year	<u>2,606</u>	<u>4,605</u>
At the start of the year	<u>4,605</u>	<u>-</u>

All the charity's tangible fixed assets are computers.

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

9. Debtors

	2005	2004
	£	£
Trade debtors	35	-
Other debtors	20,626	40,000
Prepayments	4,381	2,952
	25,042	42,952

Other debtors largely comprises of gift aid due on donations received in 2004/05.

10. Creditors: amounts due within 1 year

	2005	2004
	£	£
Trade and other creditors	2,790	2,549
Tax and Social Security	2,327	2,321
Grants Payable	10,000	-
Accruals	5,083	3,746
	20,200	8,616

11. Analysis of net assets between funds

	Restricted funds	General funds	Total funds
	£	£	£
Fixed assets	-	2,606	2,606
Net current assets	45,000	1,126,914	1,171,914
Net assets at the end of the period	45,000	1,129,520	1,174,520

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2005

12. Movements in funds

	At the start of the period £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the period £
Restricted funds:					
Grant for venture philanthropy manager		45,000	-	-	45,000
Total restricted funds	-	45,000	-	-	45,000
Unrestricted funds:					
General funds	889,605	914,697	(674,782)	-	1,129,520
Total unrestricted funds	889,605	914,697	(674,782)	-	1,129,520
Total funds	<u>889,605</u>	<u>959,697</u>	<u>(674,782)</u>	<u>-</u>	<u>1,174,520</u>

Purposes of restricted funds

Lloyds TSB Foundation has contributed a grant towards the salary and associated costs of the venture philanthropy manager. An appointment has been made to this post from September 2005, so the grant will be expended during 2005/06.

Purposes of designated funds

Trustees have decided that funds shall not be designated this year.

13. Operating lease commitments

At 30 June 2005 the charitable company had annual commitments under operating leases expiring as follows:

	Property	
	2005 £	2004 £
Less than one year	<u>5,200</u>	<u>5,000</u>