

Company no. 04556227  
Charity no. 1094681

**Impetus Trust**  
**Report and Financial Statements**  
**30 June 2011**

**sayer vincent**  
  
*consultants and auditors*

# Impetus Trust

## Report of the trustees

For the year ended 30 June 2011

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## Impetus Trust

### Reference and administrative details

#### For the year ended 30 June 2011

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 8 October 2002 and registered as a charity on 19 November 2002.
<b>Governing document</b>	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.
<b>Company number</b>	04556227
<b>Charity number</b>	1094681
<b>Registered office/ operational address</b>	20 Flaxman Terrace London WC1H 9PN
<b>Trustees</b>	Louis Elson (Chair) Nat Sloane (Vice Chair) Stephen Dawson Craig Dearden-Phillips Amelia Fitzalan Howard Andrew Hinton Stephen Lambert Ian Meakins Chris Underhill
<b>Principal staff</b>	Daniela Barone Soares (Chief Executive)
<b>Bankers</b>	CAF BANK Ltd PO Box 289 West Malling Kent ME19 4TA
<b>Principal solicitors</b>	Macfarlanes 20 Cursitor Street London EC4A 1LT
<b>Auditors</b>	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ

## **Impetus Trust**

### **Reference and administrative details**

#### **For the year ended 30 June 2011**

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This trustees' annual report is for a venture philanthropy organisation set up to work with ambitious charities and social enterprises to tackle economic disadvantage. It meets the public benefit reporting requirements by:

- complying with the Commission's general guidance on public benefit;
- describing its significant activities undertaken to further its charitable purposes for the public benefit.

The reporting narrative demonstrates that the charity is established for purposes which are for the public benefit and explains how the trustees have operated the charity in furtherance of these purposes. This report highlights that the charity carries out its aims by providing strategic funding and expertise to enable ambitious charities and social enterprises to turn around more lives. In particular, the report provides a summary of the charity's objectives, an appraisal of the investment activity including the impact on portfolio charities and an evaluation of its policy.

## Impetus Trust

### 2010/2011 highlights

#### For the year ended 30 June 2011

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1. The compound annual growth rate in the number of people helped for our investments is 30%, reflecting the Impetus multiplier effect and the scale of impact.
2. The compound annual revenue growth rate for our investments is 23%.
3. Impetus and education charity The Sutton Trust have been chosen to manage the £125m Education Endowment Foundation, supported by the Secretary of State for Education, to boost attainment of some of the country's most disadvantaged children over the next 15 years. The grant was awarded through an open application process involving 14 other bidders.
4. The Impetus-Sutton Early Years Initiative was launched earlier this year and this will invest in successful early years interventions specifically working with economically disadvantaged children aged 0 to 5 and their parents, with the goal of closing the gap in school readiness for those children. To date we have over £1m of funding confirmed and three organisations including RippleZ and I CAN were approved for initial investments.
5. Keyfund Federation "graduated" from the portfolio having transformed its ability to deliver and built firm foundations for further growth. More details of our investment in Keyfund can be found on our website at [www.impetus.org.uk](http://www.impetus.org.uk).
6. Since inception, Impetus has raised a total of £22.4m in the form of cash, pro bono expertise, partnership investment and additional funds raised for the portfolio (as set out in section 1 on page 5). To date we have received cash donations from individuals, corporate sponsors and grantmaking trusts totalling £9.9m; pro bono support, which helps both Impetus and our portfolio charities, totalling £10.0m; partnership investment in our portfolio of £1.7m; and have been instrumental in raising £0.8m of additional funds for our portfolio charities.
7. A key element of the Impetus model is our ability to leverage our direct grants with additional funding from partnership investors and pro bono support for our portfolio charities. For every £1 of direct funding to our portfolio charities, Impetus has delivered an additional £3.64 of additional value.
8. For every £1 expended by Impetus whether in monetary terms or pro bono services, we deliver 87p of value to our portfolio charities. Of the 13p remaining, 10p is spent on generating funds. This money spent on generating funds helps us to raise more than five times as much in further funding.
9. Stephen Dawson, co-founder and trustee of Impetus, was awarded an OBE "for services to the Voluntary Sector" in June 2010.
10. Nat Sloane, co-founder and Vice-Chair, has been appointed Chair of the Big Lottery Fund England Committee.
11. During the year, the Impetus Advisory Council was formally launched and the first meeting was held in March this year. This Council comprises a group of international leaders from the private, voluntary and public sectors who offer their vast expertise and advice to Impetus on issues of strategic importance to society. For further information on this please refer to section 6.2.

## Impetus Trust

### 2010/2011 highlights

#### For the year ended 30 June 2011

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12. Our portfolio charities have won a number of awards and honours in the last year. These include:
- Blue Sky and Street League have been chosen by staff at Number 10 (Downing Street) as their two 'Social Action Partners' for 2011;
  - COUI - Teens & Toddlers and **Into**University were chosen for the Guardian Christmas charity appeal 2010;
  - the Football Association Group has announced that Street League will be one of its four major charity partners until the UEFA Euro Championships in 2012;
  - Blue Sky was the winner of England's Social Enterprise of the Year (sponsored by the Social Enterprise Coalition);
  - Prison Radio Association's Radio Station Manager received the Butler Trust Award recognising outstanding work in prisons;
  - Evan Jones of St Giles Trust and Andrew Wilkie of Prison Radio Association both won London High Sheriff's Awards for excellence in criminal justice;
  - Keyfund and **Into**University were chosen as two of the charities to benefit from The Prince William & Miss Catherine Middleton Charitable Gift Fund;
  - Keyfund also won the competition for the Voluntary Organisations' Network North East (VONNE) Outstanding Organisation of 2011.

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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The trustees present their report and the audited financial statements for the year ended 30 June 2011.

Reference and administrative information set out on pages 1 and 2 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).

### **1. Objectives and Activities**

#### **1.1 Background and approach**

Impetus Trust was established in 2002, became operational in August 2003 and pioneered venture philanthropy in the UK.

Venture philanthropy is an active approach to philanthropy, which involves giving skills as well as money. It uses the principles of venture capital, with the investee organisation receiving hands-on management support, specialist expertise and strategic funding. The aim is for a social, rather than financial, return. Impetus carefully selects ambitious charities and social enterprises and works with them to transform their impact. Impetus scales up winning social models that are effective in breaking the cycle of poverty. The aim is for these organisations to be able to help many more people gain education, skills and jobs.

Our venture philanthropy model has three key components:

#### **1. Strategic funding**

We give long-term infrastructure funding to our charities and social enterprises so they can build their capacity. This funding is linked to the organisation meeting pre-agreed milestones, which are tracked on a quarterly basis.

In addition, an important part of the Impetus model is leveraging our funding with additional funding from partnership investors.

#### **2. Hands-on management support**

A crucial component of our investment model is the hands-on management support given to the chief executive and senior management of the charity by an experienced, in-house Impetus Investment Executive. Our Investment team members have substantial consulting, financial and voluntary-sector expertise, and the investment executive's support spans the entire investment period.

#### **3. Specialist expertise**

We have a pool of highly skilled experts, who offer their skills to our charities and social enterprises on a pro bono basis. This expertise is deployed for specific, mutually agreed projects, with an agreed brief and timetable before a project starts.

Typically we work with a portfolio charity or social enterprise for between four and six years. This is divided into two phases:

*Planning phase, typically lasting 12 to 18 months* - The main objective of this phase is to develop a growth plan. This phase may also involve defining the delivery model further and strengthening the organisation's capacity.

## Impetus Trust

### Report of the trustees

#### For the year ended 30 June 2011

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*Scale-up phase, lasting 3 to 5 years* - In this phase we support the organisation to implement the growth plan. Clear objectives are agreed, including targets for increasing income and the number of people helped. Aside from these, key performance indicators are agreed.

The Impetus investment process comprises three steps, with Investment Committee approval required to move forward:

1. Screening: reviewing paper applications, meeting the chief executive/chair and visiting the charity;
2. Assessment: for those charities considered strong prospects, a detailed due diligence assessment covering all aspects of the charity's operations;
3. Investment: the integrated aforementioned venture philanthropy package.

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 have led the way in the development of venture philanthropy in the UK, winning recognition nationally and internationally for this pioneering and innovative approach. We hope this will ultimately expand the funding and people resources available to charities delivering innovation and excellence.

The success of the Impetus model in generating added value to our financial investments can be illustrated by the metrics set out in the tables on page 5. This shows the incoming resources generated by Impetus since 2002 and includes: donations from individuals, grantmaking trusts and corporate donors; donations from partnership investors who provide funds to charities alongside Impetus; the value of pro bono services donated; and the additional funds raised for our portfolio.

In accordance with the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice ("Charities SORP")", donated services recognised in the financial statements ("Statutory basis" in the table below) only include those services provided by an individual as part of their trade or profession. This does not recognise the full value of pro bono services donated to both Impetus and our portfolio charities. Hence, the "Full value" is also given in the tables.

Since inception to 30 June 2011, Impetus has generated the following incoming resources:

	Incoming resources	
	Full value £	Statutory basis £
Donations and investment income	9,942,324	9,942,324
Pro bono services donated	10,009,269	7,151,730
	<b>19,951,593</b>	<b>17,094,054</b>
Partnership investment*	1,710,001	-
Additional funds raised for charities**	767,542	-
	<b>22,429,136</b>	<b>17,094,054</b>

\* Partnership investment is not included in the accounts of Impetus because is contractually agreed by the funder to be paid directly to the charity.

\*\* Additional funds raised for charities are donations made directly to the portfolio charities where Impetus was instrumental in obtaining those funds. These amounts are not included in Impetus Trust's own financial statements because they are provided directly to the charity by the funder.

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### Report of the trustees

#### For the year ended 30 June 2011

Through deploying high-calibre, pro bono experts in the portfolio charities and through partnership investment, we aim to more than double the value of our investment. To date, Impetus has contributed the following value to charities:

	Cumulative value generated for portfolio charities	
	Full value £	Statutory basis £
Pro bono services donated to charities	6,991,261	6,003,799
Value of Impetus Investment team	2,545,830	2,545,830
Partnership investment*	1,710,001	-
Additional funds raised for charities**	767,542	-
	<b>12,014,634</b>	<b>8,549,629</b>
Grants paid to charities	3,297,250	3,297,250
	<b>15,311,884</b>	<b>11,846,879</b>
Value generated for every £1 invested	<b>£3.64</b>	<b>£2.60</b>

In addition to looking at the overall value generated by Impetus for the benefit of our charities, we also place great importance on the value of each £1 of unrestricted donations. These donations are vitally important to our work as they allow us to employ the Impetus Investment team to assist our portfolio charities in their work, manage an impressive pro bono network, obtain partnership investment and additional funds for our portfolio and provide the resources to enable us to scale up our operations.

## 2. Vision and Mission

Impetus Trust's vision is of a world in which people are not trapped in economic disadvantage, but where they can get the help they need and want to lead independent and fulfilling lives. We believe we can make a special contribution by boosting the impact of distinctive charities and social enterprises, so they can help many more people gain education, jobs and skills. We are enabling them to create transformational change and to become robust and sustainable.

The Board has agreed a broad set of strategic objectives:

- Given our success rate, to scale up our investment in new charities – including attracting partnership investment - and demonstrate results from those in the portfolio;
- Support from donors – raise funds to support a growing portfolio of charities, safeguard the long-term income sustainability for Impetus;
- Work with partners to continue to secure and manage a steady stream of high-quality pro bono experts;
- Commitment to evaluation, communication and excellence – keep our approach under review and share learning, promote our venture philanthropy model and implement best practice in charity leadership and management within Impetus;
- Speaking up – ensure that relevant policy makers, authorities and opinion formers are aware of the effective social solutions being piloted by our charities and social enterprises, in order to drive systemic change;

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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- Linking up – extend the reach of the organisation beyond itself through strategic partnerships and collaboration;
- System change – go beyond the scope of the individual portfolio charities to achieve impact at sector level.

We are making considerable progress against these objectives as detailed in the sections below.

#### **2.1 Investment focus**

Impetus is uniquely positioned to make a difference. We find and invest in innovative charities and social enterprises that are working to break the cycle of disadvantage by creating opportunities for the poorest 20% of the UK to gain employment, education and skills. Through our innovative investment model we 'turbo-charge' those charities and social enterprises so they can help many more people.

In this year alone, Impetus charities are helping over 250,000 people gain education, skills and jobs. We are ambitious to reach even more people, and are working to almost triple the size of our active portfolio by 2012/13.

During the year we also entered into a major investment partnership with The Sutton Trust. The Education Endowment Foundation ("EEF"), backed by the £125m Education Endowment Fund was established by the Secretary of State for Education to boost attainment of some of the country's most disadvantaged children. The grant was awarded through an open application process involving 14 other bidders. Alongside this public funding Impetus will also be contributing both financially and through the deployment of management support and accessing pro bono support when needed.

The Education Endowment Foundation will provide grants, often using a venture philanthropy model, to help scale successful programmes and seek innovative and bold proposals from schools, teachers, local authorities and charities to improve the performance of disadvantaged pupils in England's worst-performing schools. It is hoped that these projects, which will all be rigorously evaluated, can narrow attainment gaps in the classroom and thus create a lasting educational legacy for hundreds of thousands of economically disadvantaged children. It is envisaged that as much as £200m will be allocated in total over the 15-year lifetime of the programme - with the additional money, over and above the £125m committed by the Secretary of State for Education, coming from fundraising and investment returns.

In 2010/11, we launched the Impetus-Sutton Early Years Initiative, a £1m+ initiative focusing on "early intervention", which aims to improve the life chances of economically disadvantaged children by intervening early to mitigate the factors that place them at risk of poor outcomes. The Sutton Trust, our core funding partner, is a highly regarded specialist in the education sector and their strategic objectives are in line with Impetus'.

These focused programmes add to our other two initiatives started in 2008/09 and 2009/10 respectively:

- Impetus for London Initiative - a £1m+ initiative supported by Deutsche Bank, which targets charities with significant activities in the greater London area. This fund currently provides support to Blue Sky Development & Regeneration; COUI - Teens & Toddlers and Street League. Street League is also supported by Man Group plc Charitable Trust.
- Impetus for Reducing Reoffending Initiative - a £1m+ initiative that aims to reduce the rate of reoffending, which has a huge cost to society. This initiative has been set up in partnership with four leading UK grantmaking trusts also experienced in this area: The Indigo Trust (one of the Sainsbury Family Charitable Trusts), the Esmée Fairbairn Foundation, The Henry Smith Charitable Trust and The J Paul Getty Jnr Charitable Trust. The Initiative has committed to initial

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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investments in the following four organisations: Shannon Trust, Prison Radio Association, Kainos Community and Prisoners' Education Trust.

### **3. The Impetus Investment Portfolio**

#### **3.1 Investment in charities**

Three new investments, including RippleZ and I CAN were agreed in 2010/11; all are part of the Impetus-Sutton Early Years Initiative. Contractual agreements for these investments are in the process of being signed. In accordance with our multi-phased approach to investment, these organisations will enter the planning phase of investment which comprises a combination of £50,000 each of unrestricted funding, hands-on management support and pro bono support over an initial 12-18 month period.

During the year, Impetus was contacted by 348 (2009/10: 372) organisations seeking support (a slight decrease over the previous year due to the streamlining of the application criteria for potential candidates). This consisted of 106 applications (2009/10: 92) and proactive Impetus contacts, and a further 242 (2009/10: 280) enquiries.

A significant proportion of these were applications through a “gated” process for the Impetus-Sutton Early Years Initiative. Of the 110 applications received and screened for this fund, 14 were shortlisted for detailed screening, 4 were approved for due diligence and 3 organisations were approved for investment by Impetus Investment Committee.

#### **3.2 Graduations from the portfolio**

In 2010/11 Keyfund Federation graduated from the Impetus portfolio. Over the past five years, with our investment support focused on building organisational capacity, Keyfund has transformed its ability to deliver and has built firm foundations for further growth.

More information about the growth and development of our portfolio and post-investment charities can be found on [www.impetus.org.uk](http://www.impetus.org.uk).

# Impetus Trust

## Report of the trustees

For the year ended 30 June 2011

### 3.3 Charity investment summary

Organisation	Area of work	Investment period	Cumulative Impetus package to date			
			Grant funding*	Pro bono services donated	Investment management value	Total audited funding package received to date
<b><i>Impetus Economic Disadvantage Portfolio</i></b>						
<u>Planning phase investments (12-18 months)</u>						
<b>FRC Group</b>	Training for the long-term unemployed	2011-2012	£50,000	£526,918	£116,906	<b>£693,824</b>
<b>Resurgo Trust</b>	Helping unemployed young people into work	2011-2012	£37,500	£49,884	£83,890	<b>£171,274</b>
<u>Scale-up phase investments (3-5 years)</u>						
<b>Camfed International</b>	Tackling poverty and AIDS in sub-Saharan Africa through the education of rural women	2007-2011	£540,000	£263,311	£184,666	<b>£987,977</b>
<b>Fairtrade Foundation</b>	International poverty reduction	2008-2013	£400,000	£770,361	£165,554	<b>£1,335,915</b>
<b>Into University</b>	Supporting disadvantaged young people to reach university	2008-2011	£600,000	£320,488	£165,554	<b>£1,086,042</b>
<b>Keyfund Federation</b>	Marginalised youth	2007-2011	£542,793	£510,557	£184,666	<b>£1,238,016</b>
<u>Post-investment period</u>						
<b>Voice Ability (formerly Speaking Up)</b>	Disability support	2004-2008	£410,000	£246,969	£98,849	<b>£755,818</b>
<b>St Giles Trust</b>	Offender re-settlement	2004-2009	£522,000	£454,404	£131,693	<b>£1,108,097</b>
<b>Acumen Development Trust</b>	Promote social and economic regeneration through learning, enterprise and employment	2008-2009	£25,000	£40,854	£24,969	<b>£90,823</b>
<b>Leap Confronting Conflict</b>	Youth conflict resolution	2005-2009	£542,500	£451,427	£131,693	<b>£1,125,620</b>
<b>beat</b>	Eating disorders information and support	2004-2009	£335,000	£357,810	£177,042	<b>£869,852</b>
<b>Naz Project London (NPL)</b>	Sexual health support to BME communities	2005-2009	£285,000	£430,503	£165,012	<b>£880,515</b>
Total Impetus funding for charities from the Impetus Economic Disadvantage Portfolio			<b>£4,289,793</b>	<b>£4,423,486</b>	<b>£1,630,494</b>	<b>£10,343,773</b>

# Impetus Trust

## Report of the trustees

For the year ended 30 June 2011

Organisation	Area of work	Investment period	Cumulative Impetus package to date			
			Grant funding*	Pro bono services donated	Investment management value	Total audited funding package received to date
<b><u>Education Endowment Foundation</u></b>						
<b>Education Endowment Foundation</b>	Raising the educational attainment of disadvantaged pupils in English schools	2012-2015	Funding approved	£145,892	£38,540	<b>£184,432</b>
Total Impetus funding for the Education Endowment Foundation				<b>£145,892</b>	<b>£38,540</b>	<b>£184,432</b>
<b><u>Scale-up phase investments (3-5 years)</u></b>						
<b>Blue Sky Development &amp; Regeneration</b>	Reducing reoffending through employment	2010-2014	£275,000	£128,467	£141,872	<b>£545,339</b>
<b>COUI – Teens &amp; Toddlers</b>	Raising teenage aspirations	2009-2013	£545,000	£421,382	£141,872	<b>£1,108,254</b>
<b>Street League</b>	Employment and skills through sport	2009-2013	£515,000	£662,890	£141,872	<b>£1,319,762</b>
Total Impetus Funding for Impetus for London Initiative			<b>£1,335,000</b>	<b>£1,212,739</b>	<b>£425,616</b>	<b>£2,973,355</b>
<b><u>Impetus for Reducing Reoffending Initiative</u></b>						
<b><u>Planning phase investments (12-18 months)</u></b>						
<b>Kainos Community</b>	Positive engagement and personal development of prisoners	2011-2012	£37,500	£26,641	£83,890	<b>£148,031</b>
<b>Prison Radio Association</b>	Using radio to engage, educate and inform prisoners	2011-2012	£37,500	£3,060	£83,890	<b>£124,450</b>
<b>Prisoners' Education Trust</b>	Targeted skills and qualifications for offenders	2011-2012	£37,500	£37,800	£83,890	<b>£159,190</b>
<b>Shannon Trust</b>	Peer mentoring programme focused on literacy skills	2011-2012	£37,500	£242,400	£83,890	<b>£363,790</b>
Total Impetus funding for Impetus for Reducing Reoffending Initiative			<b>£150,000</b>	<b>£309,901</b>	<b>£335,560</b>	<b>£795,461</b>
<b><u>Impetus - Sutton Early Years Initiative</u></b>						
<b><u>Planning phase investments (12-18 months)</u></b>						
<b>Contractual agreements awaiting finalisation</b>		Expected 2012-2013	Funding approved	n/a	£115,620	<b>£115,620</b>
Total Impetus funding for Impetus-Sutton Early Years Initiative					<b>£115,620</b>	<b>£115,620</b>
Pro bono total for due diligence/charity support				<b>£899,243</b>		<b>£899,243</b>
<b>TOTAL INVESTMENT ACROSS ALL FUNDS TO DATE (EXCLUDING AMOUNTS APPROVED NOT YET PAID)</b>			<b>£5,774,793</b>	<b>£6,991,261</b>	<b>£2,545,830</b>	<b>£15,311,884</b>

\* This includes grants from Impetus, partnership investment and additional funds raised. This table does not include anticipated future commitments to any of our portfolio charities.

**Impetus Trust**

**Report of the trustees**

**For the year ended 30 June 2011**

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Further information on the work undertaken by each charity can be found in our Impact Report at [www.impetus.org.uk](http://www.impetus.org.uk).

**3.4 Monitoring of the portfolio charities**

Impetus conducts monthly reviews of the charities in the portfolio and for two years post graduation, to assess whether they are:

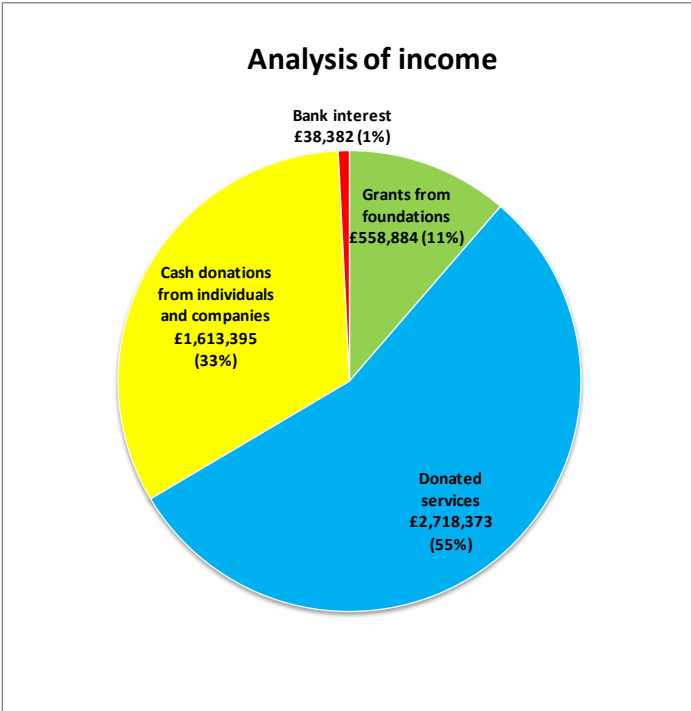
- broadly on or above plan;
- operating with mixed results against plan;
- operating significantly below plan.

As of June 2011, 11 charities are broadly on or above plan and two are delivering mixed results. Reports on the progress of portfolio charities against milestones are reviewed by the Executive team on a monthly basis and by the Board quarterly. All post-investment charities are monitored for two years to ensure our effect outlasts our engagement. Hence, the performances of VoiceAbility (formerly Speaking Up), St Giles Trust, **beat**, Leap Confronting Conflict, Naz Project London and Acumen Development Trust are no longer tracked as they have been in the post-investment phase for more than two years.

**4. Financial Review**

**4.1 Income**

Total income for Impetus during the year of £4,929,034 (2009/10: £3,831,147). Our best year yet, against a backdrop of economic uncertainty, underscores support for our venture philanthropy model and the general support for venture philanthropy. The income was principally donations from corporations, grantmaking trusts and individuals, as well as donated pro bono services and facilities. This does not include the partnership investment and additional funds raised for our portfolio as these amounts are paid directly to the charities by the funders.



## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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##### **4.1.1 Cash donations from corporate donors and individuals**

Our corporate partnerships are extremely important to us. We would like to highlight and thank Barclays Capital, Campbell Lutyens, CVC Capital Partners, Deutsche Bank, Goldman Sachs, ISIS Equity Partners, Warburg Pincus, Wolseley Plc, all of whom made substantial donations this year. We are delighted to have partnerships with these organisations.

We would also like to thank the many individuals who continue to support Impetus generously. Their donations are vital to our work.

##### **4.1.2 Grants from foundations**

Equally important are the donations we have received from grantmaking trusts and foundations including: The Indigo Trust (one of the Sainsbury Family Charitable Trusts), The Esmée Fairbairn Foundation, The Henry Smith Charitable Trust, The JP Getty Jnr Charitable Trust, The Monument Trust (one of the Sainsbury Family Charitable Trusts), Sutton Trust, AIM Foundation, The Tuixen Foundation and Man Group plc Charitable Trust.

##### **4.1.3 Donated services**

The value our pro bono experts contributed over the past year was £2,840,219 (2009/10: £2,219,634). Of this total, £2,718,373 (2009/10: £2,146,248) represents services provided by an individual as part of their trade or profession and is reflected in the accounts both in income and expenditure (mainly supporting charities) as donated services. The remaining £121,876 (2009/10: £72,301) is excluded from the accounts, in line with the requirements of the SORP, but is nevertheless of great value.

Over the last year, we have piloted initial projects with management and technology consultants, Bearing Point, and the talent management firm Korn/Ferry Whitehead Mann. Bearing Point worked with the Shannon Trust to optimise their delivery model and Korn/Ferry assisted Street League in its search for a new Chair, which has resulted in a very impressive appointment. Another new partner is SJ Berwin, which advised Impetus on optimising the structure of donations.

In 2010/11, teams from our core pro bono partner, OC&C Strategy Consultants, have worked on strategic reviews of **Into**University, FRC and Fairtrade, and an individual OC&C consultant worked on the local authority funding context for COUI and researched a new potential area for investment. Another long-standing partner, the Worshipful Company of Management Consultants, supported Blue Sky on implementation of a performance management tool, worked on a strategic review for Kainos Community, a business model review for Resurgo and advised many of the portfolio charities on commissioning.

Our relationships with PricewaterhouseCoopers LLP and KPMG have deepened over the last year. The PwC team has helped the Reducing Reoffending charities implement recommendations from financial due diligence, worked on a financial review for NPL, advised on an accounting systems upgrade for Street League and has helped COUI with market research into new business opportunities. KPMG has supported FRC with business planning, provided their local authority expertise to the team driving the Impetus-Sutton Early Years Initiative, and helped Blue Sky integrate its accounting system.

In the private equity arena, CVC Capital Partners has supported Keyfund through strategic IT infrastructure advice and acted as a critical friend at workshops for our charity CEOs. ISIS Equity Partners has supported Blue Sky with business planning, advised Street League on financial matters and worked with the Impetus investment team on evaluation of management teams in due diligence.

**Impetus Trust**

**Report of the trustees**

**For the year ended 30 June 2011**

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The Impetus – Sutton Early Years Initiative has made use of a wide variety of pro bono resources. PwC worked on financial due diligence; Macfarlanes LLP and O’Melveny & Myers reviewed the employment and commercial contracts; KPMG carried out a review of the impact of current government policy on local authority spending ability; and an HR Director carried out a board audit. In addition, the Impetus team was supported in the initial screening work by an Eden McCallum associate and an individual who is now an Investment Director at Montagu Private Equity.

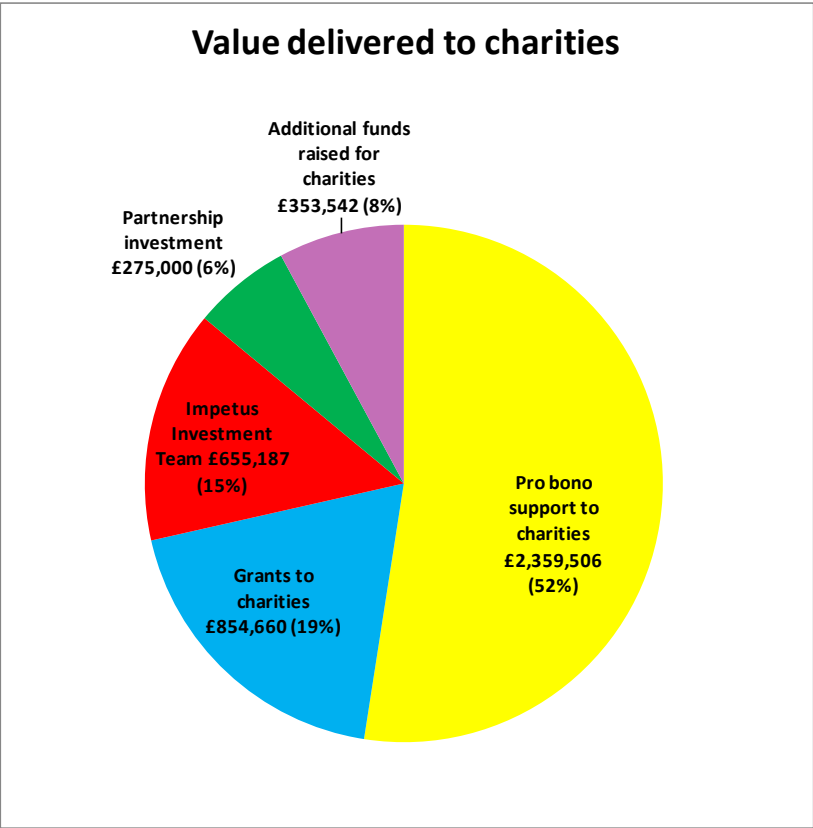
We are very grateful to Macfarlanes LLP for its legal advice in setting up the Education Endowment Foundation and their ongoing work for the charity, which is jointly managed by Impetus Trust and the Sutton Trust.

In addition to those listed above, we would like to highlight and thank Barclays Capital, Barclays Private Equity, Debevoise & Plimpton LLP, Deutsche Bank and First100, all of whom have made significant pro bono contributions this year.

We would also like to thank all those individuals who have given up their time and skills to support Impetus and its portfolio charities. Without their support, we would not be able to help charities and social enterprises transform their organisations and multiply their impact. Our portfolio charities often find this pro bono support the most beneficial aspect of the strategic package provided to them in their engagement with Impetus. It plays an important role in allowing them to undertake transformational change.

**4.2 Value delivered to portfolio charities**

The chart below illustrates the value Impetus provides to portfolio charities, both in percentage terms and value. In 2010/11, Impetus delivered £4,497,895 of value to its portfolio charities.



**Impetus Trust**

**Report of the trustees**

**For the year ended 30 June 2011**

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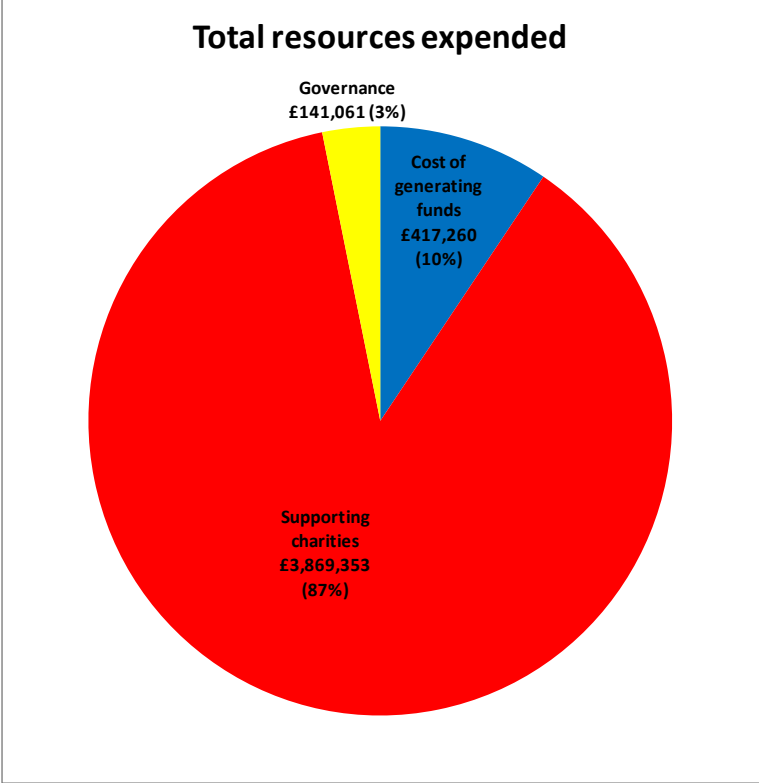
Partnership investment (where an investor provides funds directly to the charity alongside Impetus and receives all Impetus reports and regular communication) is an important part of our overall funding strategy. Some donors are specifically interested in certain charitable causes, and for them, partnership investment provides a way to focus on these causes while still retaining some of the benefits of working with Impetus. We have attracted support from individual donors and from other grantmakers and foundations for our portfolio charities. Our current partnership investors include Goldman Sachs (**Into**University, Blue Sky Development & Regeneration) and Private Equity Foundation (**Into**University).

Additional funds raised for our portfolio charities also represent an integral part of the value Impetus delivers to charities and reflect donations made directly to the portfolio charities where Impetus was instrumental in obtaining those funds, through valuable introductions to suitable funders. This year these additional funds raised include the Esmée Fairbairn Foundation (Keyfund and COUI – Teens & Toddlers); JP Getty Jnr Foundation (Keyfund and COUI – Teens & Toddlers); JP Morgan (COUI – Teens & Toddlers and St Giles Trust); the Tuixen Foundation (Street League); and Rank Foundation (Street League).

Of the total value of £4,497,895 in the pie chart above, grants to charities of £854,660, pro bono services donated of £2,359,506 and the value of Impetus Investment Team of £655,187, totalling £3,723,461 are reflected in Impetus Trust’s own financial statements as "Resources expended - Cost of Supporting Charities".

**4.3 Resources expended to achieve our impact**

To achieve the desired impact within our portfolio of charities, resources are expended in generating funds, governance and supporting charities. The pie chart below illustrates how our total resources (including the value of pro bono services donated) of £4,427,674, as set out in note three to these financial statements, were expended during 2010/11.



**Impetus Trust**

**Report of the trustees**

**For the year ended 30 June 2011**

Impetus Trust’s cost structure has been benchmarked against, and compares favourably with, other leading international venture philanthropy funds. The ratio of value provided to charities to overheads is set out on page 16.

**Including pro bono services**

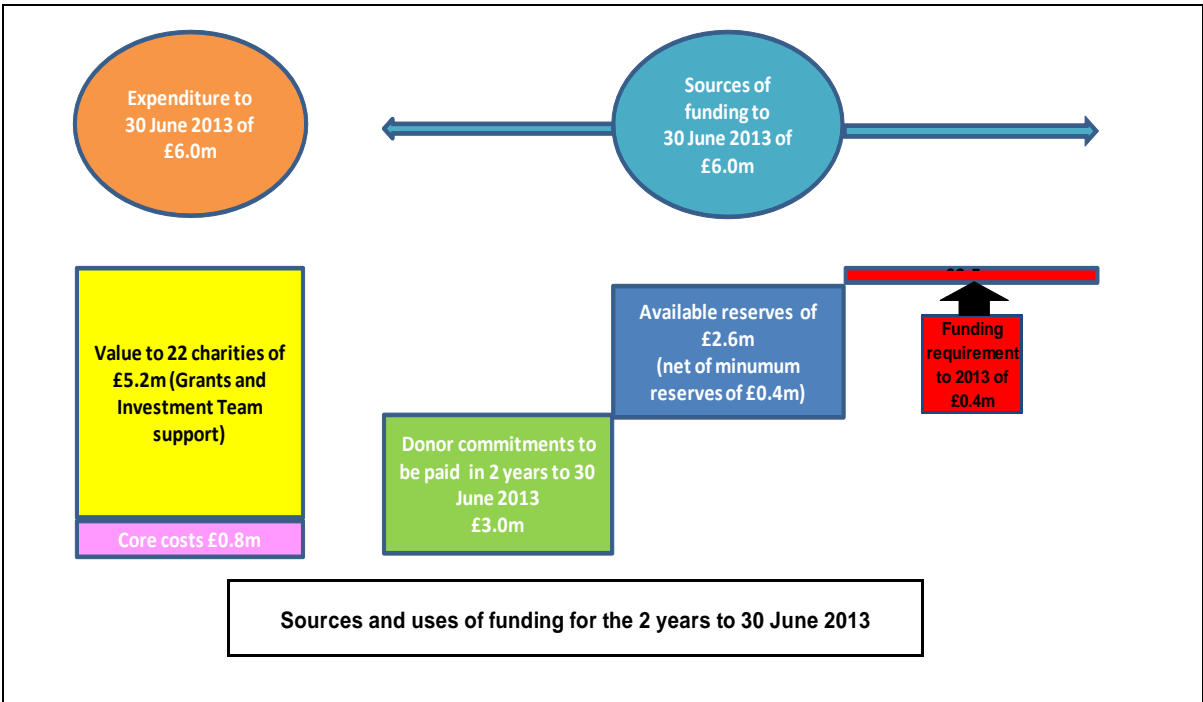
Supporting charities	87%
Cost of generating funds	10%
Governance costs	3%

**4.4 Reserves**

Impetus has healthy reserves and a strong cash position at the balance sheet date. However, given the longer-term nature of our investments, a substantial proportion of our funds are "reserved" to fulfil existing funding commitments to charities. Further commitments to all our portfolio charities will be drawn down over the next few years.

**4.4.1 Funding requirements**

In March 2010 Impetus developed a three-year business plan that set out to have an active portfolio of 22 charities and raise £7.8m in funding. As at 30 June 2011, Impetus has successfully completed one year of the business plan, exceeding the targets in the budget and the business plan for that year. The remaining two years of the business plan originally anticipated raising an additional £5.8m of funding with expenditure of £5.6m. The chart below shows the funding requirement for the remaining two years of the business plan, updated where appropriate, to reflect the more ambitious targets set for 2011/12 in our budget. The chart clearly illustrates the incredible success already achieved: to fund our anticipated expenditure to 30 June 2013, we need only raise an additional £0.4m in funding. This will allow us to achieve our immediate goals and implement our strategy to the full. We fully expect the funding requirement to be met in the coming year.



## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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Impetus is an ambitious charity and the Board of Trustees has already started work on developing a scope of activity for the three years following the current business plan, taking our strategic planning through to 2015/16. We aim over this period to inject an additional £8.4m into portfolio charities in grants and support of the in house investment team, and secure value delivered by our extensive pro bono experts of £1.5m per annum. To achieve these ambitious plans, we continue to need the help of our loyal supporters, who have seen the value of our work to date. We would like to deepen our engagement with existing supporters and increase our reach to broaden our support and achieve even greater success.

#### **4.4.2 Minimum reserves**

As Impetus now has a five-year lease commitment with no break clause, our trustees have recommended that a minimum reserve level of £400k be maintained. This is broadly equivalent to three months' total costs for Impetus plus half of the outstanding lease commitment.

#### **4.5 Investment of funds**

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, with funds received by Impetus invested in deposit accounts or bonds.

Impetus has continued to invest significant sums of the funds we have raised in, fixed-term bonds that matured during the year and were re-invested. These appear as short-term deposits on the balance sheet.

### **5 Evaluation of Impact; Communication and Thought Leadership; Advocacy**

#### **5.1 Evaluation of impact**

With the support of Impetus, our portfolio charities are continuing to increase their income and the number of people they can help.

The charts on the following page show the impact of Impetus investment, comparing the numbers of people helped and income at the inception of each investment and the total number being helped in 2010/11.

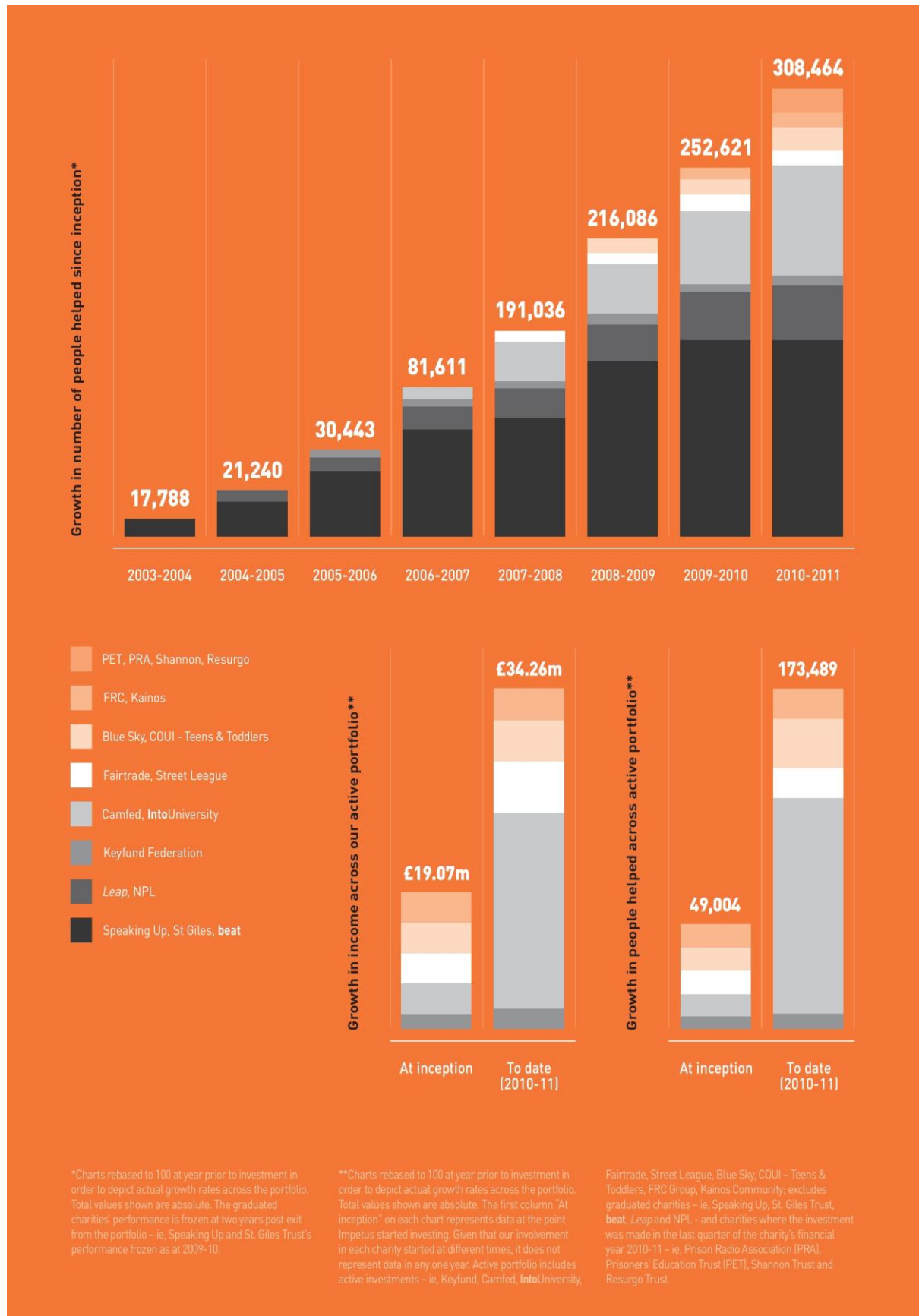
The compound average growth rate (CAGR) in people helped of our charities is 30% and the average annual growth rate in income of our portfolio charities is 23%. At times when many charities are seeing a decrease in their income, or struggling to stay afloat, these are very satisfying results.

But it is not about statistics. Our work is about people. The charities and social enterprises we have invested in are now helping over 300,000 people a year, enabling them to access the education, skills and jobs they need to break out of poverty.

# Impetus Trust

## Report of the trustees

For the year ended 30 June 2011



## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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Impetus is constantly seeking to improve the way we measure the social impact achieved by our portfolio charities. During 2010/11 we used an SROI (Social Return on Investment) methodology with four charities in our portfolio: **Into**University, COUI – Teens & Toddlers, Street League and Blue Sky. SROI is a comparison between the value being generated by an intervention and the investment required to achieve that impact. We have shared our experience of using this methodology with partners in the UK and internationally. We remain committed to developing and piloting impact measures.

In December 2010 in response to widespread concerns about sources of funding for the social sector, Impetus undertook a “vulnerability analysis” across the portfolio of charity investments. This was an extensive piece of work that looked at the financial outlook for each portfolio charity over the ensuing 6-12 months. Charities that were potentially at risk were identified and specific measures were agreed to mitigate risk.

Six months on, although the overall environment remains uncertain, we are encouraged by the way the charities have responded by finding replacement funding and/or reducing their cost base as required. Although uncertainly about the future of public sector contracts and margins persists, at both national and local levels, our portfolio charities are well placed and prepared to negotiate potential volatility.

#### **5.2 Communication and thought leadership**

In the past year, we have continued to build on our foundation of strong communication and commitment to thought leadership. Our website, which is updated weekly, has continued to attract compliments from the many and varied people who access it. Web traffic has increased approximately 15% over the past 12 months (on top of the 20% increase from the prior year). This year’s media strategy centred on increased national and broadcast coverage, while maintaining levels of coverage in the business and voluntary sector media. Leading PR consultants FTI Consulting provided excellent support to us throughout the year. As a result: our coverage in national media outlets doubled, we were featured ten times in the broadcast media, and we exceeded last year’s coverage in the business and voluntary sector media.

Media highlights this year included coverage by BBC News, Sky News, BBC Radio 5 Live, Financial Times, The Times, The Sunday Times, The Independent, Guardian Online, Reuters, Bloomberg, Wall Street Journal, Private Equity News, Real Deals, Hedge magazine, Spear’s magazine, Third Sector Social Enterprise and Philanthropy UK.

Our profile raising was also augmented by speeches delivered and conferences attended by our Chief Executive and other senior members of the Impetus team; these included the Centre for Effective Philanthropy annual conference in the United States, the Skoll Forum at Said Business School, the Gathering of Leaders in Miami, the Coutts Forum for Philanthropy and the Quintessentially Club in London. Two impact reports were issued (one in print, the other electronically), which were very well received, as were our newsletters, sent four times a year. During the past year, there have been 14 events to engage key donors or potential donors, ranging in size from 8 to 80 attendees.

Impetus continues to be committed to sharing its knowledge through participation in industry events and publications, especially via the European Venture Philanthropy Association (EVPA). In addition, we have been consulted by government representatives and other venture philanthropy organisations from more than six countries including China, Thailand and Canada. We are also one of the founding partners of the EVPA Knowledge Centre. The Knowledge Centre is the hub for European knowledge on venture philanthropy and provides the one definitive source of knowledge, research and thought leadership in Europe.

## **Impetus Trust**

### **Report of the trustees**

**For the year ended 30 June 2011**

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#### **5.3 Advocacy**

Our work in the area of advocacy/public affairs has gained momentum this year. In order to realise our vision of driving systemic change and thereby radically increasing the impact of Impetus and our portfolio charities, Impetus has begun to reach out to elected and appointed government officials and political opinion leaders. Meetings have been held with senior advisers to introduce Impetus to government audiences and discuss the potential of venture philanthropy to help break the cycle of disadvantage. We contributed to seven government green and white papers. We have been consulted several times by the Office for Civil Society about our approach to high-level volunteering and about various aspects of building the capacity of the voluntary sector. In October, we organised a very successful roundtable discussion involving leaders from the public, private and voluntary sectors, which explored how venture philanthropy could contribute to the Big Society. We have also begun to develop means by which our portfolio charities can advocate and campaign more effectively about the high-impact social interventions they are delivering.

## **6 Structure, Governance and Management**

### **6.1 Structure**

Impetus Trust is a registered charity and a company limited by guarantee. The governing document is a Memorandum and Articles of Association incorporated 8 October 2002, and amended 4 December 2003 and 15 February 2010. 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) 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.”

In setting our objectives and planning our activities, our trustees have given careful consideration to the Charity Commission’s general guidance on public benefit.

### **6.2 Governance and management**

The governing body of the charity is the Board of Trustees which, as of 30 June 2011, comprised nine members. The annual Board away day took place in March 2011 and focused on the scaling up of Impetus.

The appointment of a new trustee to the Impetus Board of Trustees takes place after due consideration from both parties, the prospective trustee generally having been invited to participate in a Board meeting prior to appointment. This is vital to ensuring a good “strategic fit” for the Board and the prospective trustee. Having accepted the appointment, new trustees are taken to meet a number of the Impetus portfolio charities, to gain a good understanding of our work. New trustees are also briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During their induction they will meet key members of the Impetus team and any other trustees whom they had not previously met. Trustees are eligible to attend appropriate external training events where these will facilitate the undertaking of their role, and a small budget is set aside to fund this.

Trustees are elected for three-year periods and may be re-elected for a further three-year period. Annually the Chair conducts an appraisal of the Board’s performance and composition and the

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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functioning of its committees, and a designated trustee conducts a review of the Chair's role and performance.

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. The Vice-Chair has a part-time volunteer executive role in the charity.

There are four sub-committees to the Impetus Board: the Investment Committee; the Governance and Remuneration Committee; the Finance and Audit Committee and the Public Affairs Committee. The purpose of these sub-committees is to ensure in-depth review and oversight of critical parts of our activities. Collectively, these committees seek to ensure that the specific areas of focus are led, where possible, by trustees. During this year the Impetus Advisory Council was also launched, and is composed of leaders from the private and voluntary sectors. The expertise of our Advisory Council will play a crucial role in helping us achieve our vision and we are very fortunate to have secured the support of such a preeminent group.

#### ***Investment Committee***

The committee is responsible for ensuring a balanced portfolio and recommends the direction of the portfolio in terms of its mix, growth and overall strategy. In determining new inclusions to our portfolio, the committee scrutinises and recommends which charities should be taken through to due diligence; ensures that the due diligence process provides the appropriate level of appraisal to safeguard investment; and makes recommendations on charity investments to achieve a balanced portfolio. Beyond the initial investment, the committee also reviews the funding and milestones of the portfolio and conducts status reviews of the portfolio as well as scrutinising and recommending reinvestments and graduations from the portfolio.

The Investment Committee consists of Nat Sloane (Chair) (Impetus Vice-Chair), Andy Hinton (Ailsa 3 Ventures Limited and Impetus trustee), Amelia Fitzalan Howard (The Henry Smith Charity and Impetus trustee), Alex Birch (OC&C Strategy Consultants) and Marc Boughton (CVC Capital Partners).

#### ***Governance and Remuneration Committee***

The committee has a strategic role in defining the role of the Board as well as how the Board interacts with the various sub-committees. Alongside this, the committee directs the trustee recruitment process and trustee responsibilities and defines the link between the Advisory Council and the Board. In its fiduciary capacity, the committee is responsible for conducting the Chair evaluation annually as well as advising on trustee/Board development and an evaluation of the other sub-committees. Finally, staff remuneration and benefits policies are overseen by the committee.

The Governance and Remuneration Committee consists of Chris Underhill (Chair) (BasicNeeds and Impetus trustee), Ian Meakins (Wolseley Plc and Impetus trustee), Nat Sloane (Big Lottery Fund, Impetus Vice-Chair), Louis Elson (Palamon Capital Partners and Impetus Chair) and Daniela Barone Soares (Impetus Chief Executive).

#### ***Finance and Audit Committee***

The committee scrutinises and approves the draft annual budget, and reserves and investment policies to put before the Board. The committee monitors the integrity of the charity's financial statements and the effectiveness of the external audit process and systems of internal control. It is also responsible for ensuring that an appropriate relationship between Impetus and the external auditors is maintained, including reviewing non-audit services and fees.

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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The Finance and Audit Committee consists of Louis Elson (Chair) (Palamon Capital Partners and Impetus Chair), Adam Holloway (ISIS Equity Partners), Mark Grizzelle (CVC Capital Partners), Andy Hinton (Ailsa 3 Ventures Limited and Impetus trustee), Stephen Dawson (Jacana Venture Partnership and Impetus trustee) and Judith Twentyman (Impetus Finance Director).

#### ***Public Affairs Committee***

The committee seeks to increase Impetus Trust's ability to drive systemic change by focusing on those areas where we have specific hands-on experience and authority on which to speak. This would include the importance of venture philanthropy, the need for grants for high-impact charities and capacity building for the social sector.

The Public Affairs Committee comprises Craig Dearden-Phillips (Councillor for Suffolk County Council, VoiceAbility Chair and Impetus trustee) and Amelia Fitzalan Howard (The Henry Smith Charity and Impetus trustee). There is a plan to add more committee members in the near future.

#### ***Advisory Council***

The Advisory Council was created in order to engage a broad range of individuals, from backgrounds such as private equity, charity, finance, entrepreneurs and the media, to offer support to Impetus by advising the Chief Executive and the Senior Management Team on strategic issues. The Advisory Council meets twice per year to debate issues of strategic importance to society, consider how financial and political trends may affect the Impetus portfolio and explore options for maximising the impact of Impetus Trust.

The Advisory Council comprises the following members:

- Ian Armitage (Chair, Hg Capital);
- David Carrington (Independent Consultant, Former CEO Barings Foundation; Board Unclaimed Assets review (led by Sir Ronald Cohen);
- Dominic Coles (COO BBC Journalism and BBC Sport; Steering Committee Sport Relief);
- Martin Dickson (Deputy Editor, Financial Times);
- John Elkington (Founding Partner and Executive Chairman, Volans; Co-founder of SustainAbility and of Environmental Data Services);
- Alastair Gibbons (Deputy Managing Partner, Bridgepoint);
- Grant Gordon (Director General, Institute for Family Business (UK); William Grant & Sons Foundation);
- Dianne Jeffrey (Chair of Age UK (merger between Help the Aged and Age Concern), Pro-Chancellor Univ. Derby, Chair Digital Outreach);
- Josh Lerner (Jacob H. Schiff Professor of Investment Banking/ Private Equity at Harvard Business School);
- Ian Meakins (CEO, Wolseley Plc);
- Henrique de Campos Meirelles (former President of Brazil's Central Bank);
- Ryan Robson (Acting CEO, World Class Learning Group; Co-founder and former Managing Partner, Sovereign Capital);
- Julian Salisbury (Partner, Goldman Sachs & Co.);
- Joseph Schull (Managing Director of Technology, Media and Telecommunications and Head of Europe, Warburg Pincus);
- Finlay T K Scott (Entrepreneur and investor; [eg, Bella Pasta/ Cafe Rouge buyout]);
- Andrew Sibbald (Founder and Managing Director, Lexicon Partners);
- Anne Wade (Senior Vice President and Director of Capital International Research, Inc.);
- Richard Wilson (Partner, Apax; former Chairman of the European Private Equity and Venture Capital Association and former Chairman of the Public Affairs Executive).

## **Impetus Trust**

### **Report of the trustees**

#### **For the year ended 30 June 2011**

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Impetus would like to take the opportunity to thank all members of the Advisory Council for their on-going support.

#### **6.3 Related parties and connected organisations**

One trustee, Craig Dearden-Phillips, serves as Chair of a former investee charity, VoiceAbility (formerly known as Speaking Up). This trustee was appointed after the investee charity moved to the post-investment phase with Impetus. Our Vice-Chair sits as the Chair of the CVC Foundation, one of our major corporate funders, and is excluded from discussions concerning Impetus. Finally, our Chair and Vice-Chair sit on the Education Endowment Foundation Board although as a separate organisation the potential for conflict with their work with Impetus is limited.

#### **6.4 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 last formally reviewed the risk profile and action plan in October 2010 and satisfied itself that the major risks to which Impetus is exposed have been discussed and that systems have been established to mitigate those risks. These will be reviewed again during the coming financial year.

### **7 Plans for 2011/12**

We will seek four-to-six new investment opportunities in the year, most of which will be focused in our two specialist funds, Impetus for Reducing Reoffending Initiative and Impetus-Sutton Early Years Initiative. The establishment of these funds represents a further development of our focus on charities and social enterprises that can demonstrate a significant impact with the economically disadvantaged. By choosing these areas of economic disadvantage, we seek to channel our funding to people in most acute need. We continue to develop a multi-phased approach to investment, with the planning phase typically lasting between 12 and 18 months and the scale-up phase between three and four years.

A new charity has been established to manage the Education Endowment Fund (EEF), which was formally launched in July 2011. The EEF Board, comprising seven trustees including Daniela Barone Soares, Louis Elson and Nat Sloane, is engaged in preparatory work to develop application and selection criteria and is planning to make its first tranche of grants in autumn 2011.

Since inception, Impetus has achieved a total income to date of £17.1m, on a statutory basis, from monetary donations and donated services (as referred to in section 1 on page 5). Impetus is embarking on year two of our three-year strategic business plan (commenced in 2010/11), which sets a goal of raising £7.8m of monetary donations and investing in an active portfolio of 22 charities by the end of the three-year period. Despite the difficult economic environment, we have already achieved incredible success and need only £0.5m in additional funding to achieve our immediate goals and implement our strategy to the full. The Board of Trustees has already started work on developing a scope of activity for the three years following the current business plan, taking our strategic planning through to 2015/16. We aim over this period to inject an additional £8.4m to portfolio charities in grants and support of the in-house investment team, and secure value delivered by our extensive pro bono experts of £2m per annum.

## **Impetus Trust**

### **Report of the trustees**

**For the year ended 30 June 2011**

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#### **8 Statement of Trustees' Responsibilities**

The trustees (who are also directors of Impetus Trust for the purposes of company law) are responsible for preparing the trustees' 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 trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees 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;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **9 Our Thanks**

We would like to take this opportunity to express our warm thanks to the staff and trustees of our portfolio charities, and to the donors, volunteers, pro bono experts and staff who have helped Impetus to achieve the progress it has made so far.

## **Impetus Trust**

### **Report of the trustees**

**For the year ended 30 June 2011**

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#### **10 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:

Louis Elson (Chair)  
Nat Sloane (Vice-Chair)  
Stephen Dawson  
Craig Dearden-Phillips  
Amelia Fitzalan Howard  
Andrew Hinton  
Stephen Lambert  
Ian Meakins  
Chris Underhill

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 2011 was nine (2009/10: 9). The trustees are members of the charity but this entitles them only to voting rights.

#### **11 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 6 October 2011 and signed on their behalf by:

Louis Elson – Chair and Chair of the  
Finance and Audit Committee

Stephen Dawson – Trustee

## **Independent auditors' report**

### **To the members of**

#### **Impetus Trust**

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We have audited the financial statements of Impetus Trust for the year ended 30 June 2011 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. 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 trustees and auditors**

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## Independent auditors' report

To the members of

**Impetus Trust**

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Catherine L Sayer (Senior statutory auditor)*

*23 November 2011*

*for and on behalf of Sayer Vincent, Statutory Auditors*

*Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ*

**Impetus Trust**

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

**For the year ended 30 June 2011**

	Note	Restricted £	Unrestricted £	2011 Total £	2010 Total £
<b>Incoming resources</b>					
<i>Activities in furtherance of the charity's objects:</i>					
Grants and donations for supporting charities and capacity building	2a	604,889	4,285,763	<b>4,890,652</b>	3,792,353
Investment income		-	38,382	<b>38,382</b>	38,794
<b>Total incoming resources</b>		<u>604,889</u>	<u>4,324,145</u>	<b><u>4,929,034</u></b>	<u>3,831,147</u>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Fundraising and investor relations	3	<u>12,983</u>	<u>404,277</u>	<b><u>417,260</u></b>	<u>517,425</u>
<i>Charitable expenditure:</i>					
Supporting charities and capacity building	3	556,478	3,312,875	<b>3,869,353</b>	2,742,508
Governance costs	3	-	141,061	<b>141,061</b>	181,615
		<u>556,478</u>	<u>3,453,936</u>	<b><u>4,010,414</u></b>	<u>2,924,123</u>
<b>Total resources expended</b>	3	<u>569,461</u>	<u>3,858,213</u>	<b><u>4,427,674</u></b>	<u>3,441,548</u>
<b>Net incoming resources/net movement in funds</b>	5	35,428	465,932	<b>501,360</b>	389,599
<b>Reconciliation of funds</b>					
<b>Funds at the start of the year</b>	12	<u>101,069</u>	<u>2,396,285</u>	<b><u>2,497,354</u></b>	<u>2,107,755</u>
<b>Funds at the end of the year</b>	12	<u><u>136,497</u></u>	<u><u>2,862,217</u></u>	<b><u><u>2,998,714</u></u></b>	<u><u>2,497,354</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 2011**

	Note	£	2011 £	2010 £
<b>Tangible fixed assets</b>	8		<u>31,358</u>	<u>33,544</u>
<b>Current assets</b>				
Debtors	9	65,095		51,830
Short term deposits		2,823,634		2,795,743
Cash at bank and in hand		<u>717,642</u>		<u>225,234</u>
		3,606,371		3,072,807
<b>Creditors: amounts due within one year</b>	10	<u>(465,015)</u>		<u>(347,997)</u>
<b>Net current assets</b>			<u>3,141,356</u>	<u>2,724,810</u>
<b>Creditors: amounts due after more than one year</b>	10	<u>(174,000)</u>		<u>(261,000)</u>
<b>Net assets</b>	11		<u>2,998,714</u>	<u>2,497,354</u>
<b>Funds</b>	12			
Restricted funds			136,497	101,069
Unrestricted funds general funds	4		<u>2,862,217</u>	<u>2,396,285</u>
<b>Total funds</b>			<u>2,998,714</u>	<u>2,497,354</u>

Approved by the trustees on 6 October 2011 and signed on their behalf by

Louis Elson - Chair

Stephen Dawson - trustee

## Impetus Trust

### Notes to the financial statements

#### For the year ended 30 June 2011

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#### 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 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when received.

Grants to Impetus Trust are recognised in full in the statement of financial activities in the year in which they are receivable, or in the case of grants with associated eligibility criteria, in the year in which those criteria are satisfied.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

No recognition is contained in the accounts in respect of future donor commitments.

- c) Donated services and facilities are recognised as income and expenditure in the financial statements when companies or individuals offer their professional expertise pro bono. The value of these donated services and facilities is an estimated figure based upon the valuation the professional individual or organisation places upon the time, services and facilities they have provided to Impetus Trust. Individuals offering their time to work in areas where they are not undertaking their profession are classified as volunteers and their time is not quantified in the accounts, but is recognised in the trustees' report. All of these amounts are treated as unrestricted donations.
- d) 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. This includes an allocation of salary and overhead costs of the central function and is apportioned based upon staff estimates of time spent on each activity (including the time of the four executives who offer their services on a pro bono basis). Including the value of donated services, the split of costs is as follows:

	2011	2010
Supporting charities & capacity building	87%	80%
Fundraising & investor relations	10%	15%
Governance costs	3%	5%

On a cash basis (ie. excluding the value of donated services), after the allocation of support costs, the split of costs is as follows:

	2011	2010
Supporting charities & capacity building	82%	76%
Fundraising & investor relations	15%	19%
Governance costs	3%	5%

## Impetus Trust

### Notes to the financial statements

#### For the year ended 30 June 2011

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##### 1. Accounting policies (continued)

- g) Grants payable to charities are charged in the year when the offer is conveyed to the investee charity except in those cases where the offer is conditional, which is the case for every investee charity at Impetus. 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 upon 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 future commitment but are 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
Office equipment	5 years
Fixtures and fittings	5 years

Items of equipment are capitalised where the purchase price or the cost of the capital project 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) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work. This includes an allocation of salary and overhead costs of the central function and is apportioned based upon staff estimates of time spent on each activity.
- j) Short term deposits represent cash on deposit and fixed-term bonds.
- k) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.
- l) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the restricted funds, together with a fair allocation of overheads and support costs, if appropriate.
- m) 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.

## Impetus Trust

### Notes to the financial statements

For the year ended 30 June 2011

#### 2. Activities in furtherance of the charity's objectives

##### a) Incoming resources

This illustrates the total income received by Impetus Trust

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Grants	305,434	253,450	<b>558,884</b>	281,067
Donated services	-	2,718,373	<b>2,718,373</b>	2,146,247
Cash donations from individuals and companies	<u>299,455</u>	<u>1,313,940</u>	<b><u>1,613,395</u></b>	<u>1,365,039</u>
Total incoming resources in furtherance of the charity's objectives	604,889	4,285,763	<b>4,890,652</b>	3,792,353
Interest income	<u>-</u>	<u>38,382</u>	<b><u>38,382</u></b>	<u>38,794</u>
<b>Total incoming resources</b>	<b><u>604,889</u></b>	<b><u>4,324,145</u></b>	<b><u>4,929,034</u></b>	<b><u>3,831,147</u></b>

Donated services represent pro bono services received by Impetus Trust. These services relate both to work performed for Impetus and for our portfolio charities and are included as expenditure under note 3 as follows: Consultancy (£1,950,547), Due diligence support (£263,067), Legal and Professional (£218,342), Fundraising (£121,211) and Office overheads (£165,206).

##### b) Partnership investment and additional funds raised for portfolio charities

Partnership investment does not flow through the accounts of Impetus but is contractually agreed between Impetus and the funder to be paid directly to the charity, as a direct result of Impetus's involvement.

Additional funds raised for charities are donations made directly to the portfolio charities where Impetus was instrumental in obtaining those funds. These amounts are not included in Impetus's own financial statements and differs from partnership investment as there is no contractual commitment between Impetus and the funder.

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
Partnership investment	275,000	-	<b>275,000</b>	75,000
Additional funds raised for portfolio charities	<u>353,542</u>	<u>-</u>	<b><u>353,542</u></b>	<u>414,000</u>
<b>Total additional funds generated by Impetus for portfolio charities</b>	<b><u>628,542</u></b>	<b><u>-</u></b>	<b><u>628,542</u></b>	<b><u>489,000</u></b>

Impetus Trust

Notes to the financial statements

For the year ended 30 June 2011

3. Charitable expenditure

	Costs of generating funds			Supporting charities			Support costs			Governance			2011 Total	2010 Total
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (note 6)	-	145,789	145,789	58,316	297,409	355,725	-	46,653	46,653	-	34,989	34,989	583,156	546,636
Recruitment	-	3,000	3,000	-	-	-	-	-	-	-	-	-	3,000	38,489
Travel & subsistence	-	2,345	2,345	-	7,567	7,567	-	11,535	11,535	-	2,003	2,003	23,450	12,697
Volunteer expenses	-	-	-	-	8,375	8,375	-	-	-	-	-	-	8,375	480
Consultancy & Due diligence	(a)	-	-	46,000	2,225,679	2,271,679	-	-	-	-	-	-	2,271,679	1,673,091
Office overheads	-	64,247	64,247	25,699	131,065	156,764	-	20,559	20,559	-	15,419	15,419	256,989	380,434
Marketing & Communications	12,983	177,278	190,261	-	-	-	-	-	-	-	-	-	190,261	222,982
Legal and professional	(b)	-	-	-	145,892	145,892	-	-	-	-	72,501	72,501	218,393	97,630
Audit (note 5)	-	-	-	-	-	-	-	-	-	-	6,840	6,840	6,840	6,788
Depreciation (note 5)	-	2,718	2,718	1,087	5,544	6,631	-	870	870	-	652	652	10,871	7,729
Reallocation of support costs	-	8,900	8,900	3,626	58,434	62,060	-	(79,617)	(79,617)	-	8,657	8,657	-	-
	12,983	404,277	417,260	134,728	2,879,965	3,014,693	-	-	-	-	141,061	141,061	3,573,014	2,986,956
Grants payable to charities (note 4)	-	-	-	421,750	432,910	854,660	-	-	-	-	-	-	854,660	454,592
<b>Total resources expended</b>	<b>12,983</b>	<b>404,277</b>	<b>417,260</b>	<b>556,478</b>	<b>3,312,875</b>	<b>3,869,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,061</b>	<b>141,061</b>	<b>4,427,674</b>	<b>3,441,548</b>

For information purposes the above amounts include the following pro bono resources

Donated services	(c)	-	(165,817)	(165,817)	(18,173)	(2,448,717)	(2,466,890)	-	-	-	-	(85,667)	(85,667)	(2,718,374)	(2,146,247)
<b>Total cash resources expended</b>		<b>12,983</b>	<b>238,460</b>	<b>251,443</b>	<b>538,305</b>	<b>864,158</b>	<b>1,402,463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,394</b>	<b>55,394</b>	<b>1,709,300</b>	<b>1,295,301</b>

(a) Increase is due primarily to the significant expansion of our pro bono experts network and reflects the scaling up of our operations.

(b) Increase in legal and professional costs relates to the value of pro bono work in connection with the contract for the Education Endowment Fund.

(c) Pro bono services delivered to charities of £2,359,506 includes an allocation of office overheads of £107,384 to the cost of the investment team.

(d) The value delivered by Impetus to our portfolio charities is made up of:

	2011 £	2010 £
Donated services to charities	2,359,506	1,607,667
Grants to charities (see above)	854,660	454,592
Value of Investment Team (including pro bono support - see note (c) above)	655,187	680,250
<b>Total as set out above</b>	<b>3,869,353</b>	<b>2,742,509</b>
Partnership investment (see note 2)	275,000	75,000
Additional funds raised (see note 2)	353,542	384,000
<b>Total value generated for charities</b>	<b>4,497,895</b>	<b>3,201,509</b>

## Impetus Trust

### Notes to the financial statements

For the year ended 30 June 2011

#### 4. Grants payable

Grants paid to portfolio charities in the year were as follows:

	2011	2010
	£	£
Speaking Up	-	5,000
St Giles Trust	8,000	13,000
<b>beat</b>	5,000	5,000
Leap Confronting Conflict	-	2,500
NPL	5,000	5,000
Keyfund Federation	3,660	16,592
Camfed International	13,000	25,000
Fairtrade Foundation	130,000	95,000
<b>Info</b> University	25,000	25,000
Street League	250,000	125,000
Blue Sky	75,000	75,000
COUI - Teens & Toddlers	140,000	25,000
FRC Group	12,500	37,500
Resurgo Trust	37,500	-
Prisoners' Education Trust	37,500	-
Kainos Community	37,500	-
Prison Radio Association	37,500	-
Shannon Trust	37,500	-
Acumen Development Trust	-	-
	<u>854,660</u>	<u>454,592</u>

Impetus Trust now adopts a two-phase approach to its investment in charities. Typically, in the first phase of the investment programme (planning phase), grant payments are lower than in the second phase (scale-up phase). As a result, total annual payments to charities can vary significantly depending on the phase of the investment programme.

Continued funding of portfolio charities is conditional upon 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 future commitment but not shown as expenditure.

The total amount of grants that are authorised but not accrued as expenditure at 30 June 2011 was £1,329,500 (2009/10: £1,524,114). This amount relates solely to the charities listed above and excludes any amounts in respect of new charitable investments. It excludes potential scale-up phase investments for those charities currently in the planning phase of investment. Scale-up investment needs to be approved by our Investment Committee. If all current charity investments progress as envisaged, the amount is estimated to be expended as follows:

	£
2011/12	611,500
2012/13	419,000
2013/14	259,000
2014/15	30,000
2015/16	10,000
<b>Total</b>	<u>1,329,500</u>

## Impetus Trust

### Notes to the financial statements

For the year ended 30 June 2011

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#### 4. Grants payable (continued)

The above conditional grant commitments to charities are underwritten by existing reserves of £2,998,715 (see note 12) and future donor commitments to Impetus Trust which are not recognised in these accounts.

In addition to the commitments on page 10, Impetus has also approved but not contractually committed to planning phase investments for three charities in the Impetus-Sutton Early Years Initiative totalling £150,000. Also, Impetus has made a financial commitment to the Education Endowment Foundation of £250,000 over three years, which will commence in 2011/12.

All grants made by Impetus Trust are for the furtherance of its charitable objectives, to advance the efficient and effective administration of charities.

#### 5. Net incoming resources for the year

This is stated after charging:

	2011	2010
	£	£
Trustees' remuneration	-	-
Trustees' key person insurance	-	120
Trustees' reimbursed expenses	1,322	1,354
Depreciation	10,871	7,729
Auditors' remuneration:		
▪ audit	6,840	6,463
▪ (over)/under accrual in previous year	-	325
	<u>          </u>	<u>          </u>

Trustees' life insurance represents key person insurance taken out due to the contribution of the former Chair and Vice-Chair as volunteer executives in 2009/10. This arrangement has now terminated.

Trustees' reimbursed expenses represent travel and subsistence costs incurred by two trustees (2009/10: two) in connection with their work supporting our portfolio charities and travel costs for two (2009/10: two) other trustees.

#### 6. Staff costs

Staff costs were as follows:

	2011	2010
	£	£
Salaries and wages	507,801	481,617
Social security costs	64,308	55,253
Pension contributions	11,047	9,766
	<u>          </u>	<u>          </u>
	<u>583,156</u>	<u>546,636</u>

## Impetus Trust

### Notes to the financial statements

#### For the year ended 30 June 2011

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#### 6. Staff costs (continued)

The salary breakdown by employee is shown in the table below (where applicable).

Salary band	No of employees	
	2011	2010
£60,000 - £70,000	1	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

Pension contributions outstanding at the year end were £981 (2009/10: £810).

#### Staff numbers

The average weekly number of employees (full-time equivalent) during the year was 9.7 (2009/10: 9.1). Owing to the small staff complement, further breakdown of staff by function is not included.

#### 7. Taxation

Impetus Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 8. Tangible fixed assets

	Fixtures & fittings	Office & computer equipment	2011 £	2010 £
<b>Cost</b>				
At the start of the year	24,977	20,128	<b>45,105</b>	9,529
Additions in year	2,391	6,294	<b>8,685</b>	36,986
Disposals in year	-	-	-	(1,410)
At the end of the year	<b>27,368</b>	<b>26,422</b>	<b>53,790</b>	45,105
<b>Depreciation</b>				
At the start of the year	3,747	7,814	<b>11,561</b>	5,242
Charge for the year	5,057	5,814	<b>10,871</b>	7,729
Depreciation on disposals	-	-	-	(1,410)
At the end of the year	<b>8,804</b>	<b>13,628</b>	<b>22,432</b>	11,561
<b>Net book value</b>				
At the end of the year	<b>18,564</b>	<b>12,794</b>	<b>31,358</b>	33,544
At the start of the year	21,230	12,314	33,544	4,287

## Impetus Trust

### Notes to the financial statements

For the year ended 30 June 2011

#### 9. Debtors

	2011 £	2010 £
Other debtors	43,607	44,473
Prepayments	21,488	16,287
Provision for bad debts	-	(8,930)
	<u>65,095</u>	<u>51,830</u>

#### 10. Creditors: amounts due within one year

	2011 £	2010 £
Trade and other creditors	2,905	2,669
Tax and social security	25,857	17,099
Accruals	83,703	124,629
Deferred income	352,550	203,600
	<u>465,015</u>	<u>347,997</u>

	2011 £	2010 £
<b>Creditors: amounts due after more than one year</b>		
Deferred income	<u>174,000</u>	<u>261,000</u>

Amounts treated as deferred income represent grants received from the JP Getty Jnr Charitable Trust, The Indigo Trust (one of the Sainsbury Family Charitable Trusts), The Henry Smith Charitable Trust and the Esmée Fairbairn Foundation, in respect of the Impetus for Reducing Reoffending Initiative and from The Monument Trust (one of the Sainsbury Family Charitable Trusts) in respect of the Impetus - Sutton Early Years Initiative. These amounts will be recognised as income in line with contractual arrangements with the charities selected for inclusion in our portfolio and other performance milestones.

#### 11. Analysis of net assets between funds

	Restricted funds £	General funds £	Total £
Tangible fixed assets	-	31,358	31,358
Net current assets	<u>136,497</u>	<u>2,830,859</u>	<u>2,967,356</u>
<b>Net assets at the end of the year</b>	<u>136,497</u>	<u>2,862,217</u>	<u>2,998,714</u>

## Impetus Trust

### Notes to the financial statements

For the year ended 30 June 2011

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#### 12. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds</b>					
Impetus for London Initiative	92,500	195,000	(251,250)	-	<b>36,250</b>
Impetus for Reducing Reoffending Initiative	-	211,600	(150,000)	-	<b>61,600</b>
Impetus - Sutton Early Years Initiative	-	123,775	(88,728)	-	<b>35,047</b>
Other Restricted Projects	<u>8,569</u>	<u>74,514</u>	<u>(79,483)</u>	<u>-</u>	<u><b>3,600</b></u>
<b>Total restricted funds</b>	101,069	604,889	(569,461)	-	<b>136,497</b>
<b>Total unrestricted general funds</b>					
	<u>2,396,285</u>	<u>4,324,145</u>	<u>(3,858,213)</u>	<u>-</u>	<u><b>2,862,217</b></u>
<b>Total funds</b>	<u><u>2,497,354</u></u>	<u><u>4,929,034</u></u>	<u><u>(4,427,674)</u></u>	<u><u>-</u></u>	<u><u><b>2,998,714</b></u></u>

#### Purposes of restricted funds

Impetus Trust receives donations for specific charities, amounts for events and for specific expenditure. These are treated as restricted donations.

#### Purpose of general funds

The general fund of £2,862,217 will be used to support Impetus's operations and a significant proportion of the conditional grant commitments made to portfolio charities of £1,329,500 referred to in note 4.

#### 13. Operating lease commitments

At 30 June 2011 the charitable company had annual commitments under operating leases of £31,134 (2009/10: £38,299), which includes a three month, rent-free period.

#### 14. Related party transactions

Three trustees, Louis Elson, Stephen Dawson and Nat Sloane, also provide support to Impetus through their work both at Impetus and our portfolio charities. The value of their work is included in donated services (see note 2).