

REGISTERED COMPANY NUMBER: SC123773
REGISTERED CHARITY NUMBER: SC002848

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
FOR
FIREFLY ARTS LIMITED**

Martin Aitken & Co
Chartered Accountants
and Registered Auditors
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

FRIDAY



SB7IDGH2

SCT

08/01/2010

748

COMPANIES HOUSE

FIREFLY ARTS LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

	Page
Chairman's Report	1
Report of the Trustees	2 to 10
Report of the Independent Auditors	11 to 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 to 21
Detailed Statement of Financial Activities	22 to 23

FIREFLY ARTS LIMITED

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2009

As I look forward to retiring as Chair of the Youth Theatre after the best part of 25 years, I'm delighted at the state of Firefly. Our work has expanded hugely and we are now working with young people in many areas outside West Lothian, as well as engaging in activities not normally associated with Youth Theatre.

This led us to realise that the name West Lothian Youth Theatre did not fully reflect what we now do, so we've rebranded ourselves as Firefly Arts. When our thinking was explained to our partners and patrons at West Lothian Council, they understood and in spite of losing their name in our title have continued to give us the wholehearted support that we've had from them since our inception.

We are still delivering workshops to record numbers of young people who remain as keen as ever, our film and new media department is very busy and bringing in much needed income, we're involved more and more in education, helping staff in schools use drama techniques to enhance the experience of pupils, and are fully involved with the European Volunteering Service which allows young volunteers to come and work with us and for some of our youngsters to go and work abroad. We have a new website which publicises all that we're doing, check it out at www.firefly-arts.co.uk.

The year has been difficult financially after East Renfrewshire Council decided to take the youth theatre work we were doing for them back in house, but our senior management team have nursed the accounts so well that we will still show a healthy reserves position at the end of the year.

So, once again, we can show sound finances, increased and challenging work with young people, and the rest of the sector looking to us for inspiration.

Michael Mackenzie
Chair, Firefly Arts Limited

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC123773

Registered Charity number

SC002848

Registered office

Howden Park Centre
Howden
Livingston
EH54 6AE

Trustees

M Mackenzie	- resigned 30.9.09
Mrs L Kelly	- appointed 29.9.08
Dr M Richardson	- resigned 31.7.09
A Miller	
M Bruce	- resigned 6.8.09
A Mackie	- resigned 3.10.08
Mrs G Ferguson	- resigned 30.9.09
Mrs J Harris	- appointed 24.11.08
Ms C Di Corpo	
Ms G L Calder	- appointed 26.1.09

Company Secretary

Mrs J Harris

Auditors

Martin Aitken & Co
Chartered Accountants
and Registered Auditors
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Bankers

The Royal Bank of Scotland
4 Almondvale South
Livingston
EH54 6NB

Solicitors

Tods Murray LLP Solicitors
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

REFERENCE AND ADMINISTRATIVE DETAILS

Youth Forum representatives

P King

W Mitchell

West Lothian Council representative

W Boyle

Patron

J Mackenzie

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

Firefly Arts Limited is a charitable company limited by guarantee. Formerly known as West Lothian Youth Theatre it was incorporated on 15 March 1990. The Company was established under a Memorandum of Association which established the objects and the powers of the charitable company and is governed under its articles of association. These documents were updated in line with legislation and best practice with the change of company name.

Recruitment and appointment of new Directors

Members are elected to serve for a period of four years and may under exceptional circumstances be re-elected for a second final term. There is an array of skills amongst the Board of directors to ensure the aims and objectives of Firefly are fulfilled. New appointments were made in 2008/2009 with a view to increase Board membership in the coming year.

Induction and training of new trustees

All trustees are already familiar with the practical work of the charity having been encouraged to attend workshops and performances. They are also invited to attend board development training.

Additionally, potential new trustees are invited to a meeting with the chair / vice chairperson and members of senior management to obtain an information pack and to discuss the work of Firefly Arts Limited. This usually covers the following areas:

- The governance structure of the organisation.
- The Firefly Arts Limited 3 year business plan.
- Resourcing and the current financial position.
- Future plans and objectives.

Organisational structure

Firefly Arts is a company limited by guarantee and is a charity registered with the office of the Scottish Charity Regulator (OSCR). The company is governed by a voluntary board of trustees with 13 members (2 are appointed from Firefly's Youth Forum) who meet 6 times a year. Operational management is overseen by the artistic director / chief executive who together with the business manager and associate trustees make up the senior management team. Workshops and holiday projects are delivered by a team of drama workshop leaders and the business manager is supported by the marketing & administration officer. There are 8 full time, 2 part time staff and 2 full time volunteers.

Related parties

The Royal Bank of Scotland Group operates a give as you earn scheme, whereby pre tax donations from employees to charities are matched by the Group in a ratio of 2:1. Chris Adams, now a retired board member of Firefly Arts Limited, is an employee of The Royal Bank of Scotland Group and donated £1,200 through this scheme, inclusive of the Bank's contribution.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The major risks affecting Firefly Arts Limited are:

- a) Reduction in funding - Firefly Arts Limited has fundraising and income generating strategies in place to ensure that these risks are minimal, and over the last four years has worked to develop financial reserves to protect against any period of funding difficulty. Firefly Arts Limited is continuing to develop social enterprise initiatives to ensure financial sustainability, especially with regards to its film & new media department.
- b) Legislation compliance - Firefly Arts Limited has a staff handbook containing its policies and procedures. It covers areas which may put Firefly Arts Limited at risk such as health & safety, equal opportunities and child protection. These are reviewed and updated annually.

OBJECTIVES AND ACTIVITIES

Objectives and aims

To deliver youth theatre workshops, projects and productions which are accessible and available to children and young people, regardless of level of ability, financial background or geographical location.

Aims

1. To develop the personal and social skills of children and young people, enhancing their confidence and self-esteem.
2. To advance the education and promote the individual growth of children and young people.
3. To develop the expressive, creative and artistic skills of children and young people.
4. To create more opportunities for social and cultural exchange for children and young people.
5. To maintain Firefly as a flagship of innovative youth theatre practice.

Objectives

1. To deliver accessible and inclusive drama and film workshops weekly during term time.
2. To deliver a range of drama and film projects, both in term-time and during holiday periods, including devising projects, an October festival, and exchanges.
3. To create new productions and to commission new work which is relevant to young people.
4. To use the Firefly curriculum as the basis of the model of delivery of workshops and projects.
5. To use the Firefly award to accredit the development of participants and to evaluate the work of the organisation.
6. To apply the youth theatre process within formal education, by delivering continuing professional development for teachers, and working with young people within a school environment.
7. To develop the role of young people within the organisation through a meaningful youth forum structure.
8. To maintain a programme of appropriate and effective staff training.
9. To develop sufficient levels of funding from a range of public, charity and private sources.
10. To widely advocate and promote the work of Firefly.

Notes:

By children and young people we mean all people aged 25 or under.

By the youth theatre process we mean a recognised range of techniques and activities which are defined fully in the Firefly curriculum.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Significant activities

Firefly's vision continues to be for the enrichment of the lives of children and young people through the application of its youth theatre process, by delivering youth theatre workshops, projects and productions which are accessible and available to children and young people, regardless of level of ability, financial background or geographical location.

The youth theatre process aims to contribute to the personal, social, educational and creative development of young people who participate in it. It is a diverse range of techniques encompassing:

- Physical warm-ups.
- Vocal warm-ups including singing.
- Games.
- Drama skills exercises.
- Devising.
- Performing.

These activities are structured by professional drama workshop leaders in such a manner as to ensure that within the informality of a youth theatre session, specific goals for participants are identified and achieved. In this way the youth theatre process remains informal but has the maximum possible impact on participants and their development.

The youth theatre process is defined by Firefly's youth theatre curriculum, which provides a scheme of work for all participants through the years of youth theatre participation from age 5 to 25. The curriculum is supported by an award scheme which allows us to accredit the progress of individual participants but also acts as an invaluable tool for the evaluation of the work of the organisation as a whole. The curriculum and award together also provide opportunities for a structured training programme for practitioners, through which we ensure that we offer consistent high quality youth theatre activities across the whole organisation.

Firefly West Lothian Youth Theatre

- 26 weekly workshops across West Lothian during the academic year.
- Over 400 registered workshop participants.
- Publicity workshops in schools across West Lothian.
- Termly master classes in a variety of theatre skills.

Firefly Angus Youth Theatre

- 6 weekly workshops in North Angus during the academic year.
- 36 registered workshop participants.
- Publicity workshops and assemblies in schools to 730 young people.
- 3 holiday projects, one week each in length.

Special Educational Needs

Firefly continues to operate in an inclusive way, however the company recognises the importance of carefully managing the processes of inclusion and integration to avoid a culture of fear, misunderstanding and false preconceptions around people with additional needs; and to ensure that people of all abilities benefit from those processes.

Funding from the Big Lottery Fund (for a drama workshop leader) and The Robertson Trust (for transport) allows Firefly to provide specially targeted workshops and projects in West Lothian for young people of all levels of ability. This has resulted in a number of inclusive performance projects, as well as a number of opportunities to develop new ways of integrated working in youth theatre:

- Workshop and holiday at Pinewood and Cedarbank special schools.
- Workshops delivered for a conference hosted by Capability Scotland.
- Continual professional development delivered to Pinewood school staff.
- Performances as part of West Lothian diversity week.

Youth Theatre Projects

Monsters. This inclusive commissioned theatre piece written by Clare Duffy who worked with senior participants around the subject of child militia continued its tour in 2008/2009. Performances took place at the Aberdeen International Youth Festival, Edinburgh Festival Fringe and Promote-YT's National Festival of Youth Theatre.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Significant activities

Power of Silence. Written by Billy Docherty of Donaldson's and Firefly participant William Mitchell, Power of Silence is set around a young man Josh who struggles to deal with moving from a residential deaf school to mainstream school. The play looks at the lack of deaf awareness in his new school, the struggle with his family and his relationship with his former best friend. The production was a result of the growing relationship between Firefly and Donaldson's and the increasing work Firefly does with the deaf and hard of hearing community. The production was supported by Donaldson's, West Lothian Community Planning Partnership, RNID, British Deaf Association and West Lothian Council. All rehearsals were in 2008/09, with the performances scheduled for April 2009/10.

Stamp Out Stigma. Funded by NHS Lothian and 'see me' stigma and discrimination small grant scheme. In a weekly workshop setting, young people explored and increased their knowledge and understanding about mental health issues. Workshops and rehearsals were in 2008/09 and performances conveying positive mental health and wellbeing will take place in 2009/10.

National and International Festivals and Exchanges

Staff and participants took part and facilitated work in the following:

- Aberfeldy. Participants from Scotland, Netherlands, Bulgaria and Italy took part in a film exchange hosted by Firefly.
- Russia. Feasibility visit took place in Russia for a potential project involving people from UK, Netherlands, Russia and Belarus.

Key partners for exchanges continue to be The Richter Foundation in the Netherlands. Successful funding continues to be obtained from the EU Youth in Action Programme managed in the UK by the British Council.

October Festival

Firefly Arts continues to host an annual arts festival in October. A variety of workshops took place from script writing, movement, screen acting, making an impact, film making, improvisation and slapstick, involving young people from all over West Lothian.

Firefly Film and New Media

Firefly film and new media continues to offer young people opportunities to express their ideas and thoughts through moving imagery. They are given the tools and platform to express and educate them through this process. Participants learn about all aspects of multi media, from storyboards, sound, lighting to screen acting and editing. Young people have increased their confidence and understanding on media and its technologies. Firefly film & new media operates a mixed economy model, securing charitable funding and contracts to support its work with young people. Over the passed year Firefly film & new media has delivered the following:

- 3 weekly workshops delivered over the academic year.
- A film in a week project delivered in West Lothian.
- A film in two days project delivered in East Renfrewshire.
- Hosted a European Film Exchange.
- The production of DVD's for West Lothian Council, NHS Carers and Young Scot.
- Short films screened at Co op Film Festival, Bradford; Glasgow Film Festival and Discovery Film Festival, Dundee.

Major Film Productions

Power of Silence

Young people from the film making groups worked on all aspects of the film making process to produce flashback scenes to be projected as part of the production Power of Silence. Participants from the film making workshops adapted the script for filming. The use of the stylised film supported the nostalgic feeling of flashbacks within the performance. Multi media productions encourage the integration of young people from different workshop groups and gives them a sense of ownership and achievement.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Significant activities

Henri Got Cancer Music Video

In the spring term the Firefly senior film group undertook the task of creating a music video for a Scottish band. They were given this project with a four week deadline from conception to final production of the video. The senior film group worked incredibly hard in their scheduled weekly workshops and also attended several extra evening workshops, at their request, to film more footage and to edit the video. The group took real ownership of the project and their hard work and dedication came across in the final product.

Firefly Education

Education is an important part of Firefly's work, especially with curriculum for excellence and the increased opinion that informal learning skills are a key feature in young people's social, creative and educational development within the formal sector. Firefly offers teachers and pupils models of practice which apply informal education techniques of youth theatre process within the formal setting.

Paul Hamlyn Foundation

Funding had been secured for an 18 month period for Firefly to deliver educational work in new areas. This grant allowed work in Angus which will continue in the next financial year. mentoring, continual professional development and other schools projects have been set up for the next academic year. Firefly also delivered projects in Lanarkshire and Edinburgh. The funding has and will enable Firefly to strengthen partnerships in these areas and allow more young people access to these workshops and projects.

Primary Teacher Mentoring

Firefly worked with primary school teachers over several weeks on how to use drama techniques as a form of informal education in the classroom. 3 mentoring projects were delivered to primary schools in Lanarkshire:

- Historic Castles involving 30 pupils aged 9 and 10.
- Victorian Past times involving 30 pupils aged 9 and 10.
- Oscar Wilde's Selfish Giant. Involving 28 pupils aged 7 and 8.

STARS (Secondary Two and Road Safety)

This project involved 6 schools across Aberdeenshire to increase the awareness, knowledge and understanding of the issues surrounding road safety through drama. The two day projects explored road safety as perceived by the young people who created short devised performances to their peers. 22 pupils from each school were involved in these projects.

TRAINING AND DEVELOPMENT

Staff training continues to be an important part of Firefly's staff development ensuring staff are up-to-date with child protection, youth work and youth theatre best practices. Staff training was delivered every 2 weeks, advertised and available for free for other arts practitioners, teachers or anyone interested in this field of work to attend. Training in developing good practice, working with text, characterisation, voice and singing, evaluation and child protection took place in 2008/2009.

Other training which staff participated in included:

- Additional monthly training to broaden the staff's skill base.
- Annual staff appraisals and reviews.
- First aid training.
- Sage Line 50 v12.
- British Council youthpass training.
- Youth participation training.
- Promote - YT skill up weekend.

Training for Young People

Firefly Arts offers young people the opportunity to develop their interest and skills in all aspects of drama, film, education, administration and marketing through:

- School work placements.
- European Voluntary Service (EVS).
- Being case studies for university students.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Significant activities

- Assistant leader and peer leader training.
- Firefly's Youth Forum regarding citizenship, elections and democracy.

European Voluntary Service (EVS)

Firefly Arts is a host and sending organisation for EVS. This is a long term project funded in the UK by the British Council through the European Union. Young people from across Europe are able to work on placements for up to a year in countries across Europe. Firefly is delighted to be part of this scheme and 3 more volunteers will arrive in September 2009. The volunteers get involved in all areas of and learn about the work of Firefly, take ownership of a project of their choice, learn about citizenship, different cultures and gain a youth pass certificate at the end of their placement. Each volunteer has a line manager, work mentor and social mentor.

The Year Ahead

Howden Park Centre. With the refurbishment of Howden Park Centre, Firefly Arts is due to move into its new premises in 2009/2010. This is an exciting time for Firefly. Moving into Howden Park Centre will forge close links and partnerships with West Lothian Council Arts and Education Services who will also be housed there.

FINANCIAL REVIEW

Reserves policy

Unrestricted reserves will be maintained to provide for contingency planning. Reserves will be maintained at a level that ensures that Firefly Arts Limited core activities could continue during a period of unforeseen difficulty.

The trustees have estimated that the levels of free reserves (that is those funds not tied up in fixed assets, restricted or designated funds) the charity still require to sustain its operations represents three months running costs. They estimate this would be £85,000.

As unrestricted free reserves (those unrestricted funds, not tied up in fixed assets or designated as to use currently stand at £2,425 (2008 - £32,449) the trustees aim to build up the reserves in the future.

Principal funding sources

Firefly Arts Limited has a fundraising strategy in place which complements its three year business plan and sources funding through applying to a wide range of funding sources including government funding, trusts and foundations. Its main source of funding this year has been:

West Lothian Council
East Renfrewshire Council
Aberdeenshire Council
Children in Need
Paul Hamlyn Foundation
The Big Lottery Fund
Lloyds TSB Foundation
Awards for All
Scottish Book Trust - Live Literature Scotland
Project Scotland
The Robertson Trust
NHS Lothian
See Me
Scottish Arts Council
British Council
Firstlight Movies

In addition to the main sources of funding, Firefly Arts Limited has been awarded smaller projects grants to contribute towards the costs of delivering projects.

FIREFLY ARTS LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009

FINANCIAL REVIEW

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The accounts show total funds of £80,937, of which £43,527 are restricted funds. The restricted funds balance represents project income which was sourced during this year and which is already committed to projects that will take place in 2009-2010. Some of the commitments as at the year end are:

Paul Hamlyn Foundation

The Paul Hamlyn Foundation awarded Firefly Arts Limited a total of £76,000 over an 18 month period to support the delivery of Firefly Youth Theatre work in new areas. This project began in January 2009.

Firstlight

A total of £5,000 was awarded by Firstlight, to enable youth people the opportunity to work with professional equipment and industry professionals in producing and editing their own short film. £4,000 was initially awarded, with the final £1,000 on completion of the project.

NHS Lothian

NHS Lothian as part of the "See Me..." national campaign awarded Firefly Arts Limited £5,000 to fund its "Stamp out Stigma" campaign, promoting positive mental health and well-being through drama.

YPN Youth Forum Elections

£3,340 was awarded to Firefly Arts Limited by West Lothian's Youth Participation Network. To date £1,151 has been spent on training Firefly's youth forum about citizenship, campaigning and carrying out elections and a residential for youth forum team building. The rest of the grant will be used in 2009 / 2010 financial year to support the next round of elections and subsequent training for the young people.

Total unrestricted funds stand at £37,410 (2008 - £91,830). The deficit in Unrestricted Funds in the year of £54,420 results from the one-off rebranding costs incurred during the year of £33,348 and higher levels of costs on projects being met out of unrestricted sources. Within the Unrestricted funds of £37,410 there is a total of £15,000 designated as a relocation fund. The relocation fund will support the move into Howden Park Centre in 2009. Firefly Arts Limited will be housed there with West Lothian Council's Arts Services team. The organisational development fund had an opening balance of £23,517 at the beginning of the period and after expenditure in the year, which including some of the rebranding costs above, the fund stood at £nil at the year end.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Firefly Arts Limited for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and 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 those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

FIREFLY ARTS LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

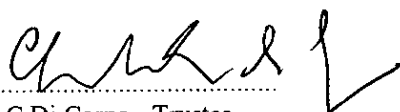
So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Martin Aitken & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Ms C Di Corpo - Trustee

Date: 30/11/08

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF FIREFLY ARTS LIMITED

We have audited the financial statements of Firefly Arts Limited for the year ended 31 March 2009 on pages thirteen to twenty one. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page nine..

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Report of the Trustees is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees and the Chairman's Report. 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 audit opinion

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

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available to Small Entities, in the circumstances set out in note 18 to the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
FIREFLY ARTS LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Martin Aitken & Co.

Martin Aitken & Co
Chartered Accountants
and Registered Auditors

Eligible to act as an auditor in terms of Section 25 of the Companies Act 1989

Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Date: *4/12/2009* .

FIREFLY ARTS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2009**

		Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	120,505	116,029	236,534	269,299
Investment income	3	1,081	-	1,081	3,208
Incoming resources from charitable activities 4					
Charitable activity		61,807	10,479	72,286	67,656
Total incoming resources		183,393	126,508	309,901	340,163
RESOURCES EXPENDED					
Charitable activities 5					
Charitable activity		224,073	117,605	341,678	372,972
Governance costs	6	13,740	-	13,740	12,410
Total resources expended		237,813	117,605	355,418	385,382
NET INCOMING/(OUTGOING) RESOURCES					
		(54,420)	8,903	(45,517)	(45,219)
RECONCILIATION OF FUNDS					
Total funds brought forward		91,830	34,624	126,454	171,673
TOTAL FUNDS CARRIED FORWARD		37,410	43,527	80,937	126,454

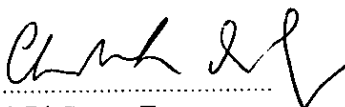
The notes form part of these financial statements

FIREFLY ARTS LIMITED**BALANCE SHEET
AT 31 MARCH 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	10	34,547	40,280
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	16,824	11,883
Cash at bank and in hand		52,340	98,012
		<u>69,164</u>	<u>109,895</u>
CREDITORS			
Amounts falling due within one year	12	(22,774)	(23,721)
NET CURRENT ASSETS		<u>46,390</u>	<u>86,174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,937</u>	<u>126,454</u>
NET ASSETS		<u>80,937</u>	<u>126,454</u>
FUNDS	14		
Unrestricted funds		37,410	91,830
Restricted funds		43,527	34,624
TOTAL FUNDS		<u>80,937</u>	<u>126,454</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 30th November 2009 and were signed on its behalf by:


.....
Ms C Di Corpo -Trustee

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

Voluntary income

Donations and similar income are included in the financial statements when the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or the donor has specified that the income is to be expended in a future period.

Grant income

Income from local authorities and trusts are recognised when it falls due.

Other charitable income

Income in respect of charitable activities is recognised when can be recognised with certainty, is able to be measured accurately and once entitlement to the income is confirmed.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Includes all expenditure directly incurred in furthering the objectives of the charity.

Governance costs

Consists of the costs of financial services, accounts preparation, mandatory legal and professional fees, and any other expenditure incurred in compliance with legal requirements of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	-Nil rate depreciation
Plant and machinery	-25% on reducing balance
Fixtures and fittings	-25% on reducing balance

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the trustees believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of the property, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation, and the amount which might otherwise have been included can not be separately identified or quantified.

Items under £200 should not be capitalised.

Taxation

The company has charitable status and is exempt from taxation. The company is not registered for VAT and accordingly any irrecoverable VAT is included in the expenditure concerned.

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the directors.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted designated funds are funds which have been placed in reserves by the directors to meet future anticipated costs of the relocation of the registered office.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Designated funds

The directors have deemed it necessary to create two unrestricted designated reserves. These funds are as follows:

Relocation reserve

To provide for costs to be incurred in relocating the registered office.

Organisational development fund

To provide for the rebranding of the company from West Lothian Youth Theatre Limited to Firefly Arts Limited.

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2009

2. VOLUNTARY INCOME

	2009	2008
	£	£
Donations	9,812	16,657
Friends scheme	1,200	1,100
WLC - project grants	8,843	11,647
Scottish Executive	-	15,905
East Renfrewshire Council	10,680	22,311
WLC - core funding	96,258	94,157
Big Lottery Fund	24,626	23,852
Project Scotland	4,261	599
British Council	15,859	31,446
Scottish Arts Council	3,075	449
Livingston Youth Trust	500	-
Russel Trust	-	2,000
Heritage Lottery Fund	-	11,400
Youth Link	-	7,676
Angus Council	-	5,000
Lloyds TSB Foundation	9,900	10,350
Aberdeenshire Council	-	14,750
Robertson Trust	4,000	-
BBC Children in Need	8,846	-
Paul Hamlyn Foundation	25,334	-
NHS Lothian	5,000	-
Youth Forum	3,340	-
Awards For All	5,000	-
	<u>236,534</u>	<u>269,299</u>

3. INVESTMENT INCOME

	2009	2008
	£	£
Deposit account interest	<u>1,081</u>	<u>3,208</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2009	2008
		£	£
Ticket sales	Charitable activity	1,198	403
Merchandise	Charitable activity	20	33
Workshop	Charitable activity	24,685	34,940
Project fees	Charitable activity	44,817	30,308
Other income	Charitable activity	1,566	1,972
		<u>72,286</u>	<u>67,656</u>

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2009

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Charitable activity	<u>341,678</u>	<u>341,678</u>

6. GOVERNANCE COSTS

	2009	2008
	£	£
Accountancy	5,743	3,100
Professional fees	4,997	6,401
Auditors' remuneration	<u>3,000</u>	<u>2,909</u>
	<u>13,740</u>	<u>12,410</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009	2008
	£	£
Auditors' remuneration	3,000	2,909
Depreciation - owned assets	<u>5,733</u>	<u>7,645</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

	2009	2008
	£	£
Trustees' salaries	19,500	-
Trustees' social security	<u>2,150</u>	<u>-</u>
	<u>21,650</u>	<u>-</u>

During the year remuneration was paid to Dr Michael Richardson to the sum of £19,500 (2008 - £nil). The remuneration paid was for his role as the artistic director and not his role as a trustee. No further trustees were paid remuneration during the year. Such remuneration is approved in the company's Memorandum of Association.

Trustees' Expenses

No trustees were paid expenses during the year.

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2009

9. STAFF COSTS

	2009 £	2008 £
Wages and salaries	183,689	194,613
Social security costs	16,674	17,121
	<u>200,363</u>	<u>211,734</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Number of staff	<u>11</u>	<u>11</u>

No employee received emoluments of more than £60,000 during the year (2008 - £nil).

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2008 and 31 March 2009	<u>17,353</u>	<u>66,740</u>	<u>4,169</u>	<u>88,262</u>
DEPRECIATION				
At 1 April 2008	-	43,828	4,154	47,982
Charge for year	-	5,728	5	5,733
At 31 March 2009	<u>-</u>	<u>49,556</u>	<u>4,159</u>	<u>53,715</u>
NET BOOK VALUE				
At 31 March 2009	<u>17,353</u>	<u>17,184</u>	<u>10</u>	<u>34,547</u>
At 31 March 2008	<u>17,353</u>	<u>22,912</u>	<u>15</u>	<u>40,280</u>

Within fixed assets are assets purchased from a capital grant received from Scottish Arts Council. The net book value of these restricted assets at 31 March 2009 is £14,562 (2008 - £19,416).

Items under £200 will not be capitalised.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	13,678	10,537
Prepayments and accrued income	3,146	1,346
	<u>16,824</u>	<u>11,883</u>

FIREFLY ARTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2009**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts	7,523	17,100
Trade creditors	7,637	203
Accruals and deferred income	7,614	6,418
	<u>22,774</u>	<u>23,721</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2009 Total funds	2008 Total funds
	£	£	£	£
Fixed assets	19,985	14,562	34,547	40,280
Current assets	40,199	28,965	69,164	109,895
Current liabilities	(22,774)	-	(22,774)	(23,721)
	<u>37,410</u>	<u>43,527</u>	<u>80,937</u>	<u>126,454</u>

14. MOVEMENT IN FUNDS

	At 1.4.08	Net movement in funds	At 31.3.09
	£	£	£
Unrestricted funds			
General fund	53,313	(30,903)	22,410
Relocation fund	15,000	-	15,000
Organisational development fund	23,517	(23,517)	-
	<u>91,830</u>	<u>(54,420)</u>	<u>37,410</u>
Restricted funds			
Restricted fund	34,624	8,903	43,527
	<u>126,454</u>	<u>(45,517)</u>	<u>80,937</u>
TOTAL FUNDS			

FIREFLY ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2009

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	183,393	(214,296)	(30,903)
Organisational development fund	-	(23,517)	(23,517)
	<u>183,393</u>	<u>(237,813)</u>	<u>(54,420)</u>
Restricted funds			
Restricted fund	126,508	(117,605)	8,903
	<u>309,901</u>	<u>(355,418)</u>	<u>(45,517)</u>

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2009 (2008 - £nil).

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2009 (2008 - £nil).

17. RELATED PARTY DISCLOSURES

There is no ultimate controlling party.

The Royal Bank of Scotland Group operates a Give As You Earn scheme, whereby pre tax personal donations from employees to charities are matched by the Group in a ratio of 2:1. Chris Adams, now a retired board member of Firefly Arts Limited, is an employee of The Royal Bank of Scotland Group, and donated £1,200 through this scheme in the year, inclusive of the Bank's contribution.

During the year remuneration was paid to Dr Michael Richardson to the sum of £19,500 (2008 - £nil). The remuneration paid was for his role as the artistic director and not his role as a trustee. No further trustees were paid remuneration during the year.

18. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

19. COMPANY LIMITED BY GUARANTEE

Firefly Arts is a company limited by guarantee in terms of the Companies Act 1985. The liability of each member is limited to the sum of £1. In the event of the winding up or dissolution of the company, in terms of the Memorandum and Articles of Association, any surplus assets shall be transferred to some other charitable body or bodies having objects similar to the company.

FIREFLY ARTS LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2009

	2009 £	2008 £
INCOMING RESOURCES		
Voluntary income		
Donations	9,812	16,657
Friends scheme	1,200	1,100
WLC - project grants	8,843	11,647
Scottish Executive	-	15,905
East Renfrewshire Council	10,680	22,311
WLC - core funding	96,258	94,157
Big Lottery Fund	24,626	23,852
Project Scotland	4,261	599
British Council	15,859	31,446
Scottish Arts Council	3,075	449
Livingston Youth Trust	500	-
Russel Trust	-	2,000
Heritage Lottery Fund	-	11,400
Youth Link	-	7,676
Angus Council	-	5,000
Lloyds TSB Foundation	9,900	10,350
Aberdeenshire Council	-	14,750
Robertson Trust	4,000	-
BBC Children in Need	8,846	-
Paul Hamlyn Foundation	25,334	-
NHS Lothian	5,000	-
Youth Forum	3,340	-
Awards For All	5,000	-
	236,534	269,299
Investment income		
Deposit account interest	1,081	3,208
Incoming resources from charitable activities		
Ticket sales	1,198	403
Merchandise	20	33
Workshop	24,685	34,940
Project fees	44,817	30,308
Other income	1,566	1,972
	72,286	67,656
Total incoming resources	309,901	340,163

RESOURCES EXPENDED

FIREFLY ARTS LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2009**

	2009 £	2008 £
Charitable activities		
Trustees' salaries	19,500	-
Trustees' social security	2,150	-
Wages/salaries and national insurance	164,189	194,613
Social security	14,524	17,121
Rent, rates and insurance	3,032	2,753
Light and heat	3,602	3,320
Telephone	2,505	2,583
Rebranding	33,348	6,491
Direct production costs	69,531	118,955
Venue hire	8,691	8,088
Repairs and maintenance	3,532	645
Other office costs	11,341	10,758
Plant and machinery	5,733	7,645
	341,678	372,972
 Governance costs		
Accountancy	5,743	3,100
Professional fees	4,997	6,401
Auditors' remuneration	3,000	2,909
	13,740	12,410
 Total resources expended		
	355,418	385,382
 Net expenditure	 	
	(45,517)	(45,219)