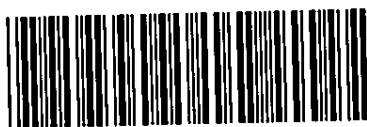


Charity Registration No. SC002848

Company Registration No. SC123773 (Scotland)

FIREFLY ARTS LIMITED
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011

TUESDAY



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COMPANIES HOUSE

FIREFLY ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Jeanette Harris
Gowan Calder
Charlotte di Corpo
Frazer Henderson
Lynsey Kelly
Andrew Miller

Secretary

Jeanette Harris

Charity number

SC002848

Company number

SC123773

Registered office

Howden Park Centre
Howden
Livingston
West Lothian
EH54 6AE

Independent examiner

McFadden Associates Limited
19 Rutland Square
Edinburgh
EH1 2BB

FIREFLY ARTS LIMITED

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FIREFLY ARTS LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The trustees present their report and accounts for the year ended 31 March 2011.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

Governance

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. Firefly Arts Ltd is registered with the office of the Scottish Charity Regulator (OSCR).

The company is governed by a Board of Directors. Board members are elected to serve for a period of four years and may under exceptional circumstances be re-elected for a second final term. Throughout 2010/2011 the board of Directors consisted of seven members plus a number of observers from major funder West Lothian council, who meet 6 times a year.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Jeanette Harris
Gowan Calder
Charlotte di Corpo
Frazer Henderson
Lynsey Kelly
Andrew Miller

Potential new Board Members are invited to a meeting with the chair/vice-chairperson and members of senior management to discuss the work of Firefly Arts Limited. This usually covers the following areas:

- The governance structure of the organisation.
- Firefly Arts development and operational plans and strategies
- Resourcing and the current financial position.
- Future plans and objectives.

Recruitment and retention of Board Members is planned to secure a range of skills amongst the Board of Directors to ensure the aims and objectives of Firefly are well informed and fulfilled. All Board Members are encouraged to become familiar with the practical work of the charity, and supported to attend board development training sessions offered by external providers.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

FIREFLY ARTS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Risk Management

The Directors review major risk to which the charity is exposed and are satisfied that systems have been established to mitigate those risks. The principal risks and uncertainties facing the charity relate to future funding and this is managed by preparation of budgets and regular review by the Directors.

Between June 2009 and October 2010 Firefly Arts underwent a significant period of organisational, staff and structural change, including the closure of some programmes of work and staff redundancies. Chief Executive Officer, Mairi Kidd, left in July and her replacement, Joanna van den Berg, took up the post in October 2010. Since January 2011 the organisation has run with 5 part-time staff and 5 volunteers, with freelance specialists contracted as needed.

Objectives and activities

Firefly Arts offers theatre, film and performance activity for children and young people aged 5 to 25 years, and deliver a wide range of weekly workshops, holiday activity, training, school and community projects across West Lothian. Firefly Arts is committed to providing quality and equitable arts experience for all, regardless of cultural, economic and educational background, and aiming to:

- Enhance personal and social development, confidence and self-esteem.
- Advance creative and performance skills, artistic opportunity and technical experience.
- Generate innovative social, educational and cultural exchange for children and young people.

Achievements and performance

In many ways, 2010 was a year in which Firefly Arts continued to do what it does best; provide a high-quality programme of theatre workshops and events to increase the personal, social, educational and artistic development of children and young people in West Lothian. This was complimented by a mentoring programme in Angus, and workshops in Arbroath, Carnoustie, Liff and Perth. The programme outlined in the following pages demonstrates our ability to offer a warm and affordable welcome to all young people regardless of their physical, social and educational needs. As a parent audience member reflected recently; 'Firefly puts young people front and centre'.

In other ways however, the last year has been one of significant transformation for the company. A number of staff and project changes in the past 18 months meant some key roles were not managed efficiently and it became difficult to monitor internal systems at a rigorous enough level. This in turn led to some programmes of work having to close and staff redundancies. The Director left the Company in June 2009 and the post remained vacant until January 2010 when it was established that Firefly was facing cash-flow crisis, a deficit position at the end of the financial year, and projected expenditure which would outstrip income considerably. Fund-seeking had ceased while the Company was without a Director, leaving the Company's income and revenue in a very vulnerable position.

The financial, operational and management issues through which these issues arose were scrutinised by the Board and significantly reviewed and improved, including:

- the appointment of a Director to take operational, financial and artistic leadership, and generate sustainable, viable and quality arts opportunity for children and young people;
- a complete review of roles and responsibilities within the staff team including updating contracts ensuring fixed term and sessional contracting are equitable, and allow the company flexible response to varying economic conditions;
- implementation of reporting systems to ensure the Firefly Board of Directors are fully and regularly informed of current and projected company finances, are able to monitor financial management as required, and have agreed strategies to meet cash-flow and deficit issues.

FIREFLY ARTS LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

The experience and commitment of the Board and staff meant that we were able to overcome the difficulties to ensure Firefly could continue to deliver an exciting programme for over 850 children and young people this year. We could not have survived the considerable transformation the company underwent without the high level of input and commitment of the staff and participants. Joanna van den Berg took up the role of Director of Firefly on 27th September 2010 and the Board is very grateful for her effective leadership of the Company during this demanding period. We would also like to express our gratitude to everyone involved in delivering and taking part in our work and for their continued dependability and devotion to the company's mission.

Programme activity in 2010/2011 generated a wide range of weekly workshops, holiday activity projects and productions, including school-based drama projects with Pinewood, Donaldsons, St Kentigern's Academy, Bankton, Stoneyburn, Knightsbridge and Our Lady's primary schools. An additional mentoring programme was delivered to schools across Angus and in Carnoustie, Liff and Perth.

Issues based, advocacy and confidence building programmes ran in partnership with Having Your Say (looked after children), Artlink/Angel Wings (children affected by mental illness), Blackburn and Clarendon Day Services, Sure Start (young parents), Yellow Teapot Club (children with autism), West Lothian YWCA and the Alcohol Reduction Team.

Despite reductions in the staff team, Firefly also continued to deliver term-time weekly film and drama workshops in venues across West Lothian. Holiday projects ran throughout the summer months and in the October and February holiday weeks.

Firefly continues to support staff training and development needs and in 2010/11 Firefly staff participated in child protection, BSL, and fundraising training. They also enhanced their theatre and creative practice with input from Promote YT, Plutot La Vie and Ben Twist

Financial review

During the year the charity incurred a deficit of £63,190, however, this was covered by funds brought forward and despite the difficulties faced by the charity, Firefly Arts ended the year with a total surplus for carry forward of £33,629 of which £10,412 was Unrestricted funds. Through the changes that have taken place the trustees are confident that Firefly can continue to strengthen its financial position in the year ahead and move toward a target level of reserves of approximately three months operating expenditure. The trustees consider that reserves at this level would ensure that, in the event of a significant drop in funding, they would be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Firefly remains grateful for the support received from West Lothian Council throughout this challenging year. Our thanks also to our other funders, The Paul Hamlyn Foundation, The Big Lottery, Creative Scotland, Weslo Housing Management, Community Health Promotion and the Mental Health Arts Festival

On behalf of the board of trustees



Charlotte di Corpo

Trustee

Dated: 7 November 2011

FIREFLY ARTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FIREFLY ARTS LIMITED

I report on the accounts of the charity for the year ended 31 March 2011, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, and they consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to our attention.

Basis of independent examiner's report

My examination was carried out in accordance with the Statement of Standards for Reporting Accountants and Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, there is no matter:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of Regulation 8 of the 2006 Accounts Regulations and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;

have not been met; or

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



David Stewart CA

19 Rutland Square
Edinburgh
EH1 2BB

Dated: 7 November 2011

FIREFLY ARTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Incoming resources from generated funds					
Donations and core funding	2	53,548	-	53,548	161,709
Investment income	3	11	-	11	20
		53,559	-	53,559	161,729
Incoming resources from charitable activities	4	52,367	43,299	95,666	181,191
Total incoming resources		105,926	43,299	149,225	342,920
Resources expended					
	5				
Charitable activities					
Youth Theatre Company		160,864	49,513	210,377	315,333
Governance costs		2,038	-	2,038	11,705
Total resources expended		162,902	49,513	212,415	327,038
Net (outgoing)/incoming resources before transfers		(56,976)	(6,214)	(63,190)	15,882
Gross transfers between funds		2,342	(2,342)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(54,634)	(8,556)	(63,190)	15,882
Fund balances at 1 April 2010		65,046	31,773	96,819	80,937
Fund balances at 31 March 2011		10,412	23,217	33,629	96,819

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FIREFLY ARTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	10		2,613		14,343
Current assets					
Debtors	11	8,829		27,723	
Cash at bank and in hand		34,797		82,661	
		43,626		110,384	
Creditors: amounts falling due within one year	12	(12,610)		(27,908)	
Net current assets			31,016		82,476
Total assets less current liabilities			33,629		96,819
Income funds					
Restricted funds	13		23,217		31,773
Unrestricted funds			10,412		65,046
			33,629		96,819

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 7 November 2011


Charlotte di Corpo
Trustee

Company Registration No. SC123773

FIREFLY ARTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

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.

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

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

1.3 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 activity expenditure 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.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line

During the year the company reviewed the basis of depreciating its assets. The change in accounting policy from reducing balance method to straight line basis has resulted in a charge of £13,730 in the current year.

Items under £200 are not capitalised.

1.5 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting Policies

(continued)

1.6 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.

2 Donations and core funding

	2011 £	2010 £
Donations and gifts	3,460	2,682
Grants receivable for core activities	50,088	159,027
	<u>53,548</u>	<u>161,709</u>

3 Investment income

	2011 £	2010 £
Interest receivable	<u>11</u>	<u>20</u>

FIREFLY ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Workshops and Activity weeks	25,615	1,344	26,959	20,311
Grants and other public funding	5,700	41,955	47,655	59,815
Project income	16,603	-	16,603	91,369
Other income	4,449	-	4,449	9,696
	<u>52,367</u>	<u>43,299</u>	<u>95,666</u>	<u>181,191</u>

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2011 £	Total 2010 £
Charitable activities					
<u>Youth Theatre Company</u>					
Activities undertaken directly	126,402	13,730	48,479	188,611	287,495
Support costs	-	-	21,766	21,766	27,838
Total	<u>126,402</u>	<u>13,730</u>	<u>70,245</u>	<u>210,377</u>	<u>315,333</u>
Governance costs	-	-	2,038	2,038	11,705
	<u>126,402</u>	<u>13,730</u>	<u>72,283</u>	<u>212,415</u>	<u>327,038</u>

6 Activities undertaken directly

	Unrestricted	Restricted	2011 £	2010 £
Other costs relating to youth theatre company comprise:				
Rent & Venue Hire	3,406	11,105	14,511	5,182
Travel expenses	1,223	4,173	5,396	13,661
Materials	1,069	6,997	8,066	20,439
Freelancer fees	17,872	1,903	19,775	16,671
Other Costs	231	500	731	1,573
	<u>23,801</u>	<u>24,678</u>	<u>48,479</u>	<u>57,526</u>

FIREFLY ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Support costs

	2011	2010
	£	£
Office costs	21,766	27,838
	21,766	27,838

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2011	2010
	Number	Number
Administration	6	10

Employment costs

	2011	2010
	£	£
Wages and salaries	113,481	190,313
Social security costs	12,921	17,520
	126,402	207,833

There were no employees whose annual remuneration was £60,000 or more.

FIREFLY ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Tangible fixed assets

	Website	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2010	-	68,672	4,168	72,840
Additions	2,000	-	-	2,000
At 31 March 2011	2,000	68,672	4,168	74,840
Depreciation				
At 1 April 2010	-	54,335	4,162	58,497
Charge for the year	667	13,057	6	13,730
At 31 March 2011	667	67,392	4,168	72,227
Net book value				
At 31 March 2011	1,333	1,280	-	2,613
At 31 March 2010	-	14,337	6	14,343

11 Debtors

	2011 £	2010 £
Trade debtors	2,981	25,973
Other debtors	2,382	-
Prepayments and accrued income	3,466	1,750
	8,829	27,723

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdrafts	-	10,224
Trade creditors	4,008	11,184
Other creditors	207	-
Accruals	8,395	6,500
	12,610	27,908

FIREFLY ARTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2010	Movement in funds			Balance at 31 March 2011
	£	Incoming resources	Resources expended	Transfers	£
Scottish Arts Council - Capital Grant	10,042	-	(9,760)	-	282
Paul Hamlyn Foundation	16,304	1,344	(15,306)	(2,342)	-
WLC - Project Grants	1,199	-	(699)	-	500
Big Lottery Fund	4,228	-	(4,228)	-	-
EVS	-	19,514	(19,514)	-	-
Blu	-	22,441	(6)	-	22,435
	<u>31,773</u>	<u>43,299</u>	<u>(49,513)</u>	<u>(2,342)</u>	<u>23,217</u>

Scottish Arts Council and WLC grant are capital grants.

The Blu funds are for a project ongoing at the year end.

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	2,613	-	2,613
Heritage assets	(282)	282	-
Current assets	20,691	22,935	43,626
Creditors: amounts falling due within one year	(12,610)	-	(12,610)
	<u>10,412</u>	<u>23,217</u>	<u>33,629</u>