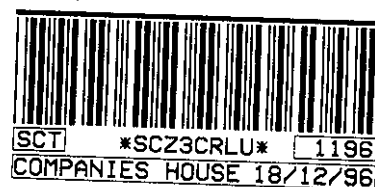


Apex Trust Scotland

Financial statements

31 March 1996



Apex Trust Scotland

Trustees:

J Carruthers
EA Kneale
Rev A McGregor
J Durno
A Bowman
L Gold
J Grant-Hutchison
W Hill - appointed 21 December 1995

Office:

9 Great Stuart Street
Edinburgh
EH3 7TP

Bankers:

Clydesdale Bank plc
21 Queensferry Street
Edinburgh

Solicitors

Shepherd & Wedderburn
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ET

Auditors:

KPMG
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Apex Trust Scotland

Trustees' report

for the year ended 31 March 1996

Introduction

Apex Scotland continues to aim to create equality of opportunity for those with a criminal record and to provide support, guidance, information and training to enhance the employment prospects of offenders, ex-offenders and young people at risk.

Apex has established a network of service delivery units across Scotland each of which is staffed by specialists in the fields of employment, training and criminal justice. These units carry out two main functions:

- (a) Provision of relevant assistance to individual offenders, ex-offenders or "at risk" young people which will enable them to improve their employment prospects and to increase their competitiveness in the labour market.
- (b) Advocacy to local and national employers on the advantages of a recruitment policy and practice which takes account of an individual's criminal record but also seeks to ensure equality of opportunity in employment.

Review of the year

1. *General activities*

Early in the year, Apex achieved accreditation under the Scottish Quality Management System. This award, together with the Investors In People award, underpins the approach adopted. Apex achieved further recognition by The Employment Service for the Trust's policy on the recruitment and employment of disabled people and by the Scottish Council on Alcohol's Employer Award for the Trust's policy on Alcohol and Substance Abuse.

These awards indicate the high value placed on the Trust's staff and the determination of the Trustees to maintain the range and quality of opportunities for all Apex staff to improve their personal and professional development.

This year has also seen the implementation of the new staff structure which has been the subject of wide consultation and extensive preparation. By and large, this has gone very smoothly and all staff are now confident in their roles and in their relationship with the organisation and each other.

The year has seen an increase in the rise of Vocational Guidance and Counselling Services while the provisions of Adult Training, under the LEC funded Training For Work programme, has continued to be reduced; a trend which will continue in 1996/97.

Apex participation in the delivery of Supervised Attendance Order projects to Sheriff and District Courts continued to expand during the year and Apex expertise and experience will be called on to inform further developments of the SAO Programme and to contribute to the creation and implementation of National Standards.

Apex Trust Scotland

Trustees' report (*continued*) for the year ended 31 March 1996

Review of the year (*continued*)

1. *General activities (continued)*

The year saw a continuing and growing emphasis on services for young people in the 14 plus age group. The work has been consolidated by the implementation of a comprehensive strategic approach based on the previous experience of Apex Scotland in this area.

Of particular note is an exciting new project begun in 1995 which aims to challenge and change the behaviour of a group of young people in Fife who have been persistently offending over a long period of time. Funding has been received from The Scottish Office for this 3 year pilot project which will identify how a focus on education and employment might assist in changing the offending behaviour of 14-16 year olds.

A new prison-based project was started in the year to assist prisoners with literacy problems to address them and to undertake some employment preparation work. This was made possible by a 3 year grant from the National Lottery Charities Board which was awarded to Apex in the first ever round of grant disbursements.

The Board of Trustees along with its professional advisers, concluded a review of the legal framework of the Trust and a revised Trust Deed was agreed by The Board and approved by the Inland Revenue during the year.

The Board welcomed Mr Walter Hill to its membership during the year.

The staffing complement of the Trust increased from 62 at March 1995 to 81 at March 1996.

2. *Finance review*

A small surplus of £4,355 was generated from the Trust's activities during the year. This level of surplus is what would be broadly expected under the policies of the Trust, given that the overall target is to break even at the end of each year. The overall balance sheet value increased again and now represents a more stable position than in previous years. Liquidity has remained relatively constant and stable, although the normal difficulties in clearing debtors quickly will almost invariably lead to a short term increase in creditors.

Continued investment in premises, equipment and motor vehicles has contributed to an increase in fixed assets, while the negotiation of start-up grants for new projects is reflected in the continuing high value of deferred credit in the balance sheet.

The Trustees instituted a Working Capital Development Fund during the year and it is anticipated that this will grow over future years to provide an internal source of finance for investment and development purposes.

Apex Trust Scotland Limited, a separate company limited by guarantee, remained dormant during the year.

Apex Trust Scotland

Trustees' report (*continued*)
for the year ended 31 March 1996

Review of the year (*continued*)

2. Finance review (*continued*)

Trust staff continue to assist in the administration of the European Offender Employment Group and the UK Offender Alliance through separate banking and accounting arrangements.

3. Conclusion

1995/96 has seen Apex maintain and increase its financial and operational stability while meeting its strategic aims. The new structure and staff roles will enable a rapid, local response to the emerging and changing needs of the new Unitary Local Authorities. The Strategic Plan continues to provide the overall framework for the achievement of a wide range of objectives and the proportion of objectives being met in each year continues to increase.

In many ways the re-organisation of Local Authorities, changes in The Scottish Prison Service, new political initiatives on Criminal Justice issues and the possibility of a General Election sooner rather than later will all combine to make 1996/97 a year of some uncertainty. The solid foundation laid by the work done in the 1995/96 financial year will enable the Trust to move forward with some confidence and with a clear direction.

The Trustees are grateful for the contribution made to the work of Apex Scotland by a wide range of individuals and organisations who have given generous support and assistance during the year.

On behalf of the Board of Trustees



John Carruthers
Chairman

17 September 1996

Apex Trust Scotland

Statement of trustees' responsibilities

Under the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992, the trustees are required to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the result on income and expenditure account. In preparing those financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice No. 2 ("Accounting by Charities") have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.



Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Auditors' report to the trustees of Apex Trust Scotland

We have audited the financial statements on pages 7 to 13.

Respective responsibilities of trustees and auditors

As described on page 5, the charity's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the trust's affairs as at 31 March 1996 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992.

KPMG
Chartered Accountants
Registered Auditors

23 September 1996

Apex Trust Scotland

Statement of financial activities for the year ended 31 March 1996

	Notes	1996 Unrestricted	1996 Restricted	1996 Total	1995 Total
Incoming resources					
Scottish Office		232,181	86,762	318,943	220,474
Employment services		17,533	9,600	27,133	40,408
Scottish Enterprise	2	184,497	-	184,497	186,437
Prison service		13,206	-	13,206	17,960
Local authorities	3	28,000	959,778	987,778	639,927
EC social fund		13,284	-	13,284	62,600
National Lottery Charities Board		-	15,550	15,550	-
Donations		2,993	-	2,993	13,022
Other income	4	85,714	35,624	121,338	56,492
Total incoming resources		577,408	1,107,314	1,684,722	1,237,320
Resources expended					
Direct charitable expenditure:					
Premises		51,033	138,920	189,953	139,793
Operating costs		20,428	42,339	62,767	53,539
Professional/finance		18,487	60,989	79,476	42,208
Trainee costs		67,689	33,076	100,765	84,654
Travel costs		22,583	55,643	78,226	54,335
Staff costs	5	242,300	762,951	1,005,251	671,649
		422,520	1,093,918	1,516,438	1,046,178
Other expenditure:					
Promotional/publications		7,022	3,521	10,543	9,709
Management and administration of the charity:					
Premises		13,201	-	13,201	12,035
Operating costs		20,234	-	20,234	13,464
Professional/finance		37,747	-	37,747	32,502
Trainee costs		198	-	198	1,035
Travel costs		18,828	-	18,828	15,123
Staff costs	5	63,178	-	63,178	98,781
		153,386	-	153,386	172,940
Total resources expended		582,928	1,097,439	1,680,367	1,228,827
Net movement in funds		(5,520)	9,875	4,355	8,493
Fund balances brought forward at 1 April 1995		19,116	-	19,116	10,623
Fund balances carried forward at 31 March 1996		13,596	9,875	23,471	19,116

The notes on pages 9 to 13 form part of these financial statements.

Apex Trust Scotland

Balance sheet at 31 March 1996

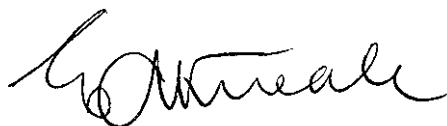
	Notes	£	1996 £	1995 £
Fixed assets	6		164,970	117,658
Current assets				
Stocks	7	10,757		4,156
Debtors and prepayments	8	114,984		87,055
Cash at bank and in hand		40,159		40,659
			<hr/>	<hr/>
		165,900		131,870
Liabilities: amounts falling due within one year				
Creditors	9	122,579		97,769
Deferred income	10	18,000		-
			<hr/>	<hr/>
		140,579		97,769
Net current assets			25,321	34,101
			<hr/>	<hr/>
			190,291	151,759
Liabilities: amounts due after more than one year				
	9		(22,290)	(20,750)
Deferred capital grants	11		(144,530)	(111,893)
			<hr/>	<hr/>
Net assets			23,471	19,116
			<hr/>	<hr/>
Funds				
Accumulated funds	12		23,471	19,116
			<hr/>	<hr/>

Approved by the Trustees on 1st September 1996 and signed on their behalf by:

J Carruthers Trustee



EA Kneale Trustee



Apex Trust Scotland

Notes

1. (a) Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the statement of recommended practice 'Accounting by Charities'. The provisions of Financial Reporting Standard No 1 have been adopted and therefore no cash flow statement is included in the accounts under the de minimis provision.

(b) Basis of preparation

These financial statements have been prepared on a going concern basis which assumes that the trust will continue its operations. The validity of this assumption is dependent upon continued support from the various government bodies who currently finance the trust's operations.

(c) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost by equal instalments over the useful life, as follows:

Tenant's improvements	- over 5 years
Fixtures and fittings	- over 5 years
Training equipment	- over 4 years
Motor vehicles	- over 4 years

(d) Grants receivable

Government and similar grants are included in the income and expenditure account in accordance with the specific terms of the grants. The amount of grant income not yet credited to the income and expenditure account but received in year, is shown in the balance sheet as 'Deferred income'. Similarly, income due by way of grant but not yet received is included in debtors as 'Grant income receivable'. Capital grants are credited to the profit and loss account over the estimated useful economic lives of the fixed assets to which they relate.

(e) Stocks

Stocks are stated at the lower of cost or net realisable value.

(f) Taxation

No provision has been made for income tax. The Trust has obtained confirmation from the Inland Revenue that the Trust is exempt from income tax as a charity under s505 TA 1988 and s145 CGTA 1989.

Apex Trust Scotland

Notes (continued)

2. Scottish Enterprise income

	1996 £	1995 £
Lothian and Edinburgh Enterprise Limited	39,501	43,022
Glasgow Development Agency	-	10,116
Renfrewshire Enterprise	30,381	36,940
Forth Valley Enterprise	-	7,381
Scottish Enterprise Tayside	36,062	50,814
Fife Enterprise	27,935	31,599
Dunbartonshire Enterprise	26,708	4,477
Inverness and Nairn Enterprise	20,412	2,088
Scottish Enterprise	400	-
Moray Badenoch & Strathspey Enterprise	1,376	-
Ross & Cromarty Enterprise	1,722	-
	<hr/>	<hr/>
	184,497	186,437
	<hr/>	<hr/>

3. Local authority income

	1996 £	1995 £
Fife Region	147,875	108,000
Lothian Region	136,411	61,867
Strathclyde Region	259,839	183,067
Tayside Region	162,866	159,157
Grampian Region	117,500	32,166
Highland Region	75,000	50,000
Central Region	88,287	45,670
	<hr/>	<hr/>
	987,778	639,927
	<hr/>	<hr/>

4. Other income

	1996 £	1995 £
Consultancy fees	60,196	22,070
Release of deferred capital grants	38,913	27,275
Bank interest	4,479	773
Reclaimed VAT	6,590	-
Other	11,160	6,374
	<hr/>	<hr/>
	121,338	56,492
	<hr/>	<hr/>

Apex Trust Scotland

Notes (continued)

5. Staff emoluments and numbers

	1996 £	1995 £
Staff emoluments	1,009,900	730,379
Ex-gratia payments	1,265	2,513
Recruitment	26,007	18,053
Training	31,257	19,485
	<u>1,068,429</u>	<u>770,430</u>
Representing:		
Direct charitable expenditure	1,005,251	671,649
Management and administration	63,178	98,781
	<u>1,068,429</u>	<u>770,430</u>
Average number of employees	<u>69</u>	<u>49</u>

6. Fixed assets

	Fixtures and fittings £	Tenants' improvements £	Training equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At beginning of year	75,488	55,292	72,748	91,727	295,255
Additions	21,041	19,120	14,069	46,331	100,561
Disposals	(60)	(769)	(950)	-	(1,779)
	<u>96,469</u>	<u>73,643</u>	<u>85,867</u>	<u>138,058</u>	<u>394,037</u>
<i>Depreciation</i>					
At beginning of year	46,918	22,657	60,781	47,241	177,597
Charge for year	10,393	10,271	5,879	25,734	52,277
Disposals	(40)	(534)	(233)	-	(807)
	<u>57,271</u>	<u>32,394</u>	<u>66,427</u>	<u>72,975</u>	<u>229,067</u>
<i>Net book value</i>					
At 31 March 1996	<u>39,198</u>	<u>41,249</u>	<u>19,440</u>	<u>65,083</u>	<u>164,970</u>
At 31 March 1995	<u>28,570</u>	<u>32,635</u>	<u>11,967</u>	<u>44,486</u>	<u>117,658</u>

Apex Trust Scotland

Notes (continued)

7.	Stocks	1996	1995
		£	£
	Training/production materials	855	844
	Work in progress	119	164
	Loose tools	580	600
	Stationery	3,016	2,548
	Printed materials	2,298	-
	Videos	3,889	-
		<hr/>	<hr/>
		10,757	4,156
		<hr/>	<hr/>
8.	Debtors	1996	1995
		£	£
	Grant income receivable	60,002	58,446
	Other debtors	30,390	3,991
	Prepayments	24,592	24,618
		<hr/>	<hr/>
		114,984	87,055
		<hr/>	<hr/>
9.	Liabilities	1996	1995
		£	£
	<i>Amounts falling due within one year</i>		
	Hire purchase creditor	25,151	20,957
	Trade creditors	56,267	39,515
	Tax and social security	28,880	23,675
	Other creditors	770	871
	Accruals	11,511	12,751
		<hr/>	<hr/>
		122,579	97,769
		<hr/>	<hr/>
	<i>Amounts falling due after one year</i>		
	Hire purchase creditor	17,065	20,750
	Other creditors	5,225	-
		<hr/>	<hr/>
		22,290	20,750
		<hr/>	<hr/>
10.	Deferred income	1996	1995
		£	£
	At beginning of year		9,988
	Received in year	1,548,116	1,130,626
	Transferred to income and expenditure account	(1,531,672)	(1,149,847)
	Receivable as at 31 March 1996	60,002	58,446
	Receivable as at 31 March 1995	(58,446)	(49,213)
		<hr/>	<hr/>
	At end of year	18,000	-
		<hr/>	<hr/>

Apex Trust Scotland

Notes (continued)

11. Deferred capital grants

	1996 £	1995 £
At beginning of year	111,893	21,599
Amortised in year	(38,913)	(27,275)
Received in year	71,550	117,569
	<hr/>	<hr/>
At end of year	144,530	111,893
	<hr/>	<hr/>

12. Accumulated Funds

	1996 £	1995 £
At beginning of year	19,116	10,623
Surplus for year	4,355	8,493
	<hr/>	<hr/>
At end of year	23,471	19,116
	<hr/>	<hr/>

Apex Trust Scotland

Detailed income and expenditure account for the year ended 31 March 1996

	1996 £	1995 £
Incoming resources		
Scottish Office	318,943	220,474
Employment Services	27,133	40,408
Scottish Enterprise	184,497	186,437
Prison service	13,206	17,960
Local authorities	987,778	639,927
EC social fund	13,284	62,600
Donations	2,993	13,022
National Lottery Charities Board	15,550	-
Other income	121,338	56,492
	<hr/>	<hr/>
Total incoming resources	1,684,722	1,237,320
	<hr/>	<hr/>
Resources expended		
<i>Premises:</i>		
Rent, rates and insurance	159,469	120,054
Heat, light and power	20,413	16,702
Property maintenance	9,796	5,045
Cleaning	13,476	10,027
	<hr/>	<hr/>
	203,154	151,828
	<hr/>	<hr/>
<i>Operating costs:</i>		
Post and telephone	29,397	22,805
Printing and photocopying	12,431	8,910
Stationery and office supplies	19,859	11,527
Non capital equipment	2,406	2,695
Office sundries	5,811	3,927
Equipment maintenance	4,313	4,826
Annual report	6,636	4,800
Irreclaimable exempt VAT	2,050	7,247
Miscellaneous	98	266
	<hr/>	<hr/>
	83,001	67,003
	<hr/>	<hr/>

Apex Trust Scotland

Detailed income and expenditure account (continued) for the year ended 31 March 1996

	1996 £	1995 £
<i>Professional and financial expenses:</i>		
Professional fees	34,393	17,646
Audit fees	2,526	2,409
Leasing	22,198	16,411
Hire purchase interest	5,222	4,377
Depreciation	52,277	31,796
Loss on asset disposal	255	1,527
Bank charges	242	531
Bad debt	110	13
	<hr/>	<hr/>
	117,223	74,710
	<hr/>	<hr/>
<i>Promotional/publications:</i>		
Promotional and advertising	5,129	4,964
Affiliations, publications and conference	5,414	4,745
	<hr/>	<hr/>
	10,543	9,709
	<hr/>	<hr/>
<i>Trainee costs:</i>		
Materials (less sales income)	551	3,023
Trainee travel and childcare	28,278	27,812
Training expenses and costs	70,314	42,413
Protective clothing	1,820	1,441
Video production cost	-	11,000
	<hr/>	<hr/>
	100,963	85,689
	<hr/>	<hr/>
<i>Travel and motor expenses:</i>		
Staff travel	97,054	69,458
	<hr/>	<hr/>
<i>Staff costs:</i>		
Salaries	1,009,900	730,379
Ex-gratia payments	1,265	2,513
Recruitment	26,007	18,053
Training	31,257	19,485
	<hr/>	<hr/>
	1,068,429	770,430
	<hr/>	<hr/>
 Total resources expended	 1,680,367	 1,228,827
	<hr/>	<hr/>
 Net surplus for year	 4,355	 8,493
	<hr/>	<hr/>