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**Apex Scotland**  
**Consolidated financial statements**  
**Year ended 31 March 2016**  
**Company Number SC126427**  
**Charity Number SC023879**

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## Trustees and advisers

### Trustees

B Fearon (Chairman)  
A Pinkman Ingram  
B Rankin  
B Cole (Retired 13 January 2016)  
E Smith  
G Samson  
F Crowe  
J Ross  
H Lorrain-Smith  
M McMillan (Resigned 5 March 2016)  
D Asher (Appointed 15 June 2015)  
J Butler (Appointed 15 June 2015)

Observer:  
S Harper

### Chief Executive

A Staff

### Office

9 Great Stuart Street  
Edinburgh  
EH3 7TP

### Bankers

Clydesdale Bank plc  
Festival Square  
50 Lothian Road  
Edinburgh  
EH3 9BY

### Solicitors

Morton Fraser LLP  
Quartermile Two  
2 Lister Square  
Edinburgh  
EH3 9GL

### Auditors

Henderson Loggie  
Chartered Accountants  
34 Melville Street  
Edinburgh  
EH3 7HA

### Company Number

SC126427

## Trustees' report

for the year ended 31 March 2016

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### Introduction

This report, as required by company law, provides an opportunity for the Trustees of Apex Scotland to present stakeholders with full information on all aspects of the organisation's performance in the financial year 2015-16 as well as outlining plans for 2016-17. Thanks are given to Finance staff for their work in ensuring Apex Scotland complies with all necessary requirements and legislation and also to our Auditors, Henderson Loggie, for their advice, guidance and diligence during the audit process.

### Structure Governance and Management

The organisation is a company limited by guarantee. It is recognised as a charity by the Office of the Scottish Charity Regulator and Her Majesty's Revenue and Customs, number SC023879 and is registered at Companies House, number SC126427. The governing document for the organisation is the Articles of Association as lodged at Companies House.

Trustees are appointed by the Board of Trustees and can serve for a maximum of 6 years, 3 years initially and then a further 3 years if so desired. The Chair is appointed for a period of 3 years, notwithstanding previous Board membership and can then, if he/she so wishes, become a Board member for a further 3 years. During the year to 31 March 2016 two Trustees, Brian Cole and Malcolm McMillan, resigned from their positions. Our thanks are given to Brian and Malcolm for their contribution over recent years. During the year we welcomed Juliana Butler and David Asher onto the Board. The Scottish Government, as a funder of Apex Scotland, has an observer to the Board as a condition of grant.

Trustees are appointed with a significant degree of knowledge of the activities of Apex Scotland which is then enhanced through Trustee induction training. This primarily takes the form of discussion with the Chair, followed by discussions with the Corporate Management Team and an opportunity to visit our services around the country as well as attendance at our annual staff conference. This is augmented by attendance at periodic Board/Corporate Management Team "away days" where greater time is made available to discuss specific matters of interest and importance, as well as attendance at external bespoke Trustee training where appropriate. On a yearly basis the Trustees are requested to complete a Declaration of Interest form to ensure that there is no potential conflict of interest arising from their membership of the Board of Trustees of Apex Scotland.

The Board of Trustees has responsibility for setting the pay and remuneration of key management personnel. A number of years ago, the organisation undertook a remuneration review covering all staff which was accepted and approved by the Board. This created a spinal point system which has been adhered to since that date and is only impacted upon by decisions to award cost of living increases. The review took account of pay and remuneration in similar sized charities in an effort to create a benchmark.

At the quarterly Trustees meeting, the Trustees agree the broad strategy and areas of activity for the charity, including consideration of reserves, risk management, operational direction and development, financial/contractual performance and policies. The day to day administration of the charity is delegated to the Chief Executive who, along with the Director of Finance and Corporate Development and Director of Operations, comprise the Corporate Management Team.

### Objectives and Activities

During the year, Apex spent £2,543,753 on employability training. The primary activity of the organisation is to work with people with convictions and those at risk. Our objective is, by the provision of support and employability training, to help individuals to stabilise their lives and gain the skills employers want and support them in progressing to employment or an employment related activity. It is recognised that by gaining employment, the likelihood of re-offending reduces by between one third and one half, thereby confirming our contribution to Scottish Government strategy and a safer society.

We have increasingly seen a need for Apex to contribute to pre-employment activity and support where, at times, the outcome may not in itself be employment but may be the gaining of skills that will enable individuals to consider

## **Trustees' report** *(continued)* *for the year ended 31 March 2016*

### **Objectives and Activities** *(continued)*

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a future involving employment. Apex has significant skills and expertise in this area and has sought to position itself as a partner of choice in this regard. This includes our work with school age and post school clients.

This has led to a clarity of focus for the organisation resulting in a revised vision for the organisation, being that of a fair and just society in which people feel safe from crime, disorder and danger and those who are at risk of gaining or increasing convictions are given the education, support and opportunity they need to change their behaviour, becoming effective citizens leading fulfilling lives.

We aim to achieve that vision through the following approaches:

- Developing early intervention services designed to reduce the likelihood of people gaining convictions.
- Developing desistance based services which reduce the likelihood of re-offending.
- Developing social enterprises designed to be self sustaining models which create opportunities for employment and other meaningful activity and social re-integration.
- Undertaking influence based activities designed to promote social, economic and political change in accordance with our vision.
- Creating and nurturing strategic partnerships which allow more effective or efficient use of resources and opportunity to achieve our purpose.

The organisation looks to achieve its strategic aims and carry out its operational objectives through partnerships with a variety of statutory and non-statutory partners. This is done particularly with Local Authorities, Community Justice Authorities, Scottish Government, Schools, Skills Development Scotland, Jobcentre Plus, Department for Work and Pensions, Alcohol and Drug Partnerships, independent funders and a range of voluntary sector partners. Evidence of the success of our work is variable and dependent upon the needs of funders, but is enhanced through utilisation of our A Positive Future assessment tool which can evidence the progression of each of our service users across a range of factors. Apex recognises the importance of evidencing the success of what we do and providing clarity of work undertaken to our funders. The nature of that evidence is further explained in Achievements and Performance below but is an area where we have a belief that we can evidence real progression for our service users.

Increasingly, Volunteers are playing a prominent role in our activities alongside an increasing involvement in the Community Jobs Scotland initiative funded by the Scottish Government. In both areas we believe that we provide support and training for those individuals working with us and in return we receive highly motivated and increasingly skilful individuals who enable us to enhance our service delivery. We anticipate the use of volunteers to grow in the coming months and years.

### **Achievements and Performance**

The main area of the organisation's work continues to be the provision of employability focused personal development training to people with convictions and those at risk.

Employability Training can take many forms and is delivered on behalf of a diverse range of funders. It can be delivered on our own premises or on an outreach basis; on a 1:1 or groupwork basis; delivered solely by Apex or in partnership with other agencies; within prison or in the community.

Performance is measured by considering the numbers of service users who progress into the hard outcomes of employment, voluntary work, further training, further education or accessing the intermediate labour market. Pleasingly, greater importance is being placed upon the achievement of "soft skills" including reliability, self esteem, team working, conflict resolution, rehabilitation period calculation, letters of disclosure, etc.

Apex is well placed to evidence the improvement in those soft skills through the use of our A Positive Future assessment tool which considers the areas of critical importance in an individual's life. At the commencement of their time with us the individual and staff member will assess the barriers to be overcome which will inform the personal action plan. This is then periodically reviewed and progress can be measured against those areas. This is underpinned by the utilisation of our AIM Higher information management portal. This portal evidences the work

**Trustees' report** *(continued)*  
*for the year ended 31 March 2016*

**Achievements and Performance** *(continued)*

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undertaken with each client and also provides job search opportunities for the individual client. This enables us to have up to date, comprehensive information on the work we are carrying out both for our own purposes and for those of our funders. In our schools-based work we utilise the SHANARRI indicators, evidencing that the young person has the opportunity to be Safe; Healthy; Achieving; Nurtured; Active; Responsible; Respected and Included. This is graphically evidenced through use of the Well Being Web.

Apex continued to provide services to a 10 Local Authority social work departments. In the main this is in the form of an Employability service but also includes, in certain areas, involvement in the provision of the Community Payback Order. By and large engagement with Apex is voluntary and it is testament to the work of our staff that service users continue to choose to engage with our services when there is no compulsion to do so.

We also continued to be a significant deliverer of Stage 2 of the Employability Fund on behalf of Skills Development Scotland, delivering this contract in 4 Local Authority areas. The year 2015-16 saw a continuation of a challenging funding model for this service with funding being made available for new starts, outputs and outcomes achieved. Whilst Apex recognises the merit of such a funding model and is confident in its own ability to achieve the necessary performance, there is a fundamental problem in terms of the number of new starts allotted and the application of necessary resources.

Whilst that approach is completely understandable due to the public sector funding constraints, it has placed additional pressure on Apex as historically we have often been the provider who will work with those most at the margins of society and most prone to chaotic episodes. It has been felt to be strategically important for us to continue to deliver this service where possible whilst awaiting a change to the funding formula and delivery model. It also fits with our strategic aim to maintain and increase our engagement with those at risk of offending in an effort to reduce the likelihood of them progressing into the criminal justice system. We believe that effective early intervention is key to the development of a safer and fairer society. We have, however, witnessed an increasing use of school retention or College placements for a significant proportion of our previous service users. We are concerned that those young people may not be best served by such interventions and will continue to advocate for a wider range of interventions to better reflect the needs of those young people and to ensure that they are not left behind.

We witnessed a growing maturity in our schools based service which means that we now operate in 7 schools across 3 Local Authority areas, with discussions continuing with other schools. We have, however seen an increasing desire of schools to incorporate our service into their own delivery. This is due in part to the funding constraints being faced by schools and is also a tribute to the work of our staff in engaging with those young people who were previously more regularly excluded from mainstream education. Whilst we expect a reduction in the number of schools engaged with in the early part of 2016-17 we continue discussions with more than 12 schools and are working on refocusing the service offered to aid funding proposals and approaches to private sector for financial support to further this important area of work.

Apex continued to provide a number of one off services to Local Authorities and other funders, evidencing our ability to develop services reflective of local need.

Significant efforts continued to be made in all areas of work and whilst not singling out individual services this was particularly true of our Big Lottery funded developments in Dumfries and Galloway, Schools based services, general services in Aberdeen and Inverness and the growth of ILA involvement across the country. Apex had previously also taken the strategic decision to develop its own social enterprise, All Cleaned Up, as the first step towards attempting to reduce our reliance on grant or public sector funding. Greater detail will be provided on All Cleaned Up later in this report. 2015-16 also saw our first foray into another potential social enterprise working in conjunction with Scotrail Alliance and other funding bodies. We anticipate significant progress being made on this front in 2016-17.

We also continued to contribute to the discussions around the development of alternative funding models, whether that be PSP's, Social Investment or other methods. We remain confident that this approach will provide some real success for us in the future and once again shows our commitment to reducing our reliance on more traditional forms of funding as we seek to source a more sustainable future.

**Trustees' report** *(continued)*  
for the year ended 31 March 2016

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**Achievements and Performance** *(continued)*

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Apex also continued to be a member of the Community Jobs Scotland initiative created by the Scottish Government as a successor to the highly successful Future Jobs Fund initiative. We have benefitted from the enthusiasm and skills of the young people we have employed through this initiative and feedback from them suggests that they have gained significant work experience and training from their time with Apex.

2015-16 saw the continuing development of the wholly owned subsidiary of Apex, All Cleaned Up. This has been set up as a social enterprise with a dual aim, being to generate profits which can be gifted to the charity in order to allow us to further our charitable objectives and have less reliance upon grant funding, and also, where possible, to create employment opportunities for our client group.

All Cleaned Up was set up to deliver close cleaning and waste removal services to a commercial market and, hopefully, to public bodies. All Cleaned Up recorded a profit in the sum of £36,270 during 2015-16. This is a significant improvement on previous years and is testament to the efforts of all staff involved. Achieving profitability within the timeframe we have done is impressive for a social enterprise and bodes well for the future, reflecting our efforts to drive up turnover, reduce costs, provide a quality service to customers as well as providing real work opportunities for our service user group. It is significant to note that in 4 years the turnover and other income of this subsidiary has grown from zero to £365,747. This increase has been contributed to by the involvement of All Cleaned Up and Apex in partnership to deliver the Secret Jobs initiative to Department for Work and Pensions and City of Edinburgh Council. Those agencies are to be thanked for their faith in this initiative. Staff at All Cleaned Up are to be thanked for their commitment and enthusiasm to developing and stabilising this entity.

It is important to note that this enterprise has been set up as a separate legal entity to ensure no potential liability passes to Apex Scotland.

During 2014-15 Apex made the decision not to increase the loan made to All Cleaned Up, ensuring that the subsidiary was required to survive and prosper within its own funding. That has been achieved and that improved performance, allied with a budget projection for 2016-17 evidencing a small profit and a continuing positive cash position, provides comfort to the Board of ACU, and the Board of Apex, that ACU is a viable entity moving to a point of profitability and can be viewed as a going concern.

During the year, the Chair of All Cleaned Up, Malcolm McMillan, resigned. We would like to take this opportunity to thank Malcolm for his contribution to the stabilisation and development of our subsidiary throughout his period of involvement.

**Financial Review**

Apex has been forced to continue to work within an environment of reduced funding, no inflationary uplift, increased competition and the retention of fixed costs. All of these factors, allied with the disappointing norm of short term funding and less than full cost recovery, have contributed to a financial position in recent years where use of our reserves has been necessary. In the financial year 2015-16 the charity has posted a small surplus of £294. We are confident that this performance begins to reflect our refreshed strategy which has seen a greater focus on early intervention and desistance based services.

It should be noted that the consolidated accounts of Apex Scotland and our trading subsidiary, social enterprise, All Cleaned Up, show a surplus for the year in the sum of £46,114 (after taking into account consolidation adjustments) and includes a repayment from All Cleaned Up to Apex in the sum of £12,694 towards the loan previously made by the parent charity. As ever, Apex is not funded in a manner which will cover redundancy costs or lease commitments and, as such, severance and dilapidation payments impacted upon the performance evidenced in the 2015-16 financial year, thus highlighting the need for the level of reserves currently held. From that, Apex is confident that it can meet all responsibilities and contractual obligations to staff.

Overall income for the charity reduced by 8.27%, or £229,316 when compared to 2014-15 and this reflects the long standing problem of certain services being underfunded and for a tenth year, we received no inflationary uplift on

**Trustees' report** *(continued)*  
*for the year ended 31 March 2016*

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**Financial Review** *(continued)*

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any of our funding from the majority of our funders. That and the cessation of legitimate surplus making unrestricted contracts have contributed significantly to the challenges of the past few years. We recognise that this position is unlikely to alter dramatically in the foreseeable future and as such we believe that we have reduced our cost base and altered our thinking to an extent that enables us to plan more positively for the future. This view has contributed significantly to our desire to develop social enterprise interventions as well as greater exploration of early intervention services.

The reserves we have accumulated over the previous 28 years have allowed us to withstand this financial pressure in the short term but the Trustees and Corporate Management recognise the need to ensure that Apex lives within its means by both bringing in new sources of funding and ensuring appropriate payment for services delivered. The steps mentioned elsewhere in this report give an indication of the steps being taken to ensure that is achieved.

Apex always attempts to provide services within agreed funding limits but the changing behaviour of some funders, or altered internal circumstances, may, on occasion, mean that this is not always possible. In 2015-16 this has occurred in relation to one Restricted Fund service. This has been brought about by running costs being greater than can be reclaimed from the funder. Should this position continue an appropriate transfer will be made from Unrestricted Funds at the cessation of this service. That proposed resolution does not, however, diminish our intention to reduce costs of delivery in a manner which does not detract from the quality of service offered. The fact that we are able to do this says much for Apex's ability to have built up reserves over a prolonged period of time.

**Risk Management**

The Board of Trustees, along with the Corporate Management Team, has considered the major risks to which the charity is exposed and has established systems and procedures to manage those risks. This takes the form of a risk register which is updated on a quarterly basis and considers the probabilities of any identified risk occurring and the impact should any of those risks materialise. During the period to 31 March 2016 the economic climate and an increasingly competitive environment continued as the greatest risk to the organisation. Steps have been, and continue to be, taken to protect the interests of Apex, its staff and service users through these continuing difficult times.

Similarly, discussions continue to take place in an effort to allow Apex to best deal with the increasingly competitive environment within which we work, whilst remaining true to our charitable objectives. The 2015-16 financial year produced a small operating surplus for the charity despite a continuingly problematic funding formula applied to the Skills Development Scotland Employability Fund initiative, static or reduced funding from many Local Authorities, in light of public sector funding cuts, and a continuing inability to fully recover all costs essentially incurred in the local management and co-ordination of services. Praise must be given to our loyal and dedicated staff who have worked tirelessly to provide high quality service to our service users in this climate whilst expanding the range of services, most notably the introduction of Individual Learning Account courses.

The financial year saw a significant, although reducing in comparison to previous years, applications for funding being submitted, either through open tender process or applications to independent funding bodies. This is over and above the continuation of existing services and reflects the importance placed upon the creation of new funded services by the Board and Corporate Management Team. Disappointingly, there are fewer opportunities open to Apex and other similar organisations and is felt to be the result of reductions in funding available in recent years. Many of these applications are relatively small scale and are submitted to add value to existing initiatives or to enable small scale services to commence. We also continue to attempt to engage with larger scale initiatives whenever possible and a number of applications/tenders are outstanding at this time.

We recognise that the public sector funding cutbacks continue to have a significant effect on the financial position of Apex, although we have mitigated that to a large extent through our actions, and ultimately our staff and service users and they are to be thanked for their professionalism and commitment during these times.



**Trustees' report** *(continued)*  
*for the year ended 31 March 2016*

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**Reserves Policy**

The Board of Trustees has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy, to date, that all unrestricted funds be held in a general unspecified fund for the benefit of the organisation. This allows us to utilise the funds effectively in ever changing conditions whilst not sending out confusing messages to funders and supporters alike. It is also reflective of the fact that as a labour intensive organisation, significant funds require to be retained to fund ongoing operations. This is all the more relevant given this year's financial performance and the expected continuing financial austerity and where Apex may need to access such unrestricted funds to conduct an orderly wind down of services should restricted funds be limited, or withdrawn. Whilst we remain confident as to the ability of Apex to cope with the economic uncertainty there must be recognition of the costs which would be associated with any wind down of the organisation. The contingency for costs which may be required to conduct such an exercise amounts to approximately £280,000 and reflects both redundancy costs and retention of fixed, primarily premises, costs.

At the end of 2015-16 Apex holds £514,910 in reserves with £27,778 being held in restricted funds. A further £487,132 is held as unrestricted reserves. The level of free reserves £442,595 (see note 21) equates to 9.0 weeks of current expenditure. Whilst this is lower than our stated intention of 14 weeks of expenditure being covered by free reserves, Apex is clear in its intention to increase reserves in a measured and sustainable manner. This will be done through continued implementation of our strategic plan, allied with continuing expected returns from our social enterprise trading subsidiary, All Cleaned Up.

**Investment Policy**

Surplus funds, generally held in the form of cash, are invested in a variety of higher interest accounts in an effort to produce the best returns for the organisation with minimal risk. This policy is reviewed on an annual basis to determine its suitability to the organisation and its requirements and, whilst the return on such investments is low given the prevailing interest rate, it is felt that this approach remains the most appropriate for the organisation at this time.

**Plans for Future Periods**

The charity does not intend to dramatically alter the nature of its offering, however it is anticipated that further change will be necessary to allow Apex to operate in a more financially viable manner. This is a necessity given the impact of public sector funding cuts being encountered. The aim is for Apex to maintain its profile, presence and quality of service delivery throughout what is undoubtedly a challenging time.

Development of new areas of work will continue to be given a high priority in the coming months, where it is appropriate for Apex to be involved. This may include services in new geographic areas as well as an attempt to increase our range of provision in existing areas.

Particular areas of work being pursued include, as mentioned elsewhere:

- Development of early intervention services designed to reduce the likelihood of people offending.
- Development of new desistance based services to reduce re-offending.
- Development of social enterprises designed to be self sustaining models which create opportunities for employment and other meaningful activity and social re-integration.
- Undertaking influence based activities designed to promote social, economic and political change in accordance with our vision.
- Creating and nurturing strategic partnerships which allow more effective or efficient use of resources and opportunity to achieve our purpose.
- Exploration of alternative funding models, including accessing private sector funding.

**Trustees' report** *(continued)*  
for the year ended 31 March 2016

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**Responsibilities of the Board of Trustees**

The Board of Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice and:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Statement of Recommended Practice 2005. The Board of Trustees is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. As part of this approach the Board has set up an Audit Committee which meets periodically with our external auditors in an effort to share understanding and ensure that we have appropriate policies and procedures in place.

**Approval**

At the time of approving this report, the Trustees are aware of no relevant audit information of which the company's auditors are unaware and have taken all steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Trustees on 7 July 2016 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'B. Fearon', followed by a long horizontal line extending to the right.

**B. Fearon**  
Chair of Trustees



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# HENDERSON LOGGIE

Chartered Accountants

34 Melville Street  
Edinburgh  
EH3 7HA  
United Kingdom

## **Independent Auditors' Report to the Trustees and Members of Apex Scotland**

We have audited the financial statements of Apex Scotland for the year ended 31 March 2016 which comprise the group Statements of Financial Activities, the group and charitable company Balance Sheets, the group and company statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006, and to the charity'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 charity's trustees those matters we are required to state to them in an auditor's 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 7), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

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

## **Independent Auditors' Report to the Trustees and Members of Apex Scotland (continued)**

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent company's affairs as at 31 March 2016 and of the group and charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



**James Davidson**

Senior Statutory Auditor

For and on behalf of Henderson Loggie, Statutory Auditors

Henderson Loggie is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Edinburgh

7 July 2016

**Consolidated statement of financial activities**  
**(Incorporating Income and Expenditure Account)**  
*for the year ended 31 March 2016*

Year ended 31 March 2016				Year ended 31 March 2015			
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted	Total £
<b>Income from:</b>							
Donations and legacies	2	407,373	27,961	435,334	389,896	-	389,896
Income from investments	3	398	-	398	511	-	511
Other trading activities	4	253,002	-	253,002	344,842	-	344,842
Charitable activities	5	841,738	1,349,246	2,190,984	752,737	1,583,456	2,336,193
<b>Total income</b>		<b>1,502,511</b>	<b>1,377,207</b>	<b>2,879,718</b>	<b>1,487,986</b>	<b>1,583,456</b>	<b>3,071,442</b>
<b>Expenditure on:</b>							
Raising funds	6	261,807	15,388	277,195	356,733	-	356,733
Charitable activities	7	1,180,575	1,375,834	2,556,409	1,223,164	1,626,937	2,850,101
<b>Total expenditure</b>		<b>1,442,382</b>	<b>1,391,222</b>	<b>2,833,604</b>	<b>1,579,897</b>	<b>1,626,937</b>	<b>3,206,834</b>
Net income/expenditure		60,129	(14,015)	46,114	(91,911)	(43,481)	(135,392)
<b>Transfers</b>							
Transfers between funds	18	(29,968)	29,968	-	(38,669)	38,669	-
Net movement in funds		30,161	15,953	46,114	(130,580)	(4,812)	(135,392)
<b>Reconciliation of funds</b>							
Total funds brought forward		504,152	34,069	538,221	634,732	38,881	673,613
<b>Total funds carried forward</b>		<b>534,313</b>	<b>50,022</b>	<b>584,335</b>	<b>504,152</b>	<b>34,069</b>	<b>538,221</b>

The statement of financial activities includes all gains and losses recognised in the year. All results in the current year relate to continuing activities.

**Company statement of financial activities**  
**(Incorporating Income and Expenditure Account)**  
*for the year ended 31 March 2016*

	Note	Year ended 31 March 2016			Year ended 31 March 2015		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted	Total £
<b>Income from:</b>							
Donations and legacies	2	407,373	27,961	435,334	389,896	-	389,896
Income from investments	3	398	-	398	511	-	511
Other trading activities	4	27,676	-	27,676	92,329	-	92,329
Charitable activities	5	769,025	1,311,614	2,080,639	706,877	1,583,456	2,290,333
<b>Total income</b>		<b>1,204,472</b>	<b>1,339,575</b>	<b>2,544,047</b>	<b>1,189,613</b>	<b>1,583,456</b>	<b>2,773,069</b>
<b>Expenditure on:</b>							
Charitable activities	7	1,167,919	1,375,834	2,543,753	1,276,061	1,626,937	2,902,998
<b>Total expenditure</b>		<b>1,167,919</b>	<b>1,375,834</b>	<b>2,543,753</b>	<b>1,276,061</b>	<b>1,626,937</b>	<b>2,902,998</b>
<b>Net income/expenditure</b>		<b>36,553</b>	<b>(36,259)</b>	<b>294</b>	<b>(86,448)</b>	<b>(43,481)</b>	<b>(129,929)</b>
<b>Transfers</b>							
Transfers between funds	18	(29,968)	29,968	-	(38,669)	38,669	-
<b>Net movement in funds</b>		<b>6,585</b>	<b>(6,291)</b>	<b>294</b>	<b>(125,117)</b>	<b>(4,812)</b>	<b>(129,929)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		480,547	34,069	514,616	605,664	38,881	644,545
<b>Total funds carried forward</b>		<b>487,132</b>	<b>27,778</b>	<b>514,910</b>	<b>480,547</b>	<b>34,069</b>	<b>514,616</b>
		=====	=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses recognised in the year. All results in the current year relate to continuing activities.

## Consolidated balance sheet at 31 March 2016

	Note	31-March-2016	31-March-2015
		£	£
<b>Fixed assets</b>	12	<b>67,671</b>	<b>112,946</b>
<b>Current assets</b>			
Stock	14	6,008	-
Debtors and prepayments	15	382,736	268,257
Cash at bank and in hand		405,663	460,421
		<b>794,407</b>	<b>728,678</b>
<b>Creditors: amounts falling due within one year</b>	16	<b>(273,903)</b>	<b>(284,569)</b>
<b>Net current assets</b>		<b>520,504</b>	<b>444,109</b>
<b>Total assets less current liabilities</b>		<b>588,175</b>	<b>557,055</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<b>(3,840)</b>	<b>(18,834)</b>
<b>Net assets</b>		<b>584,335</b>	<b>538,221</b>
<b>Funds</b>			
Unrestricted	18	534,313	504,152
Restricted	18, 19	50,022	34,069
	18	<b>584,335</b>	<b>538,221</b>

These financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the trustees on 7 July 2016 and signed on their behalf by:

  
**B Fearon** *Chair of Trustees*

**Company balance sheet**  
**at 31 March 2016**

	Note	31-March-2016		31-March-2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	12	44,536		79,377	
Investments	13	1		1	
		<u>44,537</u>		<u>79,378</u>	
<b>Current assets</b>					
Stock	14	6,008		-	
Debtors and prepayments	15	325,288		229,362	
Cash at bank and in hand		373,165		445,506	
		<u>704,461</u>		<u>674,868</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(234,088)</u>		<u>(233,346)</u>	
<b>Net current assets</b>		<u>470,373</u>		<u>441,522</u>	
<b>Total assets less current liabilities</b>		<u>514,910</u>		<u>520,900</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	-		(6,284)	
<b>Net assets</b>		<u>514,910</u>		<u>514,616</u>	
<b>Funds</b>					
Unrestricted		487,132		480,547	
Restricted	19	27,778		34,069	
		<u>514,910</u>		<u>514,616</u>	

These financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the trustees on 7 July 2016 and signed on their behalf by:

  
**B Fearon** Chair of Trustees



## Consolidated statement of cash flows

for the year ended 31 March 2016

	Group 2016 £	Group 2015 £
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	46,114	(135,392)
Income from investments	(398)	630
Loan interest paid	1,361	-
Depreciation charges	45,701	41,713
Loss on disposal of assets	11,194	93
(Increase) in stock	(6,008)	-
(Increase)/decrease in debtors	(114,479)	241,552
Decrease/(increase) in creditors	(11,337)	(5,465)
Decrease in creditors > 1 year	(6,283)	(13,891)
<b>Net cash (used in)/provided by operating activities</b>	<b>(34,135)</b>	<b>129,240</b>
<b>Cash flows from investing activities</b>		
Interest received	398	511
Interest paid	(1,361)	(1,141)
Payments to acquire tangible fixed assets	(12,620)	(34,123)
Receipts from sales of tangible fixed assets	1,000	4,900
<b>Net cash (used in) investing activities</b>	<b>(12,583)</b>	<b>(29,853)</b>
<b>Cash flows from financing activities</b>		
Loans drawn	-	25,000
Loans repaid	(8,040)	(4,409)
<b>Net cash (used in)/provided by financing activities</b>	<b>(8,040)</b>	<b>20,591</b>
<b>(Decrease) in cash and cash equivalents in the year</b>	<b>(54,758)</b>	<b>(119,978)</b>
Cash and cash equivalents at beginning of year	460,421	340,443
<b>Total cash and cash equivalents at end of year</b>	<b>405,663</b>	<b>460,421</b>

**Company statement of cash flows**  
**for the year ended 31 March 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	294	(129,929)
Income from investments	(398)	(511)
Loan receipt	(12,694)	-
Depreciation charges	37,314	39,398
Loss on disposal of assets	9,147	93
(Increase) in stock	(6,008)	-
(Increase)/decrease in debtors	(95,926)	239,554
Decrease/(increase) in creditors	742	(17,902)
Decrease in creditors > 1 year	(6,284)	(13,890)
<b>Net cash (used in)/provided by operating activities</b>	<b>(73,813)</b>	<b>116,813</b>
<b>Cash flows from investing activities</b>		
Interest received	398	511
Payments to acquire tangible fixed assets	(12,620)	(1,748)
Receipts from sales of tangible fixed assets	1,000	4,900
Loan receipt	12,694	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(72,341)</b>	<b>120,476</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	<b>(72,341)</b>	<b>120,476</b>
Cash and cash equivalents at beginning of year	445,506	325,030
<b>Total cash and cash equivalents at end of year</b>	<b>373,165</b>	<b>445,506</b>

## Notes (forming part of the financial statements)

### 1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2015), and in accordance with Financial Reporting Standard 102 (FRS 102).

#### Going concern

Trustees regularly monitor the funding streams and evaluate the projected expenditure and the free reserves which are available and have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. At the date of transition no restatements were required. No change was required to net income/(expenditure) and the opening balance remained as previously stated:

	Group 1 April 2014 £	Group 31 March 2015 £	Company 1 April 2014 £	Company 31 March 2015 £
Total funds	673,613 =====	538,221 =====	644,545 =====	514,616 =====

#### (b) Fixed assets and depreciation

Fixed assets are included in the accounts at cost. Those costing below £1,000 are not capitalised.

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

Fixtures and fittings	- over 5 years
Tenant's improvements	- over 5 years
Training and IT equipment	- over 4 years
Motor vehicles	- over 4 years
Management Information System	- over 10 years

#### (c) Group financial statements

These financial statements consolidate on a line by line basis the results of the charity and the results of its wholly owned subsidiary, All Cleaned Up (Scotland) Limited. The subsidiary was incorporated on 24 October 2011 and commenced trading on 1 April 2012.

## Notes (continued)

### 1 Accounting policies (continued)

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#### (d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies income is received by way of grants where entitlement is not conditional on the delivery of a specific performance by the charity, and is included in the statement of financial activities when the charity is entitled to that money.

Income from charitable activities include grants where these are related to performance and specific deliverables, and also includes contract and other income. Grants are included in the statement of financial activities when the company is entitled to that money. Any grant income which may be repayable to the donor is treated as a creditor and is included in 'Other Creditors'. This is also the case where the conditions for receipt of the award have not been fully met. Where the donor has stipulated application of the money in a future year or where amounts have been received in advance for services not yet provided this is included in Deferred Income.

Any income by way of a grant awarded but not yet received is included in debtors as 'Grant income receivable' provided all conditions for entitlement have been met.

Capital grants are credited to the statement of financial activities when the charity receives or becomes entitled to that money.

Donations in kind are not recognised in the financial statements unless material.

Contract and other similar income based on the provision of services, is included in the statement of financial activities when earned. Any contract income which may be repayable to the contractor is treated as a creditor and is included in 'Other Creditors'. Amounts received in advance for services not yet provided are treated as deferred income.

#### (e) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred which is as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned based on the management charge that is charged from Head Office. The allocation of overhead and support costs is analysed in note 7.

#### (f) Taxation

No provision has been made for income tax. The company is recognised by HM Revenue & Customs as a charity for the purpose of the Corporation Tax Act 2010 part II and is exempt from income and corporation tax on its charitable activities.

## Notes (continued)

### 1 Accounting policies (continued)

#### (g) Pensions

The charity operates a defined contribution pension scheme. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year.

#### (h) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Monies earned from contracts for services are treated as unrestricted funds.

Restricted funds are subjected to restrictions on their expenditure imposed by the funder. Disclosure is made of separate restricted fund balances at the year-end where these exceed £10,000.

Transfers between restricted funds and unrestricted funds are made where appropriate to account for expenditure previously met from unrestricted funds at the year end. Where other transfers are required the reasons are noted in the appropriate funds note.

#### (i) Funds received as Agent

Monies received in acting as agents where the charity has no responsibility for the ultimate application of the funds, are not recognised in the statement of financial activities.

#### (j) Training allowances

Amounts received from funders to distribute on their behalf for training allowances are recognised on a receivable basis net of expenditure as these are not considered to be monies within the Charity's control.

#### (k) Operating leases and hire purchase contracts

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts are recorded in the balance sheet as tangible fixed assets and are depreciated with the policy on depreciation. Future instalments, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element and the capital element. The finance element is charged to the Statement of Financial Activities evenly over the period of each contract at the rate applicable at the date of the commencement of the contract. The capital element reduces the outstanding obligation for future instalments.

#### (l) Food bank stock

Stock of donated food is weighed at the year-end and valued based on an agreed value per kilo of £1.68 used by The Trussell Trust for foodbank monitoring. Disbursed foodbank stock during the financial year is assessed and is not recognised in the financial statements unless material. Stock of donated hygiene items is not recognised in the financial statements unless material.

#### (m) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

## Notes (continued)

### 1 Accounting policies (continued)

#### (n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### (o) Redundancy payments

Compensation for loss of employment due to redundancy is based on the current statutory entitlement, however the payment will be calculated using the employee's actual salary and is not subject to the earnings ceiling.

Employees with less than two years' service are not entitled to statutory redundancy pay, they will however receive an ex-gratia payment of two weeks salary.

### 2 Donations and legacies

	Group and Company 2016 £	Group and Company 2015 £
Scottish Government Donations	394,260 41,074	388,435 1,461
	<u>435,334</u>	<u>389,896</u>

### 3 Income from investments

	Group and Company 2016 £	Group and Company 2015 £
Bank interest	398	511
	<u>398</u>	<u>511</u>

### 4 Other trading activities

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Local Authority	9,895	9,895	56,552	56,552
Training and consultancy	7,100	7,100	11,102	11,102
Other income	10,681	10,681	11,189	24,675
Turnover – All Cleaned Up	225,326	-	265,999	-
	<u>253,002</u>	<u>27,676</u>	<u>344,842</u>	<u>92,329</u>

## Notes (continued)

### 5 Income from charitable activities

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
<i>Grants</i>				
Scottish Government	1,100	1,100	39,600	39,600
Local authority:				
Aberdeen City	67,675	67,675	67,675	67,675
Dundee City	92,848	92,848	99,140	99,140
Highland	126,749	126,749	115,167	115,167
Clackmannanshire	41,347	41,347	28,012	28,012
Dumfries and Galloway	96,140	96,140	96,140	96,140
West Dunbartonshire Council	3,826	3,826	30,452	30,452
European Union	47,801	47,801	147,152	147,152
Big Lottery Funding	240,879	240,879	385,570	385,570
	<u>718,365</u>	<u>718,365</u>	<u>1,008,908</u>	<u>1,008,908</u>
<i>Contracts</i>				
City of Edinburgh	-	25,063	-	-
Aberdeen	88,942	88,942	64,185	64,185
Aberdeenshire	25,000	25,000	21,058	21,058
Dundee City	73,588	73,588	-	-
Fife	95,895	95,895	99,061	99,061
Moray	12,587	12,587	32,725	32,725
Dumfries and Galloway	5,453	5,453	5,868	5,868
South West Scotland CJA	25,200	25,200	-	-
Job Centre Plus	32,545	47,679	53,726	53,726
Community Jobs Scotland	44,026	44,026	50,359	50,359
Skills Development Scotland:				
Renfrewshire and Inverclyde	-	-	(25)	(25)
Scottish Borders	36,321	36,321	29,535	29,535
Dumfries and Galloway	51,020	51,020	44,666	44,666
Glasgow	39,198	39,198	47,743	47,743
Forth Valley	21,040	21,040	18,472	18,472
Alcohol and Drug Partnerships	135,660	135,660	133,160	133,160
Scottish Prison Service	31,104	31,104	35,580	35,580
	<u>717,579</u>	<u>757,776</u>	<u>636,113</u>	<u>636,113</u>
<i>Other income</i>				
SDS ILA Income	100,426	100,426	29,585	29,585
Hollywood Trust	9,750	9,750	-	-
Robertson Trust	99,739	99,739	219,573	219,573
Other Trusts	-	-	10,874	10,874
Partnership income	364,775	364,775	371,518	371,518
Other income	176,175	25,633	59,622	13,762
Donations	4,175	4,175	-	-
	<u>755,040</u>	<u>604,498</u>	<u>691,172</u>	<u>645,312</u>
	<u>2,190,984</u>	<u>2,080,639</u>	<u>2,336,193</u>	<u>2,290,333</u>

## Notes (continued)

### 6 Expenditure on raising funds

	Group 2016 £	Group 2015 £
Trading: All Cleaned Up - Cost of goods sold and other costs	277,195	356,733

### 7 Expenditure on charitable activities

	Employability Training Direct Costs £	Support Costs £	Basis of Allocation	Company 2016 Total £	Company 2015 Total £
Payments to Partners / Sub-contractors	110,600	-		110,600	193,491
Foodbank Premises	21,953	-		21,953	-
Operating	163,307	52,325	Pro-rata apportioned Management Fee	215,632	248,458
Professional/ Financial	49,568	34,253	Pro-rata apportioned Management Fee	83,821	120,766
Promotions/ Publications	54,924	73,349	Pro-rata apportioned Management Fee	128,273	90,800
Trainee Costs	2,776	17,102	Pro-rata apportioned Management Fee	19,878	23,871
Travel Costs	56,870	12,101	Pro-rata apportioned Management Fee	68,971	81,128
Staff Costs	108,265	19,085	Pro-rata apportioned Management Fee	127,350	135,303
Provision for bad debts	1,351,618	379,594	Pro-rata apportioned Management Fee	1,731,212	1,912,161
Governance costs (Note 8)	(12,694)	-		(12,694)	43,581
	-	48,757		48,757	53,439
	1,907,187	636,566		2,543,753	2,902,998

Group costs exclude the provision for bad debts as well as £3,963 (2015: £14,722) of premises costs and £Nil (2015: £3,000) of staff costs purchased from the subsidiary.

Group costs also include further amounts paid to the subsidiary's auditors (see note 8).

### 8 Governance costs

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Management team costs	36,187	36,187	41,673	41,673
Audit fees: Company	12,570	12,570	11,766	11,766
Subsidiary	3,545	-	3,185	-
Other fees: Subsidiary	380	-	5,221	-
	52,682	48,757	61,845	53,439



## Notes (continued)

### 9 Staff emoluments and numbers

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Gross wages and salaries	1,766,732	1,584,883	1,979,250	1,750,836
Employer's National Insurance	133,920	125,095	156,884	146,024
Pensions contributions	39,595	39,595	43,420	43,420
	<hr/>	<hr/>	<hr/>	<hr/>
Agency and consultancy fees	1,940,247	1,749,573	2,179,554	1,940,280
Recruitment and training	3,980	2,730	-	-
	15,095	15,095	10,554	13,554
	<hr/>	<hr/>	<hr/>	<hr/>
	1,959,322	1,767,398	2,190,108	1,953,834
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 2016 No	Company 2016 No	Group 2015 No	Company 2015 No
Average number of employees	108	92	113	99
	<hr/>	<hr/>	<hr/>	<hr/>

Staff emoluments for the subsidiary company are included within cost of generating funds.

There was 1 employee (2015: 1) whose emoluments were between £60,000 - £70,000.

There was 1 employee (2015: 1) whose emoluments were between £70,000 - £80,000.

Total remuneration and benefits of the key management personnel of the company were £165,269 (2015: £186,886) and also employer payments made to a defined contribution pension scheme for these personnel were £13,482 (2015: £15,513).

Included in gross wages and salaries is £18,891 redundancy payments (2015: £47,379), £8,787 of which (2015: £6,811) is accrued. No other termination payments are included this year (2015: £11,570 compensation payments, including £3,857 accrued).

### 10 Taxation

No group liability to UK corporation tax arose from the ordinary activities of the trading subsidiary All Cleaned Up for the year to 31 March 2016.

### 11 Net income/expenditure

	Group and Company 2016 £	Group and Company 2015 £
Net income/expenditure is stated after charging:		
HP interest	838	834
	<hr/>	<hr/>

## Notes (continued)

### 12 Fixed assets: Group

	Fixtures and fittings £	Tenant's improvements £	Training equipment £	Motor vehicles £	Management information system £	Total £
<b>Cost</b>						
At beginning of year	52,012	43,043	147,244	201,992	17,220	461,511
Additions in year	-	-	12,620	-	-	12,620
Disposals in year	(8,744)	(5,849)	(64,895)	(2,500)	(17,220)	(99,208)
At end of year	43,268	37,194	94,969	199,492	-	374,923
<b>Depreciation</b>						
At beginning of year	52,012	38,016	141,826	110,109	6,602	348,565
Charge for year	-	1,016	4,373	38,590	1,722	45,701
Disposals in year	(8,744)	(3,802)	(64,894)	(1,250)	(8,324)	(87,014)
At end of year	43,268	35,230	81,305	147,449	-	307,252
<b>Net book value</b>						
At 31 March 2016	-	1,964	13,664	52,043	-	67,671
<b>Net book value</b>						
At 31 March 2015	-	5,027	5,418	91,883	10,618	112,946

### Fixed assets: Company

	Fixtures and fittings £	Tenant's improvements £	Training equipment £	Motor vehicles £	Management information system £	Total £
<b>Cost</b>						
At beginning of year	52,012	37,194	141,919	174,942	17,220	423,287
Additions in year	-	-	12,620	-	-	12,620
Disposals in year	(8,744)	-	(64,895)	(2,500)	(17,220)	(93,359)
At end of year	43,268	37,194	89,644	172,442	-	342,548
<b>Depreciation</b>						
At beginning of year	52,012	34,507	141,244	109,545	6,602	343,910
Charge for year	-	723	3,041	31,828	1,722	37,314
Disposals in year	(8,744)	-	(64,894)	(1,250)	(8,324)	(83,212)
At end of year	43,268	35,230	79,391	140,123	-	298,012
<b>Net book value</b>						
At 31 March 2016	-	1,964	10,253	32,319	-	44,536
<b>Net book value</b>						
At 31 March 2015	-	2,687	675	65,397	10,618	79,377

## Notes (continued)

### 12 Fixed assets (continued)

Included above are assets held under hire purchase contracts:

<b>Group and Company</b>	<b>Motor vehicles £</b>
<i>Net book values</i>	
At 31 March 2016	<b>12,690</b>
At 31 March 2015	31,886
<i>Depreciation charge for year</i>	
To 31 March 2016	<b>19,196</b>
To 31 March 2015	20,695

### 13 Investments

Investments (neither listed nor unlisted) were as follows:

	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Investment in All Cleaned Up (SC409894)	<b>1</b>	1

At 31 March 2016 Apex Scotland owned 100% of the issued share capital of All Cleaned Up (Scotland) Limited, a company incorporated in Scotland on 24 October 2011 with a share capital of £1.

The principal activity of All Cleaned Up (Scotland) Limited is to create real jobs for the people that Apex Scotland support who are often deemed disadvantaged in the employment market. The social enterprise firm provides cleaning and clearing services.

	<b>Net liabilities £</b>	<b>Turnover £</b>	<b>Expenditure £</b>	<b>Profit £</b>
All Cleaned Up	<b>(217,818)</b>	<b>229,289</b>	193,019	36,270

### 14 Stock

	<b>Group and Company 2016 £</b>	<b>Group and Company 2015 £</b>
Stock held for foodbanks	<b>6,008</b>	-

### 15 Debtors

	<b>2016 Group £</b>	<b>Company £</b>	<b>2015 Group £</b>	<b>Company £</b>
Grant income receivable	<b>271,483</b>	<b>297,546</b>	200,940	200,940
Other debtors	<b>89,577</b>	<b>6,842</b>	49,167	10,613
Prepayments	<b>21,676</b>	<b>20,900</b>	18,150	17,809
	<b>382,736</b>	<b>325,288</b>	268,257	229,362

Included in other debtors is a balance of £265,000 (2015: £277,694) due from the subsidiary company, All Cleaned Up (Scotland) Limited, which is due in more than one year. A full provision has been made against this balance.

**Notes (continued)**

**16 Creditors: Amounts falling due within one year**

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
<b>Amounts falling due within one year</b>				
Trade creditors	35,531	30,840	26,526	23,518
Tax and social security	44,060	30,507	44,024	39,021
Other creditors	54,075	45,304	58,313	49,285
Accruals and deferred income	133,950	121,150	141,816	107,632
Hire purchase liability	6,287	6,287	13,890	13,890
	<u>273,903</u>	<u>234,088</u>	<u>284,569</u>	<u>233,346</u>

Financial commitments under finance leases and hire purchase contracts will result in the following payments:

Minimum lease payments under finance leases falling due:

	Group and company	
	2016	2015
	£	£
Within 1 year	6,933	14,725
Within 2-5 years	-	6,933
	<u>6,933</u>	<u>21,658</u>
Future finance charges:	(646)	(1,481)
	<u>6,287</u>	<u>20,177</u>
Present value of finance lease liabilities		
Within 1 year	6,287	13,890
Within 2-5 years	-	6,287
	<u>6,287</u>	<u>20,177</u>

**17 Creditors: Amounts falling due after more than one year**

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Hire purchase: due between two and five years	-	-	6,284	6,284
Other creditors	3,840	-	12,550	-
	<u>3,840</u>	<u>-</u>	<u>18,834</u>	<u>6,284</u>

## Notes (continued)

### 18 Group accumulated funds

	Unrestricted £	2016 Restricted £	Total £
At beginning of year	504,152	34,069	538,221
Surplus/(deficit) for year	60,129	(14,015)	46,114
Transfers	(29,968)	29,968	-
At end of year	<u>534,313</u>	<u>50,022</u>	<u>584,335</u>

Transfers between funds relate to allocations of unrestricted monies to meet deficits arising on restricted funds or remaining balances being transferred to unrestricted funds due to conditions of funding having been fulfilled.

### 19 Restricted balances

	2016		2015	
	Group £	Company £	Group £	Company £
Big Lottery Fund				
- Investing in Communities capital	16,100	16,100	25,300	25,300
- Investing in Communities - revenue	(34,847)	(34,847)	(45,616)	(45,616)
- Support & Connect	-	-	19,173	19,173
- 21 <sup>st</sup> Century Life	-	-	15,267	15,267
South West Scotland CJA	12,555	12,555	-	-
Dundee City	12,720	12,720	-	-
Capital grants	22,244	-	-	-
Other (balances all below £10,000)	21,250	21,250	19,945	19,945
Total	<u>50,022</u>	<u>27,778</u>	<u>34,069</u>	<u>34,069</u>

	Balance b/f £	Income £	Expenditure £	Transfers £	Balance £
Big Lottery Funds					
- Investing in Communities capital	25,300	-	(9,200)	-	16,100
- Investing in Communities - revenue	(45,616)	161,107	(150,338)	-	(34,847)
- Support & Connect	19,173	-	(26,528)	7,355	-
- 21 <sup>st</sup> Century Life	15,267	79,773	(98,882)	3,842	-
At end of year	<u>14,124</u>	<u>240,880</u>	<u>(284,948)</u>	<u>11,197</u>	<u>(18,747)</u>

The Big Lottery Investing in Communities fund is in respect of a 43 month project which was 30 months complete at 31 March 2016. Funds are expected to be received post year end to cover this deficit and should those funds not be sufficient, a transfer from unrestricted funds will be made at the end of the project.

**Notes (continued)**

**20 Group analysis of net assets between funds**

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	45,427	22,244	67,671
Net assets	492,726	27,778	520,504
Creditors due in more than one year	(3,840)	-	(3,840)
	<u>534,313</u>	<u>50,022</u>	<u>584,335</u>

**21 Company analysis of net assets between funds**

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	44,537	-	44,537
Net assets	442,595	27,778	470,373
	<u>487,132</u>	<u>27,778</u>	<u>514,910</u>

**22 Commitments**

Total future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2016		Restated 2015	
	Group £	Company £	Group £	Company £
Not later than one year	69,453	67,212	92,793	90,043
Later than one year and not later than five	171,260	171,260	179,758	179,758
Later than five years	93,600	93,600	122,400	122,400
	<u>334,313</u>	<u>332,072</u>	<u>394,951</u>	<u>392,201</u>
Lease payments recognised as an expense	<u>140,568</u>	<u>127,423</u>	<u>137,832</u>	<u>126,832</u>

**23 Ultimate controlling party**

The charitable company is constituted by its Memorandum and Articles of Association and is controlled by the elected trustees.

**24 Related party transactions**

Partnership income totalling £5,814 (2015: £17,035) was received from Care Farming Scotland during the year for consultancy costs. Alan Staff is a director and John Ross is chairman of Care Farming Scotland. At 31 March 2016 £1,393 is included in debtors (2015: £2,896).

Income amounting to £36,667 was received in relation to Community Jobs Fund Programme from SCVO, an organisation of which Juliene Butler, a trustee appointed on 15 June 2015, is a board member. At 31 March 2016 £4,067 is included in debtors.

Trustees receive no remuneration. One (2015: two) trustee(s) received reimbursement of travel expenses totalling £39 (2015: £53). Trustee indemnity insurance of £545 (2015: £545) was paid during the year.