

Apex Scotland
Consolidated financial statements
Year ended 31 March 2014
Company Number SC126427
Charity Number SC023879

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Trustees and advisers

Trustees	B Fearon (Chairman)
	M McCarron (Resigned 6 December 2013)
	A Pinkman Ingram
	B Rankin
	B Cole
	E Smith
	E Murch
	G Samson (Appointed 17 July 2013)
	F Crowe (Appointed 6 December 2013)

Observer:
J Knox

Chief Executive A Staff

Office 9 Great Stuart Street
Edinburgh
EH3 7TP

Bankers Clydesdale Bank plc
21 Queensferry Street
Edinburgh
EH2 4RD

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 2014

Introduction

This report 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 2013-14 as well as outlining plans for 2014-15. 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.

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 2014 the our Chair, Mike McCarron, retired from his position. Our thanks are given to Mike for his contribution over the years. During the year we welcomed Gordon Samson and Sheriff Frank Crowe onto the Board.

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.

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.

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 2014 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 clients 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 2013-14 financial year produced an operating deficit for the charity due to a number of factors, including a slower than expected uptake of our specialist service to support Work Programme clients, a delay in implementing our Individual Learning Account strategy, a continuingly problematic funding formula applied to the Skills Development Scotland Lifeskills initiative and static or reduced funding from many Local Authorities, in light of public sector funding cuts.

The financial year saw 37 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. Encouragingly, 59% of those applications submitted, which have been replied to at this date, have been successful. 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.

Trustees' report *(continued)* *for the year ended 31 March 2014*

Risk Management *(continued)*

We recognise that the public sector funding cutbacks have had a significant effect on the financial position of Apex and ultimately our staff and clients and they are to be thanked for their professionalism and commitment during these times.

Objectives and Activities

The primary activity of the organisation is to work with (ex)offenders and people 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 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 (re)offending 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 offending.
- Developing desistance based services which reduce 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, Alcohol and Drug Partnerships, Work Programme Prime Contractors, independent funders and a range of voluntary sector partners.

Achievements and Performance

The main area of the organisation's work continues to be the provision of employability focused personal development training to (ex)offenders and people 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 group-work 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 clients 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.

Trustees' report *(continued)*
for the year ended 31 March 2014

Achievements and Performance *(continued)*

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 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.

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 clients 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 the Lifeskills strand of Get Ready for Work on behalf of Skills Development Scotland, delivering this contract in 6 Local Authority areas. The year 2013-14 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.

Encouragingly we witnessed a growth in our schools based service which means that we now operate in 8 schools across 3 local authority areas, an increase of 5 schools and 2 local authority areas.

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 partnership with Community Services Glasgow, Big Lottery funded developments in Dumfries and Galloway and our Inclusion and Inclusion Plus services within Schools. Apex had previously also taken the strategic decision to develop our 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.

In Glasgow we continued to provide staff who complement the work of CSG in the provision of the Community Payback Order in Glasgow. In 2013-14 we provided meaningful support to more than 600 clients through this initiative, supported by European Social Fund Priority 5 monies. We are currently working with the Scottish Council for Voluntary Organisations (SCVO) and other organisations to create a national Third Sector consortium which is positioned to apply for future funds which will enable us to continue providing support to a significant number of people who are, often, otherwise unsupported.

In our schools work we have continued to deliver a highly regarded service within Dunfermline, Lochgelly and Kirkland High schools in Fife. In all of those schools we continue to contribute to significant reductions in exclusion and we have shown a willingness to become involved in many aspects of pupil support where that adds value to existing school approaches, focusing primarily on improved attendance, greater awareness of the consequences of behaviour, development of coping strategies and a greater willingness to engage with positive opportunities.

The current financial year saw us commence service in two other local authority areas, being Moray and Dundee. In Moray we have provided an Inclusion service to Buckie High School with encouraging results and we look forward to building upon that relationship with not only Buckie but also other schools in the area.

Trustees' report *(continued)*
for the year ended 31 March 2014

Achievements and Performance *(continued)*

October 2013 saw the commencement of Inclusion Plus, which is a consortium approach to Inclusion involving Includem and Skillforce, two charities with significant experience in supporting disadvantaged young people. This wider service enables support to be given to young people and their families outwith school hours and enables many young people to gain qualifications and experience opportunities that they would not otherwise access, in addition to the service Apex itself provides. Thanks are due to the Robertson Trust, the Big Lottery and Dundee City Council for their support, financial and governance based, to this initiative which is due to run until July 2016 as a pilot Public Social Partnership.

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.

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.

2013-14 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. As is to be expected with a new start-up of this nature, the first years have resulted in trading losses, £122,411 in 2013-14. 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. The business continues to evolve and a greater variety of work is now being gained through public tender and word of mouth. 2013-14 also saw a significant increase in turnover and development of contacts and expertise. The business plan for All Cleaned Up was reviewed and heavily informed our application to the Enterprise Ready Fund set up by the Scottish Government to aid innovative social enterprises. We were delighted that All Cleaned Up was awarded £73,000 from that fund to be utilised during 2014-15 which will supplement loan funding gained from Social Investment Scotland. On the basis of that funding and a further revision of anticipated income and expenditure in light of a changing environment it is felt that All Cleaned Up has a positive future for the next twelve months although this will be closely monitored.

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 where use of our reserves has been necessary. In the financial year 2013-14 the charity has posted a deficit of £64,347. Whilst disappointing in itself, it is a significant improvement on the previous year and evidences the early impact of the work undertaken during 2013-14 allied with increased efforts to move existing services onto a more viable footing and the exploration of new opportunities. The clarity of focus and other measures, whilst producing some saving during 2013-14 are expected to provide a more promising result in 2014-15. As ever, Apex is not funded to cover for redundancy costs or lease commitments and, as such, severance and dilapidation payments impacted upon the saving made in the 2013-14 financial year.

Overall income increased slightly when compared to 2012-13 but this does not hide the long standing problem of certain services being underfunded and for an eighth year, we received no inflationary uplift on 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.

Trustees' report *(continued)*
for the year ended 31 March 2014

Financial Review *(continued)*

The reserves we have accumulated over the previous 26 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.

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 £300,000 and reflects both redundancy costs and retention of fixed, primarily premises, costs.

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 challenge is for Apex to maintain its profile, presence and quality of service delivery throughout what is undoubtedly a difficult 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.

Trustees' report *(continued)*
for the year ended 31 March 2014

Responsibilities of the Board of Trustees

The Statement of Recommended Practice 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 20 October 2014 and signed on their behalf by:



B Fearon
Chair of Trustees



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA
United Kingdom

Independent Auditor's Report to the Trustees and Members of Apex Scotland

We have audited the financial statements of Apex Scotland for the year ended 31 March 2014 which comprise the group Statements of Financial Activities, the group and charitable company Balance Sheets, the group and company cashflow statement 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 Auditor's 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 2013 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' Annual 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.



Janet Stevenson

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

20 October 2014

Consolidated statement of financial activities
(Incorporating Income and Expenditure Account)
for the year ended 31 March 2014

		Year ended 31 March 2014			Year ended 31 March 2013
	Note	Unrestricted £	Restricted £	Total £	£
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	387,158	-	387,158	384,630
Investment income	3	1,535	-	1,535	4,406
Activities for generating funds	4	354,839	-	354,839	172,522
<i>Continuing incoming resources from charitable activities</i>	5	698,899	1,509,961	2,208,860	2,071,335
Total incoming resources		1,442,431	1,509,961	2,952,392	2,632,893
Resources expended					
Cost of generating funds	6	368,472	-	368,472	181,080
<i>Charitable activities</i>					
Employability training	7	1,207,343	1,499,138	2,706,481	2,583,983
<i>Governance costs</i>	8	64,197	-	64,197	65,504
Total resources expended		1,640,012	1,499,138	3,139,150	2,830,567
Net (outgoing)/incoming resources		(197,581)	10,823	(186,758)	(197,674)
Transfers					
Gross transfers between funds	18	(17,771)	17,771	-	-
Net movement in funds		(215,352)	28,594	(186,758)	(197,674)
Total funds brought forward		850,084	10,287	860,371	1,058,045
Total funds carried forward		634,732	38,881	673,613	860,371

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 2014

		Year ended 31 March 2014			Year ended 31 March 2013
	Note	Unrestricted £	Restricted £	Total £	£
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	387,158	-	387,158	384,630
Investment income	3	1,535	-	1,535	4,406
Activities for generating funds	4	97,297	-	97,297	68,796
<i>Incoming resources from charitable activities</i>	5	698,899	1,509,961	2,208,860	2,071,335
Total incoming resources		1,184,889	1,509,961	2,694,850	2,529,167
Resources expended					
<i>Charitable activities</i>					
Employability training	7	1,441,456	1,499,138	2,940,594	2,583,983
<i>Governance costs</i>	8	52,716	-	52,716	60,224
Total resources expended		1,494,172	1,499,138	2,993,310	2,644,207
Net (outgoing)/incoming resources		(309,283)	10,823	(298,460)	(115,040)
Transfers					
Gross transfers between funds	18	(17,771)	17,771	-	-
Net movement in funds		(327,054)	28,594	(298,460)	(115,040)
Total funds brought forward		932,718	10,287	943,005	1,058,045
Total funds carried forward		605,664	38,881	644,545	943,005

All results in the current year relate to continuing activities.

Consolidated balance sheet
at 31 March 2014

	<i>Note</i>	31 March 2014		31 March 2013	
		£	£	£	£
Fixed assets	<i>12</i>		125,529		102,458
Current assets					
Debtors and prepayments	<i>14</i>	509,809		336,317	
Cash at bank and in hand		340,443		805,057	
			850,252		1,141,374
Creditors: amounts falling due within one year	<i>15</i>	(281,994)		(349,395)	
Net current assets			568,258		791,979
Total assets less current liabilities			693,787		894,437
Creditors: amounts falling due after more than one year	<i>16</i>		(20,174)		(34,066)
Net assets			673,613		860,371
Funds					
Unrestricted	<i>18</i>		634,732		850,084
Restricted	<i>18, 19</i>		38,881		10,287
	<i>18</i>		673,613		860,371

Approved and authorised for issue by the trustees on 20 October 2014 and signed on their behalf by:


B Fearon *Chair of Trustees*

Company balance sheet
at 31 March 2014

	<i>Note</i>	31 March 2014		31 March 2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		122,020		97,779
Investments	13		1		1
			<hr/>		<hr/>
			122,021		97,780
Current assets					
Debtors and prepayments	14	468,916		410,380	
Cash at bank and in hand		325,030		804,777	
		<hr/>		<hr/>	
		793,946		1,215,157	
Creditors: amounts falling due within one year	15	(251,248)		(335,866)	
		<hr/>		<hr/>	
Net current assets			542,698		879,291
			<hr/>		<hr/>
Total assets less current liabilities			664,719		977,071
Creditors: amounts falling due after more than one year	16		(20,174)		(34,066)
			<hr/>		<hr/>
Net assets			644,545		943,005
			<hr/>		<hr/>
Funds					
Unrestricted			605,664		932,718
Restricted	19		38,881		10,287
			<hr/>		<hr/>
			644,545		943,005
			<hr/>		<hr/>

Approved and authorised for issue by the trustees on 20 October 2014 and signed on their behalf by:



B Fearon *Chair of Trustees*

Consolidated cash flow statement

for the year ended 31 March 2014

	<i>Note</i>	Group 2014 £	Group 2013 £
Reconciliation of deficit to net cash outflow from operating activities			
Net outgoing resources for the year		(186,758)	(197,674)
Bank interest receivable		(1,535)	(4,406)
Depreciation charges		32,729	19,926
Gain on disposal of assets		-	(425)
Increase in debtors		(173,492)	(222,571)
Decrease in creditors		(67,401)	(38,473)
(Decrease)/increase in creditors > 1 year		(13,892)	34,056
		<hr/>	<hr/>
Net cash outflow from operating activities		(410,349)	(409,567)
		<hr/>	<hr/>
Cash flow statement			
Net cash (outflow)/inflow from operating activities		(410,349)	(409,567)
Returns on investments and servicing of finance			
Interest received		1,535	4,406
Capital expenditure			
Payments to acquire tangible fixed assets		(55,800)	(93,745)
Receipts from sales of tangible fixed assets		-	425
		<hr/>	<hr/>
Net cash outflow before financing		(464,614)	(498,481)
		<hr/>	<hr/>
Decrease in cash		(464,614)	(498,481)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds (note 19)			
Decrease in cash in the year		(464,614)	(498,481)
		<hr/>	<hr/>
Movement in net funds in the year	20	(464,614)	(498,481)
Funds brought forward	20	803,293	1,301,774
		<hr/>	<hr/>
Net funds at end of year	20	338,679	803,293
		<hr/>	<hr/>

Company cash flow statement
for the year ended 31 March 2014

	2014 £	2013 £
Reconciliation of deficit to net cash outflow from operating activities		
Net outgoing resources for the year	(298,460)	(115,040)
Bank interest receivable	(1,535)	(4,406)
Depreciation charges	31,559	18,756
Deferred capital grants released	-	-
Gain on disposal of assets	-	(425)
Increase in debtors	(58,536)	(296,634)
Decrease in creditors	(84,618)	(50,238)
(Decrease)/increase in creditors > 1 year	(13,892)	34,056
Net cash outflow from operating activities	(425,482)	(413,931)
Cash flow statement		
Net cash outflow from operating activities	(425,482)	(413,931)
Returns on investments and servicing of finance		
Interest received	1,535	4,406
Capital expenditure		
Payments to acquire tangible fixed assets	(55,800)	(87,896)
Receipts from sales of tangible fixed assets	-	425
Payments to acquire investments	-	(1)
Net cash outflow before financing	(55,800)	(87,472)
Decrease in cash	(479,747)	(496,997)
Reconciliation of net cash flow to movement in net funds		
Decrease in cash in the year	(479,747)	(496,997)
Movement in net funds in the year	(479,747)	(496,997)
Funds brought forward	804,777	1,301,774
Net funds at end of year	325,030	804,777

Notes (forming part of the financial statements)

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with the statement of recommended practice 'Accounting and Reporting by Charities' (revised 2005) and accounting standards. They have also been prepared in accordance with the Companies Act 2006, the Charity and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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.

(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.

(d) Incoming resources

Donations and voluntary 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.

Incoming resources 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'. Where there is evidence that grant income may become repayable, this balance is included in deferred income. This is also the case where the conditions for receipt of the award have not been fully met or where the donor has stipulated application of the money in a future year.

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.

Notes (continued)

1 Accounting policies (continued)

(d) Incoming resources (continued)

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) Resources expended

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 set at 10% of project income. The allocation of overhead and support costs is analysed in note 7.

(f) Taxation

No provision has been made for income tax. The charity has obtained confirmation from HM Revenue & Customs that the charity is exempt from income tax as a charity under s505 TA 1988 and capital gains tax as a charity under s256 TCGA 1992.

(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.

Notes (continued)

1 Accounting policies (continued)

(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.

2 Voluntary income

	Group and Company 2014 £	Group and Company 2013 £
<i>Donations & Grants</i>		
Scottish Government	382,693	382,693
Donations	4,465	1,937
	<hr/> 387,158	<hr/> 384,630

3 Investment income

	Group and Company 2014 £	Group and Company 2013 £
Bank interest	1,535	4,406

4 Activities for generating funds

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Training and consultancy	4,721	4,721	-	-
Other income	92,576	92,576	68,796	68,796
Turnover – All Cleaned Up	257,542	-	103,726	-
	<hr/> 354,839	<hr/> 97,297	<hr/> 172,522	<hr/> 68,796

Notes (continued)

5 Incoming resources from charitable activities

	Group and Company 2014 £	Group and Company 2013 £
<i>Grants</i>		
Scottish Government	5,086	69,057
Local authority:		
Aberdeen City	67,675	67,675
Dundee City	132,140	181,378
Highland	125,069	172,055
Renfrewshire	-	39,002
Clackmannanshire	41,347	56,347
Dumfries and Galloway	96,140	150,200
West Dunbartonshire Council	30,452	30,452
European Union	317,303	428,471
Big Lottery Funding	201,727	29
Deferred capital grants released during year	-	11
	<hr/> 1,016,939	<hr/> 1,194,677
<i>Contracts</i>		
Aberdeenshire	25,000	25,101
Fife	103,747	93,886
Moray	20,138	-
Highland	-	659
Dumfries and Galloway	5,063	10,041
Inverclyde	-	2,730
Job Centre Plus	37,680	148,062
Community Jobs Scotland	58,827	-
Skills Development Scotland:		
Renfrewshire and Inverclyde	71,207	89,785
Grampian	-	817
Scottish Borders	57,912	53,769
Dumfries and Galloway	68,554	75,030
Glasgow	59,421	61,850
Forth Valley	13,020	23,770
Alcohol and Drug Partnerships	133,160	121,774
Scottish Prison Service	12,803	-
	<hr/> 666,532	<hr/> 707,274
<i>Other income</i>		
SDS ILA Income	1,400	-
Hollywood Trust	38,633	26,277
Robertson Trust	126,829	20,350
Other Trusts	20,515	-
Charles Hayward	-	10,000
Partnership income	87,969	88,672
Other income	250,043	24,085
	<hr/> 525,389	<hr/> 139,384
	<hr/> 2,208,860	<hr/> 2,071,335

Notes (continued)

6 Cost of generating funds

	Group 2014 £	Group 2013 £
Trading: All Cleaned Up - Cost of goods sold and other costs	368,472	181,080

7 Charitable activities

	Employability Training Direct Costs £	Support Costs £	Basis of Allocation	Group and Company 2014 Total £	Group and Company 2013 Total £
Payments to Partners / Sub-contractors	92,600	-		92,600	-
Premises	188,674	72,615	Pro-rata apportioned Management Fee	261,289	261,465
Operating	64,758	51,767	Pro-rata apportioned Management Fee	116,525	101,903
Professional/ Financial	20,589	54,804	Pro-rata apportioned Management Fee	75,393	53,762
Promotions/ Publications	2,129	15,853	Pro-rata apportioned Management Fee	17,982	26,061
Trainee Costs	87,478	11,513	Pro-rata apportioned Management Fee	98,991	74,849
Travel Costs	105,577	22,654	Pro-rata apportioned Management Fee	128,231	121,093
Staff Costs	1,505,830	409,640	Pro-rata apportioned Management Fee	1,915,470	1,944,850
Provision for bad debts	234,113	-	Pro-rata apportioned Management Fee	234,113	-
	<u>2,301,748</u>	<u>638,846</u>		<u>2,940,594</u>	<u>2,583,983</u>

8 Governance costs

	Basis of allocation	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Management team costs	20% salary costs	42,270	42,270	51,678	51,678
Audit fees: Company	Direct	10,446	10,446	8,546	8,546
Subsidiary		3,090	-	3,600	-
Other fees: Subsidiary		8,391	-	1,680	-
		<u>64,197</u>	<u>52,716</u>	<u>65,504</u>	<u>60,224</u>

Notes (continued)

9 Staff emoluments and numbers

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Gross wages and salaries	1,944,735	1,738,217	1,815,649	1,763,901
Employer's National Insurance	160,978	151,198	154,998	152,066
Pensions contributions	47,978	47,978	58,622	58,622
	<hr/>	<hr/>	<hr/>	<hr/>
	2,153,691	1,937,393	2,029,269	1,974,589
Agency and consultancy fees	4,169	4,169	17,070	17,070
Recruitment and training	16,178	16,178	4,869	4,869
	<hr/>	<hr/>	<hr/>	<hr/>
	2,174,038	1,957,740	2,051,208	1,996,528
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 2014 No	Company 2014 No	Group 2013 No	Company 2013 No
Average number of employees	102	88	91	87
	<hr/>	<hr/>	<hr/>	<hr/>

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

There were 2 employees (2013: 2) whose emoluments were between £60,000 - £70,000.

There were no employees (2013: 1) whose emoluments were between £80,000 - £90,000.

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 2014.

11 Net (outgoing)/incoming reserves

	Group and Company 2014 £	Group and Company 2013 £
Net (outgoing)/incoming reserves is stated after charging:		
HP interest	1,583	958
	<hr/>	<hr/>

Notes (continued)

12 Fixed assets: Group

	Fixtures and fittings £	Tenant's improvements £	Training equipment £	Motor vehicles £	Management information system £	Total £
Cost						
At beginning of year	59,933	43,410	163,955	131,982	17,220	416,500
Additions in year	-	-	-	55,800	-	55,800
At end of year	59,933	43,410	163,955	187,782	17,220	472,300
Depreciation						
At beginning of year	59,749	36,570	161,536	53,030	3,157	314,042
Charge for year	184	1,771	938	28,114	1,722	32,729
At end of year	59,933	38,341	162,474	81,144	4,879	346,771
Net book value						
At 31 March 2014	-	5,069	1,481	106,638	12,341	125,529
Net book value						
At 31 March 2013	184	6,840	2,419	78,952	14,063	102,458

Fixed assets: Company

	Fixtures and fittings £	Tenant's improvements £	Training equipment £	Motor vehicles £	Management information system £	Total £
Cost						
At beginning of year	59,933	37,561	163,955	131,982	17,220	410,651
Additions in year	-	-	-	55,800	-	55,800
At end of year	59,933	37,561	163,955	187,782	17,220	466,451
Depreciation						
At beginning of year	59,749	35,400	161,536	53,030	3,157	312,872
Charge for year	184	601	938	28,114	1,722	31,559
At end of year	59,933	36,001	162,474	81,144	4,879	344,431
Net book value						
At 31 March 2014	-	1,560	1,481	106,638	12,341	122,020
Net book value						
At 31 March 2013	184	2,161	2,419	78,952	14,063	97,779

Notes (continued)

12 Fixed assets (continued)

Included above are assets held under hire purchase contracts:

<i>Group and Company</i>	Motor vehicles £
<i>Net book values</i>	
At 31 March 2014	54,353
At 31 March 2013	75,184
	=====
<i>Depreciation charge for year</i>	
At 31 March 2014	20,832
At 31 March 2013	8,142
	=====

13 Investments

Investments (neither listed nor unlisted) were as follows:

	Company 2014 £	Company 2013 £
Investment in All Cleaned Up	1	1
	=====	=====

At 31 March 2014 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 firm provides cleaning and clearing services.

14 Debtors

	2014		2013
	Group £	Company £	Group £
Grant income receivable	424,220	424,220	261,561
Other debtors	64,759	25,530	39,239
Prepayments	20,830	19,166	35,517
	=====	=====	=====
	509,809	468,916	336,317
	=====	=====	=====
	509,809	468,916	410,380
	=====	=====	=====

Included in other debtors is a balance of £234,113 (2013: £81,976) 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.

15 Creditors: Amounts falling due within one year

	2014		2013
	Group £	Company £	Group £
<i>Amounts falling due within one year</i>			
Trade creditors	27,096	20,819	39,345
Tax and social security	62,458	43,751	43,371
Other creditors	54,497	53,009	78,359
Accruals and deferred income	124,053	119,779	166,416
Hire purchase liability	13,890	13,890	20,140
Bank overdraft	-	-	1,764
	=====	=====	=====
	281,994	251,248	349,395
	=====	=====	=====
	281,994	251,248	335,866
	=====	=====	=====

Notes (continued)

16 Creditors: Amounts falling due after more than one year

	2014		2013	
	Group £	Company £	Group £	Company £
Hire purchase: due between two and five years	20,174	20,174	34,066	34,066

17 Deferred capital grants

	2014		2013	
	Group £	Company £	Group £	Company £
At beginning of year	-	-	10	10
Released in year	-	-	(10)	(10)
	-	-	-	-

18 Group accumulated funds

	Unrestricted £	2014 Restricted £	Total £
At beginning of year	850,084	10,287	860,371
(Deficit)/surplus for year	(197,581)	10,823	(186,758)
Transfers	(17,771)	17,771	-
At end of year	634,732	38,881	673,613

Transfers between funds relate to allocations of unrestricted monies to meet deficits arising on restricted funds.

19 Restricted balances

	2014		2013	
	Group £	Company £	Group £	Company £
Big Lottery Fund				
- Investing in Communities capital	34,500	34,500	-	-
- Investing in Communities - revenue	(13,932)	(13,932)	-	-
- Support & Connect	1,401	1,401	-	-
- 21 st Century Life	3,533	3,533	-	-
Other (balances all below £10,000)	13,379	4,381	10,287	10,287
Total	38,881	38,881	10,287	10,287

	Income £	Expenditure £	Balance £
Big Lottery Funds			
- Investing in Communities capital	36,800	(2,300)	34,500
- Investing in Communities - revenue	33,629	(47,561)	(13,932)
- Support & Connect	35,754	(34,353)	1,401
- 21 st Century Life	95,544	(92,011)	3,533
At end of year	201,727	(176,225)	25,502

Notes (continued)

20 Group analysis of net funds

	At beginning of year £	Cash flow £	Other non cash changes £	At end of year £
Cash at bank: Funds	794,927	(464,434)	-	330,493
Overdraft: All Cleaned Up	(1,764)	1,764	-	-
Cash in hand	10,130	(180)	-	9,950
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	803,293	(462,850)	-	340,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Group analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	125,529	-	125,529
Net assets	529,377	38,881	568,258
Creditors due in more than one year	(20,174)	-	(20,174)
	<u> </u>	<u> </u>	<u> </u>
Total net assets	634,732	38,881	673,613
	<u> </u>	<u> </u>	<u> </u>

22 Company analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	122,021	-	122,021
Net assets	503,817	38,881	542,698
Creditors due in more than one year	(20,174)	-	(20,174)
	<u> </u>	<u> </u>	<u> </u>
Total net assets	605,664	38,881	644,545
	<u> </u>	<u> </u>	<u> </u>

23 Commitments

Annual commitments under non-cancellable leases are as follows:

	2014		2013	
	Group £	Company £	Group £	Company £
Operating leases which expire:				
Within one year	40,766	40,766	21,475	21,475
In second to fifth years inclusive	23,690	12,690	96,987	85,987
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	64,456	53,456	118,462	107,462
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All of the above relate to land and buildings and there were no other non-cancellable leasing commitments

24 Ultimate controlling party

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

Notes *(continued)*

25 Related party transactions

Consultancy costs totalling £Nil (2013: £12,883) were paid to Brian Fearon Limited, a company owned by a trustee of Apex Scotland. No other trustees received remuneration (2013: £Nil).

Income amounting to £13,103 was received from the Scottish Prison Service in the year, a body in which one of the trustees, Eric Murch, is an Executive Director. Partnership income totalling £3,481 was due from Care Farming Scotland at the year end for consultancy costs. Alan Staff is a director of Care Farming Scotland.

Two trustees received reimbursement of travel expenses totalling £264 (2013: £443). Trustee indemnity insurance of £545 (2013: £545) was paid during the year.

A motor vehicle was sold to Apex by Brian Robertson-Fern, a senior manager of the company.

Detailed income and expenditure account
for the year ended 31 March 2014

	2014		2013	
	Group £	Company £	Group £	Company £
Income				
Scottish Government	387,779	387,779	451,750	451,750
Skills Development Scotland	271,514	271,514	305,021	305,021
Local Authorities	646,211	646,211	829,525	829,525
European Union	317,303	317,303	428,471	428,471
Big Lottery Fund	201,727	201,727	29	29
Other income including release of capital grants	640,650	640,650	244,534	244,534
Job Centre Plus	96,507	96,507	148,063	148,063
Drug/Alcohol Action Teams – NHS	133,159	133,159	121,774	121,774
Trading income – All Cleaned Up	257,542	-	103,726	-
Total income	2,952,392	2,694,850	2,632,893	2,529,167
Expenditure				
<i>Payments to Partners / Sub-contractors</i>	92,600	92,600	-	-
<i>Premises</i>				
Rent, rates and insurance	187,708	187,708	192,103	192,103
Heat, light and power	22,039	22,039	28,182	28,182
Property maintenance	31,643	31,643	18,708	18,708
Cleaning	19,899	19,899	22,472	22,472
	261,289	261,289	261,465	261,465
<i>Operating costs</i>				
Post and telephone	26,543	26,543	11,890	11,890
Printing and photocopying	6,558	6,558	7,354	7,354
Stationery and office supplies	13,872	13,872	12,114	12,114
Non capital equipment	13,493	13,493	14,373	14,373
Office sundries	7,930	7,930	9,507	9,507
Equipment maintenance	48,129	48,129	46,665	46,665
	116,525	116,525	101,903	101,903
<i>Professional and financial expenses</i>				
Professional fees	28,469	28,469	19,874	19,874
Audit and accountancy fees	21,927	10,446	13,826	8,546
Leasing	13,017	13,017	13,827	13,827
Hire purchase interest	1,583	1,583	958	958
Depreciation	31,559	31,559	18,756	18,756
Loss on disposals of fixed assets	-	-	(425)	(425)
Bank charges	765	765	772	772
	97,320	85,839	67,588	62,308

Detailed income and expenditure account *(continued)*
for the year ended 31 March 2014

	2014		2013	
	Group £	Company £	Group £	Company £
<i>Promotional/publications</i>				
Promotional and advertising	9,839	9,839	18,195	18,195
Affiliations, publications and conference	8,143	8,143	7,866	7,866
	<hr/>	<hr/>	<hr/>	<hr/>
	17,982	17,982	26,061	26,061
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Trainee costs</i>				
Materials	3,926	3,926	664	664
Protective clothing	12,006	12,006	8,267	8,267
Trainee travel and childcare	9,973	9,973	11,974	11,974
Trainee allowances	1,203	1,203	2,546	2,546
Training costs	71,883	71,883	51,398	51,398
	<hr/>	<hr/>	<hr/>	<hr/>
	98,991	98,991	74,849	74,849
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Travel and motor expenses</i>				
Staff travel	128,231	128,231	121,093	121,093
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Staff costs</i>				
Salaries	1,941,561	1,941,562	1,991,659	1,991,659
Recruitment	4,460	4,460	1,338	1,338
Training	11,718	11,718	3,531	3,531
	<hr/>	<hr/>	<hr/>	<hr/>
	1,957,740	1,957,740	1,996,528	1,996,528
	<hr/>	<hr/>	<hr/>	<hr/>
Provision for bad debts	-	234,113	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Trading costs				
Cost of sales and other costs	368,472	-	181,080	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	3,139,150	2,993,310	2,830,567	2,644,207
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit for year	(186,758)	(298,460)	(197,674)	(115,040)
	<hr/>	<hr/>	<hr/>	<hr/>