

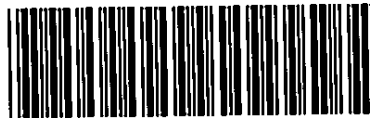
Company No: SC309982  
Scottish Charity No: SC037917

**UPWARD MOBILITY LTD.**  
**(A Company Limited by Guarantee)**

**REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS**

**Year ended 31 October 2012**

WEDNESDAY



\*S2D9L98Z\*

SCT

24/07/2013

#435

COMPANIES HOUSE

C  
|  
—  
T

**UPWARD MOBILITY LTD.**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 October 2012**

<b>Contents</b>	<b>Pages</b>
Report of the Trustees	2 - 8
Auditor's Report	9 - 10
Statement of Financial Activities	11
Balance Sheet	12
Accounting Policies and Notes to the Financial Statements	13 - 19

**UPWARD MOBILITY LTD.**

**REPORT OF THE TRUSTEES**

**REFERENCE and ADMINISTRATIVE INFORMATION**

The Trustees present their report and financial statements for the year ended 31 October 2012.

**Trustees**

The members of the Board of Trustees who have served since the date of the last report are as follows:

C Farquhar (Chair of Board)  
J Ireson  
E Fleming  
L Heraty (Co-opted November 2012)  
S Barclay (Co-opted November 2012)  
L Taylor (Co-opted May 2013)  
A Bunn (Co-opted June 2013)

**Managing Director**

J Barton

**Registered Office**

Art's Complex (St Margaret's House)  
151 London Road  
EDINBURGH  
EH7 6AE

**Auditor**

Chiene +Tait  
Chartered Accountants  
& Statutory Auditor  
61 Dublin Street  
EDINBURGH  
EH3 6NL

**Bankers**

Royal Bank of Scotland plc  
142 – 144 Princes Street  
EDINBURGH  
EH2 4EQ

## **UPWARD MOBILITY LTD.**

### **REPORT OF THE TRUSTEES (Continued)**

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 October 2012. The legal and administrative information on page two forms part of this report.

#### **Directors and Trustees**

The Directors of Upward Mobility Ltd are its Trustees for the purpose of Charity Law and throughout this report are collectively referred to as the Trustees.

The Trustees, who served during the year and since the year-end with areas of particular focus and expertise relevant to their appointment indicated, are as follows:

C Farquhar (Chair of Board): Project Development, Legislation & Policy  
J Ireson: Fundraising & Healthy Living Programme  
E Fleming: Legal Governance, Charity Law & OSCR  
L Heraty (Co-opted November 2012): Student Welfare & Advocacy  
S Barclay (Co-opted November 2012): Corporate Sponsorship / Fundraising Events  
L Taylor (Co-opted May 2013): Human Resources  
A Bunn (Co-opted June 2013): Finance

#### **The Management and Operations team consists of:**

J Barton: Managing Director  
A Chainey: Support Service Manager  
C Thomas: Staff Team 1 / Programme Manager  
G McLay: Staff Team 2 / Manager  
K Russell: Staff Team 3 / Manager  
G Rutherford: Student Welfare Manager  
S Brown: Promotions & Outreach  
V Barton: Student Support Documentation  
L McGinnes: Finance & Administration  
P Sung: Finance / Accounts

#### **OBJECTIVES AND ACTIVITIES**

Upward Mobility Ltd is a charitable organisation based in Edinburgh, but also working in the wider Lothians. Our objective is to promote self-confidence and personal development throughout the community of adults with intellectual and physical difficulties. Upward Mobility specialises in providing educational and creative workshops within a structured and progressive day service environment. Workshops are based upon detailed objectives and individual outcomes, designed to build self-confidence while providing unique opportunities for creative expression and personal development. Upward Mobility provides an extensive range of workshops throughout the week within the areas of *Fine Art, Performing Arts, Community Gardening, Life Skills, Social Awareness, and Work Experience*.

Upward Mobility is also a registered support services provider. Upward Mobility is able to provide one to one support to students 24 hours per day, 7 days per week, 52 weeks per year whenever it is required. The support services provided by Upward Mobility currently constitute the majority of the Charity's income generated.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Upward Mobility Ltd. is a Charitable Company registered as a Charity on 14 March 2007.

The organisation is limited by guarantee and governed by its Memorandum and Articles of Association. The liability of members is limited to £1 each. The organisation was accepted as a charitable body by HM Revenue & Customs and is registered with the Office of the Scottish Charity Regulator (OSCR). The organisation was also registered with the Care Inspectorate on 23 March 2009.

## UPWARD MOBILITY LTD.

### REPORT OF THE TRUSTEES (Continued)

#### Registered Bodies:

Companies House  
Office of the Scottish Charity Regulator (OSCR)  
Care Inspectorate  
Disclosure Scotland  
Criminal Records Bureau Scotland (CRBS)  
Information Commission office (ICO)

#### Membership Organisations

Scottish Council for Voluntary Organisations (SCVO)

#### Partners

Upward Mobility is grateful for the collaborative relationships that have been established with other organisations and service providers.

The **Art's Complex** ([www.artscomplex.org](http://www.artscomplex.org)) has been a key contributor in helping Upward Mobility achieve the development of a highly progressive, educational and supportive environment for our students. **The SPACE** ([www.thespacenb.co.uk](http://www.thespacenb.co.uk)) as well as the **North Berwick Rugby Club** have provided Upward Mobility with subsidised venue hire for running Arts workshops in our North Berwick satellite project. Their support this past year has made the operation of the North Berwick Satellite project possible.

**Care UK** ([www.careuk.com](http://www.careuk.com)), formerly *Housecall Care & Support*, have provided the delivery of person-centred and specialised support for a growing number of our students in the project. Through partnership **Care UK** has assisted Upward Mobility to achieve a greater level of stability while enabling opportunities for many Upward Mobility students.

We have collaborated with **Growing Forth** ([www.growingforth.co.uk](http://www.growingforth.co.uk)) in the area of horticulture which has provided work experience opportunities for a number of Upward Mobility students. **Growing Forth** is a highly innovative and progressive social enterprise based in East Lothian and we look forward to working with them in an increased capacity this coming year.

We continue to work closely with the **City of Edinburgh Council**, **East Lothian Council** and increasingly also with **Midlothian Council** and **West Lothian Council**. Thanks to their interest in Upward Mobility we are able to provide programmed workshops and activities as well as support services for a growing number of Adults with Intellectual and Physical Disabilities who both enjoy and benefit from their involvement with the project. For the second year we have also been fortunate to be able to collaborate with **Edinburgh College** ([www.edinburghcollege.ac.uk](http://www.edinburghcollege.ac.uk)) in facilitating the provision of SQA Access Level 3 courses through Upward Mobility workshops structured upon the Curriculum of Excellence.

#### Strategic Advisors

Upward Mobility is fortunate enough to have access to valuable consultation provided by skilled and experienced individuals who are experts in their field. We refer to these individuals as our 'strategic advisors' and they have provided a significant amount of voluntary input and advice over the last year for which we are very grateful.

Upward Mobility's strategic advisors are as follows:

I Battley: Business Structure & Development  
B Cope: Strategic Development

#### Organisational Structure and Decision Making

The Charity is over-seen by the Managing Director under the guidance and governance of the Board of Trustees. The Managing Director is continuing to develop the management and operations team as befits the organisation's growth and projected demand. This team is professionally equipped to respond to the demands of the service lead operation.

## REPORT OF THE TRUSTEES (Continued)

### Recruitment and Appointment of New Trustees

The Trustees may, at any time, unanimously agree to appoint any person as a Trustee provided that the prescribed maximum number of 12 Trustees is not exceeded. Trustees are co-opted on the basis of the skills they bring and their interest in and commitment to furthering the aims and objectives of Upward Mobility Ltd. Trustees are elected annually by the membership at Upward Mobility's Annual General Meeting.

### Trustee Induction Training

All members are familiarised with the Charity's aims and objectives and work within the constituted guidelines. Trustees, if not already aware, learn the principles and practice of the Charity and Company Regulations as part of their induction. Additional training is offered in relation to roles and responsibilities of individual trustees in the following areas: *Trustees' Roles & Responsibilities, Governance, Finance and Charity Law*. We currently source these trainings through two organisations: *Edinburgh Voluntary Organisational Committee (EVOC)* and *Scottish Council for Voluntary Organisations (SCVO)*.

### Recruitment and Appointment of New Employees and Volunteers

Employees and volunteers are recruited using safe recruitment practices that fully adhere to the National Care Standards regulated by the Care Inspectorate. The National Care Standards require that all new appointees are processed through The Protecting Vulnerable Groups Scheme (PVG) which consists of Enhanced Disclosures conducted by the CRBS (Criminal Records Bureau Scotland) in partnership with Disclosure Scotland.

### Employee and Volunteer Induction Training

Upward Mobility has invested a significant amount of resources into creating its own internal induction training programmes which are completed by all new employees and available to volunteers when required. The objective of the training is firstly to ensure adherence to the National Care Standards and covers the following areas: *Protection of Vulnerable Adults, Support Plans and Writing sensitive Documents, Workshops and Curriculum of Excellence, Epilepsy Awareness, Moving and Positioning Basic First Aid and CPR*. Appointments are made with full reference to service capacity and link skills to appropriate support service and project requirements.

In the instance where new appointees are required for the extra curricular and administrative activities, and *not* support services, then relevant training is provided by Upward Mobility.

### Risk Management

The Trustees have considered the risks faced by the charity and have put appropriate procedures in place to mitigate against any possible impact that these risks may pose. This includes regular reviewing of existing relationships with partnership organisations and monitoring the fluctuating external economic environment, particularly in regard to new funding opportunities and trends in demand for Upward Mobility services. Upward Mobility is currently looking to increase the number of Trustees to strengthen and consolidate governance as well as to enhance the capacity, network and profile of the Charity.

### Related Parties

The Charity is independent of any analogous organisation(s).

## FINANCIAL REVIEW AND ACHIEVEMENTS

The growth in activities has been in line with the planned objectives for the financial year 2011-2012.

The key financial indicators in the year are:

- the overall funds are now in surplus to the value of £95,360
- there has been a 79% increase in annual revenue this year over last
- the working capital ratio is 3.30 which shows a healthy liquidity position
- the acquisition of economically priced accommodation has facilitated business growth

## **UPWARD MOBILITY LTD.**

### **REPORT OF THE TRUSTEES (Continued)**

#### **Income**

Year on year growth has also been established via developing the strong links with Local Authorities, Parent and Carers. Support Services and workshops continue to constitute the principle income for the Charity. Upward Mobility has received grants, through funding applications, which has enabled the development of workshop resources and activities. Residual income via fundraising events/donations increased 11% with a year end balance of £5,468.

#### **Grants**

Total grant funding awarded in the financial year was £40,682, being:

- People's Postcode Trust (Think Global Act Local Fund): £4,948
- Lloyds TSB Foundation (Henry Duncan Awards): £4,200
- Co-operative Group (Community Fund): £2,000
- Bank of Scotland Foundation: £12,500
- People's Postcode Trust: £9,903
- Starbucks Youth Action: £1,955
- RTR Foundation: £4,790
- Arts Complex: £100
- Waitrose: £286

A restricted grant awarded by People's Postcode Trust was allocated to the Charity's community gardening project – Green Seeds. Funds received from Lloyds TSB Foundation, RTR Foundation and People's Postcode Trust (Think Global Act Local Fund) were allocated to the Charity's community films & arts project. Funds awarded by Co-operative Group and Bank of Scotland Foundation were allocated to the refurbishment of the gents lavatory and disabled showering facilities and the over-all overheads of the Charity. Funds received from the Starbucks Youth Action and Waitrose were allocated to the Charity's cookery and healthy eating programme. Funds awarded by the Arts Complex were allocated to the successful pilot project – The Arts Complex's Orchard Project.

The funds mentioned above have been highly beneficial to the participating students of the project by covering costs for additional resources and materials for the workshops and activities which are in growing demand. The cost of generating these funds plus fundraising income in the year of £4,853 was £6,283 ('Cost to funding achieved' ratio 7.25:1).

#### **Expenditure**

Costs were effectively managed and controlled.

Resources Expended – As predicted and planned for support staff salaries took up the greatest part of expenditure, 58.1%. A costing model for workshops was established and continues to be utilised to ensure that satisfactory margins were achieved but not at the expense of favourable 'staff to student' support ratios.

Accommodation – The previous agreement with the Arts Complex leaseholders that the rent of £1,200 per month ended in September 2012. Rent payable of £2,450 per calendar month commenced October 2012.

In previous years, the administrative support in the area of finance and office administration was sourced primarily from volunteer contributors. The last financial year's growth in revenues allowed for the extension of the existing arrangements of part-time staff remuneration to full-time remuneration. This financial year the continued growth in the Charity's revenues allowed for further extension of the existing arrangements to full-time and part-time remunerations to be paid for administrative support.

The allocation for depreciation has risen significantly this year due to the increased expenditure for purchases of Apple Macbook laptops, leasehold improvements and a Portacabin purchased for the facilitation and maintenance of a community gardening project. This is as a result of the capitalisation of funding invested in the refurbishment of the Charity's leased premises.

## **UPWARD MOBILITY LTD.**

### **REPORT OF THE TRUSTEES (Continued)**

#### **Balance Sheet and Cash flow**

The balance sheet for the current year now reflects a surplus of £95,360 in relation to total assets over total liabilities from a deficit of £10,452 in year 2008/9, a surplus of £22,772 in year 2009/10 and a surplus of £62,380 in year 2010/11. Increase in revenues and the effective management of these resources have largely contributed to this position.

Creditors – Total short term liabilities of £17,683 were proactively managed, all outstanding liabilities as at year end were fully settled within specified terms.

Debtors – Effective credit control has ensured that invoiced revenues have been received within the standard timescale, average time to pay period of 21.4 days. Bad debt "write-offs" represent 0.32% of gross service income.

Cash Flow - has been effectively managed and the pressure to meet outgoing commitments within the standard timeframes has eased significantly.

#### **Investment**

The charity's main investment was the expenditure related to the refurbishment of its leased premises on floor B1 in the Arts Complex. By the end of this financial year, it is estimated that 70% of the total funds required to complete the renovations will have been committed.

Any future investments will require further authorisation by the Board of Trustees in conjunction with the financial risk management process.

#### **Reserves Policy**

The Trustees seek to retain reserve policy to cover three months operational costs. The Charity's reserves serve to ensure the safety and welfare of the users of Upward Mobility's services while providing financial sustainability for the organisation. We do aim to increase our reserves retained to increase the level of security for our committed employees.

#### **PLANS FOR FUTURE PERIODS**

The income for Upward Mobility Ltd will continue to be generated primarily through the support services offered by the Charity. As the refurbishments near completion at the *Art's Complex* we will work towards achieving a student population of 90% full capacity but not venture beyond that to allow for needed flexibility. We currently have 105 students attending our workshops each week. We would like to see this number increase to over 130 in the next year.

We will continue to explore opportunities for the development of other satellite projects for Upward Mobility. We are currently running a successful project in North Berwick, which is currently accessed by 15% of our student population. It is our aim to further develop this project as a resource, based upon the model created at the *Art's Complex*, for a localised population of students. In addition to providing opportunity to a greater population, substantial travel costs will also be reduced (*currently incurred by local authority for student transport*).

Further resources will be allocated to our Fundraising efforts through Grants applications. Our objective is to improve the quality of environment and increase the resources available to our students. We are currently working on the construction of a recording studio, a film studio and a dance studio. These features will create a richer experience for our students as well as our staff team. They will also serve to improve the professionalism of projects and events, which run concurrently at Upward Mobility.



REPORT OF THE TRUSTEES (Continued)

**TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also Directors of Upwards Mobility Ltd. for the purposes of Company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for the year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

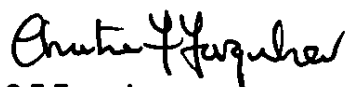
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**BY ORDER OF THE BOARD**



C F Farquhar  
Trustee, Chair of Board

18<sup>th</sup> July 2013

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

### AND MEMBERS OF UPWARD MOBILITY LTD



We have audited the financial statements of Upward Mobility Ltd for the year ended 31 October 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely 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 (as amended). 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 the 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 as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the 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 Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2012, and of its 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 (applicable to smaller entities); 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).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

AND MEMBERS OF UPWARD MOBILITY LTD (*Continued*)



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

In our opinion the information given in the Report of the Trustees 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 charitable company has not kept proper and adequate accounting periods or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees 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 Report of the Trustees.

*Malcolm A Beveridge*

Malcolm Beveridge BA CA (Senior Statutory Auditor)  
For and on behalf of  
CHIENE + TAIT  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

23 July 2013

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**UPWARD MOBILITY LTD.**

**STATEMENT of FINANCIAL ACTIVITIES**

**Year ended 31 October 2012**

	Notes	Restricted Funds £	Un- restricted Funds £	2012 Total £	2011 Total £
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	-	515	515	1,039
Activities for generating funds – fundraising		-	4,853	4,853	3,875
Interest received		-	199	199	1
Incoming resources from charitable activities	3	40,682	684,156	724,838	403,872
<b>Total incoming resources</b>		<b>40,682</b>	<b>689,723</b>	<b>730,405</b>	<b>408,787</b>
<b>Resources expended</b>					
Cost of generating funding	5	-	6,283	6,283	2,287
Charitable activities	6	55,178	633,084	688,262	365,272
Governance	8	-	2,880	2,880	1,620
<b>Total resources expended</b>		<b>55,178</b>	<b>642,247</b>	<b>697,425</b>	<b>369,179</b>
<b>Net (outgoing)/incoming funds before transfers</b>		<b>(14,496)</b>	<b>47,476</b>	<b>32,980</b>	<b>39,608</b>
Transfers between funds	13	-	-	-	-
<b>Net movement in funds</b>		<b>(14,496)</b>	<b>47,476</b>	<b>32,980</b>	<b>39,608</b>
Total funds brought forward		20,129	42,251	62,380	22,772
<b>Total funds carried forward</b>	<b>13,14</b>	<b>5,633</b>	<b>89,727</b>	<b>95,360</b>	<b>62,380</b>

The company has no recognised gains or losses other than those included in the Statement of Financial Activities.

All activities relate to continuing operations

The notes on pages 13 to 19 form part of these financial statements.

**UPWARD MOBILITY LTD.**

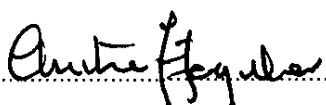
**BALANCE SHEET**

**As at 31 October 2012**

	Notes	£	2012 £	£	2011 £
<b>Fixed assets</b>	11		39,274		37,032
<b>Current assets</b>					
Debtors	12	13,813		19,654	
Cash at bank and in hand		66,709		43,572	
		<u>80,522</u>		<u>63,226</u>	
<b>Creditors:- Amounts falling due within one year</b>					
Sundry creditors and accruals		17,683		37,878	
Taxation and social security		6,753		-	
		<u>24,436</u>		<u>37,828</u>	
<b>Net current assets</b>			56,086		25,348
<b>Net assets</b>			<u>95,360</u>		<u>62,380</u>
			=====		=====
<b>Funds</b>					
Restricted funds	13	5,633		20,129	
Unrestricted funds - General	14	89,727		42,251	
			<u>95,360</u>		<u>62,380</u>
<b>Total Funds</b>			=====		=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 18<sup>th</sup> July 2013 and signed on its behalf by:

 C F Farquhar

Company No. SC309982

The notes on pages 13 to 19 form part of these financial statements.

# **UPWARD MOBILITY LTD.**

## **NOTES to the FINANCIAL STATEMENTS**

### **For the year ended 31 October 2012**

#### **1. Accounting Policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity 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 these financial statements.

##### **Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Cost of generating funds are those costs associated with the generation of the Charity's incoming resources.

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

##### **Fixed assets**

Items costing less than £500 are not capitalised in the balance sheet.

##### **Depreciation**

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

Motor vehicle	- 33 1/3 % straight line
Office equipment	- 33 1/3 % straight line
Leasehold improvements	- 20% straight line

##### **Voluntary income**

Voluntary income is received by way of grants, donations and gifts, and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by Upward Mobility Ltd, are recognised when Upward Mobility Ltd becomes unconditionally entitled to the grant.

##### **Project grants receivable**

Project grants, including capital grants, are included in incoming resources when they are receivable.

##### **Incoming resources from charitable activities**

Incoming resources from charitable trading activity are accounted for when earned.

##### **Operating lease**

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

##### **Volunteers**

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution of volunteers can be found in the Report of the Trustees.

## UPWARD MOBILITY LTD.

### NOTES to the FINANCIAL STATEMENTS (Cont'd)

#### For the year ended 31 October 2012

#### 1. Accounting Policies (Contd.)

##### **Restricted Funds**

###### Community Film and Arts Project

Lloyds TSB Foundation for Scotland donated £4,200 to the Charity for the development of the Community Film and Arts Project. The RTR Foundation also donated £4,790 to the project. The total funds of £8,990 were used to facilitate the Charity's on-going film and arts projects. £3,977 of the funds received were utilised in the purchase of fixed assets for the project. The balance on this fund at the year end represents the net book value of those fixed assets at 31 October 2012.

###### Green Seeds Project

The Peoples' Postcode Trust donated £9,930 towards the development of the Community Garden Project entitled the Green Seeds Project.

###### Café Project

Starbucks Youth Action and Waitrose donated £1,955 and £286 respectively towards the Café Project. This fund was provided to aid Upward Mobility's creation of a training kitchen for students which has now been achieved.

###### Think Global Act Local

The Peoples' Postcode Trust donated £4,948 towards the Think Global Act Local Project. This donation enabled Upward Mobility to equipment necessary to provide professional workshops for the public in the annual *Big Tent Festival*.

###### Co-Op Community Fund

The Co-Op Community Fund donated £2,000 towards the development of the Project. This fund contributed to the expense of monthly over-heads.

###### Operational Salary Costs

Donation from Bank of Scotland Foundation of £12,500 towards of the salary costs of Upward Mobility's operational staff.

###### Arts Complex Orchard Project

Funds awarded by the Arts Complex of £100 were allocated to the successful pilot project.

##### **Unrestricted Funds**

###### General fund

The General fund represents the unrestricted funds, which the Trustees are free to use in accordance with the charitable objects.

#### 2. Voluntary income

	2012 £	2011 £
Donations	515 =====	1,039 =====

**UPWARD MOBILITY LTD.**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 October 2012**

<b>3. Incoming resources from charitable activities</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Service income	684,156	376,353
<b><i>Project grants received</i></b>		
Community Film and Arts Project:		
- Lloyds TSB Foundation for Scotland	4,200	-
- RTR Foundation	4,790	-
Bike Club:		
- CTC Charitable Trust	-	2,594
Operational Salary Costs:		
- The Robertson Trust	-	12,000
- Bank of Scotland Foundation	12,500	-
Café Project:		
- Starbucks Youth Action	1,955	-
- Waitrose	286	-
Think Global Act Local:		
- Peoples' Postcode Trust	4,948	-
Co-Op Community Fund:		
- Co-Op Community Fund	2,000	-
Arts Complex Orchard Project:		
- Arts Complex	100	-
Green Seeds:		
- Peoples' Postcode Trust	9,903	-
- Awards For All	-	9,935
- Consumer Focus	-	2,990
	<b>724,838</b>	<b>403,872</b>
	<b>=====</b>	<b>=====</b>

<b>4. Staff Costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	387,303	211,020
Social security costs	18,180	12,208
	<b>405,483</b>	<b>223,228</b>
	<b>=====</b>	<b>=====</b>

Average (full time equivalent) staff numbers during the year were 22 (2011: 12). No employee received emoluments in excess of £60,000 during the year.

No remuneration or reimbursement of expenses was paid to the Trustees during the year.



**UPWARD MOBILITY LTD.**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 October 2012**

<b>5. Costs of generating funds</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Salary costs	5,400	1,400
Fundraising expenses	883	887
	-----	-----
	6,283	2,287
	=====	=====

**6. Resources expended – Charitable Activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
Community Film and Arts Project	-	2,763	2,763	7,164
Think Global Act Local	-	1,864	1,864	-
Green Seeds	-	11,528	11,528	5,801
Salary costs	400,009	5,474	405,483	221,828
Project support	128,038	3,033	131,071	48,043
Management fees	19,521	3,523	23,044	16,775
Support costs	85,516	26,983	112,499	65,661
Bike Club	-	10	10	-
	-----	-----	-----	-----
	633,084	55,178	688,262	365,272
	=====	=====	=====	=====

<b>7. Support costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Registrations and subscriptions	1,741	1,426
Training and expenses	3,228	1,223
Marketing, communication and publication	6,465	1,115
Rent	15,725	9,024
Maintenance	26,640	2,596
Administration fees	14,896	21,331
Postage, stationery and telephone	6,484	4,193
Computer expenses	11,909	2,106
Insurance	1,412	1,231
Subsistence, travel and motor expenses	5,188	6,307
Professional fees	713	722
Bank charges	801	934
Depreciation	17,087	12,769
Sundry expenses	210	684
	-----	-----
	112,499	65,661
	=====	=====

<b>8. Governance costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Independent examination - 2011	-	1,620
Audit - 2012	2,880	-
	-----	-----
	2,880	1,620
	=====	=====

**UPWARD MOBILITY LTD.****NOTES to the FINANCIAL STATEMENTS (Contd.)****For the year ended 31 October 2012****9. Net incoming resources**

	<b>2012</b>	<b>2011</b>
	£	£
This is stated after charging:		
Auditor's remuneration	2,880	-
Independent examiner's remuneration	-	1,620
Depreciation	17,807	12,769
	=====	=====

**10. Taxation**

Upward Mobility Ltd has been accorded charitable status for taxation purposes by HM Revenue and Customs. In the year to 31 October 2012 it is considered that Upward Mobility Ltd's activities were within the scope of the charitable status and accordingly no provision for taxation is necessary.

<b>11. Fixed assets</b>	<b>Motor Vehicle</b>	<b>Leasehold Improve- ments</b>	<b>Gardening &amp; Office Equipment</b>	<b>Total</b>
	£	£	£	£
Cost				
At 1 November 2011	3,000	42,544	9,786	55,330
Additions	800	10,556	7,973	19,329
Disposals	-	-	(608)	(608)
	-----	-----	-----	-----
At 31 October 2012	3,800	53,100	17,151	74,051
	-----	-----	-----	-----
Depreciation				
At 1 November 2011	1,000	11,272	6,026	18,298
Charge for year	1,266	10,620	5,201	17,087
On disposals	-	-	(608)	(608)
	-----	-----	-----	-----
At 31 October 2011	2,266	21,892	10,619	34,777
	-----	-----	-----	-----
Net book value at 31 October 2012	1,534	31,208	6,532	39,274
	=====	=====	=====	=====
Net book value at 31 October 2011	2,000	31,272	3,760	37,032
	=====	=====	=====	=====

**12. Debtors**

	<b>2012</b>	<b>2011</b>
	£	£
Service income debtors	12,647	19,476
Prepayments	1,166	178
	-----	-----
	13,813	19,654
	=====	=====

**UPWARD MOBILITY LTD.**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 31 October 2012**

**13. Restricted Funds**

Funds to be applied for the purposes specified by the Donors (as set out in note 1).

	Balance at 31 October 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2012 £
Community Film and Arts Project	1,325	8,990	9,942	-	373
Green Seeds	12,687	9,903	18,924	-	3,666
Think Global Act Local	-	4,948	4,816	-	132
Café Project	-	2,241	1,211	-	1,030
Co-Op Community Fund	-	2,000	1,568	-	432
Bike Club	2,594	-	2,594	-	-
Arts Complex Orchard Project	-	100	100	-	-
Operational Salary Costs	3,523	12,500	16,023	-	-
	20,129	40,682	55,178	-	5,633
	=====	=====	=====	=====	=====

Where appropriate, transfers to restricted funds from unrestricted funds represent the reimbursement of costs incurred in excess of income on the restricted projects.

**14. Unrestricted Funds**

	Balance at 31 October 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2012 £
General fund	42,251	689,723	642,247	-	89,727
	=====	=====	=====	=====	=====

**15. Capital**

The company being limited by guarantee has no share capital.

**16. Commitments**

**a) Operating Lease Commitments**

At 31 October 2012 the company held annual commitments under a non-cancellable lease as set out below.

	2012 £	2011 £
Operating leases which expire:		
Less than one year	36,650	14,400
Between 2 and 5 years	1,028	-
	=====	=====

**b) Capital Commitments**

There were no capital commitments as at 31 October 2012.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2012

17. Analysis of net assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted	3,166	2,467	5,633
General Fund	36,108	53,619	89,727
	-----	-----	-----
	39,274	56,086	95,360
	=====	=====	=====