

Company No: SC309982
Scottish Charity No: SC037917

UPWARD MOBILITY LTD.
(A Company Limited by Guarantee)

**CONSOLIDATED REPORT OF THE TRUSTEES
and FINANCIAL STATEMENTS**

For the year ended 31 October 2019



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UPWARD MOBILITY LTD.

REPORT and FINANCIAL STATEMENTS

For the year ended 31 October 2019

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UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES

For the year ended 31 October 2019

REFERENCE and ADMINISTRATIVE INFORMATION

The Trustees present their report and financial statements of the Charity and its subsidiary for the year ended 31 October 2019.

Trustees

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

L Bird

S Dow

E Mitchell – Chair of Board and interim CEO (6 January 2020 to 16 May 2020)

Managing Director

J Barton (Resigned 1 November 2019)

Chief Executive

A Thomson (Appointed 18 May 2020)

Registered Office

Links House
15 Links Place
Suite 4/5
EDINBURGH
EH6 7EZ

Auditor

Chiene +Tait LLP
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)

For the year ended 31 October 2019

OBJECTIVES AND ACTIVITIES

Upward Mobility (Upmo) is an Edinburgh-based Charity providing support and opportunity for adults with learning difficulties and autism. For more than a decade, we've been combining tailored support services with an increasingly respected curriculum of creative workshops, educational activities and vocational programmes. We're driven by a passionate belief that every person in society should be given the opportunities they need to develop their potential and play an equal, inclusive and rewarding role in their communities. We encourage our students to build confidence, develop life skills and enhance their employability – through music, drama, art and other expressive and physical activities. The support services provided by Upward Mobility currently constitute the majority of the Charity's income generated.

Chair's comments

What a year it has been!

Relocation: We have made tremendous progress having relocated many student workshops and our head office to Links House. It is a lovely feeling to look out the windows over Leith Links and think back to Upmo's origins more than 13 years ago and how far the organisation has come. We were fortunate that Scotland's First Minister, Nicola Sturgeon, agreed to officially open our new home and launch our highly exciting and ambitious plans for our Leith Campus.

Covid-19: We are also successfully managing one of the biggest challenges that Upmo, and the world, have faced in the form of the Covid-19 global pandemic. It pretty much closed the organisation overnight causing much anxiety, stress and concern amongst every student and staff member not only for their own individual circumstances but collectively for each other and the organisation's future. The demonstration of unity, compassion and understanding shown by staff, students and families has been quite overwhelming as difficult decisions were taken. I must personally thank Claire Turnbull, Wendy MacAdie and Alice Farmer for their direct practical action, support and relentless commitment during these challenging times.

This has also had an impact on Trustees, and I must thank them on behalf of the organisation, not only for their on-going commitment, but for how available they have been for my sometimes-daily calls for support and direction. Liz Taylor and Sophie Dow are a huge asset to Upmo, and we are fortunate to have their expertise at Board level.

Funding: Like all voluntary organisations, we are heavily reliant on our funders, whether through commissioned services, grants, trusts or individuals. They have shown support that has enabled Upmo to continually grow and develop successively through recent years and 2018/19 was no different. The on-going financial commitment offered by Midlothian, East Lothian and City of Edinburgh Councils through the Covid-19 outbreak was a significant lifeline and has further strengthened our relationships. We are also extremely grateful to the various Trusts that have allowed flexible use of our current funding as well as Scottish and Local Government for offering additional Covid-19 funding support.

Future: So, we now look to the future as we review plans for Upmo's Performing Arts Hub and further development of Leith Campus. The ambition and resolve to realise this vision have not diminished. Arguably, it has strengthened in adversity. The experience we have gained through our recent appointment of Andrew Thomson as Chief Executive will be invaluable. We are excited to work with Andrew as he leads Upmo into a new era in the organisation's history.

Our Founder: However, this future would not have been possible without Upmo's Founder, Josh Barton. I cannot think of another individual in Scotland who has grown an idea into an organisation of the size, significance and quality that Upmo is today. It would not be possible without his drive, determination and dogged hard work. It is with huge confidence and admiration that we say thank you and good luck as Josh moves onto his next new adventures.

It is with that in mind, we will focus on re-establishing and improving Upmo's offer to students, financially strengthening the organisation, and continuing our work on delivering the Upmo Campus as we emerge from the Covid-19 crisis. Massive thanks to every person involved with Upmo in the past 12 months.

Eric Mitchell, Chair of the Board of Trustees, Upward Mobility

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

REVIEW OF THE YEAR

In 2018, the owners of St Margaret's House, our main premises, announced they had entered into an agreement to sell the building, although timescales are still to be finalised. Upmo's Managing Director and Trustees were already investigating alternative options for Upmo as our success meant we had almost outgrown St Margaret's House. This announcement accelerated those plans and the charity's activity throughout the year has focussed on building Upmo's physical and staffing infrastructure, together with partnership working to extend the reach and profile of the charity.

Campus Development

Our vision is to build an Upmo campus, embedded in the vibrant community of Leith – initially developing spaces for classes and workshops, progressing to creating employment opportunities and eventually encouraging independence through providing 'on-campus' student accommodation. Our Leith Campus will create a new model that merges person-centred support and learning with place-based regeneration and integration. This campus model will sit alongside satellite provision in East Lothian and Midlothian, as we continue to provide a unique, sustainable blend of social care and educational opportunities for adults with learning difficulties and autism across the Lothians.

The first phase of our campus development project involved reviewing our curriculum, support and staffing, as well as the logistics of providing a multi-site service. Fundraising activity secured funds to create a bespoke environment at Links House in Leith for workshops offering digital skills, art and employability skills. Upmo's headquarters also moved to Links House, and the site was operational in May 2019. In parallel, we reduced our footprint and reconfigured the space at St Margaret's House where we continue to accommodate our music, dance, drama and cookery workshops. First Minister Nicola Sturgeon formally launched our campus development project and Links House site, at a 'momentous' event in November 2019, stating "Upmo already provides innovative opportunities and tailored support to adults with learning difficulties and autism, and these ambitious expansion plans will allow the charity to create an even more diverse curriculum than ever before."

As part of developing a presence and partnerships in Leith, Upmo invited individuals and local organisations to sell their arts and crafts at a Xmas fair in December 2018. This was alongside our staff and students who sold workshop products and Upmo merchandise, whilst promoting Upmo to the local community. In July, students and staff undertook a sponsored litter pick on Leith Links, with support from Leithers Don't Litter and City of Edinburgh Council.

In East Lothian our provision at Prestonpans continues to offer a wide range of activities to students, whilst our community gardening project in North Berwick has had another successful season. The project is delivered in collaboration with The Action Group, with support from a newly established volunteer group, 'Friends of Upmo'.

The pilot project launched in Gorebridge in 2018 was successful and mainstreamed in August 2019 extending to four days per week offering local support and opportunities to students and employment for Midlothian residents.

A new partnership with Duddingston Kirk was developed, enabling our students to learn about nature, co-operative learning and conservation.

Students continue to learn about food safety, nutrition, cooking and money handling in the YoYo Cafés in St Margaret's House and Leith Victoria Leisure Centre. As confirmation of the friendly service delivered by students and staff, the Leith Victoria Yoyo Café achieved the most positive feedback in a survey of all Edinburgh Leisure cafe facilities. The café also gained a Healthy Living Award.

Organisational Developments

In December 2018, Upmo commissioned Community Enterprise Scotland to undertake research into how satisfied our students, parents, carers and referrers were with Upmo (88% excellent/good, 12% okay, 0% poor), and to generate ideas and improvements that could be made to our services. Over 100 respondents engaged with surveys and focus groups and highlighted many benefits and strengths of the charity. However, responses also identified challenges facing Upmo in relation to premises and the impact on the student experience, student progression and capacity. These views informed the planning and implementation of the campus development project.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

Organisational Developments (continued)

Upmo continued to develop and strengthen partnerships and closer working with many existing and new organisations over the past year. This included global financial services company State Street who, having provided both financial and development support over several years, awarded funding to develop our curriculum offer. Other grants have allowed us to invest in our Senior Management Team, and to develop the role of case manager undertaken by our Team Managers and Team Leaders, which involves building relationships with students, carers, social workers and other professionals, ensuring all students have a positive experience.

Communication has never been more critical to Upmo, and investment in the staff team has been complemented by strategies such as regular targeted bulletins and website updates including Q&As. Communication and engagement with parents and carers in particular have been critical as the organisation develops. Various events have offered them the opportunity to get involved including a variety night where students showcased their talents and newly-acquired skills; an open day at the new campus with interactive IT demonstrations and a beautifully curated exhibition of student artwork, culminating in an awards ceremony; and our annual sponsored walk, with over 130 participants raising almost £4,000.

Activities

Upmo were delighted to again receive a Dynamic Earth Golden Ticket in 2019, allowing students and staff to visit the attraction for free. Our Short Breaks service, generously supported by Shared Care Scotland, continued to be popular offering daytrips and 3 multi night stays.

We continue to collaborate with Gig Buddies to encourage students to participate in and attend live music events. Student performances in the year included busking at RBS Headquarters, and our in-house band, The Upmo Experience, headlining at our campus launch.

In another high-profile student performance, Upmo students took to the catwalk in a FashionABLE event at The Scottish Parliament as part of Inclusive Fashion Week in November 2018. Prior to the show students participated in workshops led by established professionals, giving them an opportunity to contribute to planning, delivering and fashion design for the event.

Over the year a range of merchandise was launched, including limited edition t-shirts and other products featuring student designs, as well as Upmo branded items which have encouraged a sense of community and belonging.

Upmo was privileged to benefit from corporate volunteering during the year, with teams from RBS and Chiene + Tait assisting with our campus project and gardening activities.

Future Plans

Following a thorough and extensive recruitment process Upmo appointed its first ever external Chief Executive, Andrew Thomson in May 2020. Andrew is working closely with Trustees to refine and implement further phases of the campus development plan and to help Upmo realise its vision.

Fundraising efforts continue to complete the development of Links House, including the upgrade and relocation of our iMuse suite from St Margaret's House. New facilities have been identified in Gorebridge to host our Midlothian service as it grows and develops. Facilities at Prestonpans and Duddingston will be reviewed in consideration of student needs, service growth, development and other external factors. The development of the Upmo Performing Arts Hub, which will provide bespoke accommodation for the provision currently still offered at St Margaret's House, will be a major focus.

COVID-19 has had a significant impact on the charity's activities from March 2020 and will continue to do so for some time. In response to the pandemic we have developed a Care at Home service and Upmo Connect, online multi-platform resource designed to keep our students and staff connected, informed, to combat issues of self-isolation and mental health as well as bringing some sense of normality, familiarity and routine to each other through the use of resources that are also available to staff working on the frontline. At this time, work is underway on devising the Upmo Re-establishment Plan as Government restrictions are relaxed. This incorporates lessons learned from these alternative delivery methods as well as continuing with the planned evolution to our curriculum and support services.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

FINANCIAL REVIEW AND ACHIEVEMENTS

The key financial indicators in the year are:

- total income increased by 8.25% compared to previous financial year
- total expenditure increased by 9% compared to previous financial year
- the working capital ratio is 3.25

Income

The income for Upward Mobility Ltd continues to be generated primarily through the support services offered by the Charity. At the end of this financial year we have 167 students attending our workshops each week. Growth in income is mainly attributed to a growth in student numbers with an increase of 14% in service income (£1,511,511 in 2018 to £1,724,754 in 2019).

Grants

Whilst local authorities and parents commission the support service we provide for our students, we rely on grant funding to deliver our workshop programme and curriculum. Upward Mobility has received grants, through funding applications, which has enabled the development of workshop resources and activities, and the early phases of our campus development. New grant funding received in 2019 was £224,224 decreasing from £247,259 in the previous financial year.

Restricted Funds £224,224

- £7,000 from Balcombe Charitable Trust to support the post of café manager
- £2,000 from Leith Benevolent Association to support Leith Victoria Café YoYo
- £100 from an individual donor to purchase a polytunnel for North Berwick Gardening Group
- £500 from an individual donor to support North Berwick Gardening Group
- £500 from Scotmid Community Grant to support gardening workshops at Duddingston
- £20,000 from The Clothworkers Foundation to support our campus development project
- £47,000 from The Robertson Trust to support our campus development project
- £20,000 from The Baily Thomas Charitable Fund to support our campus development project
- £16,800 from The R S Macdonald Charitable Trust to support our senior management team.
- £54,124 from State Street to support curriculum development
- £15,000 from Garfield Weston to support our campus development project
- £15,000 from The Robertson Trust to support Team Leaders
- £26,200 from The Henry Smith Charity to support Case Managers

Unrestricted Funds £13,218

- £1,000 from Lindsays WS contributed to costs of our campus redevelopment project
- £12,218 donations of amounts less than £1,000.

The cost of generating these funds was £6,584 ('Cost to funding achieved' ratio 36:1).

Expenditure

Costs were effectively managed and controlled. As predicted and planned for, staff salaries at 80% took up the greatest part of expenditure. This represents an increase of £139,234 on the previous financial year, due to an increase in project workers required to support our enhanced student numbers. The established costing model for workshops continues to be utilised to ensure that satisfactory margins are achieved whilst maintaining our exceptional staff to student support ratios.

Project costs decreased from £49,790 in 2018 to £44,530 in 2019 reflecting the significant one-off investment made in 2018 in equipment for art and IT workshops.

Support costs have increased from £286,320 in 2018 to £335,547 in 2019. This reflects an increase in accommodation costs due to increased rent, and other costs associated with implementation of the first phase of our campus development such as professional fees, telephony and IT to support agile working.

The allocation for depreciation reflects depreciation of £21,300 on the investment in our new premises and IT suite.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

Balance Sheet and Cashflow

The balance sheet for the current year now reflects a surplus of £340,647 in relation to total assets over total liabilities from a surplus of £300,522 in the previous financial year. Increase in revenues, investment in our operational structure and the effective management of these resources have largely contributed to this position.

Creditors – Total short-term liabilities of £101,776 are actively managed and all outstanding liabilities as at year end were fully settled within specified terms.

Debtors – This includes service income debt of £179,907. 84% of these invoices have been settled and 16% are still being progressed.

Cash Flow is effectively managed and the pressure to meet outgoing commitments within standard timeframes is manageable.

Investment

The focus for this financial year has been on strengthening the organisational structure and improvements to existing workshops whilst implementing the first phase of our campus development, including the relocation of our head office and a significant element of our service delivery operation.

All significant investments require authorisation by the Board of Trustees in conjunction with the financial risk management process.

Reserves Policy

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. At the year end date, the restricted reserves are £173,256 (2018: £109,055) and unrestricted reserves are £167,391 (2018: £191,467). The Trustees aim to build a reserve to cover three months' marginal operating costs; over the financial year £18,000 was paid into a restricted access account. These funds will only be accessed in an emergency and only with the agreement of the trustees.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

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.

Registered Bodies:

Companies House
Office of the Scottish Charity Regulator (OSCR)
Care Inspectorate
Disclosure Scotland
Information Commission Office (ICO)

Membership Organisations

Scottish Council for Voluntary Organisations (SCVO)
Social Firms Scotland
Poverty Alliance
National Involvement Network

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:

L Bird: Human Resources
S Dow: Communication and branding
E Mitchell: Chair or Board

The senior management team consists of:

J Barton: Managing Director (Resigned 1 November 2019)
A Thomson: Chief Executive (Appointed 18 May 2020)
A M Bunn: Deputy Director (Resigned 14 January 2020)
V Barton: Head of Quality Assurance
C Turnbull: Head of Service Delivery.

The Chief Executive, under the guidance and governance of the Board of Trustees, oversees the Charity. The Board of Trustees oversees strategic planning and key financial decisions whilst delegating the day to day running of operations to the Chief Executive and the senior management team.

Upward Mobility are committed to ensuring a balance between ensuring staff are appropriately remunerated so that we attract and retain the best people for the job whilst careful managing our Charity funds. Liz Bird, as trustee with HR responsibilities, oversees the remuneration for the senior management team, although key decisions are still discussed at Board.

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.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

Trustee Induction Training

All members work towards the Charity's aims and objectives and serve 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. We currently source these trainings through two organisations: Edinburgh Voluntary Organisational Committee (EVOC) and Scottish Council for Voluntary Organisations (SCVO). It is our intention to review our Trustee induction and training plan in the next financial year.

Recruitment and Appointment of New Employees and Volunteers

Employees and volunteers are recruited using recruitment practices that fully adhere to the National Care Standards regulated by the Care Inspectorate. The National Care Standards require that all new appointees be processed through The Protecting Vulnerable Groups Scheme (PVG) 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 programme which is completed by all new employees. The objective of the training is firstly to ensure familiarity as well adherence to the National Care Standards but also to introduce new employees to the unique systems, resources and structures that make Upward Mobility the dynamic and innovative organisation that it is. This induction includes, but is not restricted to, Adult Support & Protection, Student Documentation, Data Protection, Workshop Facilitation, Epilepsy Awareness, and First Aid Awareness. Appointments are made with full reference to service capacity strategically linking identified skills (art, drama, dance, music, horticulture, catering, cooking, cycling, etc) to appropriate support service and project requirements. In the instance where new appointees are required for operational and administrative activities, but not support services, then Upward Mobility provides relevant training. Volunteers also receive training appropriate to their role in the organisation.

Risk Management

The Trustees have considered the risks faced by the charity and have put appropriate procedures in place to mitigate the 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 regularly reviews the responsibilities and skills of Trustees to strengthen and consolidate governance as well as to enhance the capacity, network and profile of the Charity.

Partners

Upward Mobility is grateful for the collaborative relationships that have been established with other organisations and service providers. We have received substantial financial and development support from State Street, a global financial services company over the last year. We continue to work closely with Edinburgh Palette (www.edinburghpalette.co.uk) who manage St Margaret's House, one of our main sites. We also continue to work with the City of Edinburgh Council, East Lothian Council and Midlothian Council to provide support and opportunities for students. Thanks to their interest in Upward Mobility we are able to continue the development of our programmed workshops and activities as well as support services for a growing number of people who benefit from them. Our partnership with Edinburgh College has been strengthened and formalised in the last year, and a newly established relationship with Duddingston Kirk has allowed us to develop outdoor learning activities for our students.

Related Parties

In the prior year the Charity had a subsidiary undertaking, G25 Project CIC. The subsidiary ceased trading as at 31 October 2018.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2019

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.

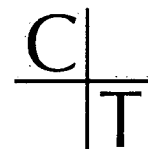
BY ORDER OF THE BOARD



E Mitchell
Trustee, Chair of Board

28th July 2020

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF UPWARD MOBILITY LTD**



Opinion

We have audited the financial statements of Upward Mobility Ltd (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 October 2019 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group and Charity Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 October 2019, and of the group'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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 22 in the financial statements, which discloses that as a consequence of the global Covid-19 pandemic the level of the charity's long-term future funding is at present uncertain. Continuation of service user funding for the year to 31 March 2021 has been confirmed and the directors have received no indication that this will be reduced in subsequent years. Confirmation of future funding levels is, however, not yet available. As stated in note 22, the uncertainty over the level of future funding indicates that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF UPWARD MOBILITY LTD (*Continued*)



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, 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 directors' 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF UPWARD MOBILITY LTD (Continued)**



Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MALCOLM BEVERIDGE CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

28 July 2020

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

UPWARD MOBILITY LTD.

CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES
(including income and expenditure account)

Year ended 31 October 2019

	Notes	Restricted Funds £	Un- restricted Funds £	2019 Total £	2018 Total £
Income					
Donations and legacies	2	-	13,218	13,218	11,766
Charitable activities	4	224,224	1,724,754	1,948,978	1,758,770
Other trading activities	3	-	39,371	39,371	78,490
Investments		-	145	145	53
Total income		224,224	1,777,488	2,001,712	1,849,079
Expenditure					
Costs of raising funds	6	605	5,979	6,584	44,995
Charitable activities	7	159,418	1,795,585	1,955,003	1,752,884
Total expenditure		160,023	1,801,564	1,961,587	1,797,879
Net income for the year		64,201	(24,076)	40,125	51,200
Transfers between funds	15	-	-	-	-
Net movement in funds		64,201	(24,076)	40,125	51,200
Reconciliation of funds					
Total funds brought forward		109,055	191,467	300,522	249,322
Total funds carried forward	14,15	173,256	167,391	340,647	300,522

The Charity 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 17 to 28 form part of these financial statements.

UPWARD MOBILITY LTD.

CONSOLIDATED BALANCE SHEET

As at 31 October 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		111,474		20,181
Current assets					
Debtors	13	224,401		306,986	
Cash at bank and in hand		106,548		80,632	
		-----		-----	
		330,949		387,618	
		-----		-----	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		80,675		76,004	
Taxation and social security		21,101		31,273	
		-----		-----	
		101,776		107,277	
		-----		-----	
Net current assets			229,173		280,341
			-----		-----
Net assets			340,647		300,522
			=====		=====
Funds					
Restricted funds	14		173,256		109,055
Unrestricted funds - General	15		167,391		191,467
			-----		-----
Total Funds			340,647		300,522
			-----		-----

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Approved by the Board of Trustees on 28th July 2020 and signed on its behalf by:



E Mitchell

Company No. SC309982

UPWARD MOBILITY LTD.

CHARITY BALANCE SHEET

As at 31 October 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		111,474		20,181
Investments	12		1		1
			-----		-----
			111,475		20,182
Current assets					
Debtors	13	224,401		307,210	
Cash at bank and in hand		106,548		77,551	
			-----	-----	
			330,949		384,761
			-----	-----	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		80,676		73,148	
Taxation and social security		21,101		31,273	
			-----	-----	
			101,777		104,421
			-----	-----	
Net current assets			229,172		280,340
			-----		-----
Net assets			340,647		300,522
			=====		=====
Funds					
Restricted funds	14	173,256		109,055	
Unrestricted funds - General	15	167,391		191,467	
			-----	-----	
Total Funds			340,647		300,522
			=====		=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Approved by the Board of Trustees on 28th July 2020 and signed on its behalf by:



E Mitchell

Company No. SC309982

The notes on pages 17 to 28 form part of these financial statements.

UPWARD MOBILITY LTD.

STATEMENT OF CASH FLOWS – CONSOLIDATED AND CHARITY

For year ending 31 October 2019

	Note	Charity 2019 £	Charity 2018 £
Cash generated by/(used in) operating activities	20	141,445	(6,077)
Cash flows from investing activities			
Interest income		145	53
Purchase of tangible fixed assets		(112,593)	(30,121)
Cash used in investing activities		(112,448)	(30,068)
Increase/(decrease) in cash and cash equivalents in the year		28,997	(36,145)
Cash and cash equivalents at the beginning of the year		77,551	113,696
Total cash and cash equivalents at the end of the year		106,548	77,551
		=====	=====
		Group 2019 £	Group 2018 £
Cash generated by/(used in) operating activities	20	138,364	(16,992)
Cash flows from investing activities			
Interest income		145	53
Purchase of tangible fixed assets		(112,593)	(30,121)
Cash used in investing activities		(112,448)	(30,068)
Increase/(decrease) in cash and cash equivalents in the year		25,916	(47,060)
Cash and cash equivalents at the beginning of the year		80,632	127,692
Total cash and cash equivalents at the end of the year		106,548	80,632
		=====	=====

The notes on pages 17 to 28 form part of these financial statements.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 October 2019

1. Accounting Policies

Statutory information

Upward Mobility Ltd is a company limited by guarantee, domiciled in Scotland and registration number SC309982. The charitable company is governed by its Memorandum and Articles of Association. The liability of members is limited to £1 each. The registered office is Links House, 15 Links Place, Suite 4/5, Edinburgh, EH6 7EZ.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements present the information about the charity and its subsidiary undertaking, G25 Project CIC on a line by line basis. The subsidiary undertaking ceased trading as at 31 October 2018. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following exemptions afforded by section 408 of the Companies Act.

Upward Mobility Ltd. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in pounds sterling, rounded to the nearest pound.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered the impact of Covid-19 measures and this is discussed in the Trustees Report and note 22. 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.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donation income

Donation 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.

Incoming resources from trading subsidiary

Revenue from the rental of space is recognised when it has been earned.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2019

1. Accounting Policies (Contd.)

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Report of the Trustees for more information about their contribution. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

Resources expended and irrecoverable VAT

All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The Charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Cost of raising funds are those costs associated with the generation of the Charity's incoming resources and the costs of its trading subsidiary.

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.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

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	- straight line over 4 years
Office equipment	- 33 1/3 % straight line
Leasehold improvements	- 10% straight line

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2019

1. Accounting Policies (Contd.)

Investments

Investments in subsidiary undertakings are recorded at cost less any provision for impairment.

Operating lease

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 4. There were outstanding contributions at the year end of £5,335. The costs of the defined contribution scheme are included within expenditure on charitable activities and charged to unrestricted funds.

Restricted Funds

Café Project

This fund has supported the continuing expansion of YoYo café at St Margaret's House and Edinburgh Leisure's café facility at Leith Victoria Leisure Centre. This fund was supported by the Balcombe Charitable Trust and Leith Benevolent Association.

Gardening Project

This fund contributes to gardening and outdoor learning workshops in Duddingston and North Berwick; these workshops are landscaping and maintaining garden and public areas in these locations. This activity was supported by a Scotmid Community Grant and individual donations.

Campus Development

This fund is for the development of our Upmo campus in Leith and has been supported by The Clothworkers Foundation, The Robertson Trust and The Baily Thomas Charitable Fund.

Management Support

This fund, supported by R S Macdonald Charitable Trust, has contributed to the salary costs associated with strengthening our organisation.

Project Development

This fund contributed to our campus development project, and was supported by State Street Foundation, Garfield Weston, The Robertson Trust and The Henry Smith Charity.

UPWARD MOBILITY LTD.**NOTES to the FINANCIAL STATEMENTS (Cont'd)****For the year ended 31 October 2019****1. Accounting Policies (Contd.)****Restricted Funds (Contd.)****Premises**

This fund supports the ongoing maintenance and refurbishment costs of the project.

Digital Lab

This fund has contributed to the development of the Digital Lab which supports a wide variety of workshops including for example IT skills, Employability skills, Music, Current affairs.

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. Income from donations	2019	2018
	£	£
Unrestricted donations:		
Lindsays	1,000	-
Other donations of less than £1,000	12,218	11,766
	-----	-----
	13,218	11,766
	=====	=====
3. Other trading activities	2019	2018
	£	£
Unrestricted:		
Income from trading subsidiary	-	35,614
Community café	30,802	38,866
Merchandise income	1,970	-
Fundraising event	-	1,183
Hire of premises	177	-
Other income	6,422	2,827
	-----	-----
	39,371	78,490
	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

4. Income from donations and charitable activities

	Restricted £	Unrestricted £	2019 £	2018 £
Service income	-	1,724,754	1,724,754	1,511,511
Project grants received				
Outward Mobility:				
- Shared Care Scotland Better Breaks	-	-	-	25,011
- Shared Care Scotland Creative Breaks	-	-	-	20,647
Café Project:				
- Young Start (Big Lottery Fund)	-	-	-	12,493
- Balcombe Charitable Trust	7,000	-	7,000	10,000
- Leith Benevolent Association	2,000	-	2,000	-
Gardening Project:				
- Orchard Fund	600	-	600	761
- Scotmid Community Grant	500	-	500	-
Premises				
- Screwfix Foundation	-	-	-	3,500
Campus Development				
- Cordis Foundation	-	-	-	20,000
- Clothworkers Foundation	20,000	-	20,000	-
- The Robertson Trust	47,000	-	47,000	-
- The Baily Thomas Charitable Fund	20,000	-	20,000	-
Digital skills Project:				
- SCVO	-	-	-	5,000
IT Room				
- The Wolfson Foundation	-	-	-	30,000
- Agnes Hunter Trust	-	-	-	6,300
Minibus & Outdoors:				
- Cycle Friendly Development Fund	-	-	-	800
Shopmo				
- Yorkshire & Clydesdale Bank Foundation	-	-	-	5,000
Workshop Equipment & Materials:				
- Souter Charitable Trust	-	-	-	2,000
- Nancie Massey Charitable Trust	-	-	-	2,000
- Cruden Foundation	-	-	-	1,000
Management Support:				
- R S Macdonald Charitable Trust	16,800	-	16,800	33,600
- State Street Foundation	-	-	-	44,647
- Queensberry House Trust	-	-	-	20,000
Project Development				
- State Street Foundation	54,124	-	54,124	-
- Garfield Weston	15,000	-	15,000	-
- The Robertson Trust	15,000	-	15,000	-
- The Henry Smith Charity	26,200	-	26,200	-
Events				
- City of Edinburgh Council Local Events	-	-	-	4,500
	224,224	1,724,754	1,948,978	1,758,770

In 2019 the income from charitable activities was £1,949,978 (2018: £1,758,770) of which £1,724,754 (2018: £1,511,511) was income from unrestricted funds and £224,224 (2018: £247,259) was income from restricted funds.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

5. Staff costs	2019	2018
	£	£
Wages and salaries	1,454,184	1,332,803
Social security costs	91,787	82,300
Pension costs – defined contribution	24,230	20,590
Ex-gratia payment	4,725	-
	1,574,926	1,435,693
	=====	=====

Average number of employees during the year was 96 (2018: 98). No employee received emoluments in excess of £60,000 during the year.

The key management personnel are the charity's Trustees and those members of staff detailed on page 7. The total employment benefits including employer pension contributions and consultancy costs of the key management personnel were £198,210 (2018: £179,357).

No remuneration or reimbursement of expenses was paid to the Trustees during the year. Trustee indemnity insurance costing £800 (2018: £800) was purchased during the year.

6. Costs of raising funds	Restricted	Un- Restricted	2019 Total	2018 Total
	£	£	£	£
Trading subsidiary	-	-	-	23,019
Fundraiser salary costs	-	-	-	18,918
Fundraising expenses	605	5,979	6,584	3,058
	605	5,979	6,584	44,995
	=====	=====	=====	=====

In 2019 the expenditure on raising funds was £6,584 (2018: £44,995) of which £5,979 (2018: £44,895) was expenditure from unrestricted funds and £605 (2018: £100) was expenditure from restricted funds.

7. Analysis of expenditure on Charitable Activities

	Restricted	Un- restricted	2019 Total	2018 Total
	£	£	£	£
Salary costs	120,580	1,454,346	1,574,926	1,416,774
Direct project costs	5,521	39,009	44,530	49,790
Support costs (note 8)	33,317	302,230	335,547	286,320
	159,418	1,795,585	1,955,003	1,752,884
	=====	=====	=====	=====

In 2019 the expenditure on charitable activities was £1,955,003 (2018: £1,752,884) of which £1,795,585 (2018: £1,563,800) was expenditure from unrestricted funds and £159,418 (2018: £189,084) was expenditure from restricted funds.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

8. Support and governance costs	Restricted	Un- restricted	2019 Total	2018 Total
	£	£	£	£
Registrations and subscriptions	-	5,570	5,570	5,063
Training and expenses	-	1,475	1,475	8,323
Marketing, communication and publication	400	2,761	3,161	12,433
Rent	2,687	85,676	88,363	78,293
Maintenance	2,556	58,493	61,049	37,515
Administration fees	-	1,284	1,284	1,322
Postage, stationery and telephone	259	30,186	30,445	22,762
Computer expenses	2,771	15,811	18,582	24,031
Insurance	-	2,155	2,155	5,153
Subsistence, travel and motor expenses	626	14,591	15,217	19,249
Professional fees	3,432	57,158	60,590	42,541
Bank charges	-	1,801	1,801	1,529
Depreciation	20,462	838	21,300	10,859
Sundry expenses	124	2,078	2,202	5,067
Bad debt provision	-	17,572	17,572	7,667
Governance costs (note 9)	-	4,781	4,781	4,513
	-----	-----	-----	-----
	33,317	302,230	335,547	286,320
	=====	=====	=====	=====

In 2019 the expenditure on support costs was £335,547 (2018: £286,320) of which £302,230 (2018: £237,209) was expenditure from unrestricted funds and £33,317 (2018: £49,111) was expenditure from restricted funds.

9. Governance costs	2019	2018
	£	£
Audit	4,740	4,500
Companies House fees	41	13
	-----	-----
	4,781	4,513
	=====	=====

10. Net incoming resources	2019	2018
	£	£
This is stated after charging		
Auditor's remuneration	4,740	4,500
Depreciation	21,300	10,859
	=====	=====

11. Taxation

Upward Mobility Ltd has charitable status for taxation purposes. In the year to 31 October 2019 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.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

12. Tangible assets – Group and Charity	Motor Vehicle	Leasehold Improve-ments	Gardening & Office Equipment	Total
	£	£	£	£
Cost				
At 1 November 2018	53,000	110,984	50,299	214,283
Additions	-	112,593	-	112,593
Disposals	-	(69,539)	(16,815)	(86,354)
	-----	-----	-----	-----
At 31 October 2019	53,000	154,038	33,484	240,522
	-----	-----	-----	-----
Depreciation				
At 1 November 2018	53,000	110,984	30,118	194,102
Charge for year	-	11,259	10,041	21,300
Disposals	-	(69,539)	(16,815)	(86,354)
	-----	-----	-----	-----
At 31 October 2019	53,000	52,704	23,344	129,048
	-----	-----	-----	-----
Net book value at 31 October 2019	-	101,334	10,140	111,474
	=====	=====	=====	=====
Net book value at 31 October 2018	-	-	20,181	20,181
	=====	=====	=====	=====
			2019	2018
			£	£
Investments - Charity				
G25 Project CIC			1	1
			=====	=====

The subsidiary's principal activity was provision of art studio space for rent. The subsidiary was dormant throughout the year to 31 October 2019. The charity holds 1 ordinary share of £1 which is 100% of the issued share capital.

	2019	2018
	£	£
Profit/(loss) for the year	-	-
Capital and reserves	1	1
	=====	=====

13. Debtors	Charity 2019	Charity 2018	Group 2019	Group 2018
	£	£	£	£
Service income debtors	179,907	291,852	179,907	297,816
Prepayments	34,415	4,949	34,415	4,949
Amount due from group undertakings	10,079	10,079	10,079	-
Other debtors	-	330	-	4,221
	-----	-----	-----	-----
	224,401	307,210	224,401	306,986
	=====	=====	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

14. Restricted Funds – Charity and Group

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

	Balance at 31 October 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2019 £
Gardening	270	1,100	(689)	-	681
Café	3,333	9,000	(10,000)	-	2,333
Outward Mobility	34,242	-	(34,242)	-	-
Digital Skills	2,561	-	(1,281)	-	1,280
Premises	20,654	-	(6,071)	-	14,583
Management Support	8,576	16,800	(23,164)	-	2,212
Events	1,869	-	(1,869)	-	-
Campus Development	19,000	87,000	(16,725)	-	89,275
IT Room	13,822	-	(6,911)	-	6,911
Project Development	-	110,324	(54,343)	-	55,981
Shopmo	4,728	-	(4,728)	-	-
	-----	-----	-----	-----	-----
	109,055	224,224	(160,023)	-	173,256
	=====	=====	=====	=====	=====
	Balance at 31 October 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2018 £
Gardening	298	761	(789)	-	270
Café	5,986	22,493	(22,369)	(2,777)	3,333
Minibus & Outdoors	1,428	800	(2,228)	-	-
Outward Mobility	10,947	45,658	(22,363)	-	34,242
Digital Skills	5,000	5,000	(7,439)	-	2,561
Premises	25,000	3,500	(1,846)	(6,000)	20,654
Management Support	10,083	98,247	(99,754)	-	8,576
Workshop Equipment & Materials	825	5,000	(5,825)	-	-
Events	190	4,500	(2,821)	-	1,869
Campus Development	-	20,000	(1,000)	-	19,000
IT Room	-	36,300	(22,478)	-	13,822
Shopmo	-	5,000	(272)	-	4,728
	-----	-----	-----	-----	-----
	59,757	247,259	(189,184)	(8,777)	109,055
	=====	=====	=====	=====	=====

Fund Transfers

During the year it was noted that expenditure on the Café and Premises funds in 2017 had been charged to the unrestricted funds in error. A transfer was made in the current year to account for this.

15. Unrestricted Funds – Charity and Group

	Balance at 31 October 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2019 £
General fund	191,467	1,777,488	(1,801,564)	-	167,391
	=====	=====	=====	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

15. Unrestricted Funds – Charity and Group (Contd.)

	Balance at 31 October 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2018 £
General fund	189,565	1,601,820	(1,608,695)	8,777	191,467
	=====	=====	=====	=====	=====

16. Capital

The Charity being limited by guarantee has no share capital.

17. Capital Commitments

The Charity has outstanding commitments for future lease payments under non-cancellable operating as at the reporting date as follows:

	2019 £	2018 £
Not later than one year	107,230	50,430
Later than one year and not later than five years	459,143	238,702
Later than five years	1,043,458	-
	-----	-----
	1,609,831	289,132
	=====	=====

18. Analysis of net assets between funds - Group

2019

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted	110,257	62,999	173,256
General Fund	1,217	166,174	167,391
	-----	-----	-----
	111,474	229,173	340,647
	=====	=====	=====

2018

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted	18,822	90,233	109,055
General Fund	1,359	190,108	191,467
	-----	-----	-----
	20,181	280,341	300,522
	=====	=====	=====

UPWARD MOBILITY LTD.**NOTES to the FINANCIAL STATEMENTS (Contd.)****For the year ended 31 October 2019****19. Related party transactions**

During the period the Charity provided services, on a normal commercial basis, to close family members of certain of the Trustees.

The charitable company also provided goods and services to G25 Project CIC ('G25'), a subsidiary company, to the value of £nil (2018: £12,595). The balance due to Upmo at the year end date was £nil (2018: £10,079).

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Charity 2019 £	Charity 2018 £
Net movement in funds	40,125	51,200
Add back depreciation charge	21,300	10,859
Deduct interest income	(145)	(53)
Decrease/(increase) in debtors	82,809	(67,328)
(Decrease) in creditors	(2,644)	(755)
	-----	-----
Net cash generated by/(used in) operating activities	141,445	(6,077)
	=====	=====
	Group 2019 £	Group 2018 £
Net movement in funds	40,125	51,200
Add back depreciation charge	21,300	10,859
Deduct interest income	(145)	(53)
Decrease/(increase) in debtors	82,585	(77,661)
(Decrease) in creditors	(5,501)	(1,337)
	-----	-----
Net cash generated by/(used in) operating activities	138,364	(16,992)
	=====	=====

21. Financial activities of the Charity

The financial activities shown in the consolidated statement includes those of the Charity's related undertaking, G25 Project CIC.

	2019 £	2018 £
A summary of the financial activities undertaken by the Charity is set out below:		
Gross incoming resources	2,001,712	1,826,332
Cost of raising funds	(6,584)	(23,019)
Total expenditure on charitable activities	(1,955,003)	(1,752,113)
	-----	-----
Total funds brought forward	40,125	51,200
	300,522	249,322
	-----	-----
Total funds carried forward	340,647	300,522
	=====	=====
Represented by:		
Unrestricted funds	175,288	191,467
Restricted funds	165,359	109,055
	-----	-----
	340,647	300,522
	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2019

22. Post balance sheet events

Post year end in March 2020, nationwide lockdown measures were introduced in response to the Covid-19 pandemic. The measures severely restricted the movement and contact of people and therefore curtailed the ability of Upmo to provide services to users. However, the impact of these measures has been mitigated due to the efforts of the Upmo team and the financial support from funders and the government furlough scheme. The directors have prepared budgets and forecasts for the period through until October 2021, based upon reasonable assumptions on future funding levels. However, due to the ongoing pandemic and the uncertainty surrounding the full economic impact, there has been no confirmation of the level of funding receivable beyond March 2021. The directors are satisfied that based upon the existing reserves of the charity together with the reasonable assumptions within their forecasts and projections that Upmo is a going concern for a period of at least twelve months from signing the financial statements.