

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

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

For the year ended 31 October 2018



UPWARD MOBILITY LTD.

REPORT and FINANCIAL STATEMENTS

For the year ended 31 October 2018

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UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES

For the year ended 31 October 2018

REFERENCE and ADMINISTRATIVE INFORMATION

The Trustees present their report and financial statements of the company and its subsidiary for the year ended 31 October 2018.

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
E Henderson (Resigned 26 February 2018)

Managing Director

J Barton

Registered Office

15 Links Place
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

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

In the past year, we have seen Upmo navigate uncharted waters as we embarked on the process of relocating our organisation following news of the sale of St. Margaret's House. Trustees had previously identified this as a key area of focus and had already begun the search for Upmo's next home within Edinburgh and the Lothians. Having recently moved part of our operations to Leith Links, the origins of Upmo, we continue to drive forward our ambition of an organisation fit for purpose in the coming decade and beyond. The students, families, staff and volunteers of Upmo have been extremely supportive, patient and understanding during this time and continue to strengthen bonds within Upmo.

I extend my heartfelt thanks to my fellow Trustees who have gone above and beyond their areas of governance and responsibility in the past 12 months to ensure that Upmo remains focussed on delivering its strategic plan we set with support from State Street.

Without the passion and strong ambition of Josh Barton and leadership of Alison Bunn, Upmo would not command the strong reputation it has as an organisation that provides true support and opportunity for adults with learning difficulties and/or autism to play an equal and rewarding role in their community.

The Senior Management Team, Team Managers and Team Leaders have played a crucial role in the relocation of workshops and our administrative base in the past year whilst at the same time, ensuring the provision of high-quality opportunities for our students. We literally could not have done this without them and I extend my gratitude for this.

We continue our discussions with students, parents, staff and volunteers on the future of the organisation as we look to strengthen our foundations. We have increased engagement with our partners, funders as well as Local Authorities and the Scottish Government. Although a lot of work ahead, this is exactly why I got involved with Upmo. The potential we have for the future based on our collective ethos, staff team, vision, funding model and desire to offer an alternative to what 'choice' our students have faced in the past, positions us at the beginning of a new journey. Everyone has their part to play and I look forward to being a small cog in the Upmo wheel. Thanks to all who have played their part in the past 12 months.

Eric Mitchell
Chair of the Board of Trustees
Upward Mobility

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2018

REVIEW OF THE YEAR

It has been another busy year at Upmo with a focus on developing our existing services and continued collaborations with trusted partners.

Outward Mobility short breaks service, generously supported by Shared Care Scotland, continues to be popular with students, parents and carers. These activities included 8 daytrips, 6 Supper Clubs, 6 discos, and 2 multi night stays. The day trips included cinema outings, shows at the Edinburgh Fringe Festival, day out with East Lothian Rangers Service, and bowling. The multi night breaks included a 'glamping' trip to Harvest Moon, and a 3-night break to Homelands in Fife. Our themed disco evenings and supper clubs continue to be popular with students and are very well attended.

The **YoYo Café** in St Margaret's House and Leith Victoria Leisure Centre have gone from strength to strength. Students working in our cafes learn about food safety, nutrition, cooking, customer care and money handling whilst providing a friendly service.

Upmo were delighted to be selected as one of twenty organisations to receive a **Dynamic Earth Golden Ticket** in 2018. This was a great opportunity allowing Upmo students and staff to visit Dynamic Earth for free. We are also working with Dynamic Earth in collaboration with Media Education on a fifth collaborative project with our Friday Art and Drama workshops. Media Education have introduced lots of different media to the students, including green screens, sound recording equipment, video cameras to allow our students to become "virtual explorers" of different natural environments such as the Arctic and the rainforest.

We continue to collaborate with Gig Buddies to encourage our students to participate and attend live music events. For example, in July we organised a night of live music showcasing artists with additional support needs.

The aim of our Shopmo workshops is for the students to learn all aspects of producing, marketing and selling artwork on a professional and commercial level, supported by a Spirit of the Community Award from Clydesdale Bank. The H2O exhibition was a great success and has been very positively received by the general public who have visited the YoYo Cafe. Funds raised from this exhibition have been used to enable us to research and produce a range of merchandise to sell at Christmas markets.

Thanks to generous support from the Wolfson Foundation we opened a new Digital Lab with state-of-the-art technology that will support students to develop their digital skills whilst also:

- Improving communication skills
- Increasing social interaction
- Enhancing education and training opportunities
- Enhancing employability and volunteering opportunities

SCVO also provided support for staff to develop their digital skills. In the future, students will be able to learn coding, develop their own games, make and edit films, and develop their own digital productions. The Lab will also be used to enhance our existing workshops including current affairs, music and employability.

We were awarded a grant by the Big Bike Revival to organise a couple of cycle rides for students, families and staff. The grant also enabled us to get all our bikes serviced and to buy some new helmets.

Our **satellite projects** in Prestonpans and North Berwick continue, providing additional flexibility and further opportunities for our students. Sue Armstrong, a local resident has injected some fresh energy in helping us develop the North Berwick project and we also work in collaboration with The Action Group who support the students in these sessions. In August 2017 we launched a new service in Gorebridge, Midlothian three days per week offering support and opportunities to 10 students.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2018

Our state of the art **iMuse Suite** continues to be popular with our students and external customers including the NHS, other individuals and voluntary sector organisations. The suite is now delivering around 17 sessions a week over 2 days.

The Upmo community has had an active year participating in a number of fundraising events including:

- The Wild Ponies, a Nashville based Americana duo, were the headline act at an Upmo fundraising night in November 2017, which raised over £1,000.
- An online Art Auction raised £1,110. 60 students, 43 staff, 19 family members and friends, 3 dogs, 2 babies and one child took part in the Upmo Sponsored Walk in April 2018 raising £3,791.
- Members of our staff team took part in the Edinburgh Kiltwalk in September 2018 raising over £2,000.
- A team manager took part in a 26 mile "sk8athon" in August 2018.

UPMO continued to develop **close working and partnerships** with many organisations over the past year, most notably with **State Street**, a global financial services company, who have provided both financial and development support. The **Visioning Exercise** with State Street led us to a position of strength and understanding in order to create a robust strategic business plan for UPMO.

This visioning exercise also led to investment in the **structure** of the organisation, especially the Senior Management Team, that will provide clearer area's of responsibilities and ensure we have the resources needed to support the delivery of our future plans. We have also engaged the services of Law at Work to provide outsourced HR services to our organisation.

Key to developing UPMO and positioning the organisation for the years ahead is a clear, strong and consistent **brand and message**. To this effect, we have been working with Gordon Scott of Transform Brands to help us create our new and vibrant identity. Upward Mobility will be known simply as Upmo, with a bright new distinctive logo and an inspirational strapline. While our new name and logo point us in the right direction, our strapline of 'Support and Opportunity' sums up everything we do. Our branding and communication guidelines - how we look and what we say as an organisation - will all be driven by our vision for a more inclusive world and our commitment to be as friendly, expert, trusted, creative and nurturing as we can be.

Future Plans

In February 2018, the Caledonian Trust, owners of our current premises (St Margaret's House), announced they have entered into an agreement to sell the building to Drum Property Group although timescales are still to be finalised. The managing director and board of trustees had already started to investigate alternative options for Upmo as our success means we have almost outgrown the space in St Margaret's House. This announcement accelerated these plans.

Our concept is to embed Upmo in Leith, a vibrant local community, where we can gradually build an Upmo campus – first developing spaces to deliver classes and workshops, then over time creating employment opportunities such as a shop and cafe, and eventually encouraging independence providing accommodation for students to live "on-campus". Setting up a Leith Campus creates a new model of support that merges person centred support (learning, personal development and social care) with place based regeneration and integration.

The first phase of this plan was to move Upmo's administrative headquarters to Links House in Leith as well as creating workshop space focusing on the following activities – Digital skills, Art and Employability Skills. In parallel we reconfigured the space at St Margaret's house, reducing our footprint there, to continue to accommodate our music, dance, drama and cookery workshops. This was delivered in May 2019.

The second phase of the plan is to transform an industrial warehouse at Swanfield (in Leith) into an exciting workshop and performance space with flexible spaces for music, dance and drama. This is currently at the feasibility stage. Contingency plans have also been developed should we need to vacate St Margaret's House before the delivery of Swanfield is completed.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2018

FINANCIAL REVIEW AND ACHIEVEMENTS

The key financial indicators in the year are:

- total income increased by 20% compared to previous financial year
- total expenditure increased by 23% compared to previous financial year
- the working capital ratio is 3.68

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 172 students attending our workshops each week. Growth in income is mainly attributed to a growth in student numbers with an increase of 17% in service income (£1,293,205 in 2017 to £1,511,511 in 2018).

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.

New grant funding received in 2018 was £259,025 increasing from £143,721 in the previous financial year.

Restricted Funds £247,259

- £25,011 from Shared Care Scotland Better Breaks to support students (under age 20) participating in Outward Mobility.
- £20,647 from Shared Care Scotland Creative Breaks to support students (over age 20) participating in Outward Mobility.
- £12,493 from Young Start (Big Lottery) to support YoYo Café.
- £10,000 from Balcombe Charitable Trust to support the post of café manager.
- £761 from Edinburgh Palette to support our gardening project.
- £3,500 from the Screwfix Foundation to purchase materials for workshops
- £20,000 from the Cordis Foundation to support our campus development.
- £5,000 from SCVO to support staff training in digital skills.
- £30,000 from The Wolfson Foundation to support development of our digital lab.
- £6,300 from Agnes Hunter Trust to support development of our digital lab.
- £800 from the Big Bike Revival to service our bikes and buy new helmets.
- £5,000 from the Yorkshire & Clydesdale Bank Foundation to support Shopmo.
- £2000 from The Souter Charitable Foundation to purchase materials for our workshops.
- £2000 from The Nancie Massey Charitable Foundation to purchase materials for our workshops.
- £1000 from The Cruden Foundation to purchase materials for our workshops.
- £33,600 from The R S Macdonald Charitable Trust to support our senior management team.
- £44,647 from State Street to support curriculum development
- £20,000 from Queensberry House Trust to support future development costs
- £4,500 from City of Edinburgh Council Local Events to support our accessible gigs programme in collaboration with Gig Buddies.

Unrestricted Funds £11,766

- £1,000 from Miss Isabelle Harvey Charitable Trust contributed to costs of workshop materials
- £10,766 donations of amounts less than £1000.

The cost of generating these funds was £21,976 ('Cost to funding achieved' ratio 11.8:1).

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

Expenditure

Costs were effectively managed and controlled. As predicted and planned for, staff salaries took up the greatest part of expenditure, 80%, with an increase of 27% compared to the previous financial year. The increase in staff costs is due to an increase in project workers required to support our enhanced student numbers as well as increased investment in our senior management structure. The established costing model for workshops continues to be utilised to ensure that satisfactory margins are achieved but not at the expense of our exceptional staff to student support ratios.

Project costs increased from £34,209 in 2017 to £49,790 in 2018 reflecting the increased costs of materials for workshops and stock for Café YoYo as well as investment in equipment for art workshops.

Support costs have increased from £263,928 in 2017 to £286,320 in 2018. This reflects an increase in accommodation costs due to increased rent.

The allocation for depreciation reflects depreciation of £10,859 on the investment in our new IT suite. There is an increase in professional fees due to the ongoing provision of HR services from Law at Work and one-off consultancy fees for the installation of the IT suite. Our marketing costs reflect an increase due to the work on developing our brand and maintenance of our website.

Balance Sheet and Cashflow

The balance sheet for the current year now reflects a surplus of £300,522 in relation to total assets over total liabilities from a surplus of £249,322 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 £104,421 are actively managed and all outstanding liabilities as at year end were fully settled within specified terms.

Debtors – This includes service income debt of £291,852. 87% of these invoices have been settled and 13% 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 ensuring that any assets could move when the organisation has to relocate.

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. The Trustees aim to build a reserve to cover three months operational costs and £1,000 per month is being 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 2018

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
Criminal Records Bureau Scotland (CRBS)
Information Commission Office (ICO)

Membership Organisations

Scottish Council for Voluntary Organisations (SCVO)
Institution of Fundraising (IoF)
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
E Henderson: Finance (Resigned 26 February 2018)

The senior management team consists of:

J Barton: Managing Director
A M Bunn: Deputy Director
V Barton: Head of Quality Assurance
C Turnbull: Head of Planning and Interim Head of Service Delivery.

The Managing Director, 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 Managing Director 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 2018

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 before the start of employment/placement. 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 the building where our main premises are located at 151 St Margaret's House. State Street, a global financial services company, who have provided both financial and development support. 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.

Related Parties

The Charity operates a trading company, G25 Project CIC. The trading company rents the arts facility to tenants and gift aids all profits to the charity at the end of each financial year.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2018

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.

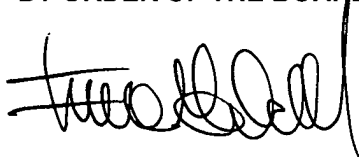
In so far as the Trustees are aware:

- 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.

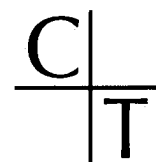
BY ORDER OF THE BOARD



E Mitchell
Trustee, Chair of Board

22/07 2019

**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 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company 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 2018, 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.

Conclusions relating to going concern

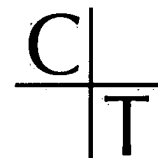
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

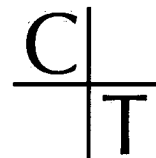
Responsibilities of the trustees

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 A Beveridge

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

26 July 2019

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 2018

	Notes	Restricted Funds £	Un- restricted Funds £	2018 Total £	2017 Total £
Income					
Donations and legacies	2	-	11,766	11,766	6,416
Charitable activities	4	247,259	1,511,511	1,758,770	1,430,510
Other trading activities	3	-	78,490	78,490	104,024
Investments		-	53	53	8
Total income		247,259	1,601,820	1,849,079	1,540,958
Expenditure					
Costs of raising funds	6	100	44,895	44,995	62,289
Charitable activities	7	189,084	1,563,800	1,752,884	1,395,363
Total expenditure		189,184	1,608,695	1,797,879	1,457,652
Net income for the year		58,075	(6,875)	51,200	83,306
Transfers between funds	15	(8,777)	8,777	-	-
Net movement in funds		49,298	1,902	51,200	83,306
Reconciliation of funds					
Total funds brought forward		59,757	189,565	249,322	166,016
Total funds carried forward	14,15	109,055	191,467	300,522	249,322
		=====	=====	=====	=====

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 17 to 29 form part of these financial statements.

UPWARD MOBILITY LTD.

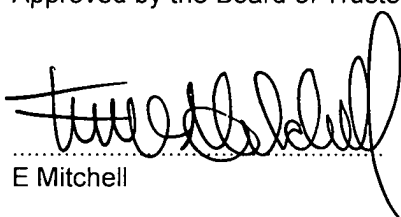
CONSOLIDATED BALANCE SHEET

As at 31 October 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		20,181		919
Current assets					
Debtors	13	306,986		229,325	
Cash at bank and in hand		80,632		127,692	
		<u>387,618</u>		<u>357,017</u>	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		76,004		68,954	
Taxation and social security		31,273		39,660	
		<u>107,277</u>		<u>108,614</u>	
Net current assets			280,341		248,403
Net assets			<u>300,522</u>		<u>249,322</u>
Funds					
Restricted funds	14	109,055		59,757	
Unrestricted funds - General	15	191,467		189,565	
Total Funds			<u>300,522</u>		<u>249,322</u>

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 22 JULY 2019 and signed on its behalf by:


 E Mitchell

Company No. SC309982

UPWARD MOBILITY LTD.

COMPANY BALANCE SHEET

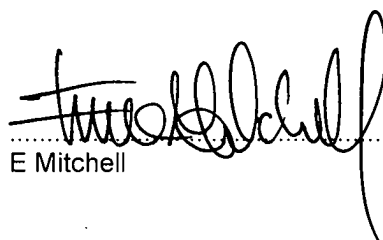
As at 31 October 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		20,181		919
Investments	12		1		1
			<u>20,182</u>		<u>920</u>
Current assets					
Debtors	13	307,210		239,883	
Cash at bank and in hand		77,551		113,696	
		<u>384,761</u>		<u>353,579</u>	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		73,148		65,517	
Taxation and social security		31,273		39,660	
		<u>104,421</u>		<u>105,177</u>	
Net current assets			<u>280,340</u>		<u>248,402</u>
Net assets			<u>300,522</u>		<u>249,322</u>
Funds					
Restricted funds	14		109,055		59,757
Unrestricted funds - General	15		191,467		189,565
Total Funds			<u>300,522</u>		<u>249,322</u>

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

2019 and signed on its behalf by:


E Mitchell

Company No. SC309982

The notes on pages 17 to 29 form part of these financial statements.

UPWARD MOBILITY LTD.

STATEMENT OF CASH FLOWS – CONSOLIDATED AND COMPANY

For year ending 31 October 2018

	Note	Company 2018 £	Company 2017 £
Cash generated by operating activities	20	(6,077)	36,932
Cash flows from investing activities			
Interest income		53	8
Purchase of tangible fixed assets		(30,121)	(925)
Cash used in investing activities		(30,068)	(917)
(Decrease)/Increase in cash and cash equivalents in the year		(36,145)	36,015
Cash and cash equivalents at the beginning of the year		113,696	77,681
Total cash and cash equivalents at the end of the year		77,551	113,696
		=====	=====
		Group 2018 £	Group 2017 £
Cash generated by operating activities	20	(16,992)	50,928
Cash flows from investing activities			
Interest income		53	8
Purchase of tangible fixed assets		(30,121)	(925)
Cash used in investing activities		(30,068)	(917)
(Decrease)/Increase in cash and cash equivalents in the year		(47,060)	50,011
Cash and cash equivalents at the beginning of the year		127,692	77,681
Total cash and cash equivalents at the end of the year		80,632	127,692
		=====	=====

The notes on pages 17 to 29 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 October 2018

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 St Margaret's House, 151 London Road, Edinburgh EH7 6AE.

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. 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 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.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2018

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 company 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	- 20% straight line and 50% straight line for additions

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2018

1. Accounting Policies (Contd.)

Investments

Investments in subsidiary undertakings are recorded at cost less any provision for impairment until the financial statements of the subsidiary can be consolidated in the financial statements of the parent company.

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 £2,082. The costs of the defined contribution scheme are included within expenditure on charitable activities and charged to unrestricted funds.

Restricted Funds

Outward Mobility

This fund contributes to the ongoing costs of our Outward mobility project providing short breaks and day trips for our students. This year we have received support from the Better Breaks fund for students under 20 and Creative Breaks to support students over 20. These funds are operated by Shared Care Scotland (on behalf of the Scottish Government).

Café Project

This fund has supported the continuing expansion of YoYo café. The café at St Margaret's House is now open 5 days per week and a new café opened at Leith Victoria Pool. This fund was supported by Young Start (Big Lottery Fund), State Street, First Port and the Balcombe Charitable trust.

Gardening Project

This fund, supported by Edinburgh Palette, contributes to a Gardening workshop that has landscaped and maintains the garden areas at St Margaret's House.

Premises

This fund supports the ongoing maintenance and refurbishment costs of the project. This fund has been supported by The Beatrice Lang Trust, The Green Hall Foundation, The Morrisons Foundation, The Crerar Hotels Trust, The Cruden Foundation and the Screwfix foundation.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2018

1. Accounting Policies (Contd.)

Restricted funds (continued)

Campus Development

This fund is to support our future plans for the development of an Upmo campus in Leith.

Digital Skills Project

This fund is to provide digital media and online safety training for staff and students. This fund has been supported by the Digital Participation charter fund administered by SCVO.

Digital Lab

This fund, supported by The Wolfson Foundation and The Agnes Hunter Trust, has contributed to the development of the Digital Lab which will support a wide variety of workshops including for example IT skills, Employability skills, Music, Current affairs

Minibus and Outdoor Workshop

This fund, supported by the Souter Charitable Trust, has contributed to the ongoing costs of running our minibus and the Big Bike Revival to service our bikes and buy new helmets.

Shopmo

This fund, is to support our Shopmo workshops which will enable students to learn all aspects of producing, marketing and selling artwork on a professional basis. This has been supported by a Spirit of the Community Award from the Yorkshire and Clydesdale Bank Foundation.

Workshop Equipment and materials

This fund contributes to the ongoing costs of providing materials for our curriculum of workshops for students. This fund has been supported by the Souter Charitable Trust, Nancy Massey Charitable Trust, the Cruden Foundation, Dr Guthrie's Association, Leith Benevolent Association, I F Harvey Charitable Trust, and the David Solomons Trust.

Management Support

This fund, supported by R S Macdonald Charitable Trust, The Robertson Trust and The State Street Foundation and Queensberry House Trust, has contributed to the salary costs associated with strengthening our organisation.

Events

This fund, supported by Gig Buddies and City of Edinburgh council, contributes to the costs of supporting our students to participate and organise live music events in our local community.

Unrestricted Funds

General fund

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

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2018

2. Income from donations	2018	2017
	£	£
Unrestricted donations:		
Other donations of less than £1,000	11,766	6,416
	-----	-----
	11,766	6,416
	=====	=====
 3. Other trading activities	 2018	 2017
	£	£
Unrestricted:		
Other trading activities	2,827	59,194
Income from trading subsidiary	35,614	26,734
Project income	40,049	18,096
	-----	-----
	78,490	104,024
	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

4. Income from donations and charitable activities

	Restricted £	Unrestricted £	2018 £	2017 £
Service income	-	1,511,511	1,511,511	1,293,205
Project grants received				
Outward Mobility:				
- Shared Care Scotland Better Breaks	25,011	-	25,011	23,311
- Shared Care Scotland Creative Breaks	20,647	-	20,647	-
Café Project:				
- First Port	-	-	-	2,000
- State Street	-	-	-	23,758
- Young Start (Big Lottery Fund)	12,493	-	12,493	33,790
- Balcombe Charitable Trust	10,000	-	10,000	-
Gardening Project:				
- Orchard Fund	761	-	761	1,100
Premises				
- Beatrice Lang	-	-	-	1,000
- The Greenhall Foundation	-	-	-	4,000
- The Morrison Foundation	-	-	-	15,000
- Neighbourhood Partnership Grant	-	-	-	1,346
- Crerar Hotels	-	-	-	5,000
- Screwfix Foundation	3,500	-	3,500	-
Campus Development				
- Cordis Foundation	20,000	-	20,000	-
Digital skills Project:				
- SCVO	5,000	-	5,000	5,000
IT Room				
- The Wolfson Foundation	30,000	-	30,000	-
- Agnes Hunter Trust	6,300	-	6,300	-
Minibus & Outdoors:				
- Souter Charitable Foundation	-	-	-	2,000
- Cycle Friendly Development Fund	800	-	800	-
Shopmo				
- Yorkshire & Clydesdale Bank Foundation	5,000	-	5,000	-
Workshop Equipment & Materials:				
- Dr Guthrie	-	-	-	810
- Leith Benevolent	-	-	-	2,000
- I Harvey Charitable Trust	-	-	-	1,000
- D Solomon	-	-	-	1,000
- Souter Charitable Trust	2,000	-	2,000	-
- Nancie Massey Charitable Trust	2,000	-	2,000	-
- Cruden Foundation	1,000	-	1,000	-
Management Support:				
- Robertson Trust	-	-	-	15,000
- R S Macdonald Charitable Trust	33,600	-	33,600	-
- State Street Foundation	44,647	-	44,647	-
- Queensberry House Trust	20,000	-	20,000	-
Events				
- Gig Buddies Events	-	-	-	190
- City of Edinburgh Council Local Events	4,500	-	4,500	-
	247,259	1,511,511	1,758,770	1,430,510
	=====	=====	=====	=====

In 2018 the income from charitable activities was £1,758,770 (2017: £1,430,510) of which £1,511,511 (2017: £1,297,205) was income from unrestricted funds and £247,259 (2017: £133,305) was income from restricted funds.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

5. Staff costs	2018	2017
	£	£
Wages and salaries	1,332,803	1,069,082
Social security costs	82,300	56,887
Pension costs – defined contribution	20,590	4,554
	-----	-----
	1,435,693	1,130,523
	=====	=====

Average number of employees during the year was 98 (2017: 92). 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 of the key management personnel were £179,357 (2017: £159,702).

No remuneration or reimbursement of expenses was paid to the Trustees during the year. Trustee indemnity insurance costing £800 (2017: £767) was purchased during the year.

6. Costs of raising funds	Restricted	Un- Restricted	2018 Total	2017 Total
	£	£	£	£
Trading subsidiary	-	23,019	23,019	26,734
Fundraiser salary costs	-	18,918	18,918	33,297
Fundraising expenses	100	2,958	3,058	2,258
	-----	-----	-----	-----
	100	44,895	44,995	62,289
	=====	=====	=====	=====

In 2018 the expenditure on raising funds was £44,995 (2017: £62,289) of which £44,895 (2017: £62,289) was expenditure from unrestricted funds and £100 (2017: £nil) was expenditure from restricted funds.

7. Analysis of expenditure on Charitable Activities

	Restricted	Un- restricted	2018 Total	2017 Total
	£	£	£	£
Salary costs	133,193	1,283,581	1,416,774	1,097,226
Project costs	6,780	43,010	49,790	34,209
Support costs (note 8)	49,111	237,209	286,320	263,928
	-----	-----	-----	-----
	189,084	1,563,800	1,752,884	1,395,363
	=====	=====	=====	=====

In 2018 the expenditure on charitable activities was £1,752,884 (2017: £1,395,363) of which £1,563,800 (2017: £1,265,851) was expenditure from unrestricted funds and £189,084 (2017: £129,512) was expenditure from restricted funds.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

8. Support and governance costs	Restricted	Un-restricted	2018	2017
	£	£	Total	Total
			£	£
Registrations and subscriptions	-	5,063	5,063	2,228
Training and expenses	6,119	2,204	8,323	8,658
Marketing, communication and publication	-	12,433	12,433	5,360
Rent	8,581	69,712	78,293	54,340
Maintenance	1,887	35,628	37,515	49,766
Administration fees	300	1,022	1,322	3,056
Postage, stationery and telephone	13	22,749	22,762	21,650
Computer expenses	-	24,031	24,031	53,978
Insurance	400	4,753	5,153	9,077
Subsistence, travel and motor expenses	5,729	13,520	19,249	10,584
Professional fees	16,569	25,972	42,541	24,991
Bank charges	-	1,529	1,529	1,177
Depreciation	9,272	1,587	10,859	13,665
Sundry expenses	241	4,826	5,067	1,522
Bad debt provision	-	7,667	7,667	-
Governance costs (note 9)	-	4,513	4,513	3,876
	-----	-----	-----	-----
	49,111	237,209	286,320	263,928
	=====	=====	=====	=====

In 2018 the expenditure on support costs was £286,320 (2017: £263,928) of which £237,209 (2017: £232,518) was expenditure from unrestricted funds and £49,111 (2017: £31,410) was expenditure from restricted funds.

9. Governance costs	2018	2017
	£	£
Audit	4,500	3,876
Companies House fees	13	-
	-----	-----
	4,513	3,876
	=====	=====

10. Net incoming resources	2018	2017
	£	£
This is stated after charging		
Auditor's remuneration	4,500	3,876
Depreciation	10,859	13,665
	=====	=====

11. Taxation

Upward Mobility Ltd has charitable status for taxation purposes. In the year to 31 October 2018 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 2018

12. Tangible assets – Group and Company	Motor Vehicle	Leasehold Improve-ments	Gardening & Office Equipment	Total
	£	£	£	£
Cost				
At 1 November 2017	53,000	110,984	20,178	184,162
Additions	-	-	30,121	30,121
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 October 2018	53,000	110,984	50,299	214,283
	-----	-----	-----	-----
Depreciation				
At 1 November 2017	53,000	110,984	19,259	183,243
Charge for year	-	-	10,859	10,859
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 October 2018	53,000	110,984	30,118	194,102
	-----	-----	-----	-----
Net book value at 31 October 2018	-	-	20,181	20,181
	=====	=====	=====	=====
Net book value at 31 October 2017	-	-	919	919
	=====	=====	=====	=====

	2018	2017
	£	£
Investments - Company		
G25 Project CIC	1	1
	=====	=====

The subsidiary's principal activity is provision of art studio space for rent. The company holds 1 ordinary share of £1 which is 100% of the issued share capital.

	2018	2017
	£	£
Profit/(loss) for the year	-	-
Capital and reserves	1	1
	=====	=====

13. Debtors	Company 2018	Company 2017	Group 2018	Group 2017
	£	£	£	£
Service income debtors	291,852	210,929	297,816	213,840
Prepayments	4,949	3,805	4,949	3,805
Amount due from group undertakings	10,079	18,221	-	-
Other debtors	330	6,928	4,221	11,680
	-----	-----	-----	-----
	307,210	239,883	306,986	229,325
	=====	=====	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

14. Restricted Funds – Company and Group

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

	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.

	Balance at 31 October 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2017 £
Gardening	356	1,100	(1,158)	-	298
Café	3,504	59,548	(57,066)	-	5,986
Minibus & Outdoors	12,035	2,000	(12,607)	-	1,428
Outward Mobility	679	23,311	(13,043)	-	10,947
IT Infrastructure Project	21,000	-	(21,000)	-	-
Digital Skills	-	5,000	-	-	5,000
Premises	500	26,346	(1,846)	-	25,000
Management Support					
-Robertson Trust	7,721	15,000	(12,638)	-	10,083
Management Support					
-Bailey Thomas	9,169	-	(9,169)	-	-
Workshop Equipment & Materials	-	810	(985)	1,000	825
Events	-	190	-	-	190
	54,964	133,305	(129,512)	1,000	59,757

15. Unrestricted Funds – Company and Group

	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

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

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

	Balance at 31 October 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 October 2017 £
General fund	111,052 =====	1,407,653 =====	(1,328,140) =====	(1,000) =====	189,565 =====

16. Capital

The company being limited by guarantee has no share capital.

17. Capital Commitments

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

	2018 £	2017 £
Not later than one year	50,430	-
Later than one year and not later than five years	238,702	-
Later than five years	-	-
	-----	-----
	289,132 =====	- =====

18. Analysis of net assets between funds - Group

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 =====
2017	Net Fixed Assets £	Current Assets £	Total £
Restricted	-	59,757	59,757
General Fund	919	188,646	189,565
	-----	-----	-----
	919 =====	248,403 =====	249,322 =====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

19. Related party transactions

During the period the company provided services, on a normal commercial basis, to close family members of certain of the Trustees. In addition, J Barton, the Managing Director, was a Trustee, until 1 March 2018, of Edinburgh Palette, the charitable company from whom Upward Mobility lease their premises on normal commercial terms.

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

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

	Company 2018	Company 2017
	£	£
Net movement in funds	51,200	83,306
Add back depreciation charge	10,859	13,665
Deduct interest income	(53)	(8)
(Increase) in debtors	(67,328)	(59,116)
(Decrease) in creditors	(755)	(915)
	-----	-----
Net cash (used in)/generated by operating activities	(6,077)	36,932
	=====	=====
	Group 2018	Group 2017
	£	£
Net movement in funds	51,200	83,306
Add back depreciation charge	10,859	13,665
Deduct interest income	(53)	(8)
(Increase) in debtors	(77,661)	(48,558)
(Decrease)/increase in creditors	(1,337)	2,523
	-----	-----
Net cash (used in)/generated by operating activities	(16,992)	50,928
	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2018

21. Financial activities of the Company

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

A summary of the financial activities undertaken by the Company is set out below:

	2018 £	2017 £
Gross incoming resources	1,826,332	1,514,224
Cost of raising funds	(23,019)	(35,555)
Total expenditure on charitable activities	(1,752,113)	(1,395,363)
	-----	-----
	51,200	83,306
Total funds brought forward	249,322	166,016
	-----	-----
Total funds carried forward	300,522	249,322
	=====	=====
Represented by:		
Unrestricted funds	109,055	189,565
Restricted funds	191,467	59,757
	-----	-----
	300,522	249,322
	=====	=====