

UPWARD MOBILITY LTD.
(A Company Limited by Guarantee)
CONSOLIDATED REPORT OF THE TRUSTEES
and FINANCIAL STATEMENTS

For the year ended 31 October 2017



UPWARD MOBILITY LTD.

REPORT and FINANCIAL STATEMENTS

For the year ended 31 October 2017

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UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES

For the year ended 31 October 2017

REFERENCE and ADMINISTRATIVE INFORMATION

The Trustees present their report and financial statements of the company and its subsidiary for the year ended 31 October 2017.

Trustees

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

C Farquhar (Chair of Board) (resigned 31 July 2017)

J Ireson (resigned 17 May 2017)

L Bird

C Turnbull (resigned 6 October 2017)

S Dow

E Mitchell (joined 19 January 2017, appointed Chair of Board 1 August 2017))

E Henderson (appointed 23 March 2017, resigned 26 February 2018)

Managing Director

J Barton

Registered Office

St Margaret's House

151 London Road

EDINBURGH

EH7 6AE

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

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

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

Having joined the Board as a Trustee in January 2017, I am delighted to be contributing to this Trustee Report following my appointment to Chair in October 2017. I must thank my predecessor Christine Farquhar who led, lived and loved Upmo in her 11 years at the helm. She leaves a fantastic legacy at Board level having been integral to the development and growth of Upmo and of great support to Josh. Christine may have officially stepped down as a Trustee but is still an ambassador for Upmo in the many campaigning, advisory and influencing areas that she is involved. John Ireson also stepped down from the board after 10 years and I must thank him for his invaluable contribution to the evolution of Upmo from an organisation supporting a few students to the 156 students we have today.

I must thank my fellow trustees, Josh and Alison for their warm welcome, support and confidence that they have shown to me in these early days. My role as Chair is made so much easier with their expertise, advice and guidance that they bring to their roles as trustee, Managing Director and Deputy Director.

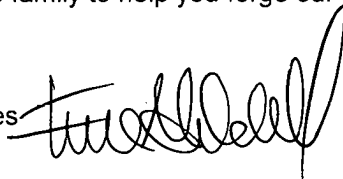
Getting to know and understanding the organisation is important to me, both in these early days and as the organisation develops over the coming years. Spending time getting to know students and staff and seeing how Upmo works, operationally as well as what it means to those who attend really brought home the impact of Upmo. The support and opportunity offered through Upmo is a reality but only through the dedication and commitment of staff who are the biggest asset to the organisation.

As I get to know the students a bit better, I've learnt some new things from a few of them already including some very helpful café operational skills as well as a few nifty dance steps as I was birlled around a dancefloor.... continuously, one fine Edinburgh evening! More of this please...!!!

I would also like to thank our supporters, funders, commissioners and partners as their invaluable support enables us to achieve such positive outcomes for our students.

I've found these early days very encouraging and inspirational, not least from the hard work, dedication and vision of Josh that seems to permeate throughout Upmo. I see so many strengths on what has been built and achieved in the past 10 years and due to this, so many more opportunities to explore and develop in the coming years. This is a truly exciting time to be part of Upmo and I thank you for allowing me to join the Upmo family to help you forge our new and exciting path ahead.

Eric Mitchell
Chair of the Board of Trustees
Upward Mobility



REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

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.

The **YoYo Café** in St Margaret's House has gone from strength to strength, now operational 5 days per week thanks to successful funding applications with State St, the Big Lottery Fund (Young Start) and First Port. The Café now provides lunch for the majority of our students and staff within Upmo and provides catering services for users of the G25 Suite. Ash Denham and other MSPs formally congratulated Upmo in the Scottish Parliament for being awarded the Young Start Grant and for the training and work experience opportunities it enables us to create.

In August, following the closure of the Pathways service, Edinburgh Leisure were looking for someone to lead the management and operations of **café services in Leith Victoria Leisure Centre**. Upmo staff and students stepped in and now provide this service to the public five days a week. Students from our YoYo Café who had learnt food safety, nutrition, cooking and money handling are now developing further skills in customer service as part of the community within Leith.

Further development attributable to the excellent YoYo Café is the creation of a **Breakfast Club**. This operates five mornings a week providing healthy eating options and a platform for students to socialise and start their day in a safe, relaxed and supported environment.

In August, a **Supper Club** was created offering students with staff support the opportunity to plan, prepare and cook evening meals. This has proven particularly popular prior to Upmo social evenings and helped to reduce transport costs for students.

Outward Mobility (Outmo) short breaks service, through support from the Short Breaks Fund continues to be popular with students, parents and carers. This year has seen overnight trips offering activities such as abseiling, nature walks, cycling, rock climbing, swimming, dune surfing, glamping and laser clay shooting. In addition, day trips were organised to Stirling Castle, Edinburgh Festival, fishing trips, Dynamic Earth and Camera Obscura in Edinburgh. Our popular themed disco evenings continue to be popular with students and remain very well attended.

Upmo were delighted to be selected as one of twenty organisations to receive a **Dynamic Earth Golden Ticket** in 2017. This was a great opportunity allowing Upmo students and staff to visit Dynamic Earth for free. Our Friday Art workshops have also been working in collaboration with the Educational Department at Dynamic Earth and visiting artists to create some spectacular artworks exploring the theme of space.

The **FashionAble** show at Waverley Station was a collaboration between Upmo, Models of Diversity and FashionAble providing a platform for people from all different walks of life, promoting diversity, inclusivity, integrity and, of course, fashion. Students from our Friday morning fashion workshop spent months designing, developing and making their own headpieces and wings to model in the show. Whilst also having the opportunity to forge new relationships with local designers, modelling agencies, make-up artists, hairdressers and press and media. Upmo's percussion band, Sounds Rhythmic, also participated in the show.

Upmo hosted our first external exhibition, the **Transitions exhibition**, in the YoYo Café Gallery. The purpose of the Transitions exhibition was to highlight the 'principles of good transitions' publication, which looks at the journeys and experiences of young people as they move forwards in their lives. The exhibition sparked really interesting reactions and thought provoking discussions with students who provided great feedback to the Scottish Transitions Forum.

We continue to collaborate with **Gig Buddies** to encourage our students to participate and attend live music events. For example, in May Upmo and Gig Buddies presented a night of live music at The Wee Red Bar and the line up included Upmo bands Undercover and The Heavy, The Upmo Experience and Bones Carnival. The students really stepped up to the occasion and wowed a packed audience with their performances.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

REVIEW OF THE YEAR (continued)

We expanded our participation in the **National Involvement Network** (NIN), a group of people with learning disabilities who are supported by various organisations throughout Scotland. Group members, which now include Upmo students, want to have more of a say over the services they use and how these are designed, shaped and delivered. Upmo students attend regular meetings, actively participating in discussions covering a variety of topics. NIN recently visited Upmo's Employability Group to gather feedback and experiences from our students on communication and accessibility.

Within our **work experience placements**, we were excited to pilot opportunities in office administration, computer skills and building maintenance. The success of this has increased our determination to develop this area further in the coming months.

Our **satellite projects** in Prestonpans and North Berwick continued, providing additional flexibility and further opportunities for our students. We have also begun working on a development plan to improve our services in East Lothian.

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 24 sessions a week over 3 days.

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. One area that State Street have begun to assist us with is in our visioning exercise. Early preparatory work has begun in the build up to setting a new three-year strategy and business plan for Upmo that will strongly position the organisation to meet the challenges that lie ahead whilst planning for development opportunities. State Street employees have also supported many fundraising events including our annual sponsored walk and a successful football tournament.

Future Plans

There are many exciting developments planned for the year ahead, of which some early preparatory work has begun.

The **Visioning Exercise** with State Street will lead us to a position of strength and understanding in order to create a robust strategic business plan for Upmo. This plan will assist and support the whole organisation to be focused on clear and achievable objectives, all working towards the realisation of our Vision and Mission.

There are plans to review and invest in the **structure** of the organisation including the Senior Management Team that will provide clearer areas of responsibilities and line management reporting.

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, a leader in this area, to help us create our new and vibrant identity. Plans for launching this in the new year are underway.

The Trustee's and Senior Management Team continue to work together on reviewing the **Risk Register** and taking decisive action to reduce or mitigate key challenges to the organisation. This includes a focus on property, transport, finance and other key areas. As the organisation grows and develops, we work closely and diligently to ensure Upmo meets the needs and demands of current and future students, parents and carers.

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. Our current understanding is that this purchase process will take around eighteen months to complete. 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 has accelerated these plans, which will be shared with parents, students and staff in the coming months.

UPWARD MOBILITY LTD.

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

FINANCIAL REVIEW AND ACHIEVEMENTS

The key financial indicators in the year are:

- the overall funds are now in surplus to the value of £249,322
- total income increased by 13.6% compared to previous financial year
- total expenditure increased by 16% compared to previous financial year
- the working capital ratio is 3.29

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 156 students attending our workshops each week. Growth in income is mainly attributed to a growth in student numbers with an increase of 6% in income from charitable activities (£1,219,777 in 2016 to £1,297,205 in 2017). Our fundraising activities in 2017 were more focused on generating funds for specific projects and investing in our operational structure (see below for details of grants received). In May 2016, a Community Interest Company (called G25) was set up as the trading arm of Upward Mobility. This will allow Upmo to progress a number of ideas to generate additional income to support our services. Initially, this has allowed Upmo to hire out our existing facilities, mainly at evenings and weekends, to other community groups.

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 2017 was £143,721 increasing from £102,961 in the previous financial year.

Restricted Funds £133,305

£23,311 from Short Breaks to support students participating in Outward Mobility

£2,000 from First Port to support YoYo Café.

£23,758 from State Street to support YoYo Café

£33,790 from Young Start (Big Lottery) to support YoYo Café

£1,100 from Edinburgh Palette to support our Gardening project

£1,000 from The Beatrice Lang Trust to support improvements to our premises

£4,000 from The Green Hall Foundation to support improvements to our premises

£15,000 from The Morrisons Foundation to support improvements to our premises

£1,346 from Craigentenny and Duddingston Neighbourhood Partnership to support improvements to our premises

£5,000 from Cruden Foundation to support improvements to our premises

£5,000 from SVCO to support our digital skills project

£2,000 from The Souter Charitable Foundation supported our Minibus and outdoor activities.

£810 from Dr Guthrie's Association contributed to costs of workshop materials

£15,000 from the Bailey Thomas Charitable Fund provided a contribution to management support (salaries).

Unrestricted Funds £10,416

£2,000 from Leith Benevolent Fund contributed to costs of workshop materials

£1,000 from The Isabelle Harvey Charitable Trust contributed to costs of workshop materials

£1,000 from D Solomon contributed to costs of workshop materials

£6,416 donations of amounts less than £1,000.

The cost of raising these funds was £35,555 ('Cost to funding achieved' ratio 4.37:1).

REPORT OF THE TRUSTEES (Continued)

For the year ended 31 October 2017

FINANCIAL REVIEW AND ACHIEVEMENTS (continued)

Expenditure

Costs were effectively managed and controlled. As predicted and planned for, staff salaries took up the greatest part of expenditure, 78%, with an increase of 10.7% compared to the previous financial year. 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 £13,436 in 2016 to £34,209 in 2017 reflecting the increased costs of materials for workshops and stock for Café YoYo.

Support costs have increased from £220,632 in 2016 to £263,928 in 2017. This reflects an increase in accommodation costs due to increased rent. There was a one-off spend on IT costs as we invested in a new server and associated infrastructure to improve our security and prepare for compliance with changes to Data Protection Regulations in 2018. The allocation for depreciation reflects depreciation of £13,250 on the minibus that will be fully written down in 2018.

Balance Sheet and Cashflow

The balance sheet for the current year now reflects a surplus of £249,322 in relation to total assets over total liabilities from a surplus of £166,016 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 £108,614 are actively managed and all outstanding liabilities as at year end were fully settled within specified terms.

Debtors – Total debt of £239,883 includes service income due from two invoice runs carried out in October 2016. 68% of these invoices have been settled and 32% 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 the development of Café YoYo, improvements to existing workshops and strengthening the organisational structure. We increased our capacity by refurbishing our existing space whilst ensuring that the redesign focused on assets that can 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 was being paid into a restricted access account. Post financial year end, this payment has been increased to £2000 per month. 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 2017

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:

C Farquhar (Chair of Board): Project Development, Legislation & Policy (Resigned 31 July 2017)
J Ireson: Fundraising & Healthy Living Programme (Resigned 17 May 2017)
L Bird: Human Resources
C Turnbull: Health and Social Care (Resigned 6 October 2017)
S Dow: Communication and branding
E Mitchell; Chair or Board (joined 19 January 2017, appointed Chair of Board 1 August 2017)
E Henderson: Finance (appointed 23 March 2017, resigned due to ill health 26 February 2018)

The senior management team consists of:

J Barton: Managing Director
A M Bunn: Deputy Director
L McGinnes: Human Resources Manager
K Russell: Support Service Manager
V Barton: Support Compliance Manager

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 2017

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 2017

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.

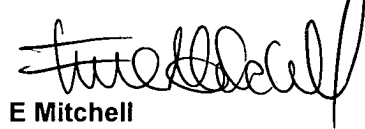
In so far as the Trustees are aware:

- 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.

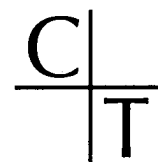
BY ORDER OF THE BOARD



E Mitchell
Trustee, Chair of Board

26/07/ 2018

**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 subsidiaries for the year ended 31 October 2017 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 2017, 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.

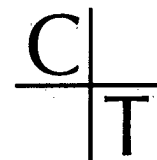
Other information

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.

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.

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



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 8, 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.

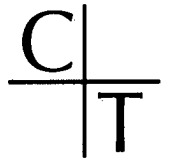
Auditor's responsibilities for the audit of the financial statements

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.

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



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 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

30 July 2018

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 2017

	Notes	Restricted Funds £	Un- restricted Funds £	2017 Total £	2016 Total £
Income					
Donations and legacies	2	-	6,416	6,416	16,887
Charitable activities	4	133,305	1,297,205	1,430,510	1,308,531
Other trading activities	3	-	104,024	104,024	30,458
Investments		-	8	8	17
Total income		133,305	1,407,653	1,540,958	1,355,893
Expenditure					
Costs of raising funds	6	-	62,289	62,289	25,797
Charitable activities	7	129,512	1,265,851	1,395,363	1,231,335
Total expenditure		129,512	1,328,140	1,457,652	1,257,132
Net income for the year		3,793	79,513	83,306	98,761
Transfers between funds	15	1,000	(1,000)	-	-
Net movement in funds		4,793	78,513	83,306	98,761
Reconciliation of funds					
Total funds brought forward		54,964	111,052	166,016	67,255
Total funds carried forward	14,15	59,757	189,565	249,322	166,016

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 27 form part of these financial statements.

UPWARD MOBILITY LTD.

CONSOLIDATED BALANCE SHEET

As at 31 October 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		919		13,659
Current assets					
Debtors	13	229,325		180,767	
Cash at bank and in hand		127,692		77,681	
		357,017		258,448	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		68,954		91,321	
Taxation and social security		39,660		14,770	
		108,614		106,091	
Net current assets			248,403		152,357
Net assets			249,322		166,016
Funds					
Restricted funds	14	59,757		54,964	
Unrestricted funds - General	15	189,565		111,052	
Total Funds			249,322		166,016

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 26/07/2018 and signed on its behalf by:



E Mitchell

Company No. SC309982

The notes on pages 17 to 27 form part of these financial statements.

UPWARD MOBILITY LTD.

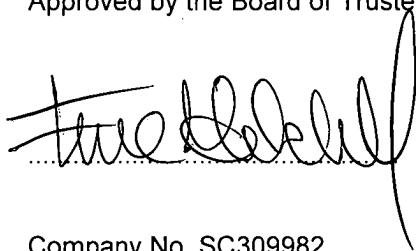
COMPANY BALANCE SHEET

As at 31 October 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		919		13,659
Investments	12		1		-
			<u>920</u>		<u>13,659</u>
Current assets					
Debtors	13	239,883		180,767	
Cash at bank and in hand		113,696		77,681	
		<u>353,579</u>		<u>258,448</u>	
Creditors:- Amounts falling due within one year					
Sundry creditors and accruals		65,517		91,321	
Taxation and social security		39,660		14,770	
		<u>105,177</u>		<u>106,091</u>	
Net current assets			<u>248,402</u>		<u>152,357</u>
Net assets			<u>249,322</u>		<u>166,016</u>
Funds					
Restricted funds	14		59,757		54,964
Unrestricted funds - General	15		189,565		111,052
Total Funds			<u>249,322</u>		<u>166,016</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 26/07/2018 and signed on its behalf by:



E Mitchell

Company No. SC309982

The notes on pages 17 to 27 form part of these financial statements.

UPWARD MOBILITY LTD.

STATEMENT OF CASH FLOWS – CONSOLIDATED AND COMPANY

For year ending 31 October 2017

	Note	Company 2017 £	Company 2016 £
Cash generated by operating activities	20	36,932	41,980
Cash flows from investing activities			
Interest income		8	17
Purchase of tangible fixed assets		(925)	(903)
		-----	-----
Cash used in investing activities		(917)	(886)
		-----	-----
Increase/(decrease) in cash and cash equivalents in the year		36,015	41,094
		-----	-----
Cash and cash equivalents at the beginning of the year		77,681	36,587
		-----	-----
Total cash and cash equivalents at the end of the year		113,696	77,681
		=====	=====
		Group 2017 £	Group 2016 £
Cash generated by operating activities	20	50,928	41,980
Cash flows from investing activities			
Interest income		8	17
Purchase of tangible fixed assets		(925)	(903)
		-----	-----
Cash used in investing activities		(917)	(886)
		-----	-----
Increase/(decrease) in cash and cash equivalents in the year		50,011	41,094
		-----	-----
Cash and cash equivalents at the beginning of the year		77,681	36,587
		-----	-----
Total cash and cash equivalents at the end of the year		127,692	77,681
		=====	=====

The notes on pages 17 to 27 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 October 2017

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.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 October 2017

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 2017

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, supported by the Short Breaks Fund, contributes to the ongoing costs of our Outward mobility project providing short breaks and day trips for our students. The Short Breaks Fund is 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 Clydesdale Bank Foundation.

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.

Minibus and Outdoor Workshop

This fund, supported by the Souter Charitable Trust, has contributed to the ongoing costs of running our minibus and travel costs for various outdoor workshops.

IT Infrastructure Project

This fund, supported by RS Macdonald Charitable Trust, has contributed to the costs of improving our IT infrastructure for the organisation including a new server and improved security.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017

1. Accounting Policies (Contd.)

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.

Premises

This fund supports the ongoing maintenance and refurbishment costs of the project. We have increased our capacity by redesigning our existing space whilst ensuring that spend is focused on assets that can move when the organisation has to relocate. This also includes funding for our planned refurbishment of our East Lothian premises. 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 Craighentenny and Duddingston Neighbourhood Partnership Community Grants Fund.

Management Support

This fund, supported by The Robertson Trust and The Bailey Thomas Charitable Fund, has contributed to the salary costs associated with strengthening our organisation and the introduction of Deputy Director and Curriculum Manager roles.

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 Dr Guthrie's Association, Leith Benevolent Association, I F Harvey Charitable Trust, and the David Solomons Trust.

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	2017 £	2016 £
Unrestricted donations:		
Lady Marian Gibson	-	3,000
Queensberry House	-	5,000
Miss M E Swinton	-	2,000
Barchester Health	-	1,000
John Watson's Trust	-	1,000
Other donations of less than £1,000	6,416	4,887
	-----	-----
	6,416	16,887
	=====	=====
 3. Other trading activities	 2017 £	 2016 £
Unrestricted:		
Other trading activities	59,194	29,025
Income from trading subsidiary	26,734	-
Project income	18,096	1,433
	-----	-----
	104,024	30,458
	=====	=====

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017**4. Income from donations and charitable activities**

	Restricted	Unrestricted	2017	2016
	£	£	£	£
Service income	-	1,293,205	1,293,205	1,219,777
<i>Project grants received</i>				
Outward Mobility:				
- Shared Care Scotland	-	-	-	16,300
- Short Breaks	23,311	-	23,311	-
Café Project:				
- First Port	2,000	-	2,000	-
- State Street	23,758	-	23,758	-
- Young Start (Big Lottery Fund)	33,790	-	33,790	-
- Clydesdale Bank Foundation	-	-	-	5,000
Gardening Project:				
- Orchard Fund	1,100	-	1,100	1,200
Premises				
- Beatrice Lang	1,000	-	1,000	-
- The Greenhall Foundation	4,000	-	4,000	-
- The Morrison Foundation	15,000	-	15,000	-
- Neighbourhood Partnership Grant	1,346	-	1,346	-
- Crerar Hotels	5,000	-	5,000	-
- Cruden Foundation	-	-	-	500
IT Infrastructure Project:				
- RS Macdonald Trust	-	-	-	21,000
Digital skills Project:				
- SCVO	5,000	-	5,000	14,754
Minibus & Outdoors:				
- Souter Charitable Foundation	2,000	-	2,000	-
Workshop Equipment & Materials:				
- Dr Guthrie	810	-	810	-
- Leith Benevolent	-	2,000	2,000	-
- I Harvey Charitable Trust	-	1,000	1,000	-
- D Solomon	-	1,000	1,000	-
Management Support:				
- Robertson Trust	15,000	-	15,000	15,000
- Bailey Thomas	-	-	-	15,000
Events	190	-	190	-
	-----	-----	-----	-----
	133,305	1,297,205	1,430,510	1,308,531
	=====	=====	=====	=====

In 2017 the income from charitable activities was £1,430,510 (2016: £1,308,531) of which £1,297,205 (2016: £1,219,777) was income from unrestricted funds and £133,305 (2016: £88,754) was income from restricted funds.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017

5. Staff costs

	2017	2016
	£	£
Wages and salaries	1,069,082	961,084
Social security costs	56,887	55,377
Pension costs – defined contribution	4,554	4,987
	-----	-----
	1,130,523	1,021,448
	=====	=====

Average number of employees during the year was 92 (2016: 75). 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 4. The total employment benefits including employer pension contributions of the key management personnel were £159,702 (2016: £256,965).

No remuneration or reimbursement of expenses was paid to the Trustees during the year. Trustee indemnity insurance costing £767 (2016: £572) was purchased during the year.

6. Costs of raising funds

	Restricted	Un- restricted	2017 Total	2016 Total
	£	£	£	£
Trading subsidiary	-	26,734	26,734	-
Fundraiser salary costs	-	33,297	33,297	24,181
Fundraising expenses	-	2,258	2,258	1,616
	-----	-----	-----	-----
	-	62,289	62,289	25,797
	=====	=====	=====	=====

In 2017 the expenditure on raising funds was £62,289 (2016: £25,797) of which £62,289 (2016: £25,797) was expenditure from unrestricted funds and £nil (2016: £nil) was expenditure from restricted funds.

7. Analysis of expenditure on Charitable Activities

	Restricted	Un- restricted	2017 Total	2016 Total
	£	£	£	£
Salary costs	92,401	1,004,825	1,097,226	997,267
Project costs	5,701	28,508	34,209	13,436
Support costs (note 8)	31,410	232,518	263,928	220,632
	-----	-----	-----	-----
	129,512	1,265,851	1,395,363	1,231,335
	=====	=====	=====	=====

In 2017 the expenditure on charitable activities was £1,395,363 (2016: £1,231,335) of which £1,265,851 (2016: £1,161,966) was expenditure from unrestricted funds and £129,512 (2016: £69,369) was expenditure from restricted funds.

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017

8. Support and governance costs

	Restricted	Un-restricted	2017	2016
	£	£	Total	Total
			£	£
Registrations and subscriptions	-	2,228	2,228	2,528
Training and expenses	4,518	4,140	8,658	3,559
Marketing, communication and publication	-	5,360	5,360	5,337
Rent	10,500	43,840	54,340	52,020
Maintenance	1,084	48,682	49,766	35,899
Administration fees	-	3,056	3,056	3,940
Postage, stationery and telephone	46	21,604	21,650	12,701
Computer expenses	727	53,251	53,978	16,777
Insurance	900	8,177	9,077	5,265
Subsistence, travel and motor expenses	1,161	9,423	10,584	19,275
Professional fees	-	24,991	24,991	12,028
Bank charges	-	1,177	1,177	1,029
Depreciation	12,035	1,630	13,665	44,599
Sundry expenses	439	1,083	1,522	1,354
Governance costs (note 9)	-	3,876	3,876	4,321
	-----	-----	-----	-----
	31,410	232,518	263,928	220,632
	=====	=====	=====	=====

In 2017 the expenditure on support costs was £260,052 (2016: £216,311) of which £228,642 (2016: £190,631) was expenditure from unrestricted funds and £31,410 (2016: £25,680) was expenditure from restricted funds.

9. Governance costs

	2017	2016
	£	£
Audit	3,876	4,321
	=====	=====

10. Net incoming resources

	2017	2016
	£	£
This is stated after charging		
Auditor's remuneration	3,876	4,321
Depreciation	13,665	44,599
	=====	=====

11. Taxation

Upward Mobility Ltd has charitable status for taxation purposes. In the year to 31 October 2017 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 2017

12. Tangible assets – Group and Company	Motor Vehicle	Leasehold Improve-ments	Gardening & Office Equipment	Total
	£	£	£	£
Cost				
At 1 November 2016	53,000	110,984	19,253	183,237
Additions	-	-	925	925
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 October 2017	53,000	110,984	20,178	184,162
	-----	-----	-----	-----
Depreciation				
At 1 November 2016	39,949	110,976	18,653	169,578
Charge for year	13,051	8	606	13,665
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 October 2017	53,000	110,984	19,259	183,243
	-----	-----	-----	-----
Net book value at 31 October 2017	-	-	919	919
	=====	=====	=====	=====
Net book value at 31 October 2016	13,051	8	600	13,659
	=====	=====	=====	=====

	2017	2016
	£	£
Investments - Company		
G25 Project CIC	1	-
	==	==

In April 2016, the company created a new community interest company, G25 Project CIC, which is a wholly owned subsidiary of Upward Mobility Ltd. The first period of trade is 29 April 2016 to 28 October 2017. 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.

	2017	2016
	£	£
Profit/(loss) for the year	-	-
Capital and reserves	1	-
	=	=

13. Debtors – Group and Company	Company 2017	Company 2016	Group 2017	Group 2016
	£	£	£	£
Service income debtors	210,929	175,254	213,840	175,254
Prepayments	3,805	2,171	3,805	2,171
Amount due from group undertakings	18,221	-	-	-
Other debtors	6,928	3,342	11,680	3,342
	-----	-----	-----	-----
	239,883	180,767	229,325	180,767
	=====	=====	=====	=====

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017**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 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 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.

UPWARD MOBILITY LTD.**NOTES to the FINANCIAL STATEMENTS (Contd.)****For the year ended 31 October 2017****17. Commitments****a) Operating Lease Commitments**

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

	2017 £	2016 £
Not later than one year	-	21,600
Later than one year and not later than five years	-	3,678
Later than five years	-	-
	-----	-----
	-	25,278
	=====	=====

b) Capital Commitments

There were no capital commitments as at 31 October 2017.

18. Analysis of net assets between funds - Group

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

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.

The company also provided goods and services to G25 Project CIC ('G25'), a subsidiary company, to the value of £28,812 and G25 made a gift aid donation to Upmo of £10,764. The balance due to Upmo at the year end date was £18,221.

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

	Company 2017 £	Company 2016 £
Net movement in funds	83,306	98,761
Add back depreciation charge	13,665	44,599
Deduct interest income	(8)	(17)
(Increase) in debtors	(59,116)	(118,218)
(Decrease)/increase in creditors	(915)	16,855
	-----	-----
Net cash generated by operating activities	36,932	41,980
	=====	=====

UPWARD MOBILITY LTD.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 October 2017

19. Reconciliation of net movement in funds to net cash flow from operating activities (continued)

	Group 2017 £	Group 2016 £
Net movement in funds	83,306	98,761
Add back depreciation charge	13,665	44,599
Deduct interest income	(8)	(17)
(Increase) in debtors	(48,558)	(118,218)
Increase in creditors	2,523	16,855
	-----	-----
Net cash generated by operating activities	50,928	41,980
	=====	=====

20. 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:

	2017 £	2016 £
Gross incoming resources	1,514,224	1,355,893
Cost of raising funds	(35,555)	(25,797)
Total expenditure on charitable activities	(1,395,363)	(1,231,335)
	-----	-----
	83,306	98,761
Total funds brought forward	166,016	67,255
	-----	-----
Total funds carried forward	249,322	166,016
	=====	=====
Represented by:		
Unrestricted funds	189,565	111,052
Restricted funds	59,757	54,964
	-----	-----
	249,322	166,016
	=====	=====