

**UPWARD MOBILITY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 October 2021**

**Charity number: SC037917**  
**Company number: SC309982**



## UPWARD MOBILITY LIMITED

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## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 October 2021 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and 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 2019).

#### **INTRODUCTION FROM THE CHAIR**

This is the third year that my Chair Report has had to include the impact of the Covid pandemic but I can say with certainty that Upward Mobility Limited ("Upmo") has navigated its way confidently, safely and progressively through these choppy waters. We are now living with Covid and have to manage this accordingly. Our blended learning approach to workshop delivery, support and providing opportunity to our students and families continued from 2020 through into 2021 and is here to stay. The organisation has faced extremely challenging times and we foresee further challenge ahead. However, our Chief Executive Andrew Thomson has led Upmo with strength, insight and decisiveness, consolidating the organisation during the Covid pandemic whilst positioning Upmo for the next stage of its development. This has included the appointment of new key posts during 2021. We warmly welcomed Alan Smart as Head of Development and Angela Dias who came in as Head of Corporate Services. They of course join Claire Farquhar, Head of Operations whom you all know well to complete Upward Mobility's Senior Leadership Team. We also strengthened the team with 3 appointments to support our student activities in the areas of digital support, fundraising and communications Elizabeth Dickie, Faith Nicholson and Siobhan Scott all bring additional skills to help grow and develop the Upmo ranges of services.

Further key appointments throughout the year included 6 new Trustee's joining at Board level. I am hugely grateful to Nasir Ali, Shona Moyes, Paul Atkinson, Sonya Campbell-Perry, Richard Snodgrass and Antonio Longo for their commitment and volunteering their time. I already love working alongside them as Chair. They bring a raft of talent and huge amount of valuable experience to the Board, governing the organisation and setting strategic direction. During the year, Sophie Dow and Liz Taylor stepped down having served a collective 14 years. It is no exaggeration to say that Upmo would not be the organisation it is today without them and we are indebted to their work over those years. So a huge thank you to departing and newly arriving Trustee's in 2021.

During 2020/21 we have seen the organisation grow in those adverse times with student numbers increasing, both those in receipt of service and those wishing to join Upmo. It has been an extremely difficult time for young people and adults with learning disability and/or autism during this pandemic. Isolated, unable to return to services and the knock on impact on their mental and physical health. Credit to the tireless, talented and extremely hard working operational teams within Upmo led by Claire Farquhar. A new transitional service was created in order to open the door to new students who had no destination post school. Our Project Workers, Team Leaders and Managers have led through and endured all that was asked of them in 2021 providing support and opportunity to our 180 students.

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

As always, we are grateful to those students who personally choose to join Upmo as well as City of Edinburgh, East Lothian and Midlothian Councils and the Scottish Government for their continued support throughout the Covid pandemic. We could not deliver the high quality, innovative opportunities that we do with the additional support from the Trusts and Partnerships that have financially supported us to do so throughout the year. Special mention must go to RS MacDonald, State Street, The Henry Smith Charity, Robertson Trust, Communities Recovery Fund and Adapt and Thrive for their generous and continued support of Upmo and our students.

#### **OBJECTIVES AND ACTIVITIES**

##### **Purposes**

Upward Mobility Limited (Upmo) was set up to support and provide opportunities to adults with learning difficulties and autism. It provides tailored support services with a curriculum of creative workshops, educational activities and vocational programmes.

##### **Aims and activities**

Upmo combines a tailored support service with an increasingly respected curriculum of creative workshops, educational activities and vocational programmes. Upmo is 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. Upmo encourages its 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 Upmo currently constitute the majority of the charity's income generation.

#### **ACHIEVEMENTS AND PERFORMANCE**

While the majority of the year has seen operations subject to Covid lockdown restrictions, we have continued to support students through our digital service – Upmo Connect – and with ongoing home support and regular newsletters to ensure we kept in touch with students and families.

As with many social care services, the challenge has been providing quality services within the restrictions imposed by national management of Covid. Our staff team and students have worked together to navigate the many hurdles which have arisen and have embraced the challenge by refocusing a number of the workshops to address differing needs resulting from the Covid pandemic. Examples of this were the Retail workshops where we created and sold beautiful face masks and at Gorebridge where the students used the opportunity to develop a garden for the benefit of a locked-down older peoples' residential service.

It was with a renewed sense of purpose that we saw the lockdown restrictions easing off at the end of September allowing a controlled number of the students returning to our sites across Edinburgh, Midlothian and East Lothian. With a number of restrictions still in place, it was necessary to phase the remobilization plan over a few months to allow for the safe return of students and staff. To the credit of the flexibility of our staff that we have continued to offer a relatively high level of service provision with almost no service cancellations within this period.

Students have shown remarkable resilience throughout the period and this can be seen from the desire to participate in activities where our normal service delivery model has been disrupted.

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

A significant number of our students have emerged from Covid considering changes they may like to make to their lives. Upmo has responded to this challenge with innovative ideas to develop a range of life skills through employability projects and key interest activities. An example of developing life skills is the creation of customer service and catering skill pathways which will see an initial placement in an Upmo café which will help develop life skills in a customer service environment linking to transferable qualifications and employment opportunities. A key interest project commenced in September with a collaboration with Dynamic Earth in which students are working to produce material which will feature as part of exhibited displays. The work at the Duddingston gardens was able to be maintained during the lockdown due to the lesser risk of working outdoors. This allowed students to continue to be engaged in the growing and harvesting work in the spring and summer periods.

The period of lockdown also saw Upmo introduce a new transition service at Swanfield in response to a request from City of Edinburgh Council. This service enabled students on the waiting list to join Upmo as part of a tailored introduction and has been well received by students who have been taking part in Art, IT and Digital photography workshops. The year also saw a change of focus due to Covid restrictions with the Dance Studio at St Margaret's being released back to the landlords.

We continue to fine tune our post covid service offering to support our students across all our workshops and activities and can reflect on the comments and feedback from students and families throughout the year.

"Andrew's mood is better after Virtual Workshops"

"Has kept our daughter connected to the outside world"

"I feel happy and confident"

"Has made me learn new things and feel more confident":

"It makes my life better to see everybody"

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

#### **FINANCIAL AND OPERATING REVIEW**

There was a small net decrease of 0.99% (2020: net increase of 7.84%) in income compared to the previous year, due to slightly less fee income in the current year. Grants remained broadly at the same level as the previous year. Details of grants and fees are shown in notes 2 – 4 on pages 22 and 23. Expenditure for the year increased by 5.38% (2020: increased by 5.05%).

There was a deficit for the year of £17,910 (2020: a surplus of £296,206). Total funds carried forward are £618,943 (2020: £636,853), comprising £193,267 (2020: £166,575) of restricted funds and £425,676 (2021: £470,278) in the unrestricted general fund.

Details of fund movements are shown in note 16 on page 28. This demonstrates that there is a significant shortfall in the cost of providing the service in some areas.

#### **Principal funding sources**

Upmo receives funding from three main sources:

- fees from students and local authorities;
- grants and voluntary donations; and
- the operation of social enterprises.

We are enormously appreciative of all our donors for their support and would like to thank all the individuals and groups who made donations to the charity.

#### **Investment policy**

The organisation is keenly aware of the need to ensure its longer-term viability. To provide reliable services on an ongoing basis the organisation must be able to absorb funding setbacks and to take advantage of changes and opportunities. The organisation provides for this by putting aside, where it can afford to, and in line with its Reserves Policy, some of its current unrestricted income as a reserve against future uncertainties.

Aside from retaining a prudent amount in reserves, the Finance Subcommittee regularly reviews the organisational finances and level of reserves to ensure most of the charity's funds are spent in the short to medium term.

#### **Reserves policy**

In the Trustees' view, reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. To achieve this a policy of three months operational expenditure, £490,000, has been calculated as an appropriate free reserve. The free reserves at 31 October 2021 were £425,676 which is short of target reserves, however the Trustees are considering ways of addressing this shortfall.

**UPWARD MOBILITY LIMITED**

**TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

**Risk Management**

The Trustees have considered the risks faced by Upward Mobility and have put appropriate policies and 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 the continued impact of the global pandemic, Brexit, rising living and energy costs as well as 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.

The organisations overarching Risk Register has recently been reviewed and improved, and is a standing agenda item at Board meetings. The register is meticulously reviewed in full annually. The current principle risks are detailed below as at May 2022 alongside the existing controls and proposed action. These actions have been implemented in the current financial year and under quarterly review by the Board.

	Risk Event	Possible Consequences	Existing Controls	Proposed Action	Owner	Deadline	Progress
Financial	3.1 Inappropriate revenue and capital expenditure decisions.	Funds tied up in capital items; detrimental impact on cashflow resulting in reputational risk and loss of commissioned services; low levels of reserves; winding up of the organisation.	Likely consequential financial impact of major decisions fully considered; Develop strong business planning and modelling tools to assess likely impacts of change which protects core objectives; Develop a good "change" culture; Build up and husband optimally sustainable reserves; Aligned practice and financial expenditure policies.	Creation of a Finance Sub Committee to advise the Board on all financial aspects	Chair	1-Sep-2021	Complete
				Set financial decision parameters for CEO	Chair	1-Apr-2021	Complete
				Establish budget setting process, timescale and decision making	Chair	1-Oct-2021	Complete

UPWARD MOBILITY LIMITED

TRUSTEES' ANNUAL REPORT

for the year ended 31 October 2021

Risk Management (continued)

	Risk Event	Possible Consequences	Existing Controls	Proposed Action	Owner	Deadline	Progress
Operational	5.1 Health and Safety incident relating to personnel, student or member of public.	Personal injury; loss of personal property; claim against Upmo.	Continued formal H+S training for staff related to H+S Risks; regular review of risk assessments for all activities; regular monitoring in supervision; H+S policies maintained, available to staff and implemented; first aid training and access to first aid kits. Upmo sites insured for theft/ damage/injury; equipment handling/lifting guidelines to be adhered to at all times; careful storage of chemicals (e.g. cleaning materials), waste management with thorough risk assessment; electrical cables, hazards etc are safely routed and risk assessed.	Continual reviewing of Health and Safety policies with Peninsula under contractual agreement	Head of Corporate Services	1-Apr-2021	Complete
				SLT review Health and Safety fortnightly	SLT	1-Apr-2021	Complete
				All new entrants receive H & S training , First aid and Safe Handling training	SLT	1-Apr-2021	Complete
				Insurance policies in place and reviewed annually	CEO	1-Apr-2021	Complete
	5.2. Business Interruption through closure of property site(s) due to incident, Government advice or landlord actions.	Discontinuation of operation at Upmo site(s). Leases are terminated /altered by the landlords; unable to continue service delivery leading to disruption of student services and family support; risk to staff jobs; sustainability jeopardised.	Signed leases and Contingency Plans in place for each site; identified alternative venues for office premises and re-location of workshops to community settings (church halls, community centres etc); closure and contingency plans for students to be supported through blended learning in place; all non-front line staff are equipped to work remotely with ICT equipment supplied; staff contact telephone numbers issued to all teams for use in emergency; property searches ongoing.	Lease reviews completed, alternative property options being considered throughout all three operating areas	CEO	1-Apr-2021	In progress
				Staff have DSE assessments completed for remote working	SLT	1-Apr-2021	Complete
				ICT equipment provided and all staff contact numbers issued to enable remote working and blended learning in the event of service interruption's	SLT	1-Apr-2021	Complete



## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

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

As we come out of the Covid pandemic, Upmo like other social care sector organisations is facing a challenging recruitment market in competing with other sectors to recruit and retain key staff and an increasingly competitive funding landscape.

While we continue to address the ongoing issue of recruitment, we believe there are strategic and operational initiatives we should undertake to continue to move Upmo forward. At a strategic level we intend to review the Mission and Vision of the organisation and to implement a Fundraising Strategy to help target our fundraising activities.

At an operational level, we see the continuing use of technology will help us maintain an innovative and exciting range of student activities through building on our unique approach to blended learning. We will also continue to use information technology to ensure efficiency and best practice throughout the organisation.

The opportunity to review and revise the Upmo curriculum is being taken with more emphasis on employability and getting students engaged in outdoor Learning through our work in our gardens at Duddingston and North Berwick. The desire to grow more produce for use in our cafe premises will see a cycle of growing, harvesting, preparing and selling produce involving the students throughout all stages providing skills and experience across a wide range of interrelated activities.

Additionally, further developments will see the retail activities currently being undertaken at third sector organised street markets being supplemented with an Upmo online shop. This will enable a wider range of student produced arts and craft products and associated produce to be offered to our student families, established supporters and to a whole new range of customers who follow Upmo activities on social media. As well as students being engaged in the preparation of items for sale, we will also look to develop customer facing skills, including sales transactions - cash handling and digital payments -and the fulfilment of online orders as part of the employability pathway.

Developments to increase our social media profile and to keep student activities appropriately highlighted are seen as key to ensuring Upmo spreads the message of what we do to enrich our students lives through a varied and dynamic programme.

We will continue working with partners and other organisations to create meaningful opportunities in which the students are safe, able to grow their skills and progress into further learning and development opportunities.

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

##### **Governing Document**

Upmo is a charitable company limited by guarantee, incorporated on 11 October 2006 and registered as a charity on 14 March 2007. The company's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. The liability of each member in the event of winding up is limited to a £1.

The Charity was also registered with the Care Inspectorate on 23 March 2009.

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

#### **Directors and Trustees**

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

#### **Recruitment and appointment of Trustees**

The Trustees may, at any time, unanimously agree to appoint any person as a Trustee provided that the prescribed maximum 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 Limited.

#### **Induction and training of new Trustees**

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 regulation as part of their induction. Currently this training is sourced through two organisations: Edinburgh Voluntary Organisation Committee (EVOC) and Scottish Council for Voluntary Organisations (SCVO).

#### **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**

Upmo has invested a significant amount of resources into creating its own internal, induction training programme which is completed by all new employees. The objective of this training is firstly to ensure familiarity as well as adherence to the National Care Standard but also to introduce new employees to the unique systems, resources and structures that make Upmo the dynamic and innovative organisation 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, the Upmo provides relevant training. Volunteers also receive training appropriate to their role in the organisation.

#### **Organisational structure**

The Trustees are responsible for the strategic direction of the charity, for providing financial oversight, and for ensuring that the organisation is well governed and operates in line with charitable objectives. Trustees come from a variety of professional backgrounds relevant to the work of the charity. Following two resignations and six new additions, the Board has seven members.

A schedule of delegation is in place and day-to-day responsibility for the provision of the services rests with the Senior Management Team. The Chief Executive is responsible for strategy, organisational development and leadership, with the Head of Departments responsible for the operational management of the organisation, staff management and for ensuring that the charity delivers the services specified and that key performance indicators are met.

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

The Service Managers are responsible for managing the day-to-day delivery of services and have responsibility for ensuring that staff team members continue to develop their skills and that working practices are in line with good practice. Staff and volunteers are provided with regular supervision and opportunities to identify training and continuing professional development needs.

#### **Related Parties**

All Trustees are responsible for declaring any interests of close family or other associates who members of the public might reasonably think could influence their judgement. The charity is managed by the Trustees, with no sole individual having undue control of the charity.

Upmo is grateful for the collaborative relationships that have been established with other organisations and service providers. We continue to work closely with Edinburgh Palette ([www.edinburghpalette.co.uk](http://www.edinburghpalette.co.uk)) who manage St Margaret's House, one of our main sites. We also continue to work with the City of Edinburgh Council, East Lothian Council; and Midlothian Council to provide support and opportunities for students. Thanks to their interest in Upmo we are able to continue the development of our programmed workshops and activities as well as support services for a growing number of people who benefit from them. Our partnership with Jock Tamson's Garden at Duddingston Kirk continues to be strengthened and relationships with new sites in Gorebridge and North Berwick have allowed improved options for delivery of support and opportunities outside of the City of Edinburgh.

#### **Pay and Remuneration of Key Personnel**

Senior Management staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales.

**UPWARD MOBILITY LIMITED**

**TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity Name:** Upward Mobility Limited (known as "Upmo")

**Charity Number:** SC037917

**Company Number:** SC309982

**Directors:**

Eric Mitchell	Chair
Nasir Ali	Appointed 1 April 2021
Paul Atkinson	Appointed 1 April 2021
Sonya Campbell-Perry	Appointed 1 April 2021
Antonio Longo	Appointed 1 April 2021
Sophie Dow	Resigned 1 April 2021
Shona Moyes	Appointed 17 September 2021
Richard Snodgrass	Appointed 17 September 2021
Elizabeth Reid Taylor Bird	Resigned 8 October 2021

**Key Management  
Personnel:**

Andrew Thompson	Chief Executive Officer
Claire Turnbull	Head of Operations
Alan Smart	Head of Development (From April 2021)
Angela Dias	Head of Corporate Services (From July 2021)
Verita Barton	Head of Quality Assurance (To December 2020)

**Principal Office and  
Registered Office:**

Links House  
15 Links Place  
Suite 4/5  
Edinburgh  
EH3 6NL

**Senior Statutory  
Auditor:**

Ingela Louise Presslie

**Independent  
Auditors:**

Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh, EH3 6AT

**Bankers:**

Royal Bank of Scotland plc  
142-144 Princes Street  
Edinburgh  
EH2 4EQ

## **UPWARD MOBILITY LIMITED**

### **TRUSTEES' ANNUAL REPORT**

**for the year ended 31 October 2021**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the Directors of Upmo 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 Charity Trustees to prepare financial statements for each year which 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 that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement as to disclosure of information to auditors**

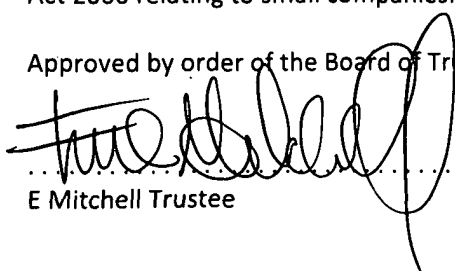
So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

#### **Auditors**

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

The report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 9 June 2022 and signed on its behalf by:-

  
.....  
E Mitchell Trustee

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
UPWARD MOBILITY LIMITED**

**For the year ended 31 October 2021**

**Opinion**

We have audited the financial statements of Upward Mobility Limited for the year ended 31 October 2021, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement 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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2021 and of 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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**

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**

### **UPWARD MOBILITY LIMITED**

**For the year ended 31 October 2021**

#### **Other information**

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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 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 directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**

### **UPWARD MOBILITY LIMITED**

**For the year ended 31 October 2021**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 charity'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 charity 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 the Acts and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**

**UPWARD MOBILITY LIMITED**

**For the year ended 31 October 2021**

**Use of our report**

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ingela Louise Presslie CA**

**Senior Statutory Auditor**

**for and on behalf of Whitelaw Wells, Statutory Auditor**

**Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**

**9 Ainslie Place**

**Edinburgh EH3 6AT**

**9 June 2022**

**UPWARD MOBILITY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)**

**For the year ended 31 October 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Income</b>					
Donations and legacies	2	3,739	482	4,221	3,151
Charitable activities	4	1,688,790	246,601	1,935,391	2,137,905
Other trading activities	3	5,145	-	5,145	17,572
Investments		22	-	22	91
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		<b>1,697,696</b>	<b>247,083</b>	<b>1,944,779</b>	<b>2,158,719</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure:</b>					
Costs of raising funds	6	15,406	-	15,406	45,941
Charitable activities	7	1,739,590	207,693	1,947,283	1,816,572
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>		<b>1,754,996</b>	<b>207,693</b>	<b>1,962,689</b>	<b>1,862,513</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net (expenditure)/income for the year</b>		<b>(57,300)</b>	<b>39,390</b>	<b>(17,910)</b>	<b>296,206</b>
Transfers between funds	16	12,698	(12,698)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>		<b>(44,602)</b>	<b>26,692</b>	<b>(17,910)</b>	<b>296,206</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		470,278	166,575	636,853	340,647
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward</b>	16	<b>425,676</b>	<b>193,267</b>	<b>618,943</b>	<b>636,853</b>
		<hr/>	<hr/>	<hr/>	<hr/>

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

All activities relate to continuing operations.

**The notes on pages 19 to 30 form part of these financial statements**

**UPWARD MOBILITY LIMITED**

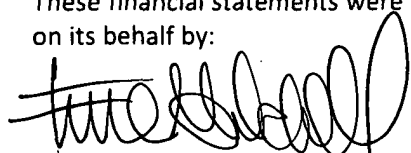
**BALANCE SHEET**

**As at 31 October 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	12		136,281		135,075
Investments	13		-		1
			<hr/>		<hr/>
			136,281		135,076
<b>Current assets</b>					
Debtors	14	221,582		295,807	
Cash at bank and in hand		457,274		388,090	
		<hr/>		<hr/>	
			678,856	683,897	
<b>Creditors: amounts falling due within one year</b>					
Creditors	15	196,194		182,120	
		<hr/>		<hr/>	
			196,194	182,120	
		<hr/>	<hr/>	<hr/>	
<b>Net current assets</b>			482,662		501,777
			<hr/>		<hr/>
<b>Net assets</b>			618,943		636,853
			<hr/>		<hr/>
<b>Funds</b>					
Restricted funds	16		193,267		166,575
Unrestricted funds - General	16		425,676		470,278
			<hr/>		<hr/>
<b>Total Funds</b>			618,943		636,853
			<hr/>		<hr/>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the Board of Trustees on 9 June 2022 and were signed on its behalf by:

  
E Mitchell

Registered number: SC309982

The notes on pages 19 to 30 form an integral part of these financial statements

**UPWARD MOBILITY LIMITED**

**CASH FLOW STATEMENT**

**For the year ended 31 October 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash generated by operating activities</b>	106,757	341,903
<b>Cash flows from investing activities</b>		
Interest income	22	91
Purchase of tangible fixed assets	(37,596)	(60,452)
	<u>          </u>	<u>          </u>
<b>Cash used in investing activities</b>	(37,574)	(60,361)
	<u>          </u>	<u>          </u>
<b>Increase in cash and cash equivalents in the year</b>	69,184	281,542
	<u>          </u>	<u>          </u>
Cash and cash equivalents at the beginning of the year	388,090	106,548
	<u>          </u>	<u>          </u>
<b>Total cash and cash equivalents at the end of the year</b>	457,274	388,090
	<u>          </u>	<u>          </u>

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

Net movement in funds (as per Statement of Financial Activities)	(17,910)	296,206
Adjusted for:		
Depreciation charge	36,390	36,851
Interest received	(22)	(91)
Decrease/(increase) in debtors	74,225	(71,406)
Increase in creditors	14,074	80,343
	<u>          </u>	<u>          </u>
<b>Net cash generated by operating activities</b>	106,757	341,903
	<u>          </u>	<u>          </u>

**Analysis of change in net debt**

	<b>At 31</b>		<b>Other</b>	<b>At 31</b>
	<b>October</b>	<b>Cashflows</b>	<b>non-cash</b>	<b>October</b>
	<b>2020</b>		<b>changes</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	388,090	69,184	-	457,274
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**The notes on pages 19 to 30 form an integral part of these financial statements**

## UPWARD MOBILITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

#### 1. Accounting Policies

##### Statutory information

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

##### Basis of accounting

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

##### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (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).

Upward Mobility Limited 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).

##### Going concern

Upmo and its students continued to experience the effect of the global pandemic in the year, with space restriction impacting the return to full buildings based service provision. This was mitigated by the creative use of technology and a new approach to blended learning that is gradually being implemented. This new flexible and innovative model of service delivery will lessen the impact of future crises and disruption to service provision and ensure that students receive support, opportunity, care and learning. The Directors have prepared budgets and forecasts for the period through until October 2023, based upon assumptions and future funding levels.

The creation of a separate transition service during the year to provide opportunity for new students wishing to join Upmo whilst still under restrictions, was a success and resulted in a growth of overall student numbers. The transition process has been integrated back into the main programme and a healthy waiting list is in place for the year ahead.

Significant work is already underway and further planned for the year around student hourly and sessional rates. We are anticipating further rates increase in line with national government budget pledges over and above the increase in real living wage which we are committed to. A review of contracts has taken place and transparency has been increased around the ability of Upmo to increase rates on an annual basis. This is in consideration of static rates for a small proportion of our students and rises in salaries, energy and cost of materials. In addition, a renewed focus on reducing the aged debtors balance is underway and bearing fruit.

The appointment of a Head of Development during the year who has an initial focus on Upmo Retail and Upmo Eat will develop existing and create new income streams for Upmo, ensuring the further diversification of income.

## **UPWARD MOBILITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

#### **1. Accounting Policies (continued)**

##### **Going Concern (continued)**

Trustees have no material uncertainties and are satisfied that, based upon the above measures, existing reserves of the charity, current performance, and student numbers being maintained at circa 180, the forecasts and projections along with the success of funding bids, that Upmo is a going concern for a period of at least twelve months from signing the financial statements. Accordingly the financial statements have been prepared on a going concern basis.

##### **Income recognition**

All Income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are included in full in the Statement of Financial Activities when receivable. Income from activities for generating funds is recognised as earned, as the related services are provided.
- Investment income is included when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from service level agreements, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Income is only deferred where entitlement conditions have not been met or related services have not been provided as at the year end.
- 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.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

These are allocated as between charitable expenditure and Governance costs. The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

## UPWARD MOBILITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

#### 1. Accounting Policies (continued)

##### **Expenditure (continued)**

Charitable expenditure is incurred in direct pursuance of the charity's principal objects and as set out in the Directors' Report. Cost of generating funds comprises costs incurred in inducing organisations to contribute financially to the charity's work and income received in pursuance of these areas is shown within incoming resources.

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 charity's programmes and activities. These costs include the expenses of Directors meetings, the statutory audit and legal and professional fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

##### **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	- straight line over 3 years
Leasehold improvements	- straight line over the term of the lease.

##### **Investments**

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

##### **Operating lease**

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

##### **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.

##### **Financial instruments**

Financial instruments comprise financial assets and financial liabilities which are recognised when the company becomes a party to the contractual provisions of the instrument. Financial instruments are classified as "basic" in accordance with FRS102 and are accounted for at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the life of the financial assets or liability to the net carrying amount on initial recognition. Discounting is not applied to short-term receivables and payables, where the effect is immaterial. Financial assets comprise cash, grants receivable and other debtors. Financial liabilities comprise other creditors and accruals.

**UPWARD MOBILITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

**1. Accounting Policies (continued)**

**Pensions**

The Charity operates a Defined Contributions Pension Scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**2. Income from donations**

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Ponton House Trust	2,500	-	2,500	-
Other donations of less than £1,000	1,239	482	1,721	3,151
	<u>3,739</u>	<u>482</u>	<u>4,221</u>	<u>3,151</u>

In 2021 the income from donations was £4,221 (2020: £3,151) of which £3,739 (2020: £3,151) was expenditure from income funds and £482 (2020: £Nil) was income from restricted funds.

**3. Other trading activities**

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Community café	3,220	-	3,220	4,510
Merchandise income	210	-	210	629
Hire of premises	1,715	-	1,715	9,145
Other income	-	-	-	3,288
	<u>5,145</u>	<u>-</u>	<u>5,145</u>	<u>17,572</u>

In 2021 the income from other trading activities was £5,145 (2020: £17,572) of which £5,145 (2020: £17,572) was income from unrestricted funds and £Nil (2020: £Nil) was income from restricted funds.



UPWARD MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

4. Income from donations and charitable activities

	Unrestricted £	Restricted £	2021 £	2020 £
<b>Service income</b>	1,635,014	-	1,635,014	1,668,176
<b><i>Project grants received</i></b>				
<b>Gardening Project:</b>				
- Orchard Fund	-	-	-	500
<b>Management Support:</b>				
- R S Macdonald Charitable Trust	-	13,400	13,400	-
<b>Project Development:</b>				
- The Robertson Trust	-	15,000	15,000	15,000
- The Henry Smith Charity	-	52,400	52,400	52,400
- State Street Foundation	-	22,002	22,002	24,323
- Nat West Social & Community Care	-	10,000	10,000	10,000
- The Mickel Fund	-	2,000	2,000	-
- Communities Recovery Fund	-	23,899	23,899	-
- Swinton Paterson	-	2,000	2,000	-
- Turcan Connell	2,000	-	2,000	-
- Arnold Clark	-	1,000	1,000	-
<b>Covid Response:</b>				
- Cordis Trust	-	-	-	10,000
- Foundation Scotland	-	-	-	5,000
- State Street	-	-	-	21,586
- Clothworkers Foundation	-	-	-	5,000
- Awards for All	-	-	-	10,000
- Third Sector Resilience Fund	-	-	-	24,500
- Supporting Communities Fund	-	-	-	11,065
- Inspiring Scotland Wellbeing Fund	-	-	-	68,892
- Orcome Trust	-	-	-	5,000
- National Lottery COVID-19 Response	-	-	-	37,767
- Hugh Fraser Foundation	-	-	-	5,000
- The Henry Smith Charity	-	59,900	59,900	-
- Communities Recovery Fund	-	45,000	45,000	-
- CJRS	7,844	-	7,844	163,696
- Other grants	43,932	-	43,932	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,688,790	246,601	1,935,391	2,137,905
	<hr/>	<hr/>	<hr/>	<hr/>

In 2021 the income from charitable activities was £1,935,391 (2020: £2,137,905) of which £246,601 (2020: £306,033) was income from restricted funds and £1,688,790 was income from unrestricted funds (2020: £1,831,872).

**UPWARD MOBILITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

<b>5. Staff costs</b>	<b>2021</b>	<b>2020</b>
Wages and salaries	1,237,311	1,258,135
Social security costs	94,188	73,750
Pension costs – defined contribution	20,011	19,753
Ex-gratia payment	1,646	22,361
	<u>1,353,156</u>	<u>1,373,999</u>

Average number of employees during the year was 73 (2020: 85). No employee received emoluments in excess of £60,000 during the year. The policy for redundancy follows the statutory redundancy provisions.

The key management personnel are the Charity's Trustees and those members of staff detailed on page 9. The total employment benefits including employer pension contributions and consultancy costs of the key management personnel were £170,980 (2020: 121,519).

No remuneration or reimbursement of expenses was paid to the Trustees during the year other than disclosed in note 20. Trustee indemnity insurance costing £903 (2020: £832) was purchased during the year.

<b>6. Costs of raising funds</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fundraising expenses	15,406	45,941
	<u>15,406</u>	<u>45,941</u>

In 2021 the expenditure on raising funds was £15,406 (2020: £45,941) of which £15,406 (2020: £45,941) was expenditure from unrestricted funds and £Nil (2020: £Nil) was expenditure from restricted funds.

<b>7. Analysis of expenditure on charitable activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salary costs	1,338,156	1,373,999
Direct project costs	29,196	31,809
Support costs (Note 8)	579,931	410,764
	<u>1,947,283</u>	<u>1,816,572</u>

In 2021 the expenditure on charitable activities was £1,947,283 (2020: £1,816,572) of which £1,739,590 (2020: £1,503,858) was expenditure from unrestricted funds and £207,693 (2020: £312,714) was expenditure from restricted funds.

Further analysis of the charitable activities is not provided as the directors believe the charity only has one main activity.

UPWARD MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

**8. Support and governance costs**

	2021	2020
	£	£
Registrations and subscriptions	5,313	3,183
Training and expenses	3,081	578
Marketing, communication and publication	1,859	1,396
Rent	174,854	149,588
Maintenance	17,149	8,774
Cleaning costs	64,984	26,257
Other premises costs	42,407	9,421
Health & safety including PPE	27,707	7,363
Recruitment fees	17,260	10,790
Postage, stationery and telephone	26,780	23,918
Computer expenses	31,763	25,384
Insurance	11,374	9,319
Other staff costs	6,556	-
Subsistence, travel and motor expenses	4,362	5,143
Professional fees	95,190	82,733
Bank charges	1,264	1,628
Depreciation	36,390	36,851
Sundry expenses	4,667	561
Bad debt provision	563	2,945
Governance costs (note 9)	6,408	4,932
	<hr/>	<hr/>
	579,931	410,764
	<hr/>	<hr/>

**9. Governance costs**

	2021	2020
	£	£
Auditors remuneration – previous auditor	1,008	4,891
Auditors remuneration – current auditor	5,400	-
Companies House fees	-	41
	<hr/>	<hr/>
	6,408	4,932
	<hr/>	<hr/>

**UPWARD MOBILITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

**10. Net incoming resources**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Auditor's remuneration – current auditor	5,400	-
Auditor's remuneration – previous auditor	1,008	4,891
Depreciation	36,390	36,851
Operating lease costs	189,511	164,763
	<u>          </u>	<u>          </u>

**11. Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

**12. Tangible assets**

	<b>Motor Vehicle £</b>	<b>Leasehold Improvements £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 November 2020	53,000	174,742	73,232	300,974
Additions	-	13,077	24,519	37,596
Disposals	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 October 2021	53,000	187,819	97,751	338,570
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 November 2020	53,000	66,264	46,635	165,899
Charge for the year	-	14,867	21,523	36,390
Disposals	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 October 2021	53,000	81,131	68,158	202,289
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value at 31 October 2021</b>	-	106,688	29,593	136,281
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value at 31 October 2020</b>	-	108,478	26,597	135,075
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**UPWARD MOBILITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

**13. Investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
G25 Project CIC	-	1
	<u>          </u>	<u>          </u>

The subsidiary was dormant throughout the period to 1 April 2021. The Charity held one ordinary share of £1 which was 100% of the issued share capital. This share was transferred to the CIC director, J Barton, on 1 April 2021. Net assets of the subsidiary at the date of transfer amounted to £1 (2020: £1).

**14. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Service income debtors	212,455	253,893
Prepayments	6,952	41,419
Other debtors	2,175	495
	<u>          </u>	<u>          </u>
	221,582	295,807
	<u>          </u>	<u>          </u>

**15. Creditors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	23,129	26,967
Accruals	145,828	135,820
Social security and taxation	27,237	19,033
	<u>          </u>	<u>          </u>
	196,194	181,820
	<u>          </u>	<u>          </u>

# UPWARD MOBILITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

### 16. Movements in funds

	Balance at 31 October 2020	Income Expenditure		Transfers	Balance at 31 October 2021
	£	£	£	£	£
<b>Restricted Funds:</b>					
Students	-	482	(482)	-	-
Gardening	500	-	-	(500)	-
Digital skills	-	-	(81)	81	-
Premises	12,012	-	(1,512)	-	10,500
Management support	-	13,400	(270)	(5,131)	7,999
Campus Development	77,600	-	(9,700)	-	67,900
Project Development	36,200	128,301	(132,294)	(4,007)	28,200
COVID Response	40,263	104,900	(63,354)	(3,141)	78,668
<b>Total Restricted Funds</b>	<b>166,575</b>	<b>247,083</b>	<b>(207,693)</b>	<b>(12,698)</b>	<b>193,267</b>
<b>Unrestricted Funds</b>					
General Funds	470,278	1,697,696	(1,754,996)	12,698	425,676
<b>Total Funds</b>	<b>636,853</b>	<b>1,944,779</b>	<b>(1,962,689)</b>	<b>-</b>	<b>618,943</b>

#### ***Purpose of restricted funds***

Students - This represents small donations received in the year that were specifically donated to support a number of specific student projects.

Gardening project - This fund contributes to gardening and outdoor learning workshops in Duddingston and North Berwick; these workshops are landscaping and maintaining garden and public areas in these locations. This activity was supported by a Scotmid Community Grant and individual donations. The transfer represents assets purchased with the funding.

Digital Skills - This fund has contributed to the development of the Digital Lab which supports a wide variety of workshops including, for example, IT skills, employability skills, music and current affairs.

Premises - This fund supports the ongoing maintenance and refurbishment costs of the project. The balance represents the net book value of the assets purchased with the funding.

Management support - This fund, supported by R S Macdonald Charitable Trust, has contributed to the development of the Salesforce platform, and in the past has contributed towards the salary costs associated with strengthening the organisation. The transfer represents assets purchased with the funding.

Campus development - This fund is for the development of our Upmo campus in Leith and has been supported by The Clothworkers Foundation, The Robertson Trust and The Bailey Thomas Charitable Fund. The balance represents the net book value of the assets purchased with the funding.

# UPWARD MOBILITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

### 16. Movements in funds (Cont.)

Project development - This fund contributed to the campus development project and was supported by State Street Foundation, Garfield Weston, The Robertson Trust and The Henry Smith Charity. The transfer represents assets purchased with the funding.

COVID response – This fund contributed to the recovery from the impact of Covid-19 and has been supported by the Henry Smith Charity and the Scottish Community for Voluntary Organisations in the current year. The transfer represents assets purchased with the funding.

IT Room – This fund contributes towards the IT suite installed at SMH in 2018 then relocated to Links. It's a digital learning hub for students.

	Balance at 31 October 2019	Income Expenditure		Transfers	Balance at 31 October 2020
	£	£	£	£	£
<b>Restricted Funds:</b>					
Gardening	681	500	(681)	-	500
Café	2,333	-	(2,333)	-	-
Digital skills	1,280	-	(1,280)	-	-
Premises	14,583	-	(2,571)	-	12,012
Management support	2,212	-	(2,212)	-	-
Campus Development	89,275	-	(11,675)	-	77,600
IT Room	6,911	-	(6,911)	-	-
Project Development	55,981	101,723	(121,504)	-	36,200
COVID Response	-	203,810	(163,547)	-	40,263
<b>Total Restricted Funds</b>	<b>173,256</b>	<b>306,033</b>	<b>(312,714)</b>	<b>-</b>	<b>166,575</b>
<b>Unrestricted Funds</b>					
General Funds	167,391	1,852,686	(1,549,799)	-	470,278
<b>Total Funds</b>	<b>340,647</b>	<b>2,158,719</b>	<b>(1,862,513)</b>	<b>-</b>	<b>636,853</b>

### 17. Company limited by guarantee

The members have each agreed to contribute £1 in the event of the company being wound up.

**UPWARD MOBILITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2021**

**18. Operating lease commitments**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	130,788	110,901
Later than one year and not later than five years	449,366	352,298
Later than five years	747,720	997,958
	<hr/>	<hr/>
	1,327,874	1,461,157
	<hr/>	<hr/>

**19. Analysis of net assets between funds**

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Tangible fixed assets	43,123	93,158	136,281
Net current assets	382,553	100,109	482,662
	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 October 2021</b>	425,676	193,267	618,943
	<hr/>	<hr/>	<hr/>

**Comparative figures:**

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Tangible fixed assets	21,095	113,980	135,075
Net current assets	449,183	52,595	501,778
	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 October 2020</b>	470,278	166,575	636,853
	<hr/>	<hr/>	<hr/>

**20. Related party transactions**

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

Upmo paid EJM Consultancy £31,600 (2020: £23,100) in fees for consultancy work provided by Eric Mitchell.