

COMPANY REGISTRATION NUMBER: SC345565

ACE Recycling Group CIC
Financial Statements
31st March 2016

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19/11/2016

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COMPANIES HOUSE



CONDIE & CO
Chartered accountant & statutory auditor
10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

ACE Recycling Group CIC

Financial Statements

Year Ended 31st March 2016

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ACE Recycling Group CIC

Independent Auditor's Report to the Shareholders of ACE Recycling Group CIC

Year Ended 31st March 2016

We have audited the financial statements of ACE Recycling Group CIC for the year ended 31st March 2016, on pages 3 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2016 and of its loss 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.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACE Recycling Group CIC

Independent Auditor's Report to the Shareholders of ACE Recycling Group CIC *(continued)*

Year Ended 31st March 2016

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Sharon Collins (Senior Statutory Auditor)

For and on behalf of
Condie & Co
Chartered accountant & statutory auditor

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

21st November 2016

ACE Recycling Group CIC

Statement of Financial Position

31st March 2016

| | Note | 2016 £ | 2015 £ |
|--|------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 3 | 329,163 | 131,732 |
| Current Assets | | | |
| Stocks | | 35,422 | - |
| Debtors | 4 | 256,637 | 156,129 |
| Cash at bank and in hand | | 152,690 | 21,238 |
| | | <u>444,749</u> | <u>177,367</u> |
| Creditors: amounts falling due within one year | 5 | <u>357,153</u> | <u>231,955</u> |
| Net Current Assets/(Liabilities) | | <u>87,596</u> | <u>(54,588)</u> |
| Total Assets Less Current Liabilities | | <u>416,759</u> | <u>77,144</u> |
| Creditors: amounts falling due after more than one year | 6 | <u>425,515</u> | <u>27,817</u> |
| Net (Liabilities)/Assets | | <u>(8,756)</u> | <u>49,327</u> |
| Capital and Reserves | | | |
| Called up share capital | 9 | 51 | 51 |
| Share premium account | 10 | 375,033 | 375,033 |
| Profit and loss account | 10 | <u>(383,840)</u> | <u>(325,757)</u> |
| Shareholders (Deficit)/Funds | | <u>(8,756)</u> | <u>49,327</u> |

The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors and authorised for issue on 18th November 2016, and are signed on behalf of the board by:



Mr M McArdle
Director

Company registration number: SC345565

The notes on pages 4 to 11 form part of these financial statements.

ACE Recycling Group CIC

Notes to the Financial Statements

Year Ended 31st March 2016

1. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

Going Concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

Disclosure Exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Alloa Community Enterprise Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- a) No cash flow statement has been presented for the company.
- b) Disclosures in respect of financial instruments have not been presented.

Revenue Recognition

Turnover represents the amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

2. Accounting Policies *(continued)*

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible Assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

2. Accounting Policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|-------------------|------------------------|
| Plant & Machinery | - 15% reducing balance |
| Collection Bins | - 20% reducing balance |
| Motor Vehicles | - 25% straight line |
| Office Equipment | - 20% straight line |

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

2. Accounting Policies *(continued)*

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Grants

Grants, where entitlement is not conditional on delivery of a specific performance by company, are recognised when the company becomes unconditionally entitled to the grant.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ACE Recycling Group CIC

Notes to the Financial Statements (continued)

Year Ended 31st March 2016

3. Tangible Assets

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Equipment £ | Total £ |
|------------------------|-----------------------------|-------------------------------|------------------------|----------------|----------------|
| Cost | | | | | |
| At 1 Apr 2015 | 155,734 | 77,634 | 378,637 | 26,886 | 638,891 |
| Additions | 6,860 | 19,955 | 226,483 | 2,760 | 256,058 |
| Disposals | - | - | (24,400) | - | (24,400) |
| At 31 Mar 2016 | 162,594 | 97,589 | 580,720 | 29,646 | 870,549 |
| Depreciation | | | | | |
| At 1 Apr 2015 | 72,708 | 52,958 | 369,387 | 12,106 | 507,159 |
| Charge for the year | 12,675 | 5,418 | 32,938 | 4,097 | 55,128 |
| Disposals | - | - | (20,901) | - | (20,901) |
| At 31 Mar 2016 | 85,383 | 58,376 | 381,424 | 16,203 | 541,386 |
| Carrying amount | | | | | |
| At 31 Mar 2016 | 77,211 | 39,213 | 199,296 | 13,443 | 329,163 |
| At 31 Mar 2015 | 83,026 | 24,676 | 9,250 | 14,780 | 131,732 |

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Motor vehicles £ |
|--------------------|------------------------|
| At 31st March 2016 | 170,383 |
| At 31st March 2015 | 4,700 |

4. Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 223,768 | 125,901 |
| Prepayments and accrued income | 32,459 | 29,818 |
| Other debtors | 410 | 410 |
| | 256,637 | 156,129 |

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

5. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors | 127,621 | 66,305 |
| Amounts owed to group undertakings | 33,788 | 38,549 |
| Accruals and deferred income | 51,750 | 60,964 |
| Corporation tax | 4 | 4 |
| Social security and other taxes | 28,498 | 29,348 |
| Obligations under finance leases and hire purchase contracts | 65,227 | 4,230 |
| Other creditors | 50,265 | 32,555 |
| | <u>357,153</u> | <u>231,955</u> |

6. Creditors: amounts falling due after more than one year

| | 2016 | 2015 |
|--|----------------|---------------|
| | £ | £ |
| Obligations under finance leases and hire purchase contracts | 87,351 | 705 |
| Other creditors | 338,164 | 27,112 |
| | <u>425,515</u> | <u>27,817</u> |

There is a floating charge secured on the Resilient Scotland loan included within other creditors. At the year end, the total balance due to Resilient was £267,884 (2015 - £34,579).

Included within creditors: amounts falling due after more than one year is an amount of £111,922 (2015: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The company received a loan from Resilient Scotland during the year. The loan is repayable over 10 years and incurs interest at a rate of 6.5% per annum.

7. Finance Leases and Hire Purchase Contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | 2016 | 2015 |
|--|----------------|--------------|
| | £ | £ |
| Not later than 1 year | 65,227 | 4,230 |
| Later than 1 year and not later than 5 years | 87,351 | 705 |
| | <u>152,578</u> | <u>4,935</u> |

8. Deferred Tax

At 31st March 2016, the company had tax losses amounting to £532,436 which are available to utilise against future trading profits. These tax losses have not been recognised as a deferred tax asset on the grounds that there is insufficient evidence that the losses will be fully recovered in the foreseeable future.

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

9. Called Up Share Capital

Issued, called up and fully paid

| | 2016 | | 2015 | |
|----------------------------|-----------|-----------|-----------|-----------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>51</u> | <u>51</u> | <u>51</u> | <u>51</u> |

10. Reserves

Share capital account - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses. Included within this reserve is a balance of £8,394 which relates to the revaluation of plant and machinery.

11. Contingencies

During the year to 31 March 2016 the company received funds from Resilient Scotland Limited's JESSICA Fund in the form of a loan of £247,725 and a grant of £171,842. At 31 March 2016 the loan balance and the deferred grant outstanding totalled £241,936 and £94,658 respectively. Should the company fail to make payment on the loan or breach any of the conditions attached to the funds, Resilient Scotland can request repayment.

12. Related Party Transactions

The company is a wholly owned subsidiary of Alloa Community Enterprises Limited. The company was under the control of the directors during the current and previous periods.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose intra-group transactions and balances between wholly owned members.

13. Controlling Party

The ultimate controlling party is Alloa Community Enterprises Limited, a company limited by guarantee, with charitable status, and registered in Scotland. Group accounts incorporating the results of ACE Recycling CIC are prepared and are available from The Hub, The Whins, Alloa, Clackmannanshire, FK10 3SA.

14. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st April 2014.

ACE Recycling Group CIC

Notes to the Financial Statements *(continued)*

Year Ended 31st March 2016

14. Transition to FRS 102 *(continued)*

Reconciliation of equity

| | 1st April 2014 | | | 31st March 2015 | | |
|--|---------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|----------------------------------|
| | As previously stated £ | Effect of transition £ | FRS 102 (as restated) £ | As previously stated £ | Effect of transition £ | FRS 102 (as restated) £ |
| Fixed assets | 151,586 | - | 151,586 | 131,732 | - | 131,732 |
| Current assets | 241,326 | - | 241,326 | 177,367 | - | 177,367 |
| Creditors: amounts falling due within one year | (271,537) | - | (271,537) | (231,955) | - | (231,955) |
| Net current assets/(liabilities) | (30,211) | - | (30,211) | (54,588) | - | (54,588) |
| Total assets less current liabilities | 121,375 | - | 121,375 | 77,144 | - | 77,144 |
| Creditors: amounts falling due after more than one year | (39,162) | - | (39,162) | (27,817) | - | (27,817) |
| Net (liabilities)/assets | 82,213 | - | 82,213 | 49,327 | - | 49,327 |
| Capital and reserves | 82,213 | - | 82,213 | 49,327 | - | 49,327 |

Reconciliation of profit or loss for the year

No transitional adjustments were required.

Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Deferred tax is required to be recognised on all fair value remeasurements and on all fair value adjustments arising on business combinations (other than goodwill).

Revaluation of Assets

Under FRS 102, changes in the fair value of fixed assets are recorded in other comprehensive income. Under previous UK GAAP these changes were recorded in the Statement of Total Recognised Gains and Losses.

CIC 34**Community Interest Company Report**

For official use
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*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

ACE Recycling Group CIC

Company Number

SC345565

Year Ending

31 March 2016

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

ATTACHED

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

NO CONSULTATION IN THE YEAR

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

FULL DETAILS PROVIDED IN ACCOUNTS

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

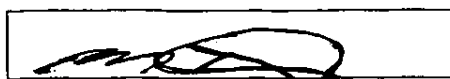
NO TRANSFER OF ASSETS OTHER THAN FOR FULL CONSIDERATION

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed



Date

18/11/16

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Condie & Co.

Chartered Accountants & Business Advisors

Tel

DX Number

DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

(N.B. Please enclose a cheque for £15 payable to Companies House)

Alloa Community Enterprises Limited

Report of the Trustees *(continued)*

Year Ended 31st March 2016

Objectives and Activities

Objectives

The company's central objectives are to create training and employment opportunities, undertake a range of environmental activities and to be of service to the people of Clackmannanshire and its environs, this has not changed. However, its activities now extend beyond Clackmannanshire and the company is now committed to providing similar support to members of communities in all areas where we work.

Financial review

2016 has been a good year for all at ACE. Following our successful application to Resilient Scotland we started the year with an ambitious business plan and are delighted to report that we have exceeded our expectations. Funds are up overall by £9,000, this reflects a much better than forecast outturn.

Commercial trading income up by £383K and with commercial trading expenses up by £278K we have increased gross profit on trading by more than £182,000. As the plan is to push for significant growth over a five year period we have also invested significantly more in staff and marketing costs to ensure we continue to not only achieve our targets but also exceed them by significant margins.

The key successes in 2016 are ACE's success in securing the North Lanarkshire Council glass collection contract, 8.7% growth in Commercial & Industrial sales and 43% growth in retail sales.

The Board appreciate that the company remains undercapitalised but are confident that they have achieved their primary objectives which were to stabilise the company and put in place measures to move it back to a position where it can continue to invest to meet our core objectives of employability and environmental sustainability. ACE has endured five years of negative trading and failing markets. The fact that the company's Patron, Directors and Stakeholders have managed to support the company through these difficult times is a testimony to the strength and resilience of the Social Enterprise model and the commitment of the individuals who make the whole organisation to achieving good for their community through enterprise and innovation.

Alloa Community Enterprises Limited

Report of the Trustees *(continued)*

Year Ended 31st March 2016

Reserves policy

Historically ACE have always sought to maintain reserves sufficient to cover 3 months cash requirements. This policy has not changed however, due to the significantly challenging trading circumstances we have been drawing on our reserves to cover trading losses and invest in the restructuring and forward development of the organisation. As a commercially facing social enterprise we feel it is important to always balance the need between reserves and working capital. For the forthcoming period 2017 to 2020 our priority remains to ensure ACE is solvent and that we have capital available for investment. The company is currently significantly undercapitalised and this needs to be addressed through a combination of structured financing to enable investment in our collection fleet and continued investment in securing and developing managerial capacity.

It will be difficult to rebuild our cash reserves in this period but early indications are that forecast profitability for 2018 onwards does indicate we will be able to see our reserves growing once again and be back to having at least one months cash in reserve by the end of March 2020.

Plans for Future Periods

ACE have significant plans for the remaining four years of our 5 year plan. We are working very closely with our new business partners VRM Global Pty and stakeholders Zero Waste Scotland and the regulatory bodies SEPA and AHVLA to bring the BioRegen process to market in the UK and Europe.

Our commitment to securing at least one large scale contract per annum in addition to increasing C & I sales by at least 20% per annum and retail sales by at least 25% per annum.

ACE are working closely with Community Resource Network Scotland to identify how we can bring more value to Scottish Welfare Fund Frameworks.

Having access to the correctly located and most flexible premises will continue to be a critical factor in ACE's success. We now have an operating base in North Lanarkshire and will be seeking to improve the capacity of our Clackmannanshire base in the coming year.

Training and Employability

Employability 2015-2016

The Board are aware that ambitious growth plans require competent management and ongoing investment in our staff at all levels. ACE Office manager Margaret Paterson retired in September 2015 and the Board agreed Margaret's post should be upgraded to that of a full time Business Manager. Margaret's service to the organisation was exemplary and it was imperative that the company built on the excellent administrative and organisational improvements she had put in place. Lisa Toon joined ACE as Margaret's replacement in November 2015 and brings with her a wealth of experience in company administration, IT, HR and Marketing. Lisa's skills and experience will ensure ACE are able to build on our growth and maintain a strong focus on our core objectives. The Board also agreed in this financial year that we would move to recruit and appoint two other key permanent full time posts, Finance Controller and Operations Manager.

As always, one of ACE's main objectives is to provide work experience, employability and volunteering opportunities to as many individuals as we can help in the localities in which we operate. Individuals come to us through a variety of routes and we try, wherever possible, to provide the prospect of a job at the end of their placement. During this year, we were able to offer jobs to eleven individuals who came to ACE via our employability schemes, in particular through Community Jobs Scotland.

Alloa Community Enterprises Limited

Report of the Trustees (continued)

Year Ended 31st March 2016

Training and Employability (continued)

| Scheme | Number of placements/volunteers | Offered job with ACE | Placement continued into 2016-17 |
|-----------------------|---------------------------------|----------------------|----------------------------------|
| CJS | 16 | 5 | 2 |
| Falkirk Training Unit | 8 | 1 | 4 |
| ClacksWorks | 1 | 1 | 0 |
| LearnDirect | 13 | 3 | 0 |
| CV Placements | 2 | 1 | 1 |
| Total | 40 | 11 | 7 |

We remain committed to identifying talent and developing from within current staff, placements and volunteers. We now have key managerial positions who came to ACE through various employability programmes. Through work with Clackmannanshire Council's ClackWorks, we were able to access SERI funding to employ a volunteer who had been with ACE for almost a year, who came from a very challenging background.

We will continue our partnership with HMP Cornton Vale and HMP Glenochil, with a focus on exploring how we can begin to develop a Prison Enterprise through these links.

As new contracts and opportunities are identified, ACE will seek to create training and employment prospects in the locality of the work as we have done with the North Lanarkshire glass collection contract through LearnDirect.

Training

All drivers were working through their Drivers CPC course this year, with the majority completing the qualification. Linda Kidd and Lisa Toon undertook training in CPC administration. Dylan Lawson and Guy Purchase completed their Warehousing Modern Apprenticeships.

FETU continue to support placements through Modern Apprenticeships in Retail. It is our intention to investigate the recruitment of Modern Apprentices in the new financial year to help grow our administration and warehousing support.

Social and Economic Regeneration

Employability, unemployment and economic deprivation remain significant issues in the three key local authority areas served by ACE – Clackmannanshire, Falkirk and North Lanarkshire. ACE will continue to work at a strategic level in these areas to add value where possible and assist our local authority and community partners to have a positive impact in their areas and in the lives of individuals.

ACE was the proud recipient of the Clackmannanshire Green Business of the Year at the 2015 Clacks Business Awards. While we do not often put ourselves forward for such awards, recognition in our home county, amongst our peers, is an important marketing tool.

Charitable Development

The development of the For Carers brand continued with the establishment of a 'Pop-Up' shop in Manor Street in Falkirk, which provided an interesting but non viable enterprise. Much was learned with regards to partnership engagement and the issues facing key organisations tasked with supporting isolated individuals.

Alloa Community Enterprises Limited

Report of the Trustees *(continued)*

Year Ended 31st March 2016

Charitable Development *(continued)*

ACE's sponsorship of the Young Adult Carer of the Year in Central FM's Pride of Forth Valley Awards is expected to raise the profile of the issues affecting Young Adult Carers and the intention is to build on this between 2017 and 2018 by enabling further joint fundraising with other partners including Rotary and other local charities.

Our Cash for Communities scheme paid out over £2500 to communities for the materials they collected over the year and we were thrilled to provide further support to the WASP Under 17s club. Through our Young Adult Carer trust fund, we were able to provide grants to two Young Adult Carers moving into their own homes, as well as developing a space for meeting and interacting at our 'Pop-Up' shop in Falkirk.