

Charity Registration No. SC042604 (Scotland)

Company Registration No. SC343819 (Scotland)

WORKING RITE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

WORKING RITE

Legal And Administrative Information

| | | |
|----------------------------------|---|-------------------------|
| Trustees | Ms K Anderson Ms E L Critchley Ms V J Di Ciacca Ms S M Miller Ms Z L Whyatt Mrs K Good | (Appointed 25 May 2018) |
| Secretary | Mr A Campbell | |
| Charity number (Scotland) | SC042604 | |
| Company number | SC343819 | |
| Registered office | Catchpell House 4 Carpet Lane Leith Edinburgh EH6 6SP | |
| Auditor | Condie & Co 10 Abbey Park Place Dunfermline Fife KY12 7NZ | |
| Bankers | The Royal Bank of Scotland 2 Bernard Street Leith Edinburgh EH6 6PU | |

WORKING RITE

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WORKING RITE

Trustees' Report (Including Directors' Report)

For The Year Ended 31 March 2018

The trustees present their report and financial statements for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Working Rite's mission is to get young into sustained employment, apprenticeships or purposeful learning. We do this through individually matching young people who need supported work placements with local employers.

We help some of the most vulnerable, disadvantaged young people who are, or are at risk of being, NEET (Not in Employment, Education or Training). Through the medium of work, they build confidence, find purpose and become equipped with the skills needed to transform their own lives.

The Working Rite programme gives disadvantaged, NEET young people a chance. The chance to earn while they learn to take on real responsibility, to gain valuable experience and to prove themselves in the work of work. We do this with the help of committed, supportive and patient employers in the local community, whom our Project Co-ordinators personally seek out according to each young person's individual needs and aspirations. In Scotland in 2017/18, Working Rite delivered its model in nine local authority areas:

Aberdeen City
Aberdeenshire
Argyll and Bute
East Lothian
Edinburgh
NW Glasgow
South Glasgow
Kilmarnock
Midlothian
Moray

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the course of the 2017/18 financial year, Working Rite has worked with over 200 targeted young people. We met our contract targets for recruitment onto the program, and across our various contracts 74% of young people completed the programme. The different contracts required us to work with different young people, some of whom are harder to reach with additional barriers. Of those young people that complete, 80% went on to a positive destination - which we define as a job, apprenticeship, or purposeful learning.

As an accredited SQA centre, Working Rite supported 152 young people to complete one or more unit of the SQA Certificate of Work Readiness, being 76% of our total engaged young people.

Financial review

The charity had an overall surplus of £43,588 (2017: surplus of £97,120) for the year, of which a surplus of £15,090 (2017: surplus of £223,104) relates to unrestricted funds. As at the balance sheet date the charity had an accumulated surplus of £140,366 (2017: surplus £96,778), of which £111,868 relates to unrestricted funds.

WORKING RITE

Trustees' Report (Including Directors' Report) (Continued)

For The Year Ended 31 March 2018

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for Future Periods

During the year under review Working Rite furthered its strategic intention to reduce its over reliance on a single funder and a single contract in 2015/16, with a diversified and improved fundraising programme, together with greater diversity of contracts in 2017/18.

In July 2016, the charity secured a new 18 month contract in Glasgow, from a new source, resulting in a 37.5% increase in the numbers of young people on programme in year and a corresponding increase in turnover. Working Rite has moved from an over-reliance on one single contract in previous years, to a spread of delivery across three equally significant contracts. This contract is and was incredibly successful and as such has been extended for 2018/19.

During the year the charity secured funding from a number of trust funds and grants to launch new projects in East Lothian, parts of Edinburgh, South Glasgow and Kilmarnock. Hence, the charity has successfully expanded its delivery into four new local authority areas.

In the first quarter of the year, senior management successfully managed the process of restructuring the charity, which included implementing the relocation of the charity's head office and managerial capacity in order to reduce the overall cost of overheads.

Working Rite has continued to engage positively throughout the year with the Scottish Government's new Developing the Young Workforce strategy through its high level engagement with civil servants, Ministers and other significant stakeholders.

The legacy of improvements achieved through the Theory of Change process from 2015/16, facilitated by I-PEF pro-bono support, has continued to pay dividends in 2017/18 in terms of improved outcomes for young people and greater ability to support a higher proportion of those young people with greater needs and bigger barriers to overcome. These processes and capacities are now well established within the charity's internal business processes, reporting and outcomes for young people.

Working Rite continues to seek to strengthen its Board of Trustees and has committed to a skills audit to support further recruitment in 2018/19.

Structure, governance and management

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms K Anderson

Ms E L Critchley

Ms V J Di Ciacca

Ms S M Miller

Ms Z L Whyatt

Mrs K Good

(Appointed 25 May 2018)

An induction process for new trustees is being applied, including a Trustee Roles Description Handbook (following OSCAR guidelines), provision of all policies and safeguarding procedures, and introductory meeting with staff. Further trustee recruitment will remain a target during 2018/19 to ensure the charity maintains a level of good governance and any future turnover of trustees does not result in key skill areas being under represented.

WORKING RITE

Trustees' Report (Including Directors' Report) (Continued)

For The Year Ended 31 March 2018

Statement of trustees' responsibilities

The trustees, who are also the directors of Working Rite for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Condie & Co were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



Ms V J Di Ciacca

Trustee

Dated: 24 October 2018

WORKING RITE

Independent Auditor's Report

To The Trustees Of Working Rite

Opinion

We have audited the financial statements of Working Rite (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

WORKING RITE

Independent Auditor's Report (Continued)

To The Trustees Of Working Rite

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act 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.

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

Other matter

The financial statements for the year ended 31 March 2017 were audited by RSM UK Audit LLP who issued an unmodified opinion on their report dated 31 October 2017.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

WORKING RITE

Independent Auditor's Report (Continued)

To The Trustees Of Working Rite



Sharon Collins (Senior Statutory Auditor)
for and on behalf of Condie & Co
Chartered Accountants
Statutory Auditor

25 October 2018

10 Abbey Park Place
Dunfermline
Fife
KY12 7NZ

Condie & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

WORKING RITE

Statement Of Financial Activities Including Income And Expenditure Account

For The Year Ended 31 March 2018

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2018 £ | Total 2017 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 113,990 | 110,081 | 224,071 | 264,623 |
| Charitable activities | 4 | 91,592 | 567,278 | 658,870 | 552,824 |
| Investments | 5 | 18 | - | 18 | 10 |
| Total income | | <u>205,600</u> | <u>677,359</u> | <u>882,959</u> | <u>817,457</u> |
| Expenditure on: | | | | | |
| Raising funds | 9 | 49,391 | - | 49,391 | 45,385 |
| Charitable activities | 6 | 141,119 | 648,861 | 789,980 | 674,952 |
| Total resources expended | | <u>190,510</u> | <u>648,861</u> | <u>839,371</u> | <u>720,337</u> |
| Net income for the year/ Net movement in funds | | 15,090 | 28,498 | 43,588 | 97,120 |
| Fund balances at 1 April 2017 | | 96,778 | - | 96,778 | (342) |
| Fund balances at 31 March 2018 | | <u>111,868</u> | <u>28,498</u> | <u>140,366</u> | <u>96,778</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WORKING RITE

Statement Of Financial Position

As At 31 March 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|-----------------|-----------------|------------------|-----------------|
| Current assets | | | | | |
| Debtors | 15 | 53,400 | | 38,395 | |
| Cash at bank and in hand | | 208,309 | | 267,181 | |
| | | <u>261,709</u> | | <u>305,576</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(42,569)</u> | | <u>(117,721)</u> | |
| Net current assets | | | 219,140 | | 187,855 |
| Creditors: amounts falling due after more than one year | 18 | | <u>(78,774)</u> | | <u>(91,077)</u> |
| Net assets | | | <u>140,366</u> | | <u>96,778</u> |
| Income funds | | | | | |
| Restricted funds | 19 | | 28,498 | | - |
| Unrestricted funds | | | <u>111,868</u> | | <u>96,778</u> |
| | | | <u>140,366</u> | | <u>96,778</u> |

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24 October 2018



Ms V J Di Ciacca
Trustee

Company Registration No. SC343819

WORKING RITE

Statement Of Cash Flows

For The Year Ended 31 March 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|-----------|----------------|-----------|----------------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 22 | | (55,340) | | 91,451 |
| Investing activities | | | | | |
| Interest received | | 18 | | 10 | |
| Net cash generated from investing activities | | | 18 | | 10 |
| Financing activities | | | | | |
| Repayment of borrowings | | (3,550) | | (9,047) | |
| Net cash used in financing activities | | | (3,550) | | (9,047) |
| Net (decrease)/increase in cash and cash equivalents | | | (58,872) | | 82,414 |
| Cash and cash equivalents at beginning of year | | | 267,181 | | 184,767 |
| Cash and cash equivalents at end of year | | | <u>208,309</u> | | <u>267,181</u> |
| Relating to: | | | | | |
| Cash at bank and in hand | | | <u>208,309</u> | | <u>267,181</u> |

WORKING RITE

Notes To The Financial Statements

For The Year Ended 31 March 2018

1 Accounting policies

Charity information

Working Rite is a private company limited by guarantee incorporated in Scotland. The registered office is Catchpell House, 4 Carpet Lane, Leith, Edinburgh, EH6 6SP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when the donor specifies that the grant must only be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

1 Accounting policies

1.5 Resources expended

Liabilities are recognised 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.

Costs of raising funds comprise the costs associated with attracting donations and legacies and the costs of trading for fundraising purposes.

Charitable activities includes expenditure incurred by the charity in the delivery of its activities.

Support costs included central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, staff costs by the time spent.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to Trustees on governance or constitutional matters.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise and their associated support costs.
- Expenditure on charitable activities
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Individual fixed assets costing £250 or more are initially measured at cost and subsequently measured at cost net of depreciation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|----------------------|
| Fixtures and fittings | 25% straight line |
| Computers | 33.33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

1 Accounting policies

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

2 Critical accounting estimates and judgements

Expenditure on raising funds consists of an allocation of staff costs for the Founder/Director and the Fundraising Manager - the allocation is based on time deemed to be spend on fundraising activities, being 20% and 100% respectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|---|-----------------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Donations and gifts | - | - | - | 1,126 |
| Grants | 113,990 | 110,081 | 224,071 | 263,497 |
| | <u>113,990</u> | <u>110,081</u> | <u>224,071</u> | <u>264,623</u> |
| For the year ended 31 March 2017 | <u>197,857</u> | <u>66,766</u> | | <u>264,623</u> |
| Donations and gifts | | | | |
| Kilt Walk | - | - | - | 744 |
| Ducks for Changes | - | - | - | 32 |
| Easy Fundraising | - | - | - | 48 |
| Virgin Money Giving | - | - | - | 302 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,126</u> |

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2018 | Total 2017 |
|-------------------------------------|-----------------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Robertson Trust | - | - | - | 15,000 |
| Impetus - Private Equity Foundation | - | - | - | 85,500 |
| Scottish Government | - | - | - | 40,000 |
| STV Childrens Appeal | - | - | - | 15,000 |
| Asfari | - | 36,142 | 36,142 | 34,105 |
| Gannochy Trust | - | - | - | 5,833 |
| Peter Vardy | - | - | - | 25,000 |
| Suburban Taverns Charitable Trust | - | - | - | 500 |
| Erskine Cunningham Hill | - | - | - | 500 |
| Garfield Weston | - | - | - | 20,000 |
| Margaret Murdoch Trust | - | - | - | 2,000 |
| Killpatrick | - | - | - | 1,980 |
| SIM Charitable Trust | - | - | - | 500 |
| Youngstart | - | - | - | 339 |
| Rozelle | - | - | - | 3,000 |
| RBS | - | - | - | 6,828 |
| SJ Nobel Trust | - | - | - | 350 |
| Charles M Scott Charitable Trust | - | - | - | 5,000 |
| Schuh | 2,492 | - | 2,492 | 2,062 |
| Swire Charitable Trust | 40,000 | - | 40,000 | - |
| Corra Foundation | 40,000 | - | 40,000 | - |
| St James Foundation | 2,488 | - | 2,488 | - |
| Merchants House of Glasgow | 2,000 | - | 2,000 | - |
| Ponton House Trust | 2,000 | - | 2,000 | - |
| Souther Charitable Trust | 1,280 | - | 1,280 | - |
| John Watsons Trust | 1,000 | - | 1,000 | - |
| Henry Smith Charity | - | 20,000 | 20,000 | - |
| Postcode Lottery | - | 9,999 | 9,999 | - |
| Young Start: Big Lottery Funding | - | 43,188 | 43,188 | - |
| Other smaller amounts | 22,730 | 752 | 23,482 | - |
| | <u>113,990</u> | <u>110,081</u> | <u>224,071</u> | <u>263,497</u> |

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

4 Charitable activities

| | 2018 | 2017 |
|----------------------------------|---------|---------|
| | £ | £ |
| Services provided under contract | 658,870 | 552,824 |

Analysis by fund

| | Unrestricted Funds | Restricted Funds | 2018 | 2017 |
|---------------------------|-----------------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ |
| EFA Funding | - | - | - | 41,734 |
| SDS - Employability Fund | 78,247 | - | 78,247 | 101,948 |
| People and Communities | - | 174,878 | 174,878 | 280,752 |
| Glasgow City Council | - | 265,448 | 265,448 | 128,390 |
| Pathfinder - Gorbals | - | 40,756 | 40,756 | - |
| Rite On - SEGF | - | 64,124 | 64,124 | - |
| Social innovation project | - | 22,072 | 22,072 | - |
| Other | 13,345 | - | 13,345 | - |
| | <u>91,592</u> | <u>567,278</u> | <u>658,870</u> | <u>552,824</u> |

5 Investments

| | 2018 | 2017 |
|---------------------|------|------|
| | £ | £ |
| Interest receivable | 18 | 10 |

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

6 Charitable activities

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Direct Costs | | |
| Staff costs | 294,620 | 213,861 |
| Work placements | 234,207 | 164,720 |
| Subcontractors | - | 38,238 |
| Travel and subsistence | 21,988 | 18,540 |
| Finance charges | (636) | 4,237 |
| Training and development | 2,750 | 6,738 |
| | <u>552,929</u> | <u>446,334</u> |
| Share of support costs (see note 7) | 228,541 | 213,391 |
| Share of governance costs (see note 7) | 8,510 | 15,227 |
| | <u>789,980</u> | <u>674,952</u> |
| Analysis by fund | | |
| Unrestricted funds | 141,119 | |
| Restricted funds | 648,861 | |
| | <u>789,980</u> | |
| For the year ended 31 March 2017 | | |
| Unrestricted funds | | 217,841 |
| Restricted funds | | <u>457,111</u> |
| | | <u>674,952</u> |

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Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

7 Support costs

| | Support costs | Governance costs | 2018 | 2017 | Basis of allocation |
|----------------------------------|----------------|------------------|----------------|----------------|---------------------|
| | £ | £ | £ | £ | |
| Staff costs | 175,699 | - | 175,699 | 164,523 | Allocation on time |
| Depreciation | - | - | - | 966 | Usage |
| Rent and rates | 15,075 | - | 15,075 | 13,914 | Usage |
| Software, IT and telephone | 11,426 | - | 11,426 | 15,300 | Usage |
| Office expenses | 13,304 | - | 13,304 | 6,943 | As incurred |
| Printing, postage and stationery | 1,806 | - | 1,806 | 1,513 | As incurred |
| Advertising and promotion | - | - | - | 1,190 | As incurred |
| Heat, light and power | (508) | - | (508) | 1,382 | Usage |
| Bad debt provision | 3,000 | - | 3,000 | 7,660 | Pro rated per bad |
| Travel | 8,739 | - | 8,739 | - | As incurred |
| Audit fees | - | 7,567 | 7,567 | 9,591 | Governance |
| Legal and professional | - | 943 | 943 | 5,636 | Governance |
| | <u>228,541</u> | <u>8,510</u> | <u>237,051</u> | <u>228,618</u> | |
| Analysed between | | | | | |
| Charitable activities | <u>228,541</u> | <u>8,510</u> | <u>237,051</u> | <u>228,618</u> | |

Governance costs includes payments to the auditors of £7,567 (2017- £8,000) for audit fees.

8 Employees

Number of employees

The average monthly number employees during the year was:

| | 2018 | 2017 |
|---------------------|-----------|-----------|
| | Number | Number |
| Head office/support | 5 | 5 |
| Project delivery | 8 | 8 |
| | <u>13</u> | <u>13</u> |

Employment costs

| | 2018 | 2017 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 462,879 | 364,664 |
| Social security costs | 42,697 | 36,375 |
| Other pension costs | 14,134 | 17,665 |
| | <u>519,710</u> | <u>418,704</u> |

There were no employees whose annual remuneration was £60,000 or more.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

9 Raising funds

| | 2018 | 2017 |
|----------------------------------|---------------|---------------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Staff costs | 49,391 | 45,385 |
| | <u>49,391</u> | <u>45,385</u> |

10 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

Remuneration of key management personnel

The key management personnel of the charity comprise the trustees, the Chief Operating Officer, the Founder/Director, the Fundraising Manager and the National Operations Manager. Remuneration of key management personnel is as follows.

| | 2018 | 2017 |
|------------------------|----------------|----------------|
| | £ | £ |
| Aggregate compensation | <u>174,367</u> | <u>157,677</u> |

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Taxation

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

13 Tangible fixed assets

| | Fixtures and fittings | Computers | Total |
|------------------------------------|-----------------------|-----------|--------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2017 | 13,818 | 26,310 | 40,128 |
| At 31 March 2018 | 13,818 | 26,310 | 40,128 |
| Depreciation and impairment | | | |
| At 1 April 2017 | 13,818 | 26,310 | 40,128 |
| At 31 March 2018 | 13,818 | 26,310 | 40,128 |
| Carrying amount | | | |
| At 31 March 2018 | - | - | - |
| At 31 March 2017 | - | - | - |

14 Financial instruments

| | 2018 | 2017 |
|---|---------|---------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 38,474 | 12,532 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 109,157 | 198,898 |

15 Debtors

| | 2018 | 2017 |
|---|--------|--------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 38,157 | 10,022 |
| Other debtors | 317 | - |
| Prepayments and accrued income | 14,926 | 28,373 |
| | 53,400 | 38,395 |

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

16 Loans and overdrafts

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Other loans | 87,527 | 91,077 |
| Payable within one year | 8,753 | - |
| Payable after one year | 78,774 | 91,077 |
| Amounts included above which fall due after five years: | | |
| Payable by instalments | 8,753 | 3,634 |

On 19 November 2011, a bond and floating charge was granted in favour of Social Investment Scotland in respect of a loan over all property and assets present and future of the charity.

In line with the original agreement with SIS, as all Social Outcomes were met by the charity and the interest accrued up to September 2018 was waived. The loan will be repaid from October 2018 over 60 payments.

17 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|-----------|-----------|
| Borrowings | 8,753 | - |
| Other taxation and social security | 12,186 | 9,900 |
| Trade creditors | - | 6,089 |
| Other creditors | - | 9,063 |
| Accruals and deferred income | 21,630 | 92,669 |
| | 42,569 | 117,721 |
| Analysis of deferred income | | |
| At 31st March 2017 | (29,999) | |
| Released in year | 29,999 | |
| At 31st March 2018 | - | |

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

18 Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|------------|-----------|-----------|
| Borrowings | 78,774 | 91,077 |

On 19 November 2011, a Bond and Floating charge was granted in favour of Social Investment Scotland in respect of a loan over all property and assets present and future of the charity.

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2017 £ | Movement in funds | | Balance at 31 March 2018 £ |
|---------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
| | | Incoming resources £ | Resources expended £ | |
| East Lothian | - | 110,081 | (105,082) | 4,999 |
| People & Communities | - | 174,879 | (174,879) | - |
| Pathfinder | - | 306,204 | (306,204) | - |
| Rite On | - | 64,124 | (40,625) | 23,499 |
| Social Innovation Project | - | 22,072 | (22,072) | - |
| | - | 677,360 | (648,862) | 28,498 |

East Lothian

Private funding is received to deliver a programme in the East Lothian area helping young people into work placements.

People & Communities

A partnered fund with housing associations in Aberdeen, Argyll and South Glasgow, working with potential young future tenants.

Pathfinder

Funding is received from Glasgow City Council to support young people into work from areas of deprivation.

Rite On

European Funding administered by the Scottish Government is received to support young people in Edinburgh and the Lothians with an aim to reduce re-offending, supporting care leavers and those at risk of becoming homeless.

Social Innovation Project

A project delivered in partnership with Centrestage Kilmarnock supporting 16-24 year olds who have so far found it difficult to get their foot in the door of employment.

WORKING RITE

Notes To The Financial Statements (Continued)

For The Year Ended 31 March 2018

20 Analysis of net assets between funds

| | General funds | Restricted funds | Total |
|--|----------------|------------------|----------------|
| | £ | £ | £ |
| Fund balances at 31 March 2018 are represented by: | | | |
| Current assets/(liabilities) | 190,642 | 28,498 | 219,140 |
| Long term liabilities | (78,774) | - | (78,774) |
| | <u>111,868</u> | <u>28,498</u> | <u>140,366</u> |

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2018 | 2017 |
|-----------------|--------------|--------------|
| | £ | £ |
| Within one year | <u>1,548</u> | <u>2,170</u> |

22 Cash generated from operations

| | 2018 | 2017 |
|---|-----------------|---------------|
| | £ | £ |
| Surplus for the year | 43,588 | 97,120 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (18) | (10) |
| Interest payable | | 3,551 |
| Depreciation and impairment of tangible fixed assets | - | 966 |
| Movements in working capital: | | |
| (Increase) in debtors | (15,005) | (5,194) |
| (Decrease) in creditors | (83,905) | (4,982) |
| Cash (absorbed by)/generated from operations | <u>(55,340)</u> | <u>91,451</u> |

