

Charity Registration No. SC042604 (Scotland)

Company Registration No. SC343819 (Scotland)

WORKING RITE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

WORKING RITE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms E L Critchley Ms V J Di Ciacca Ms S M Miller Ms Z L Whyatt Mrs K Good Mr E McNair	(Appointed 25 May 2018) (Appointed 15 March 2019)
Secretary	Mr A Campbell	
Charity number (Scotland)	SC042604	
Company number	SC343819	
Registered office	Catchpell House 4 Carpet Lane Leith Edinburgh EH6 6SP	
Auditor	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB	
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 AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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 deliver a programme that supports young people into sustained employment, apprenticeships or purposeful learning. We help some of the most vulnerable and disadvantaged young people who are, or are at risk of being, NEET (Not in Employment, Education or Training); homeless or have offending behaviour.

Working Rite is the practical pathway to a job or apprenticeship. It is a relationship-based model of learning - quite simply designed to inspire young people, and give them the tools to succeed. Our programme bridges the gap between school and work. It gives young people essential work experience, provides good role models, builds their confidence and offers them a quality vocational alternative to academic learning.

Across Scotland, our local Project Co-ordinators individually match a young person to a small business in their local community, where they learn valuable skills, 'on-the-job', where it counts. Our 'trainees' are with their work placement provider for up to six months during which they are guided by an experienced mentor in the business.

Through the medium of work, they build confidence, find purpose and become equipped with the skills needed to transform their own lives. In Scotland in 2018/19, Working Rite delivered its model in ten local authority areas:

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

During the year, it was reluctantly decided that due to the lack of referrals being made, and the small numbers of young people identified as relevant for the programme, the service in Moray was judged as not viable and was therefore closed in a controlled manner.

Funding from the Social Economy Growth Fund (SEGF) for the 'RiteOn' project ended in May 2019. Although there are plans for a phase 2, the timing for this is not yet confirmed by the Scottish Government, therefore the RiteOn project in Edinburgh was completed in May 2019 (after an agreed extension of two months).

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

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

WORKING RITE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

During the course of the 2018/19 financial year, Working Rite has supported over 280 targeted young people (200 in 2017/18), through 12 individual projects (8 in 2017/18). This required an increase in project delivery staff of 7, funded through new contracts. We met our contract targets for recruitment onto the programme, and across our various contracts 74% of young people completed the programme. Each contract required us to work with different young people, some of whom are harder to reach with additional barriers. Of those young people that completed the programme across all contracts, 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 171 young people to complete one or more unit of the SQA Certificate of Work Readiness, being 61% of our total engaged young people.

Financial review

The charity had an overall surplus of £45,256 (2018: surplus of £43,588) for the year, resulting from a surplus relating to unrestricted funds of £55,296 (2018: surplus of £15,090) and a loss relating to restricted funds of £10,040. As at the balance sheet date the charity had an accumulated surplus of £185,622 (2018: surplus £140,366), of which £167,164 relates to unrestricted funds.

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. The charity continues to progress towards this level.

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.

During the year under review Working Rite furthered its strategic intention to diversify its income streams to reduce risk of overreliance on any one source. In addition, through focused effort from the fundraising team, Working Rite has been successful in acquiring multi-year funding commitments from an improved fundraising programme. Specifically, the 18 month contract, funded through the Integrated Grants Fund in North West Glasgow and secured in July 2017, has now been extended until March 2020. Funding from the Social Innovation Partnership (SIP)/Hunter Foundation for a pilot project in Kilmarnock in January 2017, was extended to fund four projects in 2018/19. Funding is being made available to develop two of these further in 2019/20.

Funding from three charitable trusts and one local authority grant was secured in early 2019 for a new three year project in Edinburgh which will commence in the late spring of 2019.

The People & Communities Fund (PCF) is being reviewed for 2019 onwards and as such funding was only made available for quarters one and two for projects in south Glasgow, Argyll and Aberdeen at the 2018/19 level. The new fund, which will have to be applied for, will be available for three year awards.

These new and continuation funds ensures the charity has not only maintained its delivery level across local authority areas – but also now has seven key sources of income.

The restructuring of the charity's head office resource in 2017/18 has been sustained, making continued reductions in overall cost of overheads throughout 2018/19.

Working Rite has continued to engage positively throughout the year with the Scottish Government through high level engagement with civil servants, ministers and other significant stakeholders.

Working Rite continues to seek to strengthen its Board of Trustees and will continue to refer to the skills audit to support further recruitment in 2019/20.

WORKING RITE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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	(Resigned 15 March 2019)
Ms E L Critchley	
Ms V J Di Ciacca	
Ms S M Miller	
Ms Z L Whyatt	
Mrs K Good	(Appointed 25 May 2018)
Mr E McNair	(Appointed 15 March 2019)

On 27th June 2019, Zoe Whyatt resigned from her position as Chair. On this date also, Vicky Di Ciacca was appointed Chair.

An induction process for new trustees is being applied, including a Trustee Roles Description Handbook (following OSCR guidelines), provision of all policies and safeguarding procedures, and introductory meeting with staff. Further trustee recruitment will remain a target during 2019/20 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.

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.

WORKING RITE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Auditor

Thomson Cooper 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, including the strategic report, was approved by the Board of Trustees.



Ms V J Di Ciacca

Chair

Dated: 19 August 2019

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 2019 which comprise the statement of financial activities, the balance sheet 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 2019 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 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 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 auditor 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 matters on which we are required to report

The financial statements of Working Rite for the year ended 31 March 2018 were audited by Condie & Co who expressed an unmodified opinion on those statements on 25 October 2018.

WORKING RITE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WORKING RITE

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.



Sharon Collins (Senior Statutory Auditor)
for and on behalf of Thomson Cooper
Chartered Accountants & Statutory Auditor

21 August 2019

3 Castle Court
Carnegie Campus
Dunfermline
Fife
KY11 8PB

Thomson Cooper 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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	3	159,519	16,411	175,930	224,071
Charitable activities	4	111,951	802,212	914,163	658,870
Investments	5	125	-	125	18
Total income		<u>271,595</u>	<u>818,623</u>	<u>1,090,218</u>	<u>882,959</u>
<u>Expenditure on:</u>					
Raising funds	6	<u>49,392</u>	<u>-</u>	<u>49,392</u>	<u>49,391</u>
Charitable activities	7	<u>148,261</u>	<u>847,309</u>	<u>995,570</u>	<u>789,980</u>
Total resources expended		<u>197,653</u>	<u>847,309</u>	<u>1,044,962</u>	<u>839,371</u>
Net incoming/(outgoing) resources before transfers		73,942	(28,686)	45,256	43,588
Gross transfers between funds		<u>(18,646)</u>	<u>18,646</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year/ Net movement in funds		55,296	(10,040)	45,256	43,588
Fund balances at 1 April 2018		<u>111,868</u>	<u>28,498</u>	<u>140,366</u>	<u>96,778</u>
Fund balances at 31 March 2019		<u>167,164</u>	<u>18,458</u>	<u>185,622</u>	<u>140,366</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

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	12	129,691		53,400	
Cash at bank and in hand		172,962		208,309	
		<u>302,653</u>		<u>261,709</u>	
Creditors: amounts falling due within one year	14	<u>(45,534)</u>		<u>(42,569)</u>	
Net current assets			257,119		219,140
Creditors: amounts falling due after more than one year	15		(71,497)		(78,774)
Net assets			<u>185,622</u>		<u>140,366</u>
Income funds					
Restricted funds	16		18,458		28,498
Unrestricted funds			167,164		111,868
			<u>185,622</u>		<u>140,366</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 19 August 2019



Ms V J Di Ciacca
Trustee

Company Registration No. SC343819

WORKING RITE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(28,195)		(55,340)
Investing activities					
Interest received		125		18	
		<u>125</u>		<u>18</u>	
Net cash generated from investing activities			125		18
Financing activities					
Repayment of borrowings		(7,277)		(3,550)	
		<u>(7,277)</u>		<u>(3,550)</u>	
Net cash used in financing activities			(7,277)		(3,550)
Net decrease in cash and cash equivalents			(35,347)		(58,872)
Cash and cash equivalents at beginning of year			208,309		267,181
Cash and cash equivalents at end of year			<u>172,962</u>		<u>208,309</u>

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 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 period and is release 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 be only 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 2019

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 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

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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 2019

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 as an expense 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 2019

2 Critical accounting estimates and judgements

Expenditure on raising funds consists of 100% the Fundraising Manager and outsourced Trust Fundraiser.

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	Total
	2019 £	2019 £	2019 £	2018 £
Grants	159,519	16,411	175,930	224,071
For the year ended 31 March 2018	113,990	110,081		224,071
Grants receivable for core activities				
KFC	43,203	-	43,203	-
Corra Foundation	40,000	-	40,000	40,000
Garfield Weston Foundation	50,000	-	50,000	-
CMS Charitable Trust	5,000	-	5,000	-
Coop Community Fund	3,575	-	3,575	-
Robert Haldane Smith Charitable Trust	3,000	-	3,000	-
Mickel Fund	2,000	-	2,000	-
Murdoch Forrest Trust	2,000	-	2,000	-
St James Place Foundation	-	7,512	7,512	2,488
Stafford Trust	-	4,752	4,752	-
Other	10,741	4,147	14,888	23,482
Young Start: Big Lottery Funding	-	-	-	43,188
Swire Charitable Trust	-	-	-	40,000
Asfari	-	-	-	36,142
Henry Smith Charity	-	-	-	20,000
Postcode Lottery	-	-	-	9,999
Schuh	-	-	-	2,492
Merchants House of Glasgow	-	-	-	2,000
Ponton House Trust	-	-	-	2,000
Southern Charitable Trust	-	-	-	1,280
John Watsons Trust	-	-	-	1,000
	159,519	16,411	175,930	224,071

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	2019	2018
	£	£
Services provided under contract	914,163	658,870

	Unrestricted Funds	Restricted Funds	2019	2018
	£	£	£	£
SDS - Employment Fund	111,951	-	111,951	78,247
People and Communities Fund	-	240,954	240,954	178,878
Integrated Grant Fund (Glasgow City Council)	-	254,415	254,415	306,204
Social Economic Growth Fund	-	140,551	140,551	64,124
Social Innovation Partnership/Hunter Foundation	-	166,292	166,292	22,072
Other	-	-	-	13,345
	111,951	802,212	914,163	658,870

5 Investments

	Unrestricted funds	Total
	2019	2018
	£	£
Interest receivable	125	18

6 Raising funds

	Unrestricted funds	Total
	2019	2018
	£	£
<u>Fundraising and publicity</u>		
Staff costs	49,392	49,391
	49,392	49,391

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Charitable activities

	2019 £	2018 £
Staff costs	452,371	294,620
Work placements	287,885	234,207
Travel and subsistence	26,473	21,988
Finance charges	6,749	(636)
Training and development	2,077	2,750
Recruitment Costs	460	-
	<u>776,015</u>	<u>552,929</u>
Share of support costs (see note 8)	190,494	228,541
Share of governance costs (see note 8)	29,061	8,510
	<u>995,570</u>	<u>789,980</u>
Analysis by fund		
Unrestricted funds	148,261	141,119
Restricted funds	847,309	648,861
	<u>995,570</u>	<u>789,980</u>
For the year ended 31 March 2018		
Unrestricted funds	141,119	
Restricted funds	648,861	
	<u>789,980</u>	

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Staff costs	156,484	-	156,484	175,699	Allocation on time
Rent and rates	7,488	-	7,488	15,075	Usage
Software, IT and	10,173	-	10,173	11,426	Usage
Office expenses	9,940	-	9,940	13,304	As incurred
Printing, postage and	1,861	-	1,861	1,806	As incurred
Heat, light and power	-	-	-	(508)	Usage
Bad debt provision	871	-	871	3,000	As incurred
Travel	3,677	-	3,677	8,739	As incurred
Audit fees	-	4,982	4,982	7,567	Governance
Accountancy	-	20,445	20,445	-	Governance
Legal and professional	-	3,634	3,634	943	Governance
	<u>190,494</u>	<u>29,061</u>	<u>219,555</u>	<u>237,051</u>	
Analysed between Charitable activities	<u>190,494</u>	<u>29,061</u>	<u>219,555</u>	<u>237,051</u>	

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Head office/support	5	5
Project delivery	15	8
	<u>20</u>	<u>13</u>

Employment costs

	2019 £	2018 £
Wages and salaries	628,734	462,879
Social security costs	16,185	42,697
Other pension costs	13,328	14,134
	<u>658,247</u>	<u>519,710</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 2019

10 Taxation

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

11 Financial instruments	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,974	38,474
Carrying amount of financial liabilities		
Measured at amortised cost	102,435	109,157

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,974	38,157
Other debtors	-	317
Prepayments and accrued income	125,717	14,926
	129,691	53,400

13 Loans and overdrafts

	2019 £	2018 £
Other loans	80,250	87,527
Payable within one year	8,753	8,753
Payable after one year	71,497	78,774

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 the interest up to September 2018 was waived. The loan started to be repaid from October 2018 over 60 payments.

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other loans	8,753	8,753
Other taxation and social security	14,596	12,186
Trade creditors	1,223	-
Accruals and deferred income	20,962	21,630
	<u>45,534</u>	<u>42,569</u>

15 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other loans	<u>71,497</u>	<u>78,774</u>

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 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:

	Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£	£
East Lothian	4,999	840	(5,406)	-	433
People & Communities Fund	-	240,954	(261,100)	20,146	-
Pathfinder	-	254,415	(254,876)	1,807	1,346
Rite On	23,499	140,551	(161,911)	-	2,139
Social Innovation Partnership Projects	-	166,292	(164,016)	-	2,276
Other grants & Donations	-	15,571	-	(3,307)	12,264
	<u>28,498</u>	<u>818,623</u>	<u>(847,309)</u>	<u>18,646</u>	<u>18,458</u>

East Lothian

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

People and Communities Fund

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

Pathfinder

Funding is received from the Integrated Grand Fund, via 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 Lothian's with an aim to reduce re-offending, supporting care leavers and those at risk of being homeless.

Social Innovation Partnership Projects

Four projects delivered in partnership with Centrestage Kilmarnock; Street Soccer, Edinburgh; One Parent Families Scotland, Edinburgh and Radiant & Brighter, Glasgow supporting targeted individuals who have found it difficult to get their foot in the door of employment, or re-enter the workplace.

Other Grants and Donations

Funding is received from housing associations as a project management fee, some of which is allocated to the relevant restricted project to cover direct delivery costs.

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Analysis of net assets between funds

	General Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Current assets/(liabilities)	238,661	18,458	257,119	219,140
Long term liabilities	(71,497)	-	(71,497)	(78,774)
	<u>167,164</u>	<u>18,458</u>	<u>185,622</u>	<u>140,366</u>

18 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:

	2019 £	2018 £
Within one year	<u>926</u>	<u>1,548</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

Remuneration of key management personnel

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

	2019 £	2018 £
Aggregate compensation	<u>177,637</u>	<u>174,367</u>

20 Trustees

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

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21	Cash generated from operations	2019 £	2018 £
	Surplus for the year	45,256	43,588
	Adjustments for:		
	Investment income recognised in statement of financial activities	(125)	(18)
	Movements in working capital:		
	(Increase) in debtors	(76,291)	(15,005)
	Increase/(decrease) in creditors	2,965	(83,905)
	Cash absorbed by operations	<u>(28,195)</u>	<u>(55,340)</u>