

Charity Registration No. SC042604 (Scotland)

Company Registration No. SC343819 (Scotland)

WORKING RITE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

WORKING RITE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms E L Critchley	
	Ms V J Di Ciacca	
	Ms S M Miller	
	Mrs K Good	
	Mr E McNair	
	Ms S L Cook	(Appointed 28 February 2020)
	Ms R E Forster	(Appointed 28 February 2020)
	Ms M A McGeary	(Appointed 28 February 2020)
	Ms A Topping	(Appointed 28 February 2020)
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 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

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) (effective 1 January 2019)".

Objectives and activities

Working Rite's mission is to deliver a programme that supports young people into a positive destination, be that 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. Many are care experienced and over 25% are affected by mental ill health.

Working Rite is the practical pathway to a job, apprenticeship or purposeful learning. It is a relationship-based model of learning & mentoring - 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.

Increasingly we work in partnership with other community-based charities and organisations to deliver our programme, enabling a seamless transition from specialist youth work and support to our mentored work readiness and placement programme. In the year in review, such partners included Dumbarton Road Corridor Youth Project (NW Glasgow), Street Soccer Scotland (Edinburgh, Glasgow and Aberdeen), Centrestage (Kilmarnock), New Gorbals and Glen Oaks Housing Associations (south Glasgow), Langstane Housing Association (Aberdeen), West Highland Housing Association (Argyll & Bute) and Cyrenians (Edinburgh)

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 time they are guided by an older mentor in the business and both are supported by the Project Co-ordinator.

Through the medium of work, they build confidence, find purpose and become equipped with the skills needed to transform their own lives. In 2019/20, Working Rite delivered its model in eight local authority areas:

Aberdeen City
Aberdeenshire
Argyll and Bute
City of Edinburgh
East Ayrshire
East Lothian
Glasgow City
Midlothian

The RiteOn project in Edinburgh/Lothians was completed in May 2019 after an agreed extension to do so from the Social Economy Growth Fund (SEGF). Two of the four pilot projects funded in 2018/19 through the Social Innovation Partnership (SIP) / Hunter Foundation ended in March and June 2019. The model piloted with One Parent Families Scotland (OPFS) project in Edinburgh was handed over for development by OPFS in line with their objectives and the project model developed with Radiant & Brighter project in Glasgow is now delivered by the same individual as PRespect, hosted within Adopt an Intern.

WORKING RITE

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

Achievements and performance

During the course of the 2019/20 financial year, Working Rite worked with 232 targeted young people (280 in 2018/19) through 10 individual projects (12 in 2018/19). We met our contract targets for new recruitment onto the programme, and across our various contracts 118 (51%) of young people had successfully completed the programme at the point of lockdown, with a further 43 (19%) who were in work placements at that time, being temporarily removed. In total 56 young people who were engaged on the programme, in work placement or in induction, continued to be supported online during lockdown and were carried into the next financial year to complete the programme.

Each contract required us to work with different young people, some of whom are harder to reach with additional barriers and in some projects young people are engaged alongside partner organisations who do not progress to the employability element of programme within the year in review. Of those young people completed the programme in year across all contracts, 183 (79%) young people moved into a positive destination - which we define as a job, apprenticeship, or purposeful learning. A further 8% are still on programme, with 13% not moving into a positive destination at the end but still being supported by partner organisations and able to return to the programme when they are ready to do so.

As an accredited SQA centre, Working Rite supported 150 (64%) of those young people engaged to complete one or more unit of the SQA Certificate of Work Readiness. A further 67 (29%) were still working on certification at the year end, meaning over 93% of young people engaged will achieve a certified qualification.

At the very end of the 2019/20 financial year lockdown restrictions, as a result of COVID-19, led to Working Rite having to remove all young people who were in work placements and cease face to face induction sessions and support work, however, all 56 young people who were involved in programmes at that time (in work placements (43) or on induction (13)) remained engaged through a range of online options that the organisation implemented immediately.

Financial review

The charity had an overall surplus of £9,937 (2018/19: surplus of £45,256) for the year, resulting from a deficit in unrestricted funds of £6,092 (2018/19: surplus of £55,296) and a surplus relating to restricted funds of £16,092 (2018/19: deficit £10,040). As at the balance sheet date the charity had accumulated reserves of £195,558 (2018/19: £185,621), of which £161,071 relates to unrestricted funds. The deficit on unrestricted funds is due to donations made prior to the financial year end of 2019 in which the expenditure relating to this funding was utilised in 2020. It is merely a timing of incoming resources to resources expended

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 in review, however it is likely that some of these reserves will be required to support programme delivery in 2020/21 in light of reduced funding and fundraising opportunities due to COVID19.

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.

WORKING RITE

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

FOR THE YEAR ENDED 31 MARCH 2020

Working Rite continued to further its strategic intention to diversify its income streams to reduce risk of overreliance on any one source during the financial year under review. The continued efforts of the fundraising team have meant successful multi-year funding commitments have been secured for both restricted and unrestricted income.

Much of the statutory funding, via local or national government, had been affected by Brexit, with decisions due to be made for both replacement and new funding of some funds in the last quarter of the year in review for commencement of projects in 2020/21 being delayed. These were further delayed due to the impact of Covid-19 response funding. As a result, extensions to previous funding was granted from CYPFEIF (to March 2021) and Integrated Grant Fund (to September 2020).

The Leith Pioneers project, delivered in partnership with the Cyrenians, for young people leaving north Edinburgh secondary schools, began in the spring of 2019, funded for three years through funding from BBC Children in Need, the Robertson Trust and the Employability Third Party Grant fund.

The People & Communities Fund (PCF) ended during the year in review, after an extension to September 2019 at the previous year's level for projects in south Glasgow, Argyll and Aberdeen.

New funding has been secured through the Investing in Communities Fund (ICF) in North West Glasgow to March 2023. Multi year funding has also been secured from three private trusts for core funding and the Glasgow and Argyll projects from the Henry Smith Charity, Gannochy Trust and Charles Hayward Foundation. One year funding (with potential extension) has been secured from Aberdeen City Council and the Agnes Hunter Trust for a new project in Aberdeen.

Although some funding streams ended, with continuation, replacement and new funds the charity has again maintained its delivery level across local authority areas – but also now has nine key sources of income, more of which are multi-year.

Overhead cost reductions implemented in the previous year were maintained throughout 2019/20. To mitigate the risk of lower funding being available post COVID19, further head office resource restructuring and overhead costs are being considered to reduce costs in 2020/21.

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. Specifically work initiated by the Social Innovation Partnership (SIP) has involved Working Rite in providing input into papers for policy review for the Scottish Government

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 2020/21.

COVID19 response

In anticipation of the national lockdown which came into place on 23 March 2020, Working Rite had removed all young people from work placements on 18 March 2020 and put systems in place to enable all staff to work from home.

The decision was made that all 56 young people on the programme (either induction or work placement) at that time would receive their allowance for at least six weeks, providing they engaged in twice weekly online activities and sessions that the project coordinators put in place. All funders, both statutory and private, were contacted to update them on this programme adaptation, with all agreeing to, or already offering, flexibility in terms of use of funding and the outcomes expected. As a result the charity was able to support these young people throughout lockdown and, where project funding allowed, start additional young people on the newly developed online induction programme.

WORKING RITE

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

FOR THE YEAR ENDED 31 MARCH 2020

As an organisation Working Rite used its Teams software to have, initially, thrice weekly meetings to discuss and plan how to deliver a remote programme. Project Coordinators initiated programmes relevant to their groups of young people, combining one to one calls, video group sessions, online workshops and digital training. Certified training was made available from the charity's own HR system (Citation/Atlas) as well as courses offered through Fast Forward and Cyrenians. Digital poverty issues were addressed through the securing of funding from the Wellbeing Fund to purchase laptops for use by those young people who did not have access to suitable hardware to engage in online sessions / courses. Young people engaging in online training each gained on average four certificates (against previous years where one was achieved).

In recognition of the increase in mental health concerns for young people and their families, all Operational staff completed a Mental Health First Aid course, delivered online. Staff also extended the pre-Covid programme remit to include wider family support and signposting via project partners – including food delivery and digital poverty, as well as support for local businesses who provided work placements in terms of directing them towards funding available, other sources of support and return to work risk assessment documentation and guidelines.

"Just wanted to pass on a message from a parent. At the end of our conversation she said she thought Workingrite had handled this whole thing brilliantly. Her son feels supported and she's so glad we've been there. She has total faith in us to do what's best moving forward. Said the pace we've moved at has been perfect." – Centrestage project, Kilmarnock.

"Rhys used the lockdown to practice skills he's learned in joinery placement - thanks guys. It's just old pallets it's made from so never cost a penny, so he's chuffed lol". – Mum of a young person who had just completed a work placement on the Pathfinder project (north west Glasgow) and was ready for starting an apprenticeship before the lockdown.

"I am Dena, Theo's mum, I just want to thank you so much for supporting my son the way that you do and also for extending that support to me with benefit advice. You help Theo so much and he really respects you and looks up to you. Thanks so very much for helping him and for always being in his corner. It is much appreciated, so good to know there is something happening for him" - Pathfinder project (north west Glasgow)

Many of the young people successfully supported through the programme in the reporting period found themselves furloughed or out of work when lockdown happened. Their hard work, the support of Project Coordinators and strength of our partnerships has ensured that, despite the hurdles, there are still positive outcomes.

Young people's stories - for confidentiality, all names in these case studies have been changed.

Sean (age 19)

Glasgow Pathfinder Partnership (Dumbarton Road Corridor Youth Project)

Sean's childhood in West Lothian had been one of bullying, obesity, depression and disengagement from school. When he was 17, the bullying peaked, resulting in a serious assault. Then, without warning, his mum died. Suddenly uprooted to live with his Dad, Sean arrived in Drumchapel desperately lonely and stricken with grief.

Following the scare of the assault incident Sean had resolved to transform his body and embarked on a rigorous fitness plan. This regime helped direct his focus away from his grief as did the solace he found strumming his dad's old guitar alone in his room. His dad found him some casual work at a bakery - extracting stale bread that was too mouldy to sell on as pig swill. His depression was getting worse with every mouldy roll.

The north-west's Youth Health Service identified him as needing support and put him in touch with Pathfinder where Gerard worked wonders: he and Sean bonded whilst song-writing and recording together. With trust established conversations moved into exploring Sean's aspirations for his future. As his motivation and confidence were growing, Dougie became involved to help find Sean the right career path. Together, Dougie and Gerard were forming a picture of Sean's strengths and hopes.

WORKING RITE

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

FOR THE YEAR ENDED 31 MARCH 2020

Dougie then brokered a mentored work placement in Tennant's Brewery where Sean learned about quality control tasks in the brewing process. By the end of 2019, Sean had so impressed his mentor he was offered an apprenticeship to become a brewing technician. In early 2020 he continued to impress so that, despite being furloughed during lock-down, he has now returned to pursue his new career and a promising working life.

Jasmine (age 17) Leith Pioneers Partnership (Cyrenians)

Jasmine's early teens were dominated by crippling anxiety and fear of groups - and their real or imagined judgements of her. By the time she was 15 she had dropped out of school completely; not because she didn't have the academic ability, (maths was her favourite subject) but because the classroom terrified her. Her parents tried to help but didn't know how.

Because of her school non-attendance Jasmine came to the attention of Leith Pioneers - a partnership between WorkingRite and the Cyrenians' Key to Potential project (who support non-attenders across 12 schools in Edinburgh). Additional counselling was also arranged and gradually Jasmine started to show signs of readiness for her next step.

When Kirstie at Cyrenians felt Jasmine was ready, she introduced Jasmine to Jessie at WorkingRite. An intensive one-to-one induction was completed in three weeks and then Jessie brokered an ideal mentored work placement for Jasmine at Mimi's, a thriving café on the Shore in Leith, in the run up to Christmas 2019. The training was in admin and would give Jasmine the opportunity to use her maths skills.

She thrived, and after just 8 weeks Mimi's offered her a job. Jasmine had quickly become indispensable, so much so that she was brought back from furlough early because of her skills in managing all the admin that goes with a new lockdown take-away and delivery service.

It is now 12 months since Jasmine first came to Leith Pioneers. Although she is enjoying her new working life, Jasmine is now thinking about longer terms career options and greater job security – and Jessie is still there to help.

Graeme (age 17) WorkingRite -Street Soccer Partnership (Edinburgh)

When Graeme was 15, he stopped attending school. He is dyslexic and has great difficulty understanding verbal instructions. A very personable lad, but with no qualifications, focus or plans for the future. Luckily, in the summer of 2019, he drifted along with his mates to join in the Street Soccer sessions at Portobello where he met Craig – WorkingRite's employability worker based within Street Soccer.

Graeme participated well during his WorkingRite Induction. Craig found him a mentored placement with a plasterer, but after a few weeks of sporadic attendance he announced casually that he didn't want to do it anymore. Craig then found him another placement with a decorator and a very patient mentor, Davie. Graeme initially responded well and after 10 weeks Davie offered him a job. That was when the poor time keeping and lying began. Davie's patience soon ran out and he laid Graeme off.

Graeme was avoiding every offer of help from Craig and had stopped attending Street Soccer. Occasional sightings reported that he had become a shadow of himself; lost in a world of drink and drugs. Then in early lockdown he was found covered in blood in Pilrig Park after a knife attack and rushed to hospital.

He emerged chastened and wiser. He contacted Craig and, at the lifting of lockdown, Craig introduced him to a new workplace mentor, Iain; another decorator. With Craig's help, Graeme explained to Iain his difficulties in processing information. Iain immediately understood and together they found their own way of making things work. After a month Iain offered Graeme an apprenticeship and as he begins this next chapter in his life, Graeme now appreciates the value of Craig's unwavering support.

WORKING RITE

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

FOR THE YEAR ENDED 31 MARCH 2020

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 E L Critchley	
Ms V J Di Ciacca	
Ms S M Miller	
Ms Z L Whyatt	(Resigned 29 November 2019)
Mrs K Good	
Mr E McNair	
Ms S L Cook	(Appointed 28 February 2020)
Ms R E Forster	(Appointed 28 February 2020)
Ms M A McGeary	(Appointed 28 February 2020)
Ms A Topping	(Appointed 28 February 2020)

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 continue to be 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 underrepresented.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 2020

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

The trustees report, including the strategic report, was approved by the Board of Trustees.



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Ms V J Di Ciacca

Chair

Dated: 20/10/20

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 2020 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 2020 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

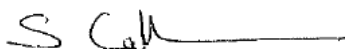
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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
Dunfermline

20 October 2020

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 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	2	126,013	108,589	234,602	175,930
Charitable activities	3	105,834	637,305	743,139	914,163
Investments	4	218	-	218	125
Total income		232,065	745,894	977,959	1,090,218
Expenditure on:					
Raising funds	5	44,394	-	44,394	49,392
Charitable activities	6	188,823	734,805	923,628	995,570
Total resources expended		233,217	734,805	968,022	1,044,962
Net (outgoing)/incoming resources before transfers		(1,152)	11,089	9,937	45,256
Gross transfers between funds		(4,940)	4,940	-	-
Net (expenditure)/income for the year/ Net movement in funds		(6,092)	16,029	9,937	45,256
Fund balances at 1 April 2019		167,163	18,458	185,621	140,366
Fund balances at 31 March 2020		161,071	34,487	195,558	185,622

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 ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income from:</u>				
Donations and legacies	2	159,519	16,411	175,930
Charitable activities	3	111,951	802,212	914,163
Investments	4	125	-	125
Total income		271,595	818,623	1,090,218
<u>Expenditure on:</u>				
Raising funds	5	49,392	-	49,392
Charitable activities	6	148,261	847,309	995,570
Total resources expended		197,653	847,309	1,044,962
Net (outgoing)/incoming resources before transfers		73,942	(28,686)	45,256
Gross transfers between funds		(18,646)	18,646	-
Net (expenditure)/income for the year/ Net movement in funds		55,296	(10,040)	45,256
Fund balances at 1 April 2018		111,868	28,498	140,366
Fund balances at 31 March 2019		167,164	18,458	185,622

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 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	10	60,219		129,691	
Cash at bank and in hand		295,750		172,962	
		<u>355,969</u>		<u>302,653</u>	
Creditors: amounts falling due within one year	12	(104,334)		(45,534)	
Net current assets			251,635		257,119
Creditors: amounts falling due after more than one year	13		(56,077)		(71,497)
Net assets			<u>195,558</u>		<u>185,622</u>
Income funds					
Restricted funds	14		34,487		18,458
Unrestricted funds			161,071		167,164
			<u>195,558</u>		<u>185,622</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



Ms V J Di Ciacca
Trustee

Company Registration No. SC343819

WORKING RITE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		137,992		(28,195)
Investing activities					
Interest received		218		125	
Net cash generated from investing activities			218		125
Financing activities					
Repayment of borrowings		(15,421)		(7,277)	
Net cash used in financing activities			(15,421)		(7,277)
Net increase/(decrease) in cash and cash equivalents			122,789		(35,347)
Cash and cash equivalents at beginning of year			172,962		208,309
Cash and cash equivalents at end of year			295,751		172,962

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 a period of not less than twelve months. The trustees are aware of the potential impact the Coronavirus pandemic may have on the charity. Services have switched to being provided remotely with support and flexibility being provided by key funders to achieve this. The charity has nine key sources of income with some of those being multi year which minimises any uncertainty around future funding levels. The trustees have reviewed their cashflow requirements and are satisfied that the charity has sufficient cash reserves and net income to cover any shortfall of income over the next twelve months and as such 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.

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.

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 2020

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 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Grants	126,013	108,589	234,602	175,930
For the year ended 31 March 2019	159,519	16,411		175,930
Grants receivable for core activities				
KFC	13,722	-	13,722	43,203
Corra Foundation	40,000	-	40,000	40,000
Garfield Weston Foundation	-	-	-	50,000
CMS Charitable Trust	6,000	-	6,000	5,000
Tam O'Shanter Trust	10,000	-	10,000	-
DCR Allen Trust	5,000	-	5,000	-
Hugh Fraser Foundation	5,000	-	5,000	-
Souter Charitable Trust	2,000	-	2,000	-
Miss Caroline Jane Spence Fund	2,000	-	2,000	-
WA Cargill Fund	2,000	-	2,000	-
Cruden Foundation	1,000	-	1,000	-
Martin Connell Trust	1,000	-	1,000	-
ETPG	-	35,000	35,000	-
BBC Children in Need	-	20,589	20,589	-
The Robertson Trust	-	15,000	15,000	-
Charles Haywood	-	20,000	20,000	-
Gannochy Trust	-	15,000	15,000	-
Robert Haldane Smith Charitable Trust	-	3,000	3,000	-
Coop Community Fund	-	-	-	3,575
Mickel Fund	-	-	-	2,000
Murdoch Forrest Trust	-	-	-	2,000
St James Place Foundation	-	-	-	2,488
Stafford Trust	-	-	-	4,752
Other fundraising activities	5,191	-	-	23,482
Young Start: Big Lottery Funding	-	-	-	43,188
Swire Charitable Trust	-	-	-	40,000
Asfari	-	-	-	36,142
Henry Smith Charity	30,000	-	-	20,000
Postcode Lottery	-	-	-	9,999
Schuh	-	-	-	2,492
Merchants House of Glasgow	-	-	-	2,000
Ponton House Trust	2,000	-	-	2,000
Southern Charitable Trust	-	-	-	1,280
John Watsons Trust	1,100	-	-	1,000
	126,013	108,589	234,602	175,930

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Charitable activities

	2020	2019
	£	£
Services provided under contract	743,139	914,163

	Unrestricted Funds	Restricted Funds	2020	2019
	£	£	£	£
SDS - Employment Fund	105,834	-	105,834	78,247
People and Communities Fund	-	152,485	152,485	178,878
Integrated Grant Fund (Glasgow City Council)	-	253,586	253,586	306,204
Social Economic Growth Fund	-	11,240	11,240	64,124
Social Innovation Partnership/Hunter Foundation	-	219,994	219,994	22,072
Other	-	-	-	13,345
	105,834	637,305	743,139	914,163

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	218	125

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Staff costs	44,394	49,392
	44,394	49,392

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	411,931	452,371
Work placements	229,058	287,885
Travel and subsistence	21,571	26,473
Finance charges	8,570	6,749
Training and development	667	2,077
Recruitment Costs	693	460
	<hr/> 672,490	<hr/> 776,015
Share of support costs (see note 7)	223,463	190,494
Share of governance costs (see note 7)	27,675	29,061
	<hr/> 923,628	<hr/> 995,570
Analysis by fund		
Unrestricted funds	188,823	148,261
Restricted funds	734,805	847,309
	<hr/> 923,628	<hr/> 995,570
For the year ended 31 March 2019		
Unrestricted funds	148,261	
Restricted funds	847,309	
	<hr/> 995,570	

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	172,366	-	172,366	156,484	Allocation on time
Rent and rates	15,444	-	15,444	7,488	Usage
IT costs & telephone	20,530	-	20,530	10,173	Usage
Office expenses	7,081	-	7,081	9,940	As incurred
Postage & stationary	964	-	964	1,861	As incurred
Bad debt provision	-	-	-	871	As incurred
Travel	7,078	-	7,078	3,677	As incurred
Audit fees	-	5,526	5,526	20,445	Governance
Accountancy	-	17,400	17,400	4,982	Governance
Legal and professional	-	4,749	4,749	3,634	Governance
	<u>223,463</u>	<u>27,675</u>	<u>251,138</u>	<u>219,555</u>	
Analysed between					
Charitable activities	<u>223,463</u>	<u>27,675</u>	<u>251,138</u>	<u>219,555</u>	

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Head office/support	5	5
Project delivery	13	15
	<u>18</u>	<u>20</u>

Employment costs

	2020 £	2019 £
Wages and salaries	600,630	628,734
Social security costs	10,882	16,185
Other pension costs	17,179	13,328
	<u>628,691</u>	<u>658,247</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 2020

9 Taxation

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

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,433	3,974
Prepayments and accrued income	57,786	125,717
	<u>60,219</u>	<u>129,691</u>

11 Loans and overdrafts

	2020 £	2019 £
Other loans	<u>64,829</u>	<u>80,250</u>
Payable within one year	8,752	8,753
Payable after one year	<u>56,077</u>	<u>71,497</u>

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.

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Borrowings	8,752	8,753
Other taxation and social security	12,301	14,596
Trade creditors	-	1,223
Accruals and deferred income	83,281	20,962
	<u>104,334</u>	<u>45,534</u>

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Borrowings	<u>56,077</u>	<u>71,497</u>

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 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				Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
East Lothian	4,999	840	(5,406)	-	433	-	-	(433)	-
People & Communities Fund	-	240,954	(261,100)	20,146	-	190,485	(181,347)	-	9,138
Pathfinder	-	254,415	(254,876)	1,807	1,346	253,586	(246,652)	(1,346)	6,934
Rite On	23,499	140,551	(161,911)	-	2,139	11,240	(15,098)	1,719	-
Social Innovation Partnership Projects	-	166,292	(164,016)	-	2,276	219,994	(221,923)	-	347
Leith Pioneers	-	15,571	-	(3,307)	-	70,589	(69,785)	17,264	18,068
Other Grants & Donations	-	-	-	-	12,264	-	-	(12,264)	-
	<u>28,498</u>	<u>818,623</u>	<u>(847,309)</u>	<u>18,646</u>	<u>18,458</u>	<u>745,894</u>	<u>(734,805)</u>	<u>4,940</u>	<u>34,487</u>

WORKING RITE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Restricted funds

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 2020

15 Analysis of net assets between funds

	General Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:				
Current assets/(liabilities)	217,148	34,487	251,635	257,119
Long term liabilities	(56,077)	-	(56,077)	(71,497)
	<u>161,071</u>	<u>34,487</u>	<u>195,558</u>	<u>185,622</u>

16 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:

	2020 £	2019 £
Within one year	-	926

17 Related party transactions

There were no disclosable related party transactions during the year (2019 - 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.

	2020 £	2019 £
Aggregate compensation	<u>172,367</u>	<u>177,637</u>

18 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 2020

19	Cash generated from operations	2020	2019
		£	£
	Surplus for the year	9,937	45,256
	Adjustments for:		
	Investment income recognised in statement of financial activities	(218)	(125)
	Movements in working capital:		
	Decrease/(increase) in debtors	69,472	(76,291)
	Increase in creditors	58,801	2,965
		<hr/>	<hr/>
	Cash generated from/(absorbed by) operations	137,992	(28,195)
		<hr/>	<hr/>