

Registered number: 2703078
Charity number: 1011120

Working Well Trust
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 March 2019

Working Well Trust
(A company limited by guarantee)

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Working Well Trust
(A company limited by guarantee)

**Reference and administrative details of the Company, its Trustees and advisers
for the year ended 31 March 2019**

Trustees

Phil Evans, Chair
Brigid MacCarthy
Donald Martin
Helen Moulinas
David Free
Harriet Kyekye

Company registered number

2703078

Charity registered number

1011120

Registered office

First Floor, Pritchard's Road Day Centre
Marian Place
London
E2 9AX

Principal staff

Helen Forster (Trust Director)

Independent auditors

Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Bankers

National Westminster Bank plc
PO Box 3242, Albion Yard
331/335 Whitechapel
London
E1 1AU

Solicitors

Orchard Solicitors
6 Snow Hill
London
EC1A 2AY

Working Well Trust
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2019

The Trustees present their annual report together with the audited financial statements of the Working Well Trust for the year 1 April 2018 to 31 March 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Working Well Trust provides a wide range of employment support services for clients, supporting people from their initial decision that they want to work to helping people stay in work in the long term. We recognise that finding and sustaining work can be challenging but we are committed to the belief that everyone who wants to work should be offered support to achieve their goals. To do this we focus on what the client wants to achieve, their skills and strengths, rather than on the difficulties they need to overcome. We may still have some way to go but more and more we are hearing stories of positive responses from employers about supporting current staff with mental health issues and requests for us to support them to recruit new staff.

As an organisation we have also continued to develop and learn over the last year. The financial stability of the Trust remains a priority, but we are also now focusing on how we develop our team and services to better meet our clients and other stakeholders needs.

Objectives and activities

a. Objectives

The Trust's mission statement is:

To promote the personal recovery of people with mental health problems through support, training and employment.

The main activities are:

- Supporting people to enter and retain employment;
- Offering training opportunities;
- Providing recovery based activities and social interaction;
- Creating an active environment which allows people to achieve personal outcomes such as increased confidence and resilience;
- Supporting people to rebuild life-skills.

Trustees' report (continued)
for the year ended 31 March 2019

Objectives and activities (continued)

b. Activities

The range of services on offer to Working Well clients enable them to choose the appropriate service for their recovery goals, for example clients who are ready for employment can move directly in to Reward and Rework. Clients who wish to return to work but may not yet feel ready to take the step in to employment can work with the Upskill project to improve their skills, confidence and motivation. The enterprise provides a real work environment that includes training opportunities, social interaction and a chance to improve soft work skills such as resilience.

Although there have been some improvements in how people with mental health conditions are perceived our clients continue to face significant barriers to achieving their recovery goals. People with mental health conditions are less likely to be in employment, face discrimination within the workplace, and face stigma in the wider community. They are also more likely to have poorer physical health than the general population. These issues have both a personal cost to the individual, but also social and economic costs for the wider population.

Our projects focus on reducing the impact of the barriers faced by clients, support them to gain new skills, confidence and resilience so that their mental wellbeing is improved. The projects operating in 2018/19 were:

Work and Wellbeing Hub:

Working Well Trust is part of the Inspire Mental Health Consortium in Tower Hamlets. The Consortium is made up of 8 partners who work together to deliver the Recovery and Wellbeing service in Tower Hamlets. We are lead partner for the employment focused activities which is made up of –

Social enterprises -

Access Print – is a print and design social enterprise based in Bethnal Green.

Sew & Support – is a sewing production service for designers specialising in soft furnishing.

Clients in the social enterprises are offered training placements that combine skills training alongside opportunities to achieve recovery goals such as increased self-esteem. All the training takes place using real commercial customers work. Placements in the enterprises are suitable for clients using them to help progress towards their employment goals and for clients wanting to achieve goals that may not be related to employment ambitions such as learning how to deal with challenging situations or working with others.

Business, Enterprise and Employment Advice

The Retention Specialist works with people whose employment is at serious risk because of their mental health issues. The worker provides an objective service working to support both the client and the employer, with the aim of the client returning to work.

The Business and Enterprise Advisor offers support to people who want to set up their own enterprise or business. The advisor can work with a person or a group from the idea stage through to a fully operational business.

Employment services:

Rework – is an Individual Placement and Support (IPS) service based in the four local community mental health teams in Tower Hamlets as well as the Enhanced Primary Care Service, Psychological Therapies Services and Deanscross teams. IPS services are co-located within mental health teams so that the employment support is integrated in to the clinical plans. Employment opportunities are sourced quickly to meet clients' needs and then training/support is offered once the person enters employment. Research evidence shows that this model is twice as likely to secure employment outcomes than traditional employment support models.

Reward – is also an IPS model but works with other mental health teams such as IAPT, Psychology, Crisis and GPs.

Upskill – is an employment support project that offers confidence building, training, volunteering, education and employment opportunities. The demand for the service far outstrips its capacity and it is clear that expansion of the project is needed.

Working Well Trust
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Trustees' report (continued)
for the year ended 31 March 2019

Objectives and activities (continued)

Women's Employment and Wellbeing service - a new grant from the Pilgrims Trust enabled us to set up a new service supporting women to move on from low paid jobs, to improve their quality of worklife balance, and to improve their career prospects through training.

Working Well is fortunate in being supported by a group of dedicated volunteers. In the last twelve months placements have been created in the Access, Sew & Support, Upskill and Head Office teams. Volunteers bring their skills and experience and we aim to provide new opportunities for them to develop and progress.

Achievements and performance

a. Achievements

One of our most important achievements over the last year has been the integration of co-production principles in all areas of our work. It became clear that although feedback and forums were useful we needed client and other stakeholder involvement from the project design stage (prior to bidding) all the way through to devising new ways to evaluate performance. Once we made the commitment to co-produce service design and delivery, we quickly saw positive impacts including quicker project start up times, clearer referral routes and recruitment.

We are particularly pleased in how Rework supported service developments not just for our services for Individual Placement and Support services across London. For example, we are one of the leads for the new London IPS Employer Engagement Network, a network of IPS providers who share brokered job opportunities. WWT co-ordinates the network and supports members who are new to employer engagement.

We are also pleased to report the impact the Women's Employment and Wellbeing service is making for the clients who are being supported to move out of low paid jobs. Within four weeks of the project starting the first client was supported to change jobs and secure better pay. The project has highlighted the prevalence of in-work poverty and the additional challenges clients face to secure opportunities when they disclose their mental health issues to their employer.

Financial review

a. Going concern

The decision last year to support the Rework project restructuring has proved sound. However, the impact of the previous year's under-performance has changed the board's attitude to contract payment structures and future agreements will be closely examined before any agreement is reached.

The board continues to monitor the financial performance of the Trust closely and have agreed a new stabilisation plan that sets out how we will build the reserves needed to bring longer term security.

b. Reserves policy

The charity's overall target for its reserves policy is three months operational costs but whilst the charity is building up its reserves, it has one month of full operating costs as a milestone.

Structure, governance and management

a. Constitution

Working Well Trust is a charity and a company limited by guarantee. We are governed by memorandum and articles of association, which were last updated in June 2003. The company is also a registered charity, with the charity number 1011120.

Trustees' report (continued)
for the year ended 31 March 2019

Structure, governance and management (continued)

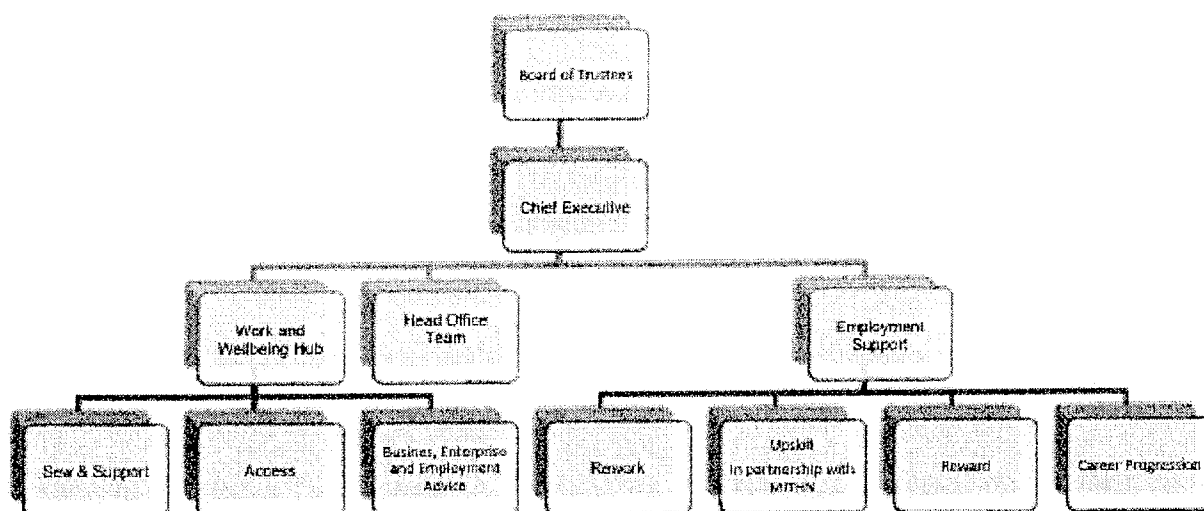
b. Methods of appointment or election of Trustees

Seven trustees served on the board during the last twelve months, including IT, HR, finance, banking and marketing specialists, mental health experts and local residents. The board made a commitment in 2015 to recruit more trustees with "lived experience" of mental health as part of its commitment to co-production. Trustees are mainly recruited through volunteering initiatives such as ELBA and Reach. Recruitment to the board is now based on a regular trustees' skill assessment which identifies areas to be strengthened. Potential trustees submit a curriculum vitae to the board and if they are considered suitable they are invited to meet with the Chief Executive and, if available, a member of the board. At the meeting the role of the trustee is explained and the candidate can ask questions. Interested candidates are then invited to observe a board meeting. New trustees complete an induction process which includes information from the Charity Commission on their responsibilities and key personnel within the Trust. All trustees are asked to attend external training sessions organised by our auditors. The induction has also been adapted to promote the recruitment of ex clients to the board of trustees.

c. Organisational structure and decision-making policies

The board sets the strategic direction of the Trust and monitors the performance of the projects and reviews the financial reports. The board currently meets every two months. A trustee liaises with the finance staff prior to the board meeting to assist in the preparation of the finance report. The Chair and Treasurer are elected from the current trustees at the AGM.

Access project is based in Hackney Road. Sew & Support is based in Cavell Street and The Head Office team and other projects are all based at Pritchard's Road Centre. An organisational structure is shown below:



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Trustees' report (continued)
for the year ended 31 March 2019

Structure, governance and management (continued)

A risk assessment is completed annually detailing project specific and Trust wide potential risk factors, how they can be minimised with staff and board responsibilities identified. The main risk factors for 2019/20 are:

- Retendering of the Work and Wellbeing Contract
- Retendering of the Upskill service
- Staff retention
- Organisational capacity
- Financial strength

The risks are assessed on the basis of the likelihood of the event occurring, what control and monitoring procedures are in place, and the potential impact of each event. As part of the risk management the board review the finance plan is at every meeting, the plan is also updated with any significant factor which may impact on our ability to reach our targets including any change in expenditure, income and consideration of any new risk.

The charity's trading subsidiary, Baking Well Limited was dissolved on 25 June 2019.

Plans for future periods

The board agreed a new strategic plan setting our objectives for the next five years (<http://online.fliphtml5.com/hgmll/vznr/#p=1>). We have identified six keys areas that will support the planned expansion of the Trust to enable us to work with more clients. The main areas we are looking to develop are:

- Recognising the importance of wellbeing to our clients
- Valuing experts by experience in our workforce
- Developing new employment services
- Becoming a leader in complex retention support
- Expanding the social enterprise training offer

The goals were based on a series of co-production events so we believe that the plan accurately reflects the needs and ambitions of our stakeholders, staff and trustees.

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Trustees' report (continued)
for the year ended 31 March 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 26/2/20 and signed on their behalf by:



Phil Evans
Trustee

Working Well Trust
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Independent auditors' report to the Members of Working Well Trust

Opinion

We have audited the financial statements of Working Well Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities, the balance sheet and the related notes, 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, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the charitable company had negative unrestricted funds at the year end but was seeking to secure additional funding and develop other income generating projects. The matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 auditors' 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.

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Independent auditors' report to the Members of Working Well Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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.

Independent auditors' report to the Members of Working Well Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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 auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent auditors' report to the Members of Working Well Trust (continued)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date: *26th February, 2020.*

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Working Well Trust
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**Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 March 2019**

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 3,680 | - | 3,680 | 4,191 |
| Charitable activities | 4 | 771,250 | 194,828 | 966,078 | 792,888 |
| Other trading activities | | 1,083 | - | 1,083 | 1,847 |
| Total income | | 776,013 | 194,828 | 970,841 | 798,926 |
| Expenditure on: | | | | | |
| Charitable activities | 5 | 799,524 | 165,556 | 965,080 | 845,300 |
| Total expenditure | | 799,524 | 165,556 | 965,080 | 845,300 |
| Net movement in funds | | (23,511) | 29,272 | 5,761 | (46,374) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | (85,022) | 76,242 | (8,780) | 37,594 |
| Net movement in funds | | (23,511) | 29,272 | 5,761 | (46,374) |
| Total funds carried forward | | (108,533) | 105,514 | (3,019) | (8,780) |

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

The notes on pages 15 to 25 form part of these financial statements.

Working Well Trust
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Registered number: 2703078

Balance sheet
as at 31 March 2019

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 16,235 | 32,024 |
| Current assets | | | |
| Stocks and work in progress | 10 | 1,801 | 1,801 |
| Debtors | 11 | 105,805 | 109,808 |
| Cash at bank and in hand | | 3,400 | 1,612 |
| | | 111,006 | 113,221 |
| Creditors: amounts falling due within one year | 12 | (130,260) | (150,057) |
| Net current liabilities | | (19,254) | (36,836) |
| Total assets less current liabilities | | (3,019) | (4,812) |
| Creditors: amounts falling due after more than one year | 13 | - | (3,968) |
| Total net assets | | (3,019) | (8,780) |
| Charity funds | | | |
| Restricted funds | 14 | 105,514 | 76,242 |
| Unrestricted funds | 14 | (108,533) | (85,022) |
| Total funds | | (3,019) | (8,780) |

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 26/2/2020 and signed on their behalf by:



Phil Evans
Trustee

The notes on pages 15 to 25 form part of these financial statements.

Working Well Trust
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Statement of cash flows
for the year ended 31 March 2019

| | 2019 £ | 2018 £ |
|--|-----------------|----------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 22,594 | 25,003 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (880) | (7,638) |
| Net cash used in investing activities | (880) | (7,638) |
| Cash flows from financing activities | | |
| Repayments of borrowing | - | (3,717) |
| Net cash provided by/(used in) financing activities | - | (3,717) |
| Change in cash and cash equivalents in the year | 21,714 | 13,648 |
| Cash and cash equivalents at the beginning of the year | (20,914) | (34,562) |
| Cash and cash equivalents at the end of the year | 800 | (20,914) |

The notes on pages 15 to 25 form part of these financial statements

Working Well Trust
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Notes to the financial statements
for the year ended 31 March 2019

1. General information

Working Well Trust is a charitable company limited by guarantee and is incorporated in the UK. The registered office address and principal place of business is First Floor, Pritchard's Road Day Centre, Marian Place, London, E2 9AX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Working Well Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

At the balance sheet date, the charity is in a net liability position of £3,019 (2018: £8,780), which includes negative unrestricted funds of £108,533 (2018: £85,022). Therefore if sufficient unrestricted funds are not secured, the charitable company will have to significantly curtail its activities. The Director and trustees remain alert to the situation and are actively seeking additional unrestricted funding, developing the income generating aspects of the Sew & Support and Access projects. They are also exploring a range of possibilities to ensure that the Charity maintains adequate financing facilities to be able to pay its liabilities when they fall due and remain in constant contact with the bank to ensure funds are available to meet immediate liabilities and have agreed to payment plans with significant creditors. On this basis, the trustees consider it is appropriate to prepare the financial statements on a going concern basis for the year ended 31 March 2019.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Notes to the financial statements
for the year ended 31 March 2019

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|------------------------------|
| Plant and machinery | - 15-20% straight line basis |
| Computer equipment | - 33.3% straight line basis |

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost relates solely to the direct costs.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.10 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the financial statements
for the year ended 31 March 2019

2. Accounting policies (continued)

2.11 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-----------|--|---------------------------------------|---------------------------------------|
| Donations | 3,680 | 3,680 | 4,191 |

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**Notes to the financial statements
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4. Income from charitable activities

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Sew and Support | 152,498 | - | 152,498 | 155,975 |
| Access | 211,079 | - | 211,079 | 218,632 |
| Hub Support | 39,000 | - | 39,000 | 39,000 |
| Rework | 248,788 | - | 248,788 | 192,397 |
| Upskill | - | 38,864 | 38,864 | 38,863 |
| Reward | - | 155,964 | 155,964 | 148,021 |
| Pilgrim's Trust | 4,105 | - | 4,105 | - |
| IPS | 115,780 | - | 115,780 | - |
| Total 2019 | 771,250 | 194,828 | 966,078 | 792,888 |

5. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Sew and Support | 194,215 | - | 194,215 | 130,686 |
| Access | 205,795 | - | 205,795 | 200,424 |
| Hub Support | 52,118 | - | 52,118 | 47,364 |
| Rework | 228,349 | - | 228,349 | 254,864 |
| Upskill | 7,532 | 31,563 | 39,095 | 37,682 |
| Reward | 27,996 | 133,993 | 161,989 | 161,890 |
| Pilgrim's Trust | 4,843 | - | 4,843 | - |
| IPS | 78,676 | - | 78,676 | - |
| Inspire - Other | - | - | - | 2,645 |
| Building Capabilities | - | - | - | 2,394 |
| Governance costs | - | - | - | 7,351 |
| | 799,524 | 165,556 | 965,080 | 837,949 |

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**Notes to the financial statements
for the year ended 31 March 2019**

6. Auditors' remuneration

| | 2019 | 2018 |
|---|--------------|-------|
| | £ | £ |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 7,150 | 7,101 |
| Fees payable to the Company's auditor in respect of: All non-audit services not included above | 250 | 250 |

7. Staff costs

The average number of persons employed by the Company during the year was as follows:

| | 2019 | 2018 |
|-----------|-------------|------|
| | No. | No. |
| Employees | 29 | 18 |

No employee received remuneration amounting to more than £60,000 in either year.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL), nor did any of the Trustees incur any expenses on behalf of the charity (2018 - £NIL).

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**Notes to the financial statements
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9. Tangible fixed assets

| | Plant and machinery £ | Computer equipment £ | Total £ |
|--------------------------|-----------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2018 | 89,989 | 91,293 | 181,282 |
| Additions | - | 880 | 880 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2019 | 89,989 | 92,173 | 182,162 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 April 2018 | 67,560 | 81,698 | 149,258 |
| Charge for the year | 11,327 | 5,342 | 16,669 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2019 | 78,887 | 87,040 | 165,927 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 March 2019 | 11,102 | 5,133 | 16,235 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 22,429 | 9,595 | 32,024 |
| | <hr/> | <hr/> | <hr/> |

10. Stocks

| | 2019 £ | 2018 £ |
|------------------|-----------|-----------|
| Goods for resale | 1,801 | 1,801 |
| | <hr/> | <hr/> |

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Notes to the financial statements
for the year ended 31 March 2019

11. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 56,378 | 101,848 |
| Other debtors | 14,333 | 5,713 |
| Prepayments and accrued income | 3,769 | 2,247 |
| Grants receivable | 31,325 | - |
| | <u>105,805</u> | <u>109,808</u> |

12. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Bank overdrafts | 2,600 | 22,526 |
| Trade creditors | 63,094 | 54,990 |
| Other taxation and social security | 27,849 | 22,502 |
| Obligations under finance lease and hire purchase contracts | 3,698 | 13,638 |
| Pension fund loan payable | 16,894 | 16,638 |
| Other creditors | 419 | 236 |
| Accruals and deferred income | 15,706 | 19,527 |
| | <u>130,260</u> | <u>150,057</u> |

13. Creditors: Amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Net obligations under finance lease and hire purchase contracts | - | 3,968 |

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Notes to the financial statements
for the year ended 31 March 2019

14. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Balance at 31 March 2019 £ |
|------------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | |
| General Funds | (85,022) | 776,013 | (799,524) | (108,533) |
| Restricted funds | | | | |
| Mircosoft donation | 5,161 | - | - | 5,161 |
| Big Lottery - Reaching Communities | 68,509 | 38,864 | (31,563) | 75,810 |
| Big Lottery - Awards for All | 331 | - | - | 331 |
| Capital Fund | 2,241 | - | - | 2,241 |
| Mind | - | 155,964 | (133,993) | 21,971 |
| | <u>76,242</u> | <u>194,828</u> | <u>(165,556)</u> | <u>105,514</u> |
| Total of funds | <u><u>(8,780)</u></u> | <u><u>970,841</u></u> | <u><u>(965,080)</u></u> | <u><u>(3,019)</u></u> |

Statement of funds - prior year

| | Balance at 1 April 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|------------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | |
| General Funds - all funds | (24,474) | 612,042 | (672,590) | (85,022) |
| Restricted funds | | | | |
| Microsoft Donation | 5,161 | - | - | 5,161 |
| Big Lottery - Reaching Communities | 54,335 | 148,021 | (133,847) | 68,509 |
| Big Lottery - Awards for All | 331 | - | - | 331 |
| Capital Fund | 2,241 | - | - | 2,241 |
| MSG | - | 38,863 | (38,863) | - |
| | <u>62,068</u> | <u>186,884</u> | <u>(172,710)</u> | <u>76,242</u> |
| Total of funds | <u><u>37,594</u></u> | <u><u>798,926</u></u> | <u><u>(845,300)</u></u> | <u><u>(8,780)</u></u> |

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Notes to the financial statements
for the year ended 31 March 2019

15. Summary of funds

Summary of funds - current year

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Balance at 31 March 2019 £ |
|------------------|---------------------------------|----------------|------------------|-------------------------------------|
| General funds | (85,022) | 776,013 | (799,524) | (108,533) |
| Restricted funds | 76,242 | 194,828 | (165,556) | 105,514 |
| | <u>(8,780)</u> | <u>970,841</u> | <u>(965,080)</u> | <u>(3,019)</u> |

Summary of funds - prior year

| | Balance at 1 April 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
|------------------|---------------------------------|----------------|------------------|-------------------------------------|
| General funds | (24,474) | 612,042 | (672,590) | (85,022) |
| Restricted funds | 62,068 | 186,884 | (172,710) | 76,242 |
| | <u>37,594</u> | <u>798,926</u> | <u>(845,300)</u> | <u>(8,780)</u> |

Capital Fund

This relates to capital grants provided by London Borough of Tower Hamlets and BIG Lottery. The balance represents the net book value of the related assets at the year end, plus any unspent funds.

Big Lottery - Reaching Communities

The relates to the Big Lottery Fund grant for the Reward Project, which is an IPS employment support programme.

Big Lottery - Awards for all

This relates to grants provided BIG lottery for the DTP Project being undertaken at Access, with a capital element for update equipment.

Microsoft Donation

This relates to the gift in kind donations provided throughout the year from Microsoft towards software.

MSG

This relates to the Tower Hamlets Mainstream Grant which is funding a joint three year Upskill Programme with Mind in Tower Hamlets and Newham

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Notes to the financial statements
for the year ended 31 March 2019

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 16,235 | - | 16,235 |
| Current assets | 5,492 | 105,514 | 111,006 |
| Creditors due within one year | (130,260) | - | (130,260) |
| Total | (108,533) | 105,514 | (3,019) |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 32,024 | - | 32,024 |
| Current assets | 36,979 | 76,242 | 113,221 |
| Creditors due within one year | (150,057) | - | (150,057) |
| Creditors due in more than one year | (3,968) | - | (3,968) |
| Total | (85,022) | 76,242 | (8,780) |

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

| | 2019 £ | 2018 £ |
|--|----------------|-----------|
| Net income for the year (as per Statement of Financial Activities) | 5,761 | (46,374) |
| Adjustments for: | | |
| Depreciation charges | 16,669 | 19,705 |
| Decrease in stocks | - | 820 |
| Decrease/(increase) in debtors | 4,003 | (639) |
| Increase/(decrease) in creditors | (3,839) | 51,491 |
| Net cash provided by operating activities | 22,594 | 25,003 |

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Notes to the financial statements
for the year ended 31 March 2019

18. Analysis of cash and cash equivalents

| | 2019 | 2018 |
|--|----------------|-------------|
| | £ | £ |
| Cash in hand | 3,400 | 1,612 |
| Overdraft facility repayable on demand | (2,600) | (22,526) |
| Total cash and cash equivalents | 800 | (20,914) |

19. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.