

Working Families

Annual Report and Consolidated Financial Statements

31 March 2020

Company Registration Number
04727690

England and Wales Charity Registration Number
1099808

Scotland Charity Registration Number
SC045339

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Reference and administration details of the charity, its trustees and advisors

Trustees	Tim Oliver Nikki Walker (retired 10 July 2020) Fiona Stark Helen Humphreys Mary Starks Gemma Rosenblatt Jennifer Thomas Rachel Verdin (retired 23 May 2019) Clare Corbett (appointed 25 July 2019) David Robson (appointed 25 July 2019) Helen Tupper (appointed 25 July 2019) Rebecca McGowan (appointed 25 July 2019) Steve Toft (appointed 10 July 2020)
Honorary officers	Tim Oliver (Chair) Fiona Stark (Vice Chair) Nikki Walker (Treasurer) (retired 10 July 2020) Rebecca McGowan (Treasurer)
Chief Executive	Jane van Zyl
Registered office	Buzzacott LLP 130 Wood Street London EC2V 6DL
Charity registration number (England and Wales)	1099808
Charity registration number (Scotland)	SC045339
Company registration number	04727690
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Trustees' report Year ended 31 March 2020

The trustees, who are directors of the company for the purposes of the Companies Act, present their report with the financial statements of Working Families (the "charity") for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 19 to 22 and comply with the requirements of the Companies Act 2006, the Charity's Memorandum and Articles of Association, applicable laws, 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 United Kingdom and Republic of Ireland (FRS 102).

Introduction

Working Families was established from a merger between Parents at Work (Charity Registration Number 1051936) and New Ways to Work (Charity Registration Number 290090). All assets and activities of the two merging charities were transferred on 31 October 2003. The charity was incorporated as Working Lives on 9 April and registered as a charity on 2 October 2003. The charity changed its name to Working Families on 1 October 2003 and it registered in Scotland on 9 January 2015.

Objectives and activities

Objectives

Working Families helps working parents and carers (and their employers) to find a better balance between responsibilities at home and in the workplace. The charity has the following objectives:

- ◆ The promotion and advancement of the physical and mental health and well-being of working families and carers;
- ◆ The relief of working families in need by reason of age, ill health, disability, financial hardship or other disadvantage; and
- ◆ Advancing public education (particularly amongst employers and employees) about all aspects of alternative and flexible working patterns and practices.

Including (but without limitation) by:

- ◆ promoting and advancing better working practices; and
- ◆ providing information, advice, guidance and counselling for people in work or seeking work including about their rights and entitlements and the provision of care for dependants (including those with disabilities)

where "working families" means working parents; grandparents and/or guardians or carers, and the children and other dependants for whom they are providing care or support.

Objectives and activities (continued)

Activities

The charity carries out the following activities in order to satisfy its charitable objectives:

- ◆ Providing free legal advice to parents and carers on their rights at work;
- ◆ Providing employers with strategies to create flexible, family-friendly workplaces;
- ◆ Influencing policy; and
- ◆ Advocating on behalf of working parents and parents across the United Kingdom.

Public benefit

The trustees confirm that they have referred to the Charity Commission's general guidance on Public Benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. The charity works to ensure that its programmes are inclusive, accessible and responsive to the needs of its beneficiaries.

Achievements and performance

Overview

Working Families is the UK's work-life balance organisation. We help working parents and carers—and their employers—find a better balance between responsibilities at home and in the workplace. We provide free legal advice to parents and carers on their rights at work; we give employers the tools they need to support their employees while creating a flexible, high-performing workforce; and we advocate on behalf of the UK's 13 million working parents, influencing policy through campaigns informed by ground-breaking research.

It's unusual that the last month of a financial year transforms how we view the year as a whole. But that's exactly what the onset of COVID-19 has done. The pandemic has put in stark focus the urgency of our work to remove the barriers that people with caring responsibilities face in the workplace. Below are some highlights of how we furthered this mission in 2019-2020.

Helping working parents and carers

- ◆ For the first time ever, we had over 1 million people visit our legal advice web pages.
- ◆ We published a new guide for parents of disabled children (funded by the Morrisons Foundation), updated a timeline of rights and benefits for pregnant women and new mothers, and created a comprehensive toolkit for new parents – all downloadable for free on the charity's website.
- ◆ When COVID-19 hit in March, we handled unprecedented demand on our legal advice helpline, with a four-fold increase of calls and e-mails. We developed dedicated coronavirus advice pages on our website, which had 36,000 visitors in the three weeks between school closures and the end of the financial year.

Achievements and performance (continued)

Overview (continued)

Supporting employers

- ◆ We ended the financial year with 132 employer members. Over the year, our work with these employers benefitted over a million employees across the UK, who now have access to enhanced parental and carer provision and flexible ways of working. Our work in these areas has impacted on gender equality and contributes to employers' efforts to close the gender pay gap.
- ◆ We produced a new set of resources and toolkits particularly aimed at smaller employers who have less access to HR and diversity expertise in this field. And when COVID-19 hit, we expanded this suite of resources to include a free toolkit for managing remote teams.

Influencing policy

- ◆ Thanks in part to the work that Working Families has done in identifying and exposing the 'fatherhood penalty', on her final day as Prime Minister, Theresa May announced a wide-ranging consultation on the future of parental leave and pay. We worked across our civil society partnerships to come to a shared set of principles to underpin reform and surveyed both employers and parents about which changes would make the biggest difference.
- ◆ Our influencing work was instrumental in the Government's December 2019 announcement that it will bring forward legislation to make 'flexible working the default' following commitments in the general election manifesto. A key priority for us will be for this commitment to be translated into practice in a way that unlocks the supply of flexible and part-time jobs and enables working parents to reach their potential at work.
- ◆ Just before the end of the financial year, we published a detailed report of the challenges facing parents during COVID-19. We urged the government to allow parents to be put on furlough if their childcare responsibilities prevented them from working, and to introduce a flexible furlough system where workers could work reduced hours—both of which the government implemented.

We look forward to building on our achievements in 2019-2020, leading the way in helping parents, carers, and employers adapt to the new world of work that has emerged out of COVID-19.

Highlight: fighting for working parents and carers at the onset of COVID-19

The sweeping public health safeguards introduced in March 2020 to limit the impact of the COVID-19 pandemic were necessary. But these safeguards—in particular, closing schools and childcare settings—brought a host of knock-on effects for working parents. At the end of March 2020, estimates indicated that one in seven UK workers could have had to make changes to their working arrangements to provide childcare.

Achievements and performance(continued)

Highlight: fighting for working parents and carers at the onset of COVID-19 (continued)

As the government, employers, and families struggled to adapt to changes in real time, the number of people getting in touch with our Legal Advice Service quadrupled in comparison to previous months, almost overnight. Since the middle of March 2020, close to 100% of our queries were related to COVID-19. Over 36,000 people accessed our COVID-19 focused advice web pages since they were created, comprising 42% of all our website users in this period.

The queries we heard from parents raised deep concerns about the unwillingness of some employers to be flexible around working hours and priorities for parents following the government advice to work from home. This came to a crisis point once schools and nurseries closed on 20 March 2020. We heard distressing stories of parents being forced to take unpaid leave or losing their jobs, bringing economic uncertainty and hardship at the worst possible time.

To illustrate these huge challenges faced by working parents, we fast-tracked a report (kindly funded by Matrix Chambers) detailing their experiences and offering policy recommendations. The report covered troubling trends we were seeing in a wide variety of areas: working from home, parents unable to work from home, reduced-hours working, redundancy, social security, statutory sick pay, pregnancy and maternity, gender inequality, and insecure work.

The impact of this work has already been realised with the Government's implementation of two of our key policy recommendations after the report's launch: allowing parents to be put on furlough if their childcare responsibilities prevented them from working, and creating a 'flexible furlough' system that allowed for reduced-hours work.

Highlight: Tackling workplace discrimination

Working Families' award-winning Legal Advice Service provides free advice on employment rights to working people across the UK — a majority of whom are on a low income. In FY 2019-2020, Working Families' e-mail and telephone helpline advised 1,940 people, giving them the support they needed to fight for their rights in the workplace. Below is a story from helpline user Sarah (name changed to protect anonymity), in her own words.

Like many people, the most important people in my life are my family.

I have two young children: one at school and one at nursery. And I have a partner who became suddenly and multiply disabled as the result of a stroke three years ago. He was in hospital for six months and overnight I felt like I became a single mother, the sole earner, and juggling all of this alongside my job.

I am a mother and a carer for a disabled partner. But I am also a policy and campaigns leader in the charity world with 20 years' experience campaigning for children and disability rights. I love my job and I am extremely proud of the work I have done so far in my career.

I've been working flexibly for six years now and while I am extremely grateful to have an employer that has allowed me to do this. I know that they have also benefited from the arrangements we have. I am a committed, hard-working, and conscientious employee who would simply not be able to work if they didn't allow me the flexibility I need.

Achievements and performance (continued)

Highlight: Tackling workplace discrimination (continued)

As I work part-time and with a flexible pattern, I am able to go with my partner to his hospital and therapy appointments, see the kids in their music assemblies, and go to parents' meetings. I am able to support my partner in his rehabilitation, whilst also leading a brilliant team at work.

So how did I come across Working Families? Well, I have been with my current organisation for 11 years now. I've learnt a lot and progressed immensely in my knowledge, experience, and leadership skills. I would like to take the next step in my career. And the challenge for me has been getting the opportunity to both advance my career and to continue to work flexibly. Sadly, there are too many employers out there who just haven't got the same sense as my current employer.

I started to apply for positions in new organisations and this is when the problems began. When should I ask about flexible working? If I asked too early, I felt like I was presenting 'problems' before I'd even had a chance to talk about what I could offer. If I asked too late, it felt like a waste of everyone's time if flexibility was not an option. Should I mention that my partner has disabilities and that I need flexibility to support him?

I saw a position advertised with flexible options and decided to apply but not discuss the details until offer. I was offered and accepted the job but sadly—and shockingly—the employer withdrew the offer when they found out I had a disabled partner.

I was gutted. And fed up. I wanted to just forget it and move on. But I felt a responsibility to stop this happening over and over.

This is where Working Families came in and they were amazing. I called their helpline and from that point onwards they were there to help me with every step. Helping me to be brave. And helping me to say the right things. And challenge the issue head on.

Although I am a strong individual who has a career in tackling injustice, when it was my turn to call out injustice to people that I might one day work with again, and to people who might jeopardising my career prospects, it wasn't easy.

The team at Working Families supported me practically and emotionally, and they helped me get a good result: not only did I receive a settlement agreement, but the employer also agreed to review its flexible working policies so that they are in line with industry best practice and to provide equality, diversity, and flexible working training to staff.

I am extremely fortunate to still have a fantastic, well-paid job that I love. Change is coming and I know that one day soon, I will find a new challenge for my career that will still allow me to be there for my family. To drive this change, we need organisations like Working Families to continue to support parents and carers who are treated unfairly in the workplace, to help employers shift to more flexible and family-friendly cultures, and to hold the government accountable for creating policies that benefit people with caring responsibilities.

Achievements and performance (continued)

Highlight: Transforming family-friendly policies in the insurance sector

In the financial year 2019-2020, Working Families worked alongside our employer member, Zurich UK, to support them to introduce a ground-breaking family-friendly policy.

As a leading global insurer, Zurich has 4,500 members of staff in the UK working across more than ten locations. "Insurance hasn't typically been a diverse environment, so over a number of years we've been working hard to change that," said Emma Francis, Diversity and Inclusion Manager at Zurich UK. "We recognised that we were limiting our talent pool and there was a real risk by not embracing a diverse workforce and their needs."

Putting families at the heart of the business

As part of wider development to embrace diversity and become a truly inclusive organisation, Zurich started a process to review its family-friendly policies.

Parents make up a large part of the company's workforce and Zurich wanted to challenge the historic maternity and paternity policies within the organisation. Paid leave for parents fosters loyalty, can boost staff retention and performance, attract people to a company and reduce the stress and anxiety of working parents.

Zurich understands that every family is unique and that when staff start or extend their family it's an important time in their lives. To reflect this, Working Families was instrumental in supporting the organisation to develop a new family-friendly framework.

In June 2019, we worked together on the design and implementation of the policy. We helped them to understand best practice and provide examples of the approaches they could take to build a fully inclusive and fair policy.

"We felt we were in a safe pair of hands with Working Families to help guide us to get it right," said Carmen Coombs, People Experience Manager at Zurich UK. "They helped us over hurdles, gave us confidence and helped activate it in an inclusive way."

Enhanced parental leave for everyone

Launched in September 2019, Zurich's approach allows every parent to have the opportunity to spend quality time off with their new family from birth or adoption. The company gives the same amount of paid time off for employees regardless of gender, gender identity or sexual orientation.

The company's enhanced elements of maternity, paternity and adoption policies are equal, with everyone entitled to 16 weeks full pay. If both parents work at the company, they are both entitled to the leave and can even take it at the same time.

"We didn't just look at maternity and paternity leave, we actually looked at other dimensions that complete the family picture," explained Coombs. "It's important for us to support our employees at life-changing times, such as becoming a parent, but also help them navigate through the difficult times as well."

Achievements and performance (continued)

Highlight: Transforming family-friendly policies in the insurance sector (continued)

Enhanced parental leave for everyone (continued)

This means the company also offers additional leave for those whose babies are born prematurely, for parents going through IVF and also miscarriage support, bereavement and compassionate leave, and flexibility for carers

Improving staff engagement

Since introducing the new policy, the company's staff engagement score has increased. Fathers and same sex parents have particularly benefitted from the newly introduced enhancements and the uptake has been very encouraging.

"We knew it would be a successful policy," explains Coombs. "But we underestimated just how many of our male workforce would vocalise their gratitude – feedback has been phenomenal."

Building a workforce for the future

Zurich's family-friendly framework followed another innovative policy they introduced, which sees every job vacancy advertised as a potential part time, job share or full-time working opportunity. Working Families has long called for employers to advertise jobs as flexible by default to give applicants the confidence to ask for alternative patterns of work.

Advertisements use gender neutral language and just three months after the policy was introduced in March 2019, the business saw a 25% increase in the number of women applying for jobs across all levels. It has been particularly successful in senior management roles which have seen a 45% increase in females applying. This initiative has gone a long way in tackling the organisation's gender pay gap.

Existing staff members also have the option to request to work on a part time, job share or FlexWork basis, which allows them to work where, when, and how they choose. Take up within the business is high, with almost three out of four (72%) employees benefitting.

"Time and time again staff tell us that family time, and the ability to be with family at important moments, whether it's going to a school assembly or a hospital appointment, is incredibly valued," said Francis.

A culture to be proud of

Zurich's efforts to improve the lives of working parents has earned them a shortlisting in our Best Practice Awards in two categories: Best for Fathers and Best for Flexible Working, as well as a spot on our 2020 list of the Top 30 Employers for Working Families.

"Having that third-party validation for our policies from Working Families means a lot to us," said Francis. "We're in a place where we're proud to talk about how we are really making a difference to the lives of our employees."

Achievements and performance (continued)

Support from Trusts and Foundations

Our achievements in 2019-2020 would not have been possible without the generosity of the following trusts and foundations:

- ◆ 29th May 1961 Charitable Trust
- ◆ Allen & Overy Foundation
- ◆ Capital Group
- ◆ Eleanor Rathbone Charitable Trust
- ◆ Garfield Weston Foundation
- ◆ Gowling Charitable Trust
- ◆ London Legal Support Trust
- ◆ Mactaggart Family Trusts
- ◆ Matrix Chambers
- ◆ Philip King Trust
- ◆ Richard Benjamin Trust
- ◆ Simmons & Simmons Charitable Foundation
- ◆ Souter Charitable Trust
- ◆ Trust for London

Financial review

Results for the financial period

A summary of the results of the group for the period can be found on page 16 of this report and accounts.

During the year, total income for the group amounted to £1,070,977 (2019: £1,025,665). Income from grants and donations amounted to £451,411 (2019: £440,302), income from charitable activities amounted to £540,608 (2019: £483,581), and income from other trading activities amounted to £78,958 (2019: £101,782).

Total expenditure for the group for the year amounted to £1,057,200 (2019: £971,889). Expenditure on raising funds totalled £58,251 (2019: £100,602) and expenditure on charitable activities amounted to £998,949 (2019: £871,287).

This results in a net income and net movement in funds during the year of £13,777 (2019: net income and net movement in funds of £53,776).

Financial review (continued)

Financial position

The balance sheet shows total funds of the group of £99,135 (2019: £85,358). £55,144 (2019: £52,977) relates to the charity's restricted funds which comprise monies which must be applied for the specific project or purpose for which the funds were received. Further details are given in note 13 to the accounts. £8,500 (2019: £8,500) of unrestricted funds represents and investment in Child Concern Consortium (CCC). Therefore, funds available to meet general expenditure i.e. free reserves are those shown on the balance sheet as unrestricted funds less the CC investment and amounted to £35,491 (2019: £23,881).

Reserves policy

The reserves position is carefully monitored by the Finance and Risk Committee at their monthly meetings. We have been able to increase our unrestricted reserves during the year by prudent financial management and a significant increase in the value of our employer membership, consultancy and training. There is a plan in place to continue to grow unrestricted reserves.

The Trustees have considered the effect of the Covid-19 outbreak and consider that the outbreak is likely to cause a significant disruption to the Charity's business. However, the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Governance, structure, management and relevant policies

Recruitment, appointment and induction of new trustees

Working families appoints trustees on the basis of the skills and experience they can bring to the custodianship and management of the business and its activities. All prospective trustees, who are also directors of the company, are recruited from a range of external sources and by public advertisement and are appointed or co-opted after a formal interview process. Recommendations from the interview panel are voted on at a Board meeting in accordance with our Memorandum and Articles of Association. Each new trustee is offered mentoring by an existing trustee, provided with full induction information, and offered relevant training.

The trustees who served throughout the year are detailed on page 1.

Statement of trustees' responsibilities

The trustees (who are also directors of Working Families for the purposes of company law) are responsible for preparing the trustees' report and 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 charitable company and the group and of the income and expenditure of the charitable company and group for that period.

Governance, structure, management and relevant policies (continued)

Statement of trustees' responsibilities (continued)

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 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance, structure, management and relevant policies (continued)

Risk management

In addition to the challenges faced because of the Covid-19 pandemic (see above), the major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. In particular, the Trustees have built into the Business Plan for Working Families to be financially sound, well governed and a best practice employer. Key steps towards this have included:

- ◆ Tight budgetary control, including monthly meetings by the Finance and Risk Committee. Working Families has appointed JS2 as its accountants and appointed new auditors in 2019 following a tender process.

Key management personnel

The charity is governed by a Board of Trustees. Day to day running of the charity is delegated to the Chief Executive and Senior Leadership Team. The charity is staffed by paid employees, supported by volunteers as well as by professionals giving their time and expertise pro bono.

The salary for the key management personnel – the CEO – is reviewed annually by our People & Governance Committee (a committee of our board of trustees), taking into account industry standards. This Committee makes a recommendation to the Board.

Committees

The Finance and Risk Committee of the Board meets monthly to monitor financial performance and risk. The People and Governance Committee is responsible for the charity's governance and ensuring that Working Families is a best practice employer for its size and sector, and for settling any specific disciplinary or grievance issues which may arise during the year. It meets bi-monthly or as required. The Business Development & Fundraising Committee reviews the charity's business development and fundraising plans to support the charity's ability to meet its aims

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. The charity takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Approved and authorised for issue by the Board of Trustees and signed on its behalf by

Trustee 

Date 8 October 2020

Independent auditor's report to the members of Working Families

Opinion

We have audited the financial statements of Working Families (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 group's and of the charitable parent company's affairs as at 31 March 2020 and of the group's 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 Companies Act 2006.

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 group 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 group's or the charitable parent company'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 and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

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 group's and the charitable parent 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 group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



13.10.2020

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities Year to 31 March 2020

	Notes	Un-restricted funds £	Restricted Funds £	Year ended 31 March 2020 £	Un-restricted funds £	Restricted Funds £	Year ended 31 March 2019 £
Income and expenditure account							
Income from:							
Grants and donations	2	148,742	302,669	451,411	120,772	319,530	440,302
Charitable activities	3	540,608	—	540,608	483,581	—	483,581
Other trading activities	4	78,958	—	78,958	101,782	—	101,782
Total income		768,308	302,669	1,070,977	706,135	319,530	1,025,665
Expenditure on:							
Raising funds	5	58,251	—	58,251	100,602	—	100,602
Charitable activities	5	698,447	300,502	998,949	567,060	304,227	871,287
Total expenditure		756,698	300,502	1,057,200	667,662	304,227	971,889
Net income and net movement in funds	6	11,610	2,167	13,777	38,473	15,303	53,776
Reconciliation of funds:							
Balances brought forward at 31 March 2019		32,381	52,977	85,358	(6,092)	37,674	31,582
Balances carried forward at 31 March 2020		43,991	55,144	99,135	32,381	52,977	85,358

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the group's activities derived from continuing operations in the above two financial periods.

The group has no recognised gains and losses other than those shown above.

Balance sheets 31 March 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Investments	10	8,500	8,500	8,502	8,502
		8,500	8,500	8,502	8,502
Current assets					
Debtors	11	215,194	189,589	215,194	204,019
Cash at bank and in hand		236,834	160,969	236,834	144,735
		452,028	350,558	452,028	348,754
Creditors: amounts falling due within one year	12	(361,393)	(273,700)	(361,393)	(271,896)
Net current assets		90,635	76,858	90,635	76,858
Net assets		99,135	85,358	99,137	85,360
Represented by:					
Funds and reserves					
Restricted funds	13	55,144	52,977	55,144	52,977
Unrestricted funds		43,991	32,381	43,993	32,383
		99,135	85,358	99,137	85,360

Approved by the Board of Trustees and signed on its behalf by:



Trustee

Approved on: 8 October 2020

Working Families: A company limited by guarantee, Company Registration Number 04727690

Consolidated statement of cash flows 31 March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	75,865	63,874
Change in cash and cash equivalents in the year		75,865	63,874
Cash and cash equivalents at 1 January 2019	B	160,969	97,095
Cash and cash equivalents at 31 December 2020	B	236,834	160,969

Notes to the statement of cash flows for the year to 31 March 2020.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)		
Adjustments for:	13,777	53,776
Increase in debtors	(25,605)	(47,540)
Increase in creditors	87,693	57,638
Net cash provided by operating activities	75,865	63,874

B Analysis of cash and cash equivalents

	2020 £	2019 £
Total cash and cash equivalents: cash at bank and in hand	236,834	160,969

Principal accounting policies Year to 31 March 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2020. Comparative information reflects the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of support costs.
- ◆ estimating the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy following the recent emergence of the global coronavirus pandemic. As set out in these accounting policies under "going concern", the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have reviewed cash flow forecasts and budgets in performing this review.

The Trustees have considered the effect of the Covid-19 outbreak and consider that the outbreak is likely to cause a significant disruption to the Charity's business. However, the Trustees are confident that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Principal accounting policies Year to 31 March 2020

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Basis of consolidation

The consolidated statement of financial activities, the group balance sheets and consolidated statements of cash flows comprise the assets, liabilities, income and expenditure of the charity and its subsidiary Working Families Trading Limited.

No separate statement of financial activities has been presented for the charitable company alone as permitted by Section 480 of the Companies Act 2006 and Section 24 of the Charities SORP (FRS 102).

During the year to 31 March 2020, the charitable company made a surplus of £16,948 (2019 – surplus of £53,776).

Details of the subsidiary company's results for the year are shown as part of note 10.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service or the delivery of other performance conditions is deferred until the criteria for income recognition are met.

Income from memberships is recognised over the period of the membership.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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 on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs

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

Principal accounting policies Year to 31 March 2020

Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time which is an estimate of the amount attributable to each activity.

Fund accounting

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charitable company's charitable objects.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aims and use of each designated fund is set out in the note to the financial statements.

Investments

Investments comprise funds provided to an associated charity, Child Concern Consortium, and shares held in the wholly owned trading company, Working Families Trading Limited. These investments are held at cost less impairment.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Basic financial instruments

The charity 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 measures at their settlement value with the exception of bank loans are subsequently measured at amortised cost using the effective interest method.

Pensions

The charity is part of an occupational pension scheme, which is a defined contribution scheme. The cost of contributions payable by the charity to the scheme is charged to the statement of financial activities as incurred.

Principal accounting policies Year to 31 March 2020

Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

1 Income from: Grants and donations

	Un-restricted funds £	Restricted Funds £	2020 £	Un-restricted funds £	Restricted Funds £	2019 £
Trusts and foundations	75,490	108,045	183,535	10,500	90,000	100,500
Statutory grants	—	171,730	171,730	—	216,250	216,250
Donations from individuals	68,252	—	68,252	96,672	80	96,752
Corporate donations	5,000	22,894	27,894	13,600	13,200	26,800
Total funds	148,742	302,669	451,411	120,772	319,530	440,302

2 Income from: Charitable activities

	Unrestricted funds	
	2020 £	2019 £
Employer membership	375,326	310,775
Event ticket sales	8,036	19,253
Consultancy and training	83,686	91,719
Other income	73,560	61,834
Total funds	540,608	483,581

3 Income from: Other trading activities

	Un-restricted funds £	Restricted Funds £	2020 £	Un-restricted funds £	Restricted Funds £	2019 £
Fundraising events	—	—	—	9,740	—	9,740
Sponsorship	78,958	—	78,958	92,042	—	92,042
Total funds	78,958	—	78,958	101,782	—	101,782

4 Expenditure on: Charitable activities

	Staff costs £	Other direct costs £	Support costs £	2020 £	Staff costs £	Other direct costs £	Support costs £	2019 £
Charitable activities								
Services for employers	373,874	171,501	83,399	628,774	334,648	155,828	70,179	560,655
Legal advice service	159,845	24,020	35,656	219,521	117,089	22,178	26,434	165,701
Policy and research	105,660	21,426	23,568	150,654	100,447	21,807	22,677	144,931
	639,379	216,947	142,623	998,949	552,184	199,813	119,290	871,287
Raising funds	32,511	18,488	7,252	58,251	33,284	59,803	7,515	100,602
Support costs (see below)	73,150	76,725	(149,875)	—	75,458	51,347	(126,805)	—
Total funds	745,040	312,160	—	1,057,200	660,926	310,963	—	971,889

Support costs comprise:

	2020 £	2019 £
Staff costs	73,150	75,458
Other staff costs	2,299	8,636
Marketing and communications	20,384	6,461
IT costs	477	4,155
Premises costs	5,464	8,570
Office and administration costs	41,726	13,875
Governance costs	6,375	9,650
Total funds	149,875	126,805

5 Net movement in funds

Net income is stated after charging:

	2020 £	2019 £
Staff costs (note 6)	745,040	660,926
Auditor's remuneration		
. Statutory auditor's fees	6,375	6,250

6 Staff costs and trustees' remuneration

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	642,977	576,531
Social security costs	57,838	38,459
Pension costs	31,675	22,136
	732,490	637,126
Other employee costs	12,550	23,800
	745,040	660,926

The average number of employees, (head count based on number of staff employed) during the year to 31 March 2020 was as follows:

	2020	2019
Charitable activities	20.2	20.9
Fundraising	0.7	1.6
Support	2.0	0.7
Governance	0.1	0.1
	23.0	23.3

One employee earned between £60,000 and £70,000 in the year to 31 March 2020 (year to 31 March 2019 – none). No other employees earned more than £60,000 per annum or more (including taxable benefits) during the year (2019: none).

The key management personnel in charge of controlling the day to day account of the charity comprise the Chief Executive Officer and the Commercial Director. During the year ended 31 March 2019, the costs of key management personnel included the out-going and in-coming Chief Executive Officer and interim support. The total employee benefits including employer pension contributions and employer national insurance contributions of key management personnel was £148,017 (2019 – £110,174).

The amounts paid to the Chief Executive Officer during 2019/20 were:

	2020 £
Gross salary	65,000
Employer's NIC	7,778
Employer's pension contribution	3,250
	76,028

The charity trustees were not remunerated or received any other benefits from employment with the charity during the year (2019 – none). During the year, no trustees were reimbursed for costs incurred in relation to their role as trustees (2019 – none).

7 Taxation

Working Families is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The subsidiary company donates any taxable profits to the parent charity, and therefore pay no corporation tax (2019 – none).

10 Investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Child Concern Consortium (CCC) (note a)	8,500	8,500	8,500	8,500
Investment in subsidiary undertaking (note b)	—	—	2	2
	8,500	8,500	8,502	8,502

a) *Investment in Child Concern Consortium*

Child Concern Consortium (CCC) is an associated charity in which Working Families invested £8,500, which was the money given to CCC as initial set up costs. The consortium attributes each year, a donation to Working Families, based on available funds in the year. A donation of £13,500 (2019 - £7,000) was received during the year.

b) *Investment in subsidiary undertaking*

The charitable company owns the wholly issued ordinary share capital of £2 in Working Families Trading Limited, a company registered in England (Company Registration No. 02590219). All activities have been consolidated on a line by line basis in the statement of financial activities.

A summary of the results of the subsidiary are shown below:

	2020 £	2019 £
Turnover	3,171	126,400
Cost of sales	—	(20,229)
Gross profit	3,171	106,172
Administrative expenses	—	(850)
	3,171	105,322
Gift aid to charitable parent company – Working Families	(3,171)	(105,322)
Profit for the financial year	—	—
Retained profit brought forward	—	—
Retained profit carried forward	—	—

From 1 April 2020, the trading company ceased trading and became dormant.

11 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	146,625	114,374	146,625	100,244
Other debtors	8,869	8,475	8,869	8,475
Due from group undertakings	—	—	—	28,560
Prepayments	20,630	8,590	20,630	8,590
Accrued income	39,070	58,150	39,070	58,150
	215,194	189,589	215,194	204,019

12 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	20,680	21,837	20,680	21,837
Deferred income (see below)	284,702	196,414	284,702	196,414
VAT creditor	29,895	25,930	29,895	24,126
Accruals	10,075	14,007	10,075	14,007
Other creditors	16,041	15,512	16,041	15,512
	361,393	273,700	361,393	271,896

Deferred income comprises membership fees paid in advance.

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Balance brought forward at 1 April 2019	196,414	112,763	196,414	107,888
Amount released to income in the year	(196,414)	(112,763)	(196,414)	(107,888)
Amount deferred in the year	284,702	196,414	284,702	196,414
Balance carried forward at 31 March 2020	284,702	196,414	284,702	196,414

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust to be applied for specific purposes:

Group and Charity	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Legal Advice Service	14,727	69,939	(63,272)	21,394
Scotland – Employers’ Services	4,500	171,730	(176,230)	—
Waving Not Drowning Trust for London	—	1,000	(1,000)	—
Phillip King	33,750	45,000	(45,000)	33,750
	—	15,000	(15,000)	—
Total funds	52,977	302,669	(300,502)	55,144

Group and Charity	At 1 October 2018 £	Income £	Expenditure £	At 31 March 2019 £
Legal Advice Service	26,674	31,200	(43,147)	14,727
Scotland – Employers’ Services	—	226,250	(221,750)	4,500
Waving Not Drowning	—	2,080	(2,080)	—
Trust for London	—	45,000	(11,250)	33,750
Phillip King	—	15,000	(15,000)	—
Policy and research	8,500	—	(8,500)	—
Media and campaigns	2,500	—	(2,000)	—
Total funds	37,674	319,530	(304,277)	52,977

14 Restricted funds (continued)

The Legal Advice Service fund comprises money received to provide legal advice to parents and carers on their rights at work.

The Scotland Employers' Services fund comprises money received to provide support to Working Families work with employers in Scotland.

The Waving Not Drowning fund comprises money received to provide support to parents of disabled children.

The Trust for London fund comprises money received to support Working Families across the legal advice service and policy work.

The Phillip King fund comprises money received to fund the salaries of the Commercial Director and Head of Marketing and Communications for three years.

The policy and research fund comprises money received towards work including advocating on behalf of the UK's 13 million working parents, influencing policy through campaigns informed by ground-breaking research.

The media and campaigns fund comprises money received towards work involving advocating for and educating about rights to work.

15 Analysis of net assets between funds

Fund balances at 31 March 2020 are represented by:

Group	Un-restricted funds £	Restricted Funds £	Total 2020 £	Un-restricted funds £	Restricted Funds £	Total 2019 £
Investments	8,500	—	8,500	8,500	—	8,500
Current assets	396,884	55,144	452,028	297,581	52,977	350,558
Creditors due within one year	(361,393)	—	(361,393)	(273,700)	—	(273,700)
Total net assets	43,991	55,144	99,135	32,381	52,977	85,358

Charity	Un-restricted funds £	Restricted Funds £	Total 2020 £	Un-restricted funds £	Restricted Funds £	Total 2019 £
Investments	8,502	—	8,502	8,502	—	8,502
Current assets	396,884	55,144	452,028	295,777	52,977	348,754
Creditors due within one year	(361,393)	—	(361,393)	(271,896)	—	(271,896)
Total net assets	43,993	55,144	99,137	32,383	52,977	85,360

16 Financial commitments

At 31 March 2020, the group had annual commitments under non-cancellable operating leases as follows:

	Buildings	
	2020	2019
	£	£
Operating leases		
. Due within one year	59,072	50,847
. Due between two and five years	64,805	4,237
	123,877	55,084

17 Ultimate control

The charitable company is controlled by its trustees.

18 Related party transactions

During the year ended 31 March 2020, a donation of £13,500 (2019 – £7,000) was received from Child Concern Consortium – an associated charity.

Aggregate donations of £600 (2019 – £7,150) were received from trustees and key management personnel during the year to 31 March 2020.

There were no other related party transactions in the year to 31 March 2020 (2019 – none).