

**Company Registration No: 6273538**  
**Charity Registration No: 1143510**

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**FINANCIAL STATEMENTS**  
**(COMPANY LIMITED BY GUARANTEE)**  
**For the year ended 31 March 2021**

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

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# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION** **For the year ended 31 March 2021**

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Name: Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited

Charity Registration No: 1143510

Company Registration No: 6273538

Principal and Registered Address  
521 Royal Exchange  
Manchester  
M2 7EN  
United Kingdom

Telephone: 0161 819 1200

Website: [www.wiego.org](http://www.wiego.org)

Names of Current Directors

The Directors of WIEGO, which is a charitable company, are its trustees for the purposes of charity law. Throughout this report the Directors are collectively referred to as the Board.

Mirai Chatterjee (Chair)  
Debra Davis (Treasurer)  
Barbro Budin  
Lin Lim Lean  
William (Biff) Steel  
Gabriela Calandria  
Luciana Fukimoto Itikawa  
Uma Rani  
Elizabeth yin Ngor Tang  
Patrick Sibusiso Ndlovu

Chief Executive Officer  
(known as International  
Co-ordinator)

Sally Roever

Company Secretary

Jacqui Fendall

Bankers

Santander UK Bank plc  
Manchester Business Centre  
298 Deansgate  
Manchester  
M3 4HH

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION** **For the year ended 31 March 2021**

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**Auditors**

Crowe U.K. LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Solicitors**

Bates Wells and Braithwaite  
2 – 6 Cannon Street  
London  
EC4M 6YH

**Programme Team**

Sally Roever  
Jane Barrett  
Marlese von Broembsen  
Rhonda Douglas  
Laura Alfes  
Mike Rogan  
Francoise Carré

International Co-ordinator  
Programme Director, Organization & Representation  
Programme Director, Law  
Programme Strategy Advisor  
Programme Director, Social Protection  
Interim Programme Director, Urban Policies  
Programme Director, Statistics

**Operations Team**

Sally Roever  
Jacqui Fendall  
Rhonda Douglas  
Mike Bird  
Megan Landeros

Carol Clayman

International Co-ordinator  
Financial Controller/ Company Secretary  
Programme Strategy Advisor  
Operations Director  
Research and Administrative Assistant to the  
International Co-ordinator  
Executive Assistant to International Coordinator

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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The Board of Directors of Women in Informal Employment: Globalizing and Organizing (WIEGO) Ltd presents the Directors' Annual Report for the year end 31st March 2021.

### **1. STRUCTURE, GOVERNANCE AND MANAGEMENT**

WIEGO's structure, governance and management are illustrated by the organogram in Appendix 1.

#### **Structure**

WIEGO is a charity registered in England and Wales (No. 1143510) and is constituted as a company registered in England and Wales and limited by guarantee (No. 6273538). The Directors, officers and advisors of the organisation during 2020-21 are listed on page 1 and 2. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under our Articles of Association. Revised governing documents of WIEGO conforming to the Companies Act 2006 and the decisions of the Global Assembly in April 2010 were accepted by the Board and lodged with Companies House in July 2011. In the event of the company being wound up members are not required to contribute an amount exceeding £1.

All WIEGO funds are received and managed by the Operations Office of WIEGO in Manchester, UK. Until June of 2020 WIEGO paid Harvard University for the costs related to the WIEGO Senior Advisor who is located at the Harvard Kennedy School.

The WIEGO accounts at Harvard University are audited each year as part of the annual financial audit of Harvard University. Income within those accounts is recognised in the accounts of WIEGO in the UK and these are audited each year by an external auditor.

As at the end of the financial year, more than fourteen institutional funders provided financial support for WIEGO including a two year \$5 million USD grant from the William and Flora Hewlett Foundation and a three year grant from Sida. WIEGO also received grants from the Open Society Foundations, Ford Foundation, UK FCDO, Echidna Giving/Schwab Charitable, IDRC, Comic Relief, Cities Alliance, FES, International Labour Organisation, UN Women, USAID and Wellspring Philanthropy.

#### **Governance**

WIEGO is governed by a 10-person Board of Directors. The Directors are the Members of the Company and also the trustees of WIEGO as a registered charity. The Board ensures that WIEGO's activities carry into effect the Charity's object. Its work includes setting the strategic direction; scrutinising performance, quality and finances; and agreeing the financial strategy and operational budgets. The Board meets at least three times a year either physically, by teleconference, or by electronic means. In the current year, given the circumstances of the pandemic, there was one video conference meeting of the Board and two teleconference meetings.

WIEGO's Board of Directors is comprised of three representatives of membership-based organizations of informal workers (one of whom serves as the Chair); two representatives each from the other two constituencies of WIEGO (researchers and development professionals); and three other persons co-opted by the Board as needed to carry out the functions of the Board.

The Board was re-constituted during the four-yearly General Assembly that was held in Johannesburg in November 2018. Four of the previous Board of Directors were nominated and elected by the membership of the wider WIEGO network at this General Assembly and three new Directors were appointed. Three other members were co-opted by the Board thereafter. The Board has representation from Africa, Latin America and Asia as well as Europe and North America. A full term for any Director is four years and Directors may be re-elected or re-appointed to serve for a further term in any given office. The Board represents all WIEGO members between General Assemblies in accordance with WIEGO's Articles of Association.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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The International Coordinator speaks regularly with the Chair of the Board, the Treasurer and other Directors to ensure that they are all kept fully informed. Delegated decisions made at other levels of WIEGO are regularly reported to the Board and its Committees to ensure Directors have full information to fulfil their roles. The Board is supported in its work by the Management Committee, the Finance Committee and other ad hoc committees and working groups as required. The Human Resources Sub Committee of the Management Committee considers and makes recommendations regarding human resource issues. Committee reports are a standing agenda item for the Board of Directors meetings.

The Management Committee consists of five members including four Directors and the International Coordinator. The Management Committee is chiefly responsible for overseeing the programmes and policies of WIEGO. The core programmes of WIEGO (Social Protection, Organisation and Representation, Urban Policies, Statistics and Law) are each led by a Programme Director. Reports are received from the Programme Directors of these programme areas by the International Coordinator and the Management Committee, together with reports from the Company Secretary, Programme Strategy Advisor, Regional Advisors, the Research Coordinator and the Operations Director.

The Finance Committee reports to the Board of Directors and consists of six members, comprising three Directors, the International Coordinator, the Financial Controller/Company Secretary and the Operations Director. It convenes at least four times a year to consider reports from, among others the Treasurer, the International Coordinator, the Financial Controller (who also serves as Company Secretary) and external auditors. The Finance Committee is responsible for reviewing and monitoring all aspects relating to the preparation and production of the annual financial statements of WIEGO. Specifically, in terms of annual statutory accounts, this includes consideration of accounting policies, levels of disclosure, risk management policies, compliance with applicable corporate governance requirements, and reviewing any relevant matters relating to annual financial statements raised by the external auditors as a result of audit work. The Finance Committee recommends the audited financial statements to the Board of Directors for approval. It makes recommendations regarding the appointment of the external auditors and approves their remuneration and terms of engagement. It reviews the performance and reports the results of external auditors' work annually to the Board.

Since our incorporation, WIEGO has undergone considerable change and expansion. This change and expansion has required an extensive updating of our management and operations processes and procedures. As this organisational development has progressed, WIEGO has ensured that our governance arrangements are appropriate, effective and evolving to changed circumstances by having Directors who bring a wealth of organisational, research and professional experience to WIEGO. Because of this, the Operations Manual is regularly updated.

The Directors are assisted by WIEGO's International Coordinator, the Programme Directors, the Programme Strategy Advisor, the Operations Director, the Financial Controller / Company Secretary. Board Members are kept informed about major issues affecting WIEGO. All Directors are aware of their legal and financial responsibility to run the company effectively and to act in its best interests.

All WIEGO Directors are also aware of their responsibility for WIEGO's strategic direction and their responsibility to fulfil WIEGO's objectives through assessing the organisation's performance, ensuring the correct policies are in place and that WIEGO's activities reflect the needs of our beneficiaries. Reflecting this responsibility, the WIEGO Board and Team monitor the implementation of the current 5 year strategic plan, which was set out in 2018.

The Directors also have access to professional advice and guidance from external advisors, including WIEGO's external auditors, Crowe U.K. LLP, Co-operatives UK and its solicitors, Bates Wells & Braithwaite LLP.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Recruitment and Appointment**

The WIEGO General Assembly in 2018 elected seven Board members from the three constituencies of members. A Nominating Committee solicits nominations from the WIEGO Membership and then proposes a slate of nominees to the Board and the General Assembly for their approval. The Nominating Committee consists of five persons, two appointed by the Board and one person elected by each constituency of the membership at the time of each quadrennial General Assembly. Elections are usually agreed by consensus but if that is not possible then by a simple majority of votes cast. In preparing the slate of nominees for the Board, from among those nominated by the membership, the Nominating Committee is guided by the principle of achieving reasonable balance on the Board as a whole and ensuring representation from each of the three membership constituencies. The Nominating Committee also takes into account the range of skills and experience required for the Board to exercise its responsibilities and to conduct its business in an efficient and effective manner to the benefit of WIEGO and its beneficiaries.

Last year the Board Chair who was elected in 2018, Renana Jhabvala, stepped down from the Board and was replaced on the Board by Mirai Chatterjee after an election process among the members of the Constituency of Institutional Members of WIEGO. Dr Chatterjee, was endorsed as Chair by the Board at its meeting on the 13<sup>th</sup> November 2019.

The Board also has powers to co-opt to fill vacancies. It co-opted Debra Davis, a chartered accountant with international experience as a Director and Treasurer at the time of General Assembly in 2018. Two further Directors were co-opted by the Board at its meeting on the 9<sup>th</sup> May 2019.

Each has a commitment to WIEGO's aims and their appointment ends at the next General Assembly, to be held in the financial year 2022/23. They may be re-appointed.

### **Induction and training**

In line with National Council for Voluntary Organisations (NCVO) guidelines, all Directors were inducted into the work of WIEGO and the legal roles and responsibilities of Directors, through briefings by the International Coordinator, the Company Secretary, the Board Chair and the Programme Directors.

### **Management**

The Board has delegated day-to-day leadership and management of WIEGO's affairs and the implementing of agreed policies and strategies to the International Coordinator, Sally Roever. She is assisted by a team of Programme Directors, the Programme Strategy Advisor, a Research Coordinator and an Operations Team who operate within an approved scheme of delegation (see Appendix 1). The former International Coordinator, Marty Chen, has stayed on as Senior Advisor to WIEGO and continues to support the organisation especially in the areas of research and fundraising.

The development of the organisation since 2007 has required the extension and updating of operational procedures. This is a continuing process requiring revision of the Operations Manual on occasion through 2020/21.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Equality and Diversity**

In its Articles of Association, WIEGO is committed to opposing discrimination in matters of gender, race, faith, age, sexual orientation, or disability, and to operate within an equal opportunities framework. This commitment is currently applied to the delivery of WIEGO's programme, our employment practices and for the organisation of our membership. During the 2020/21 financial year we established a Diversity, Equity and Inclusion working group, chaired by the International Coordinator, to take a thorough look at how WIEGO can work more effectively to confront and overcome the biases and power imbalances that are present within WIEGO as much as in any other institution.

### **Staff Involvement**

WIEGO seeks to engage all employees, key contractors and members in our activities and achievements. A number of teams have been set up to improve working together and ensure delivery of results. These include the Operations Team, the Programme Team, the Communications Team, the Fundraising Team and others. There are a number of routine communication methods, notably frequent and regular emails, an intranet, skyping, teleconferences, and periodic physical meetings. All teams are kept up-to-date by the International Coordinator and via the WIEGO intranet with the activities and developments, such as Directors' decisions after each cycle of Board and Committee meetings.

There is normally a physical meeting of the WIEGO Team each year, the Team Retreat, but owing to an organisational decision not to hold international meetings in view of the pandemic, this was cancelled in the current year. We are planning a "virtual" Team Retreat in the 2021/22 financial year because of the continuing restrictions on international travel in order to ensure we do not lose the opportunity to have all voices and perspectives present in one meeting. With a diverse and geographically dispersed team, it has been important to hold face-to-face meetings in order to establish a team spirit and provide an opportunity to share ideas and challenges and our plan is to recreate this as closely as possible.

### **Risk Management and Internal Controls**

Review of the Risk Register is delegated to both the Management Committee and the Finance Committee to support the Board in assessing and prioritising risks and risk-mitigating strategies across WIEGO. Relevant sections of the Risk Register were reviewed by the Finance and Management Committees according to their terms of reference. The Committees monitored the major risks to which WIEGO is exposed, recommended steps to mitigate risks, and oversaw the implementation of effective risk management. The two Committees report once a year to the Board on the Risk Register and the risk management strategy. The Risk Register was amended by the Finance and Management Committees in June and in November of 2020.

The Finance and Management Committees identify the operational, financial and reputational risks WIEGO faces, prioritising them in terms of potential impact and likelihood of occurrence and proposing means of mitigating the risks. With the continuing development of the risk management strategy, the Board is assured that:

- different areas of WIEGO's risk exposure are reviewed regularly, ensuring that risks have been properly identified by management and are being effectively managed;
- the risk management processes defined by the Finance and Management Committees are in place and operating as intended;
- the Operations and Programme Team are responding to risks effectively so that those risks are reduced to an acceptable level;
- the controls that managers have in place are successful in managing those risks identified in WIEGO's register.



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## **DIRECTORS REPORT For the year ended 31 March 2021**

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The Covid pandemic has led us to consider new risks relating to the physical and mental health of the WIEGO Team and we have put in place protocols to manage these, including strict controls on face-to-face working where this is possible to undertake at all, and frequent Team meetings. We have also taken steps to manage the increased risk of cyber-crime. Foreign exchange risk is also a key risk as we receive funds in USD, GBP and SEK. Currency matching and the continuing review of the impact of exchange rate fluctuations are in place. We are not facing any increased risk of failing to raise funds for WIEGO's work and in fact many of our donors have contributed additional funds to enable us to respond to the pandemic and its impact on informal workers.

The Board recognises that, to achieve the objectives of WIEGO, the nature of our work requires acceptance of some risks which are outside our control and cannot therefore be eliminated or fully managed. Where this happens, there is active and clear monitoring of such risk. The Board is satisfied that systems are in place to monitor, manage and mitigate WIEGO's exposure to major risks.

### **Internal Financial Control**

The Financial Controller's work is framed largely by WIEGO's regulations, policies, operations manual and risk assessments. The Directors created an Operations Manual when WIEGO was incorporated to ensure the adequacy of WIEGO's internal controls. It has been updated during the year and is reviewed regularly. Audit recommendations are systematically followed up and monitoring reports are received by the Finance Committee. The Accounting Software system used by WIEGO (Xero) provides access to financial information by budget holders and others across the globe.

The Treasurer reviews the work and ensures, through the Finance Committee and the Operations Team, that the Board and the Management Committee have confidence that:

- Processes and procedures are in place to manage the risk of fraud;
- WIEGO's internal control systems and procedures are kept under review;
- Controls are in place for the financial routines and systems that WIEGO operates.

The key procedures which the Directors have established with a view to providing effective internal control are as follows:

- Corporate accounting and procedures  
Responsibility levels are communicated throughout WIEGO. This includes delegation of authority and clear authorisation and approval levels, control processes, segregation of duties (as far as possible in a small organisation) and accounting policies.
- Quality and integrity of personnel  
The competence and integrity of personnel are ensured through high recruitment standards. High quality of personnel is seen as an essential part of the control environment.
- Budgetary process  
Each year Directors approve the annual budget taking account of the key risk areas and also of income and expenditure patterns from the previous year. Performance is monitored and relevant action taken throughout the year through the periodic reporting to the Directors of variances from budget, updated forecasts for the year and information on the key risk areas.

### **Key Management Personnel**

The Key Management Personnel consists of Sally Roever, International Coordinator and Mike Bird, the Operations Director. Sally Roever is employed by WIEGO and in the course of the current financial year she moved from Rome, Italy to Church Falls in Virginia, USA. Her salary is determined by the Board.

Mike Bird is employed by WIEGO in the UK, where remuneration is set according to market rates and reviewed periodically by a Management Committee.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## DIRECTORS REPORT For the year ended 31 March 2021

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### 2. OBJECTIVES, AIMS AND PUBLIC BENEFIT

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy. By doing so, our aim is to ensure in the long term the well-being of the working poor and the reduction of poverty.

The objects of the charity are set out in paragraphs 3 and 4 of WIEGO's Articles of Association as follows:

*The Company's objects are to relieve poverty: in particular, the poverty of the working poor in the informal economy caused by low earnings, high risks, and adverse working environments and conditions associated with the informal economy worldwide (including non-standard or unprotected employment for formal firms);*

- a) *By conducting and promoting research (making the useful results publicly available) into the experiences and conditions of the working poor, the working environment and conditions within the informal economy, the wider policy and regulatory environments under which the informal workforce operates and the causes, effects and ways of addressing the poverty of the working poor within the informal economy;*
- b) *By advancing the education of policy decision-makers, the wider public, supporters of the working poor and the working poor themselves, in relation to the causes, effects and ways of addressing the poverty of the working poor within the informal economy.*
- c) *By helping organizations of the working poor to address the poverty of their members.*

*In carrying out its objects, the Company shall promote equality of opportunity and oppose any form of discrimination on grounds of race, ethnic origin, gender, sexual orientation, age, disability or religion.*

In order to achieve our objects, WIEGO seeks to increase the Visibility, Validity and Voice of the working poor in informal employment:

- Increased **Visibility** – by undertaking and sponsoring research; convening and participating in research conferences; and helping to develop and improve official labour force and other economic statistics on informal employment and the informal economy.
- Increased **Validity** – by promoting mainstream recognition of the working poor in informal employment as legitimate economic agents who contribute to the overall economy and are, therefore, legitimate beneficiaries of economic and social policies; and by promoting the incorporation of informal workers into policy-making and rule-setting processes.
- Increased **Voice** – through supporting and strengthening organisations of informal workers, networking and linking such organisations and helping them to gain representation in the policymaking and rule-setting bodies that affect their work and lives.

The individuals and institutions in the WIEGO network are drawn from three broad constituencies: membership-based organizations (MBOs) of informal workers; individuals undertaking research and statistical work with regard to informal employment, and development practitioners in agencies of various types (non-governmental, governmental, and inter-governmental).

Together with our allies in the international movement of informal workers, WIEGO seeks:

- to put issues of employment and livelihoods in general and of informal workers in particular at the centre of development discourse, policies, and processes re growth and poverty;

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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- to investigate and increase understanding of the size, composition, and contribution of the informal economy and of the status, needs, and constraints of specific groups of informal workers, especially women;
- to investigate and increase understanding of how different groups of the working poor, especially women, in the informal economy are linked to the formal economy and inserted into the global economy;
- to strengthen membership-based organisations of informal economy workers, and assist the self-development of national, regional and global networks;
- to promote appropriate and equitable policies, laws, regulations, and institutions to improve and secure the livelihoods of the working poor in the informal economy.

Since its founding, the WIEGO network has developed several distinct features that enable us to influence mainstream perceptions, policies and institutions. First, WIEGO focuses on the concrete reality of the working poor, especially women, in the informal economy and seeks to integrate an evidenced based understanding of this concrete reality into mainstream development thinking, policies and institutions.

Second, WIEGO builds effective alliances between our three constituencies and draws on the distinct expertise of each constituency in our work:

- the credible findings and informed analysis of researchers and statisticians;
- the policy leverage and influence of professionals in development agencies;
- the grounded understanding, collective strength and moral authority of democratic membership based organizations of informal workers.

Third, WIEGO has developed programme initiatives and technical expertise on a range of issues that address the expressed needs and concerns of informal workers. Finally, and importantly, WIEGO builds networks and partnerships by providing technical support to and working closely with membership-based organisations of informal workers. A more detailed account of WIEGO's activities, achievements and performance during 2020/21 is provided in a separate Appendix 2.

### **Grant making**

Our grant making policy is to work with associations within WIEGO's wider network who share WIEGO's objectives and are well placed to deliver effective projects. Grants are recognised in the financial statements when they are approved or when there is a legal constructive obligation.

### **Public Benefit**

In preparing this report, the Directors confirm that they have complied with the duty in section 17 of the 2011 Charities Act. To the best of their ability, they took into account and consistently applied the Charity Commission's guidance on public benefit, as set out in its publications "Charities and Public Benefit: the Charity Commission's general guidance on public benefit" and "The Prevention or Relief of Poverty for Public Benefit".

The Charity's object is set out in our Articles of Association as revised on 19<sup>th</sup> July 2011 and the Directors' current interpretation of these is set out in this report, while the report as a whole covers WIEGO's activities and achievements throughout the world pursuant to this object.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **3. ACHIEVEMENTS AND PERFORMANCE**

A detailed account of WIEGO's activities, achievements and performance during 2020/21 is provided as Appendix 2. WIEGO publishes an Annual Report each year for general distribution. Appendix 2 is an abridged version of that Annual Report.

#### **Evidence of Impact**

For a detailed report on impact achieved during 2020/21 please see Appendix 2.

#### **Communications, Membership Support and Outreach**

WIEGO aims to expand its network – partners, members and allies – to strengthen the collaborative activities under this network, and to extend our reach and impact. As of March 2021, WIEGO had 208 members: 36 Institutional Members and 172 Individual Members in some 45 countries.

WIEGO has strengthened membership support and outreach to provide help in building organisational capacity of the Institutional Members (all democratic, member-based organisations of informal workers) and in developing improved two-way communication with them. In the current financial year this included creating a new post of Network Liaison Officer to coordinate and deepen this work.

WIEGO maintained our strong communications capacity during 2020/21 to help meet our goals of producing user-friendly publications and improving how we disseminate information, with an increasing focus on supporting our messaging through social media. We undertook an external review of the communications function in the current year and this led to a restructuring of the Communications Team.

We have continued to respond to the need for information on the impact of the Covid-19 pandemic and what informal workers can do to keep safe, with new pages on the WIEGO website and health education messages disseminated via social media in 14 languages.

#### **External Factors Affecting Achievement - Covid-19**

Due to the international nature of our work and also our link with partners in countries across the globe, WIEGO recognises there are a number of factors which could affect achievement of our aims and objectives. Significant external factors affecting WIEGO's work and achievements included:

##### *Economic, Policy, and Political Environment: faced by the Working Poor in the Informal Economy*

- If anything the Covid-19 pandemic has served to highlight the plight of informal workers all around the world. The economic shutdown in almost every country had a very quick impact on the livelihoods of informal workers, most of who live hand-to-mouth every day. The repercussions are likely to be profound and long-lasting
- The fall-out from the pandemic is likely to fuel the growing trend of informalisation of work with the loss of tens of thousands of formal jobs
- The shrink in demand for some of the services and products that informal workers provide will continue to have an impact and will result in increased global uncertainty and insularity

While all these factors are beyond WIEGO's control, we are able to seek the advice of international partners and experts and consult with the Board and WIEGO's membership on how best WIEGO can play its role in support of the global movement of informal workers.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Conclusion**

From our inception in 1997, WIEGO has been an organisation prepared to undertake policy research and advocacy on behalf of informal workers to increase their Voice, Visibility and Validity and thereby help to increase the well-being and relieve the poverty of the working poor, especially women. This has remained unchanged through 2020/21. WIEGO's mission, vision and purpose have remained essentially unchanged but the breadth and depth of our activities, the size and capacity of our team, and the effectiveness of our operations and governance systems have remained robust.

### **4. FINANCIAL REVIEW**

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the requirements of the Statement of Recommended Practice for Accounting and Reporting by Charities, the Charities Acts, and the Companies Acts.

The financial strategy for the year was developed to build on our strategy and achievements from the previous year, which were designed to ensure the sustainability and future viability of WIEGO. We reviewed the resources expended in relation to activities implemented and results achieved. We have also factored in when current grants will end, in order to carefully monitor expenditure and activities to ensure maximum benefit and minimal disruption for members and partners as we try to raise funds for our future work. During the fiscal year ending 31 March 2021, our total incoming resources were \$11,549,881 (as compared to \$5,437,133 in the previous year). We continue to experience peaks and troughs in our income due to the regulation on income recognition.

Our total expenditure was \$7,205,517 (as compared with \$7,008,713 in the previous year).

The overall aim of the financial strategy is to ensure that resources are used efficiently to contribute to meeting programme and project targets and achieve WIEGO's priorities. In order to achieve our objectives, the maximum levels of resources possible are channelled to the direct benefit of programmes and to deliver necessary quality improvements in research, policy advocacy and capacity building, while maintaining prudent financial management controls over resources of WIEGO as a whole. Budgetary and financial control continues to be reviewed in order to reduce the risks of under or overspending and to mitigate the effect of a drop in income in any one financial year. This is underpinned by the building of reserves.

### **Going Concern**

The indications at the time of writing are that WIEGO is well-placed to weather the storm of the Covid-19 pandemic and the policies that have been put in place to combat it. Since the start of the pandemic all of our major donors have been in touch to offer their support in the form of additional funding and/or extensions to grant periods and the possibility to redirect funds as necessary in order to meet new and unexpected needs as they arise.

The financial outlook for WIEGO is secure with two- and three-year extensions to unrestricted grant funding signed with the Hewlett Foundation and Sida respectively at the end of the 2019/20 financial year. The respective grants agreed are for US\$4 million, since increased by a further US\$1 million, and the equivalent of \$8.4 million. We have also secured additional funding from the Open Society Foundations, the Ford Foundation, the International Development Research Centre of Canada and Wellspring Philanthropy during the 2020/21 financial year in a mix of unrestricted and targeted Covid-19 response grants, which all have contract periods extending into the 2022/23 financial year.

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## **DIRECTORS REPORT For the year ended 31 March 2021**

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From an organisational point of view WIEGO is also well-placed to continue its work. Almost all of the WIEGO Team already worked from home before the pandemic and the Manchester office has been able to adapt to remote working relatively easily because our banking, financial management and payment systems are all on-line. During the pandemic we have set up systems to ensure that we are taking care of the health and well-being of the Team. We set up weekly meetings of the Manchester office team plus town hall meetings for the whole Team and liaison meetings with the leaders of the networks of informal workers that are our members. These meetings are now held monthly and continue to enable effective management and communication.

The external website and the internal intranet both have dedicated Covid-19 pages that provide effective information management for our Team and wider network.

The Operations Team has added new risks to the WIEGO risk register to cover our understanding of the potential risks to the WIEGO work programme and the health and well-being risks to the Team and this has recently been reviewed by the Finance and Management Committees of the Board. In the meantime, we have demonstrated that the work of WIEGO can continue, albeit through different kinds of activities and delivery mechanisms given the current circumstances. The view of the Directors and the WIEGO management is that the measures described above provide an effective strategy to reduce the risks to the Team.

The charity has contractual funding to cover the essential costs of running the organisation up to 31 March 2023 and beyond. On this basis, forecast budgets for the year ending 31 March 2023 have been prepared. The directors consider that the charity is a going concern and the financial statements have been prepared accordingly (Financial Statements Note 1.3).

### **Reserves Policy**

WIEGO has built reserves to meet any adverse contingencies. The Board of Directors created reserves to:

- maintain a base fund sufficient to protect WIEGO's continuity of the core programmes;
- allow for an orderly downsizing or closure in the event of funding no longer being available.
- managing cash flow and contingencies with respect to utilisation of grant funds

During 2020/21 as shown in the Financial Statements, designated reserves were maintained to counter any cash flow issues and to maintain WIEGO's core activities in the event of fundraising problems. WIEGO has reserves to make long-term commitments to projects, and to protect our work against the effects of financial fluctuations and other uncertainty. The Board of Directors seeks to have reserves at a level at which core programmes can be maintained for a 3-month period.

At present, this requires reserves of approximately \$510k. The current reserves are adequate although the necessary level of reserves is subject to regular review. We also have \$240k set aside for the General Assembly which is a meeting of our members, and a crucial part of our governance structure. This takes place every four years and we are building funds towards meeting the cost of the next General Assembly in November 2022.

The free reserves of \$500k carried forward into the new financial year are to fund budgeted costs of the core programmes over the next financial year. These reserves will be carried forward into the new financial year and will be used to fund the budgeted costs of the core programmes over the next financial year.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

---

### **Investment Policy and Objectives**

WIEGO's treasury management policy objective is to optimise returns consistent with our cash flow requirements and the overriding need to protect the capital value of WIEGO's funds. WIEGO funds are invested only with UK Clearing Banks. Treasury management is carried out within the context of WIEGO's statutory background and our Memorandum and Articles of Association.

Liquidity is generally preferred over investment. Cash balances are placed in time deposits when appropriate. The board has not established formal targets for return on investment.

In order to minimise foreign exchange losses due to currency exchange rate fluctuations, our policy is to hold funds in the currency in which they are received and to expend them in the same currency wherever possible.

### **Principal Funding Sources**

During 2020/21 WIEGO received our principal funding from the following funders:

- William and Flora Hewlett Foundation
- Swedish International Development Agency (Sida)
- Open Society Foundations
- IDRC
- Ford Foundation
- Comic Relief
- UK FCDO (formerly DFID)
- Wellspring Philanthropic Fund
- UN Women
- Cities Alliance
- FES
- International Labour Organisation

There are no outstanding liens against WIEGO.

WIEGO does not undertake any commercial or trading activities.

In note 12 to the Statement of Financial Activities, a declaration on related parties has been made.

### **Fundraising**

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

## **5. PLANS FOR FUTURE PERIODS**

### **Membership**

WIEGO is committed to building sector-specific networks or federations of democratic, member-based organisations of informal workers (MBOs). MBOs can become institutional members of WIEGO and form one of three constituencies of membership. Individuals can become members of WIEGO as part of the researchers/statisticians constituency or the development practitioners constituency. The challenges to WIEGO with regard to our relationships with members are various, including how to:

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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- Work with well-established institutional members, with new but relatively strong institutional members and with new but relatively weak members.
- Concentrate support on federations (nets) of primary organisations at national, regional and international level while not neglecting the formation and development of primary organisations.
- Determine which type of support and capacity building programmes should be implemented for institutional members e.g. in terms of organising as well as financial-operational management.
- Balance continuing support for existing institutional members with the recruitment of new institutional members.
- Maintain the balance and harmony between WIEGO's three constituencies.
- Strengthen support for and networking of researchers-statisticians-academics focusing on the informal economy.

### **Programmes and functions**

WIEGO has five core programmes of work together with global projects and special initiatives. Across these strands of work cut four functions: research, policy advocacy, communication and capacity building. As part of the strategic review that gave rise to the current five-year strategic plan, work plans for the coming period identify the following challenges:

- Developing the functional activities of each core programme to move beyond “problem identification” to “solution specification” for the three thematic programmes (Law, Social Protection and Urban Policies).
- In the Statistics programme and research, moving beyond highlighting the size and composition of informal employment to systematically analysing the causes, consequences and contribution of informal employment.
- Ensuring the right choice, mix and balance of functional activities across the five core programmes and special initiatives.
- Balancing follow up of activities (past, current and new) with the flexibility to undertake reactive and proactive activities.

### **Allies and Target Audiences**

The natural allies and target audiences for WIEGO's work differ across the domains of our core programmes as highlighted in Appendix 2. Identifying key allies and audiences is difficult in most domains of WIEGO's work as there are often a large number and range of actors with different perspectives. In many contexts, specific organisations can be both allies and target audiences. The major challenge is identifying and mapping organisations and individuals relevant to each programme area and then building co-operation with the key organisations and individuals.

### **Transitions**

WIEGO has successfully addressed many challenges in the past five years. Strong financial and operational systems have been devised and implemented. These are managed by the WIEGO Office in Manchester, UK, which comprises an Operations Director, Company Secretary/Financial Controller, two Senior Finance Officers, three Finance Officers (one of whom has been on maternity leave for part of the year), an Events and Logistics Manager, an HR Officer and an Administrative Assistant. As the external audit showed, good operational and financial systems are in place.



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **6. STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Directors 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 charitable company and of our net incoming resources for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors ensure that there are appropriate financial and management controls in place sufficient to safeguard charitable funds and that these funds are used only in accordance with the conditions under which they have been made available. In addition, the Directors are responsible for ensuring the economic, efficient and effective management of WIEGO's resources so that the benefits that should be derived from the application of charitable funds are not put at risk

The Directors confirm that, so far as they are aware, the WIEGO auditors were able to examine all relevant audit information. They have taken all the steps that they ought to have taken as Directors in order to make them aware of any relevant audit information and to establish that WIEGO's auditors may examine that information.

#### **Political donations**

WIEGO made no political donations and had no such expenditure.

#### **Financial Risk Management**

WIEGO's treasury management policy objective is to optimise returns consistent with our cash flow requirements and the overriding need to protect the capital value of WIEGO's funds. WIEGO funds are invested only with UK Clearing Banks. Treasury management is carried out within the context of WIEGO's statutory background and our Memorandum and Articles of Association.

The financial risk management and policies are conservative. Hedge accounting is not used and the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is low.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Number of employees**

The average number of persons employed by the company in each week during the financial year has been 8.

### **Auditors**

Crowe U.K. LLP continues as the auditor of WIEGO following a competitive tender during 2018.

The organisation completed a competitive tender exercise this year for the period 2018/2022. Crowe were re-appointed.

This report, which incorporates the Directors' Report, was approved by the Board of Directors on 30 November 2021 and signed on its behalf, by:

*Jacqui Fendall*

**Jacqui Fendall**  
Company Secretary

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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### **Opinion**

We have audited the financial statements of Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2021 and of 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 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 charitable company 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 and proper accounting records have not been kept; or
- the 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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 15, the directors (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 directors 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 directors 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.

### **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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were those contained within the Charities Act.

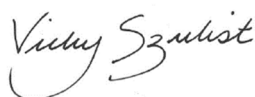
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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.



Vicky Szulist  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: 3<sup>rd</sup> December 2021

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) For the year ended 31 March 2021

	Note	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$	Total Funds 2020 \$
<b>INCOME</b>					
Donations and legacies	2	2,000	-	2,000	-
Investment income	3	-	3,679	3,679	21,200
Charitable activities	4	<u>5,780,909</u>	<u>5,763,293</u>	<u>11,544,202</u>	<u>5,415,933</u>
<b>TOTAL INCOME</b>		<u>5,782,909</u>	<u>5,766,972</u>	<u>11,549,881</u>	<u>5,437,133</u>
<b>EXPENDITURE</b>					
Charitable activities	5	<u>3,732,825</u>	<u>3,472,692</u>	<u>7,205,517</u>	<u>7,008,713</u>
<b>TOTAL EXPENDITURE</b>		<u>3,732,825</u>	<u>3,472,692</u>	<u>7,205,517</u>	<u>7,008,713</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<u>2,050,084</u>	<u>2,294,280</u>	<u>4,344,364</u>	<u>(1,571,580)</u>
<b>TOTAL FUNDS AT 1 APRIL 2020</b>		<u>1,283,712</u>	<u>704,534</u>	<u>1,988,246</u>	<u>3,559,826</u>
<b>TOTAL FUNDS AT 31 MARCH 2021</b>	10	<u>3,333,796</u>	<u>2,998,814</u>	<u>6,332,610</u>	<u>1,998,246</u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

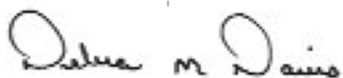
The notes on pages 23 to 42 form part of these financial statements.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## BALANCE SHEET Registered Number: 6273538 As at 31 March 2021

	Note	\$	2021 \$	\$	2020 \$
<b>CURRENT ASSETS</b>					
Debtors	8	161,575		266,571	
Cash at bank		<u>6,861,602</u>		<u>2,358,168</u>	
		7,023,177		2,624,739	
<b>CREDITORS:</b>					
Amounts falling due within one year	9	<u>(690,567)</u>		<u>(636,493)</u>	
<b>NET ASSETS</b>			<u><b>6,332,610</b></u>		<u><b>1,988,246</b></u>
<b>FUNDS</b>					
Unrestricted Funds	10	2,998,814		704,534	
Restricted Funds	10	<u>3,333,796</u>		<u>1,283,712</u>	
			<u><b>6,332,610</b></u>		<u><b>1,988,246</b></u>

The financial statements were approved and authorised for issue by the Directors on 30 November 2021 and signed on their behalf, by:



**D Davis**  
Director and Treasurer

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**CASH FLOW STATEMENT  
As at 31 March 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	<b>15</b>	<b><u>4,499,755</u></b>	<b><u>(1,663,542)</u></b>
<b>Cash Flows from investing activities</b>			
Interest received		<u>3,679</u>	<u>21,201</u>
<b>Net cash provided by investing activities</b>		<b><u>3,679</u></b>	<b><u>21,201</u></b>
Change in cash and cash equivalents in the year.		<b>4,503,434</b>	<b>(1,642,341)</b>
Cash and cash equivalents at the beginning of the year.		<b><u>2,358,168</u></b>	<b><u>4,000,509</u></b>
<b>Cash and cash equivalents at the end of the year.</b>		<b><u>6,861,602</u></b>	<b><u>2,358,168</u></b>

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 \$	2020 \$
Cash at hand	<b><u>6,861,602</u></b>	<b><u>2,358,168</u></b>

**RECONCILIATION OF NET DEBT**

	2020 \$	Cash flow \$	2021 \$
Cash at hand and at bank	<u>2,358,168</u>	<u>4,503,434</u>	<u>6,861,602</u>



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **1.1 Basis of preparation of 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 UK and Republic of Ireland (FRS102) (January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Companies Act 2006.

Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost at transaction value unless otherwise stated in the relevant accounting policy note.

#### **1.2 Company information**

The charity is a company limited by guarantee (registered number 6273538) which is incorporated and domiciled in the UK. The address of the registered office is 521 Royal Exchange, Manchester, M2 7EN.

#### **1.3 Going concern**

The directors have reviewed the forecasts and budgets for the forthcoming period. The Charity has contractual funding to cover the essential costs of running the organisation up to 31 March 2023 and beyond. On this basis, forecast budgets for the year ending 31 March 2023 have been prepared. The directors consider that the charity is a going concern and the financial statements have been prepared accordingly.

#### **1.4 Company status**

WIEGO Limited is a registered charitable company. The members of the company are the directors named on page 1. In the event of the company being wound up the Articles of Association indemnify the members of the council, officers and the directors against all liabilities incurred by them in their respective capacities.

#### **1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charitable 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 which have been raised by the charitable company for particular purposes. The cost 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.

Investment income, gains and losses are allocated to the appropriate fund.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1.6 Incoming resources**

Voluntary income including donations, gifts, income arising from fundraising events, legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities, including income received under contract and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement or the donor has specified the funds can only be utilised in future accounting periods.

Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practical to do so. They are valued as by the donor in the grant documentation.

Investment income is recognised on a receivable basis.

### **1.7 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the above basis of allocation.

Support costs are those costs incurred directly in support of expenditure on the objects. Where costs cannot be directly attributed they have been allocated or apportioned on a fair and consistent basis.

Governance costs are those incurred in the governance of the Company's assets and are associated with constitutional and statutory requirements.

### **1.8 Tangible fixed assets and depreciation**

All tangible fixed assets costing more than \$3,000 are capitalised.

### **1.9 Value added tax**

Value Added Tax is not recoverable by the company and as such, is included in the relevant cost in the Statement of Financial Activities.

### **1.10 Foreign currencies**

The charity's financial statements are presented in US dollars which is the presentation currency. The charity's functional currency is US dollars. The exchange rate difference from USD to GBP is expected to have little effect since we maintain USD bank accounts, from which our expenditure is also in USD.

Assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of the transaction. Any gain or loss arising on translation is included in the Statement of Financial Activities. The exchange rate between sterling and the US dollar at 31 March 2021 was £1: \$1.37832.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1.11 Grant making policy**

Grants are recognised in the financial statements when they are approved or when there is a legal or constructive obligation.

### **1.12 Interest Receivable**

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.

### **1.13 Operating Leases**

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

### **1.14 Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **1.15 Cash at bank and in hand**

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

### **1.16 Creditors**

Short term creditors are measured at the transaction price after allowing for any trade discount due.

### **1.17 Financial Instruments**

The charity only has basic 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 measured at amortised cost using the effective interest rate method.

### **1.18 Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged to wages and salaries in the Statement of Financial Activities as they become payable. The assets of the scheme are held separately from the assets of the charity.

### **1.19 Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the entity's accounting policies which are described above, the Directors are required to make judgments, estimates, assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Directors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

### 2. DONATIONS AND LEGACIES

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Membership fees	<u>2,000</u>	=	<u>2,000</u>
	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Membership fees	=	=	=

### 3. INVESTMENT INCOME

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Bank Interest	=	<u>3,679</u>	<u>3,679</u>
	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Bank Interest	<u>14,874</u>	<u>6,326</u>	<u>21,200</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

4.

### INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	Total Funds
	2021 \$	2021 \$	2021 \$
The William Flora Hewlett Foundation	1,970,000	4,000,000	5,970,000
Sida	1,734,848	996,517	2,731,365
The Open Society Foundations	1,085,002	333,333	1,418,335
IDRC Covid 19 Study	361,665	-	361,665
Ford Foundation	154,780	200,000	354,780
Comic Relief	126,773	-	126,773
Wellspring	100,047	-	100,047
DFID	120,145	-	120,145
UN Women	44,000	-	44,000
Cities Alliance	26,982	-	26,982
FES	24,000	-	24,000
ILO	19,887	-	19,887
Other Income	12,780	6,129	18,909
Anonymous	-	227,314	227,314
	<u>5,780,909</u>	<u>5,763,293</u>	<u>11,544,202</u>

	Restricted Funds	Unrestricted Funds	Total Funds
	2020 \$	2020 \$	2020 \$
Sida	1,822,447	1,052,165	2,874,612
Hewlett Foundation – Focal Cities 2	900,000	-	900,000
Open Society Foundations	364,000	333,332	697,332
Anonymous	-	223,094	223,094
DFID Work Opportunities Project	184,288	-	184,288
Echidna/Schwab	150,000	-	150,000
Comic Relief	136,644	-	136,644
Hewlett Foundation	95,000	-	95,000
FMO	42,000	-	42,000
World Health Organisation	39,000	-	39,000
Cities Alliance	30,000	-	30,000
International Labour Organisation	14,347	-	14,347
USAID	10,000	-	10,000
Commonwealth Foundation	3,437	-	3,437
Other income	<u>8,779</u>	<u>7,400</u>	<u>16,179</u>
	<u>3,799,942</u>	<u>1,615,991</u>	<u>5,415,933</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 5. RESOURCES EXPENDED

	Payments to Sub grantees	Activities Under taken directly	Support	Total 2021
	\$	\$	\$	\$
<b>Charitable activities</b>				
<b>Unrestricted Funds</b>				
<b>Core Programmes</b>				
Law	-	331,728	65,802	397,530
Organisation & Representation	-	528,523	104,838	633,361
Social Protection	-	342,597	67,958	410,555
Statistics	-	375,739	74,532	450,271
Urban Policies	-	708,734	140,585	849,319
Focal Cities	-	<u>446,767</u>	<u>88,621</u>	<u>535,388</u>
Total Core Programmes	-	<u>2,734,088</u>	<u>542,336</u>	<u>3,276,424</u>
International Coordination/Support	-	206,073	48,998	255,071
<b>Restricted Funds</b>				
Cities Alliance - Liberia, SV	17,194	19,166	-	36,360
Comic Relief	65,386	83,800	-	149,186
DFID WOW Project	32,979	76,016	452	109,447
Echidna-Schwab	20,287	60,805	1,870	82,962
FES - Social Protection/IW & the Law in an African Covid 19 Context	-	24,000	-	24,000
FORD FOUNDATION - HomeNet International	-	5,087	-	5,087
Hewlett Foundation - Communications Support & Fundraising	-	33,297	-	33,297
Hewlett Foundation - Covid Recovery	52,702	92,914	964	146,580
Hewlett Foundation - Focal Cities 2	-	420,887	78,854	499,741
Hewlett MLE Data Fin Training International Development	-	36,164	19,499	55,663
Research Centre - Covid 19 Study	-	244,295	47,252	291,547
ILO	-	6,064	-	6,064
ILO – ESCWA	-	3,528	-	3,528
Open Society Foundations - Care Givers Colombia	-	7,015	-	7,015
Open Society Foundations - Child Care Rebuilding project	40,000	-	-	40,000
Open Society Foundations - Covid Response - NETS Communications	5,000	13,059	2,800	20,859
Open Society Foundations - Covid Response 1	53,120	339,883	28,042	421,046
Open Society Foundations - Covid Response WP Brazil	-	139,733	-	139,733

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

Open Society Foundations - DW	-	19,637	3,257	22,894
Social Protection Asia				
Open Society Foundations –	18,000		-	51,264
Social Insurance Informal		33,264		
Workers				
Other Classes	7,180	3,590	-	10,770
Sida Nets Support	592,513	466,889	52,562	1,111,964
Sida Waste Picker Project	76,150	309,051	56,928	442,129
Coastal Cities				
UN Women	-	42,386	1,614	44,000
USAID	-	800	-	800
WELSPRING PHILANTHROPIC	-	-	37,739	37,739
FUND				
	<b><u>980,512</u></b>	<b><u>2,481,330</u></b>	<b><u>331,833</u></b>	<b><u>3,793,674</u></b>
 <b>Governance costs</b>	 -	 67,208	 -	 67,208
 <b>Gain on foreign exchange</b>	 _____ -	 <b><u>(186,857)</u></b>	 _____ -	 <b><u>(186,857)</u></b>
 <b>TOTAL RESOURCES EXPENDED</b>	 <b><u>980,512</u></b>	 <b><u>5,301,838</u></b>	 <b><u>923,167</u></b>	 <b><u>7,205,517</u></b>

Note: Sub grantees are subcontractors or institutions with contract arrangements who help to deliver the projects. Funds were allocated to IDWF, StreetNet, HomeNet South Asia, HomeNet South East Asia, SEWA, AeT, HomeNet Thailand and FACCYR/CTEP this year.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

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### 5. RESOURCES EXPENDED

	2021	2020
<b>Support Costs</b>	<b>\$</b>	<b>\$</b>
Salaries	<b>683,478</b>	492,620
Meeting costs/events	<b>872</b>	125,738
Consultants and professional	<b>112,846</b>	92,538
Rent and office costs	<b><u>125,971</u></b>	<u>111,608</u>
	<b><u>923,167</u></b>	<u>822,504</u>

Support costs have been apportioned across core programmes according to the size of the core programme.

	2021	2020
<b>Governance Costs</b>	<b>\$</b>	<b>\$</b>
Board meetings	<b>24,432</b>	51,290
Company secretarial	<b>30,359</b>	33,526
External Audit	<b><u>12,417</u></b>	<u>11,591</u>
	<b><u>67,208</u></b>	<u>96,407</u>



# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 5. RESOURCES EXPENDED – YEAR ENDED 31 MARCH 2020

	Payments to Sub grantees	Activities Under taken directly	Support costs	Total 2020
	\$	\$	\$	\$
<b>Charitable activities</b>				
<b>Unrestricted Funds</b>				
<b>Core Programmes</b>				
Law	-	410,609	62,399	473,008
Organisation & Representation	-	703,918	87,194	791,112
Social Protection	-	397,380	60,389	457,769
Statistics and Research	-	298,779	45,404	344,183
Urban Policies	-	695,054	103,762	798,816
Focal Cities	42,467	589,572	96,049	728,088
	<u>42,467</u>	<u>3,095,312</u>	<u>455,197</u>	<u>3,592,976</u>
Membership Co-ordination/Support	-	214,610	71,257	285,867
<b>Restricted Funds</b>				
Cities Alliance - Liberia	14,600	1,671	-	16,271
Comic Relief	26,209	13,453	-	39,663
Commonwealth Foundation	-	21,868	943	22,811
DFID WOW Project	77,505	122,330	-	199,835
Echidna/Schwab	9,730	11,503	-	21,233
FMO	-	61,456	2,000	63,456
Hewlett Foundation – Focal Cities	-	147,418	26,189	173,607
Hewlett Foundation - Focal Cities 2	-	189,107	24,464	213,571
Hewlett MLE Data Financial Training	-	39,337	-	39,337
International Labour Organisation	-	7,347	-	7,347
International Labour Organisation	-	7,320	-	7,320
Childcare Research	-	-	-	-
Open Society Foundations – Care Givers Columbia	-	6,985	-	6,985
Open Society Foundations – DW	43,075	15,980	6,130	65,185
Social Protection Asia	-	-	-	-
Open Society Foundations – Kazakhstan Mapping	-	6,030	-	6,030
Open Society Foundations – Monitoring & Evaluation	-	318	-	318
Open Society Foundations – Social Insurance Informal Workers	18,000	15,489	-	33,489
Open Society Foundations – Law	-	84,369	-	84,369
Other Classes	-	1,077	-	1,077
Sida Nets Support	698,652	542,217	133,938	1,374,807
Sida Waste Pickers – Coastal Cities	119,280	323,276	102,386	544,942
UNDP	-	7,653	-	7,653
USAID	-	10,000	-	10,000
WHO	-	24,000	-	24,000
WHO Kenya	-	15,000	-	15,000
	<u>1,007,051</u>	<u>1,675,202</u>	<u>296,051</u>	<u>2,978,304</u>
<b>Governance costs</b>	-	96,407	-	96,407
<b>Loss/(Gain) on foreign exchange</b>	-	55,160	-	55,160
<b>TOTAL RESOURCES EXPENDED</b>	<u>1,049,518</u>	<u>5,124,213</u>	<u>822,504</u>	<u>7,008,714</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Note: Sub grantees are subcontractors or institutions with contract arrangements who help to deliver the projects. Funds were allocated to IDWF, StreetNet, HomeNet South Asia, HomeNet South East Asia and SEWA this year.

### 6. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:	<b>2021</b>	<b>2020</b>
	\$	\$
Operating lease rentals – property	<b>18,939</b>	4,463
Auditors' remuneration – Audit fees excluding VAT	<b><u>10,889</u></b>	<u>9,819</u>

### 7. STAFF COSTS, STAFF NUMBERS AND THE COST OF KEY MANAGEMENT PERSONEL

Staff costs were as follows:	<b>2021</b>	<b>2020</b>
	\$	\$
Wages and salaries	<b>488,001</b>	414,355
Social security costs	<b>29,826</b>	22,436
Pension costs	<b><u>7,946</u></b>	<u>5,787</u>
	<b><u>525,773</u></b>	<u>442,578</u>

The key management personnel of the charity are Sally Roever, International Co-ordinator and Mike Bird, the Operations Director. Sally Roever is employed by WIEGO and her salary is determined by the Board. She currently resides in the US. Mike Bird is employed by WIEGO in the UK, where rates of remuneration are set according to market rates and reviewed periodically by a Management Committee. The total cost of the key management personnel of the charity were \$212,872 (2020 \$198,495).

The average monthly number of employees during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Administration	<b><u>8</u></b>	<u>7</u>

During the year, the directors did not receive any reimbursement of expenses (2020: \$4,723).

The directors received no remuneration or director fees during the year.

### 8. DEBTORS

	<b>2021</b>	<b>2020</b>
	\$	\$
Grant income receivable	<b>124,735</b>	117,422
Prepayments and other debtors	<b><u>36,840</u></b>	<u>149,149</u>
	<b><u>161,575</u></b>	<u>266,571</u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

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**9. CREDITORS: Amounts falling due within one year**

	2021	2020
	\$	\$
Accrued expenses	690,567	636,493
Grants deferred	-	-
	<u>690,567</u>	<u>636,493</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS

	Brought Forward 1 April 2020 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	Carried Forward 31 March 2021 \$
<b>UNRESTRICTED FUNDS</b>					
Designated funds					
General Assembly Reserves	160,000	-	-	80,000	240,000
DFID WOW Project	50,000	-	-	-	50,000
		-	-		
Undesignated funds					
Free reserves	460,744	-	-	40,000	500,744
Unrestricted Funds	33,790	-	-	-	33,790
Ford Foundation	-	200,000	-	-	200,000
Hewlett Foundation	-	4,000,000	(1,905,720)	(120,000)	1,974,280
Sida	-	924,880	(924,880)	-	-
Anonymous	-	227,314	(227,314)	-	-
Open Society - Core Funding	-	333,333	(333,333)	-	-
DFID WOW Counterpart	-	71,637	(71,637)	-	-
Other Income/Other Classes	-	9,808	(9,808)	-	-
<b>Total Unrestricted Funds</b>	<b><u>704,534</u></b>	<b><u>5,766,972</u></b>	<b><u>(3,472,692)</u></b>	<b><u>-</u></b>	<b><u>2,998,814</u></b>
<b>RESTRICTED FUNDS</b>					
Cities Alliance - Liberia & SV	7,866	26,982	(34,848)		-
Comic Relief	96,762	126,773	(134,514)		89,021
DFID WOW	(20,973)	120,145	(102,875)		(3,703)
Echidna/Schwab Grant	128,767	-	(82,962)		45,805
F E S - Friedrich Ebert Stiftung	-	24,000	(24,000)		-
Hewlett Communications Support and Fundraising	-	70,000	(33,297)		36,703

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Hewlett Foundation - Focal Cities 2	686,887	900,000	(502,489)	-	1,084,398
Hewlett Foundation - MLE, Database, FT	55,780	-	(55,780)	-	-
Hewlett Foundation COVID Response	-	1,000,000	(146,580)	-	853,420
IDRC - COVID-19 Study	-	361,665	(291,547)	-	70,118
Open Society Foundation - Covid Response	-	425,000	(421,046)	-	3,954
Open Society Foundation - Kazakhstan Mapping	43,969	-	-	-	43,969
Open Society Foundation - DW Social Protection in Asia	134,885	-	(22,894)	-	111,991
Open Society Foundation - Social Insurance Informal Workers	116,511	150,000	(51,264)	-	215,247
Open Society Foundation - Care Givers in Colombia	7,015	-	(7,015)	-	-
Open Society Foundation - Covid Response WP Brazil	-	200,000	(139,733)	-	60,267
Open Society Foundation - Covid Response NETS Communications	-	165,000	(20,859)	-	144,141
Open Society Foundation - Child Care Rebuilding Project	-	45,002	(40,000)	-	5,002
Open Society Initiative West Africa	-	100,000	-	-	100,000
Sida Nets Support	-	1,256,269	(1,112,681)	-	143,588
Sida Waste Picker Coastal Cities	26,243	478,579	(397,243)	-	107,579
UN Women	-	44,000	(44,000)	-	-
Wellspring Philanthropic Fund (WPF)	-	100,047	(37,739)	-	62,308
FORD FOUNDATION - HomeNet International	-	154,780	(5,087)	-	149,693
ILO/ ILO ESCWA	-	19,887	(9,591)	-	10,297
Other Income	-	14,780	(14,780)	-	-
<b>Total Restricted Funds</b>	<b>1,283,712</b>	<b>5,782,909</b>	<b>(3,732,825)</b>	<b>-</b>	<b>3,333,796</b>
<b>TOTAL FUNDS</b>	<b>1,988,246</b>	<b>11,549,881</b>	<b>(7,205,517)</b>	<b>-</b>	<b>6,332,610</b>

The DFID WOW Fund is in deficit as DFID only pay in arrears and £26k is due in July 2021.

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

**10. STATEMENT OF FUNDS**

	Brought Forward 1 April 2019 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	Carried Forward 31 March 2020 \$
<b>UNRESTRICTED FUNDS</b>					
<b>Designated funds</b>					
General Reserves	460,744	-	-	(460,744)	-
General Assembly in 2022	160,000	-	-	-	160,000
DFID WOW project	50,000	-	-	-	50,000
	<u>670,744</u>	<u>-</u>	<u>-</u>	<u>(460,744)</u>	<u>210,000</u>
<b>Undesignated funds</b>					
Free Reserves	-	-	-	460,744	460,744
Unrestricted Funds	606,352	-	(572,562)	-	33,790
Hewlett Foundation	1,784,700	-	(1,784,700)	-	-
Sida	-	1,052,164	(1,052,164)	-	-
South Street Green Room	-	223,094	(223,094)	-	-
Open Society Foundations – Core Funding	-	237,444	(237,444)	-	-
DFID WOW Counterpart	-	95,890	(95,890)	-	-
Other Income/Other Classes/Bank Interest	-	13,726	(13,726)	-	-
	<u>3,061,796</u>	<u>1,622,318</u>	<u>(3,979,580)</u>	<u>-</u>	<u>704,534</u>
<b>Total Unrestricted Funds</b>	<u>3,061,796</u>	<u>1,622,318</u>	<u>(3,979,580)</u>	<u>-</u>	<u>704,534</u>
Cities Alliance – Liberia & SV	(3,431)	30,000	(18,703)	-	7,866
Comic Relief	-	136,644	(39,881)	-	96,762
Commonwealth Foundation	18,198	3,437	(21,635)	-	-
DFID WOW	(5,825)	184,288	(199,436)	-	(20,973)
Echidna/Schwab	-	150,000	(21,233)	-	128,767
FMO	21,390	42,000	(63,390)	-	-

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Hewlett Foundation – Focal Cities	171,592	-	(171,592)	-	-
Hewlett Foundation – Focal Cities 2	-	900,000	(213,113)	-	686,887
Hewlett Foundation – MLE, Database & FT	-	95,000	(39,220)	-	55,780
International Labour Organisation Childcare Research	320	7,000	(7,320)	-	-
International Labour Organisation (Dakar)	-	7,347	(7,347)	-	-
Open Society Foundation – Kazakstan	25,000	25,000	(6,031)	-	43,969
Open Society Foundation – MLE	(19,613)	20,000	(387)	-	-
Open Society Foundation – DW SP Asia	100,000	100,000	(65,115)	-	134,885
Open Society Foundation – Social Insurance	-	150,000	(33,489)	-	116,511
Open Society Foundation – Care Givers Colum	-	14,000	(6,985)	-	7,015
Open Society Foundation – Admin Law	29,132	55,000	(84,132)	-	-
Sida Nets Support	72,485	1,319,703	(1,392,188)	-	-
Sida Waste Coastal Cities	88,783	502,744	(565,284)	-	26,244
USAID	-	10,000	(10,000)	-	-
UNDP	-	7,653	(7,653)	-	-
World Health Organisation	-	24,000	(24,000)	-	-
World Health Organisation Kenya	-	15,000	(15,000)	-	-
Other income/Other Classes/Bank Interest	-	16,000	(16,000)	-	-
<b>Total Restricted Funds</b>	<b>498,030</b>	<b>3,814,815</b>	<b>(3,029,133)</b>	<b>-</b>	<b>1,283,712</b>
<b>TOTAL FUNDS</b>	<b>3,559,826</b>	<b>5,437,133</b>	<b>(7,008,713)</b>	<b>-</b>	<b>1,988,246</b>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS (continued)

	Period	Amount	Objective
<b>Designated funds</b>			
		\$160,000	Funds set aside as a contribution towards the General Assembly in 2020.
		\$50,000	Funds set aside for DFID WoW
<b>Unrestricted funds</b>			
William and Flora Hewlett Foundation	23/03/2020- 23/03/2022	\$4,000,000	To provide general operating support
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 10,000,000	To support the core activities
Open Society Foundations	01/10/2018-30/09/2021	\$1,000,000	To provide general operating support
Ford Foundation	01/10/20-30/09/22	\$400,000	To provide general operating support
Anonymous Donation	December 2016 – 20	£375,000	To provide general operating support
Anonymous Donation	June 2019 – June 2023	£500,000	To provide general operating support
<b>Restricted Funds</b>			
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 12,600,000	To provide support to the WIEGO Network of informal workers' associations
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 4,800,000	Waste Pickers as environmental agents
Hewlett Foundation	23/03/20 – 23/03/22	\$70,000	To provide support to WIEGO communications Support and Fundraising
Hewlett Foundation – Focal Cities 2	2/12/19 - 2/12/22	\$1,800,000	To establish Urban Livelihood Learning Hubs in Mexico, Senegal and Ghana
Hewlett Foundation	04/09/20-23/03/22	\$1,000,000	Covid Response
UNOPS/Cities Alliance	1/6/16 - 31/5/2021	\$180,951	Support for the Street/Market vendors in city governance and inclusive planning in Greater Monrovia in Liberia.
IDRC	1/7/20 - 30/06/22	CAD 941,500	Covid 19 Study
Open Society Foundations	1/10/18 -31/12/21	\$200,000	Social Protection for domestic workers
Open Society Foundations	1/11/19 – 1/11/22	\$300,000	Social Insurance – Informal Workers
Open Society Foundations	1/10/18 -30/9/21	\$50,000	Mapping in Kazakhstan
Open Society Foundations	1/10/18 -30/9/21	\$40,000	Monitoring, Learning and Evaluation
Open Society Foundations	15/10/19 - 31/8/20	\$14,000	Care Givers in Columbia
Open Society Foundations	01/06/20-31/05/21	\$425,000	Covid Response
Open Society Foundations	26/10/20- 26/10/21	\$165,000	Covid Response NETS Communications
Open Society Foundations	01/10/20-30/03/22	\$ 50,002	Child Care Rebuilding Project to document the experience of shared business ownership models for worker-run and managed child care services during the pandemic.
Open Society Initiative for West Africa	20/12/20 – 19/07/22	\$200,000	To strengthen women and informal sector workers' leadership and representation in time of crisis and post.



# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS (continued)

Echidna Giving/Schwab Charitable	12/12/19-30/09/21	\$150,000	Develop Quality Standards for child care services in Africa
Hewlett Foundation	3/6/19 – 3/9/20	\$95,000	MLE plan, Database & Finance Training
Comic Relief	1/9/19 - 30/8/2024	£505,000	Empowering Women Home-Based Workers
DFID WoW Project	1/3/19 – 31/1/2022	£498,752	HBW – Organising for Economic Empowerment
USAID	25/8/18 - 31/12/21	\$10,000	The Development Innovations Group
UN Women	01/09/20-31/12/20	\$44,000	For the implementation of UN Women's programmes
Friedrich Ebert Stiftung ( FES)	18/08/20-31/03/21	\$24,000	Social Protection Laws in Africa
Ford Foundation – HNI	01/01/21 – 31/12/22	£500,000	HomeNet International
Wellspring Philanthropic	01/10/20 – 31/03/22	\$150,000	Support women in the Informal Economy: Relief, Recovery and Resilience
International Labour Office	01/01/21 – 31/07/21	\$27,097	Implementation of PH/development of a national database of home-based workers in the garment and crafts sectors development of a national database of home-based workers in the garment and crafts sectors in South Africa
International Labour Office	22/03/21- 30/11/21	\$10,250	ILO Informality report Statistical advisor contract

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2021
	\$	\$	\$	\$	\$
Unrestricted Funds	704,534	5,766,972	(3,472,692)	-	2,998,814
Restricted Funds	<u>1,283,712</u>	<u>5,782,909</u>	<u>(3,732,825)</u>	<u>-</u>	<u>3,333,796</u>
<b>Total of Funds</b>	<b><u>1,988,246</u></b>	<b><u>11,549,881</u></b>	<b><u>(7,205,517)</u></b>	<b><u>-</u></b>	<b><u>6,332,610</u></b>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Current assets	3,660,460	3,362,717	7,023,177
Creditors due within one year	<u>(326,664)</u>	<u>(363,903)</u>	<u>(690,567)</u>
<b>Total of Funds</b>	<b><u>3,333,796</u></b>	<b><u>2,998,814</u></b>	<b><u>6,332,610</u></b>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Current assets	1,685,086	939,653	2,624,739
Creditors due within one year	<u>(401,374)</u>	<u>235,119</u>	<u>(636,493)</u>
<b>Total of Funds</b>	<b><u>1,283,712</u></b>	<b><u>704,534</u></b>	<b><u>1,988,246</u></b>

### 11. COMPANY LIMITED BY GUARANTEE

The company is a company limited by guarantee. The members of the company are the directors named on page 1 who have each guaranteed to contribute £1 (\$1.40) to the company's assets in the event of the company being wound up. The company is controlled by the members.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 12. RELATED PARTY DISCLOSURES

According to its Articles of Association, three members of the WIEGO Board should be elected representatives from Institutional Members of WIEGO. From time to time, WIEGO enters into partnership on specific projects with its Institutional Members, including those represented on the WIEGO Board. In addition, Individual Members of WIEGO on the Board and co-opted Board members may have involvement with partner organisations. The WIEGO Board and management agree that in the interest of transparency, such activities and/or relationships should be disclosed in the financial statements.

The WIEGO Board notes that the following Board members have working involvement in organisations that have partnered with WIEGO. In each case, the named trustee or officer was neither directly associated with the project nor in receipt of any compensation related to it.

Mirai Chatterjee is a Trustee of Lok Swasthya SEWA Trust (LSST). Payments to LSST were \$20,000 USD during the year. Mirai is also the Director of the Social Security team at the Self Employed Women's Association (SEWA). No direct payments were made to Social Security SEWA.

Payments to SEWA Bharat of \$36,88 and payments to the Indian Academy of SEWA of \$28,979 were both made during the year.

Elizabeth Tang is General Secretary (remunerated) of the International Domestic Workers Federation (IDWF). Payments to IDWF were \$189,000 USD during the year.

Uma Rani is a Senior Economist (remunerated) at the International Labour Office (ILO). WIEGO received grants from the ILO of \$19,887 USD during the year.

Gabriela Calandria is a member of the International Council for StreetNet. Payments to StreetNet International were \$238,516 USD during the year.

Patrick Ndovlu is a remunerated employee of Asiye e Tafuleni. Payments to Asiye e Tafuleni were \$129,858 during the year.

Caroline Skinner the Research Director for Urban Policies is a Board member for Asiye e Tafuleni. Payments to Asiye e Tafuleni were \$129,858 during the year.

### 13. FINANCIAL COMMITMENTS

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land & Buildings	
	2021	2020
<b>Payable:</b>	\$	\$
Within one year	14,204	4,463
Between two and five years	<u>4,735</u>	<u>-</u>
	<u><b>18,939</b></u>	<u><b>4,463</b></u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

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<b>14. FINANCIAL INSTRUMENTS</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u><b>7,023,177</b></u>	<u><b>2,624,739</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>690,567</b></u>	<u><b>636,493</b></u>

Financial assets consist of cash, grant income receivable and other debtors.

Financial liabilities consist of trade creditors, other creditors and accruals.

**15. RECONCILIATION OF NET MOVEMENT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Net incoming/(outgoing) resources for the year	<b>4,344,364</b>	<b>(1,571,580)</b>
Adjustments for:		
Interest received	<b>(3,679)</b>	<b>(21,201)</b>
Decrease/(increase) in debtors	<b>104,996</b>	<b>(43,526)</b>
Increase/(decrease) in creditors	<u><b>54,075</b></u>	<u><b>(27,235)</b></u>
<b>Net cash used in operating activities</b>	<u><b>4,499,755</b></u>	<u><b>(1,663,542)</b></u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

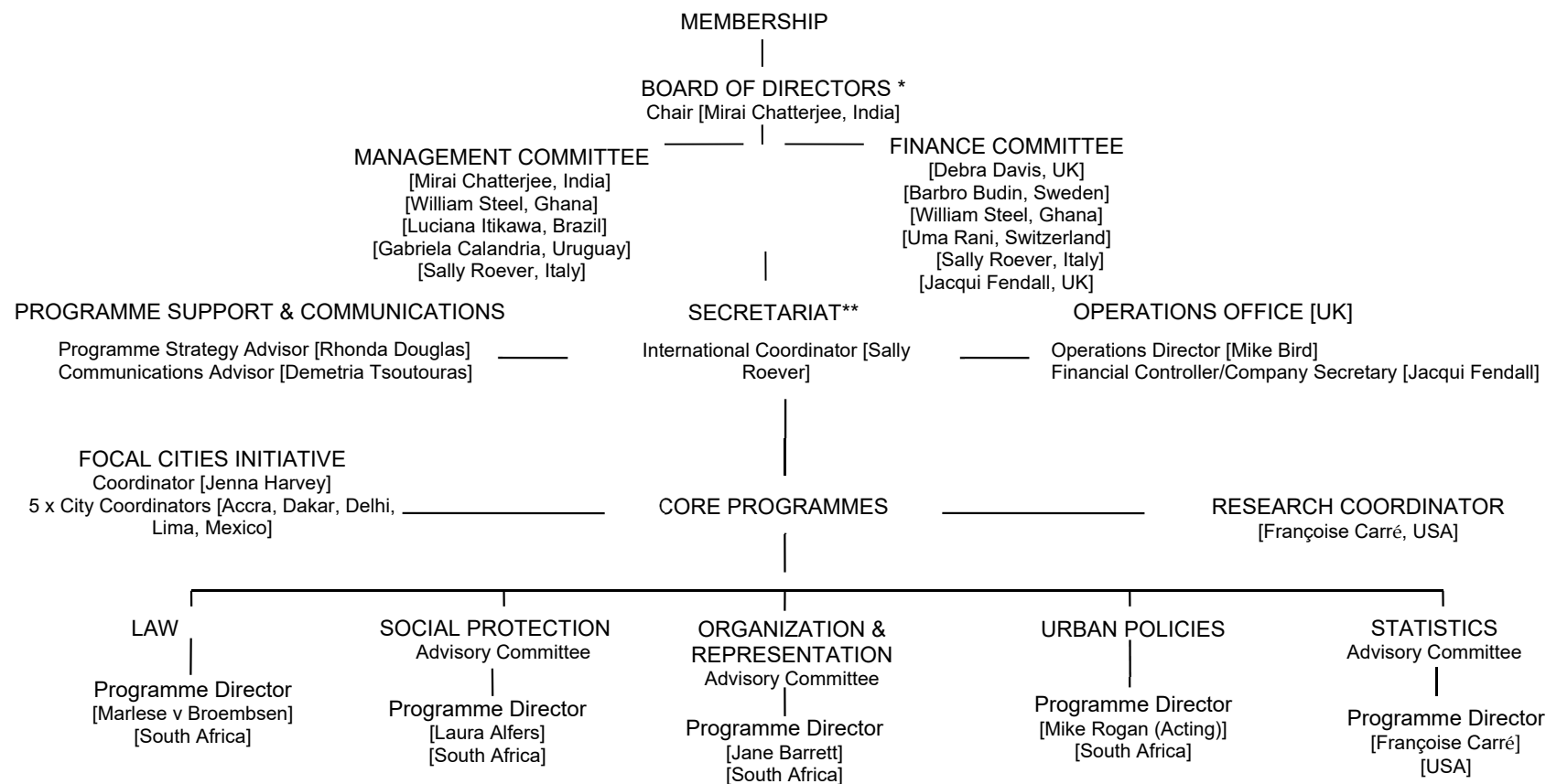
**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

**16. COMPARATIVE SOFA FOR THE YEAR ENDED 31 MARCH 2021**

		Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
	Note			
<b>INCOME</b>				
Donations and legacies	2	-	-	-
Investment income	3	14,874	6,326	21,200
Charitable activities	4	<u>3,799,941</u>	<u>1,615,992</u>	<u>5,415,933</u>
<b>TOTAL INCOME</b>		<u>3,814,815</u>	<u>1,622,318</u>	<u>5,437,133</u>
<b>EXPENDITURE</b>				
Charitable activities	5	<u>3,027,760</u>	<u>3,968,475</u>	<u>7,008,714</u>
<b>TOTAL EXPENDITURE</b>		<u>3,027,760</u>	<u>3,968,475</u>	<u>7,008,714</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<u>787,055</u>	<u>2,346,157</u>	<u>1,571,580</u>
<b>TOTAL FUNDS AT 1 APRIL 2019</b>		<u>498,030</u>	<u>3,061,796</u>	<u>3,559,826</u>
<b>TOTAL FUNDS AT 31 MARCH 2020</b>	10	<u>1,285,085</u>	<u>715,639</u>	<u>1,988,246</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 1 For the year ended 31 March 2021



\* The full Board is listed on Page 1.

\*\* This organogram illustrates the Delegation of Powers to the International Coordinator and key team members. There are many other team members who contribute to WIEGO's work, many of whom are mentioned in Appendix 2.

**The following pages do not form part of the statutory financial statements.**

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **The Year in Review**

#### **Mirai Chatterjee, Chair of the Board**

This past year we have witnessed and endured some of our greatest challenges ever. The serious consequences of systemic inequality and injustice, visible to all in the COVID-19 crisis, have left us mourning the loss of our leaders and members across the movement while coping with the devastating economic fallout of the global pandemic. So many workers have lost their livelihoods. So many have seen what few assets they held disappear. So many have seen their earnings drop to zero and barely recover, if at all.

The uncertainty of the pandemic and its consequences has remained with us throughout the year. What has also remained with us is the steadfast commitment of the women and men in our network to battle the injustices in these most difficult of circumstances. Collectively, membership-based organizations have mobilized around relief efforts, ensured that governments designate their members as essential, and developed new communication structures to ensure no one is alone. They have filled gaps where no one else could and brought hope where it was hard to find.

Our team, members and partners throughout the WIEGO Network have also helped to increase public understanding of the role informal workers play in communities, households and societies. They have come together across sectors and regions to join hands in solidarity and advocate for fairer policies and practices. They have formed new partnerships and alliances, developed new leaders and grown in number and diversity. They have helped to build resilience in their communities and families. They have shown us pathways to recovery by rebuilding local economies in an inclusive and fair manner.

Through everything we do as a network, our members' needs are central. The world of work as it existed before the crisis was built on unsustainable inequalities. There is now more recognition of the urgency to end those inequalities and put into place a world of work that is centred on justice and inclusion. Our strength is solidarity and we are united in our vision of a recovery for all workers.

Mirai Chatterjee  
Chair, WIEGO Board of Directors  
October 2021

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Sally Roever, International Coordinator**

Adaptation and learning have been at the centre of our journey through the harrowing months of 2020-2021. In April 2020, as the pandemic began to play out, we undertook an unprecedented mobilization of resources to quickly design and implement two studies – a rapid appraisal with our institutional members and a mixed-method study with partners – to assess the impact of COVID-19 on informal workers in 12 cities. Never before had our network conducted a study under the circumstances we faced at that time. But putting data in the hands of workers, now as throughout our history, was critical to their efforts to convince governments to include them in relief measures.

Several years of research, organizing and networking culminated in another monumental achievement despite the circumstances of the pandemic: the launch of HomeNet International in February 2021. Home-based workers' organizations from four regions found creative ways to continue their work towards building a democratic, representative global network, even while navigating the severe impact of the pandemic on home-based workers. In coordination with the launch, our Statistics Programme published briefs profiling the size and composition of the home-based work sector in several countries and globally, showing its crucial role in local and global production.

WIEGO's unique model combining research, organizing and advocacy shaped the way policy makers saw and understood informal employment at a pivotal moment in history. Our work with partners documenting barriers to social protection and how innovations can overcome them was disseminated through the world's most influential multilateral institutions. The garment sector work we undertook with members and partners in Asia shaped the way in which stakeholders see informality throughout the supply chain and its effects on working conditions. Local governments participated in dialogues with worker organizations as a result of our joint work with members and partners to produce policy-relevant research.

As we reflect on the lessons learned from the past year, we see our foundation of solidarity in action and the potential it holds for our common future. And as we join hands in the struggle for the future, the courage we have seen in the past year can be a source of inspiration and hope for a more just and inclusive world of work.

In solidarity,

Sally Roever, PhD  
International Coordinator, WIEGO  
October 2021



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **The Formation of a Global Network for Home-Based Workers**

The launch of HomeNet International – a global network for home-based workers – in February 2021 was the culmination of over two decades of organization building. This historic moment was witnessed by a huge number of workers and allies who attended the virtual launch at a time when an in-person meeting was impossible: there were 80 delegates from 36 affiliates from 20 countries, joined by around 200 home-based workers as observers and 200 allies.

The aim of the network is to build solidarity, share knowledge and information, take up home-based worker issues globally, raise a global voice in spaces such as the International Labour Organization, and to provide support to all regions and affiliate organizations.

The idea of a global network for home-based workers was born in the early 1990s when the issue of a convention for home-based workers was placed on the agenda of the International Labour Conference. However, early attempts to form a global network didn't succeed and, instead, the formation and building of regional networks became the focus – HomeNet South Asia and HomeNet South-East Asia – with WIEGO in a supporting role. For the past 10 years, WIEGO has also supported organizations of home-based workers in Africa, Latin America and Eastern Europe. In 2018, representatives of all five regions took the unanimous decision to form HomeNet International within two years.

WIEGO supported the formation of HomeNet International with capacity building, knowledge generation, statistics and network building. We will continue to support HomeNet International in the same way that we support the established global network organizations of street vendors (StreetNet International) and domestic workers (International Domestic Workers Federation).

### **A Global Network of Waste Pickers**

WIEGO is supporting waste pickers to work towards a global network to amplify their voice. Representatives of waste picker organizations from 13 countries participated in the first online meeting for the constitution of the Global Advisory Committee of the Global Alliance of Waste Pickers in June 2020. This is a significant step forward in a process that started in 2008.

### **How Workers Mobilized During the Pandemic**

The COVID-19 crisis has hit informal workers hard. Overnight, in places where governments enacted strict lockdowns, workers' livelihoods vanished and, to make matters worse, many found themselves stigmatized as the spreaders of the disease. Even as lockdowns eased, earnings recovered slowly and for many remained below pre-COVID-19 levels. With workers eager to get back to work instead of waiting for relief, informal worker organizations fought for the recognition of workers' essential roles in society and supported their members during this difficult time when governments failed to do enough. WIEGO has stood by them every step of the way.

Here is what we have achieved together:

### **Recognition as essential workers**

When lockdowns were imposed, informal workers used WIEGO statistics and reports to formulate arguments to persuade their governments to allow them to return to work. Peru, South Africa and Colombia are some of the places where governments recognized informal workers – including waste pickers, street vendors and market traders – as essential workers, allowing them to work during lockdown. Waste pickers provide essential sanitation and solid waste management services, which contribute to public health and safety. Street vendors and market traders provide necessary goods and services and contribute to food security for the poorest and most vulnerable communities.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Increased public awareness**

The pandemic has increased public awareness of the working poor's essential roles and the hardships they face, not least because workers are standing up and telling their stories. In Peru, media reported on street markets' crucial role in the urban food chain – something WIEGO's Lima team has continuously raised with national media – and many were eventually allowed to reopen. In Senegal, WIEGO supported informal worker organizations to speak out publicly about their stigmatization as spreaders of COVID-19. In South Africa, resident organizations, that had previously called for aggressive action against waste pickers, now recognized the importance of their work.

### **Receipt of cash transfers**

Advocacy for cash transfers or grants to informal workers affected by the pandemic was successful in Peru, Ghana and South Africa. WIEGO supported this through media outreach and articulating workers' needs.

### **Cross-sector solidarity**

At the start of the pandemic, WIEGO organized a meeting of regional and global networks of informal workers. Since then, they have been holding weekly (now biweekly) meetings, which have significantly increased cross-sectoral solidarity – a crucial element for movement-building. The networks have worked together on various big moments as a result, including a joint statement on May Day when they presented a global platform of demands, and the preparation of a common platform of demands for the International Labour Conference.

In a series of Workers' Voices webinars – made possible by interpretation into various languages – WIEGO provided a space for exchange where workers' organizations and networks of informal workers could learn from each other and discuss experiences. They talked about innovative policy, advocacy, and organizing strategies during the crisis, as well as positive policy responses. Interventions led by workers' organizations to support informal workers in the pandemic were also discussed.

### **Strengthened communications**

The pandemic contributed to the development of new communications structures, and the strengthening of existing ones, for organizations of informal workers to monitor the impact of COVID-19 and share news with their members. Information technology systems were set up to support members in applying for relief programmes and increase their use of online platforms and tools for virtual communication. The organizations also used crowdfunding platforms and created systems for food distribution among their members.

How WIEGO Programmes Support Domestic Workers

#### **Organization and Representation Programme**

WIEGO has supported the International Domestic Workers Federation (IDWF) to become recognized as a relevant partner at the European level. European trade unions, the Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and UNI Europa, and employers' organizations European Federation for Services to Individuals (EFSI) and the European Federation for Family Employment (EFFE) published a joint statement on the impact of the pandemic on domestic workers in 2020, and another demanding priority access to COVID-19 vaccines for home care workers. For the first time, following engagement by WIEGO and IDWF, IDWF was recognized as supporting the statements.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Statistics Programme**

The programme's Statistical Briefs provide statistics on all WIEGO sectors, including domestic workers, and thus bring visibility to these workers at national and international levels. Tabulations for informal workers, including domestic workers, in India, urban India and Delhi, as well as in Mexico, urban Mexico and Mexico City were provided in two new briefs. These are essential tools for planning and advocacy.

### **Law Programme**

The Law Programme builds the capacity of regional and global networks of informal worker organizations by providing technical input to support their strategies and advocacy, including on the COVID-19 response. Between March and November 2020, the Law Programme collected, collated and analyzed the laws and regulations adopted by 85 countries in response to COVID-19, with a particular focus on street vendors and domestic workers. The analysis for domestic workers focused on whether and how they were recognized as essential workers; whether and how governments protected domestic workers against lay-offs and whether they created health and safety obligations for their employers; and whether they were included in social assistance, social protection and stimulus measures.

### **Social Protection Programme**

WIEGO works continuously with the International Domestic Workers Federation (IDWF) to raise the profile of social protection among their membership. The Social Protection Programme raised funds and designed a social protection survey with IDWF's members, which helped the National Domestic Workers Union in Bangladesh and the All Nagaland Domestic Workers Union in India to better reflect on their social protection priorities and understand the needs of their members.

### **Urban Policies Programme**

To unpack the hardship, injustice and possibility for transformation within our economic system, laid bare by the pandemic, the Urban Policies Programme is hosting the WIEGO-led COVID-19 Crisis and the Informal Economy Study. Together with worker organizations, WIEGO is listening to the experiences of informal workers, including domestic workers, in 12 cities. The study found that, among domestic workers, "live-out" workers were more likely to face unemployment, while "live-in" workers suffered deteriorating working conditions and terms of employment.

How WIEGO Programmes Support Home-Based Workers

### **Organization and Representation Programme**

Collective voice is key to improving the income, working conditions and status of workers in the informal economy – especially women – whose voices are often not heard by those who make decisions that affect their lives. Through strong, democratic membership-based organizations (MBOs) that are created and led by workers, they gain the knowledge, skills, confidence and solidarity to change this. This year, as a result of the programme's support with organization building, HomeNet International and HomeNet Kenya were founded.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Statistics Programme**

Country-specific data on home-based workers are not commonly available and WIEGO has long worked to change that. This year the Statistics Programme, in collaboration with the International Labour Organization and HomeNet International, prepared the first ever global brief with cross-national comparable estimates of home-based workers by world regions and country income groups. Together with home-based worker statistical briefs for Bangladesh, India and Pakistan, they supported the HomeNet International founding congress. The briefs have laid the foundation and built interest in subsequent statistical briefs planned for countries in other regions, including Latin America and Sub-Saharan Africa.

### **Law Programme**

WIEGO seeks to influence key civil society organizations that are engaging with brands and in policy processes to include homeworkers in their strategies. In 2020, together with informal worker organizations and Asia Floor Wage Alliance (AFWA), the Law Programme called on global brands to extend a one-time Supply-chain Relief Contribution to all garment workers in their supply chains. The Law Programme also supported, together with the Organization and Representation Programme, organizations of home-based workers to participate in an EU law-making process – a first – to compel EU companies to undertake a mandatory human rights and environmental due diligence in their supply chains. As a result, 12 organizations of homeworkers from 10 South and Southeast Asian countries developed and submitted a platform of demands to the European Union Commission.

### **Social Protection Programme**

The Social Protection Programme aims to enhance the knowledge and strategic capabilities of organizations of informal workers, including women within these organizations, to exercise voice and engage in alliance building for social protection. The WIEGO Briefing Note Violence at Work, spearheaded by WIEGO's Social Protection team, shows how informal workers, including home-based workers, can use the ILO Violence and Harassment Convention (no. 190) and accompanying Recommendation (no. 206) to draw attention to the domestic violence they experience in their homes and workplaces. Private homes in which domestic workers and home-based workers operate are considered high-risk workplaces due to the isolation of these workers.

### **Urban Policies Programme**

To unpack the hardship, injustice and possibility for transformation within our economic system, laid bare by the pandemic, the Urban Policies Programme is hosting a WIEGO-led COVID-19 Crisis Study. Together with worker organizations, we are listening to the experiences of informal workers in 12 cities. HomeNet South Asia (HNSA) and HomeNet Thailand used the COVID-19 study survey questionnaire to undertake further study of home-based workers in 17 additional cities, thereby increasing our understanding of the challenges workers are facing during the pandemic.

How WIEGO Programmes Support Street Vendors and Market Traders

### **Organization and Representation Programme**

From the beginning of the COVID-19 lockdown in South Africa in March 2020, street vendors were not able to meet and became very isolated from each other. WIEGO supported the organization of virtual monthly meetings for street vendors in all nine provinces in the country. These meetings have created regular interaction and enhanced coordination among the workers, allowing them to keep track of what is going on in all the different provinces.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Statistics Programme**

Our statistical brief for urban Thailand, which included data on all informal workers including street vendors and market traders, was used by the Urban Design and Development Center (UDDC) to improve city planning to accommodate the number of street vendors and convince the Bangkok Governor to return street vendors to footpaths. The brief was also used by HomeNet Thailand to ask the National Health Commission Office (NHCO) to help facilitate a public policy for street vendors in Bangkok. NHCO agreed to discuss this issue with other stakeholders because of the large number of people affected, based on our figures.

### **Law Programme**

The pandemic has dealt a heavy economic blow on the African continent. The Law Programme analyzed the COVID-19 laws of 41 Anglophone, Francophone and Lusophone African countries through an informal trading lens. The paper in which these findings are reported considers the implications of these laws for informal traders' continuity of work, measures to prevent the spread of COVID-19, and social dialogue and engagement with governments. The research will be used to provide online training and capacity building for organizations of informal workers and has been made available to a wide range of stakeholders. The project is being implemented together with WIEGO's Social Protection Programme.

### **Social Protection Programme**

The programme produced a series of briefs to analyze the Social Protection Responses to COVID-19, drawing from WIEGO's database of social protection responses to COVID-19, in order to support movements in their advocacy efforts to expand social protection to informal workers in this period of crisis. Various donors and organizations of informal workers have drawn on these briefs, including for advocacy. For example, StreetNet International used it in their presentation at the Global Platform on the Right to the City, and the International Labour Organization's influential Social Protection Spotlight policy brief included WIEGO's contribution based on one of the briefs.

### **Urban Policies Programme**

In July 2020, the Legal Resources Centre in South Africa used WIEGO's health guidelines for street vendors in a court case to secure the opening of markets in Cape Town. The health guidelines helped demonstrate that traders have taken health concerns seriously, including those related to COVID-19. The case was won and the ruling allowed traders to start working again. The guidelines were prepared together with occupational health professors, food security experts, Asiye eTafuleni – an NGO supporting informal traders in South Africa – and trader leaders.

How WIEGO Programmes Support Waste Pickers

### **Organization and Representation Programme**

WIEGO's Reducing Waste in Coastal Cities Project supports waste picker organizations in preventing ocean waste pollution by improving the capacity of waste picker organizations to be formally integrated into solid waste management in their cities. In September 2020, the city of Mangalore, India, issued occupational ID cards for 156 waste pickers as a result of enumeration of workers conducted as part of the project. This is a clear recognition by the state that informal waste pickers are part of the solid waste management infrastructure of the city. The ID cards also make the workers eligible for certain social welfare benefits, including health insurance, and allows them to open a bank account.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 2 For the year ended 31 March 2021

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### Statistics Programme

There is particularly little data on waste pickers, relative to other informal worker groups, in country and international statistics. WIEGO prepared statistical briefs on informal workers, including waste pickers, in India, urban India and Delhi and Mexico, urban Mexico and Mexico City. This affirms the importance of the continued collection of data, which makes tabulation of these workers possible.

### Law Programme

When the Kpone landfill in Accra, Ghana, was suddenly being decommissioned without consultation in June 2020, it came as a shock to the hundreds of waste pickers who rely on their work at the site to survive and feed their families. The Law Programme engaged the Accra-based Advocates for Community Alternatives to support the Kpone Wastepickers' Association to engage the World Bank on the government's lack of compliance with the Bank's safeguarding policies – requiring consultation and the development of a livelihoods restoration plan. The World Bank did not ultimately assume responsibility for safeguarding, and waste pickers are now advocating with the government to secure waste management contracts, finance and infrastructure to operate as an independent cooperative in the waste value chain.

### Social Protection Programme

The programme's Informal Economy Podcast: Social Protection is a source of accessible information that raises awareness about research and debates on social protection for informal workers, including waste pickers. This year, it featured topics such as universal basic income, social protection needs for older workers, and the impact of the pandemic on workers. Socialprotection.org – the leading web-based platform for dissemination of social protection resources – featured WIEGO's social protection work in Lima after it was discussed on our podcast.

### Urban Policies Programme

The Urban Policies Programme supports informal workers in their efforts to transform urban systems, including through raising the visibility of waste pickers in important debates. Marli Beraldo, a waste picker leader from the Acamares association in Minas Gerais, Brazil, participated in a webinar led by Brazil's National Health Foundation about the impacts of COVID-19. She shared the health and economic impacts felt by waste pickers during the pandemic. The invitation was a result of WIEGO's ongoing interactions with the Foundation on COVID-19-related work.

#### How WIEGO's Focal Cities Teams are Supporting Informal Workers

WIEGO's Focal Cities approach supports informal worker organizations to engage with government officials to secure more inclusive laws and regulations, improved urban services and a voice in urban planning and policy-making processes. WIEGO's five Focal Cities are Accra, Ghana; Dakar, Senegal; Delhi, India; Lima, Peru and Mexico City, Mexico.

#### Accra, Ghana

The team works with **market traders, street vendors, waste pickers** and **kayayei /market porters**. After a fire in a shopping mall, WIEGO reached out to worker leaders to find out the extent of the impact on informal traders and to offer support with a statement to demand a response from the authorities. The joint statement from the Greater Accra Markets Association (GAMA) and Informal Hawkers and Vendors of Ghana (IHVAG) received a lot of media attention; this was an opportunity workers used to reiterate their demand for a safe and secure working environment. Following the statement, the National Board for Small Scale Industries (NBSSI) agreed to increase the number of eligible beneficiaries of a COVID-19 alleviation programme – although support has remained limited.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 2 For the year ended 31 March 2021

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Dakar, Senegal

The team works with **home-based producers, street and market vendors, waste pickers, taxi drivers, laundresses, carpenters and construction workers.**

WIEGO is working to secure waste pickers' livelihoods in the process of the eventual closure of the Mbeubeuss dumpsite. In partnership with strategic allies, WIEGO works to strengthen the capacity of Bokk Diom – the association of Waste Pickers of Mbeubeuss – to defend their rights and interests as workers. Bokk Diom leaders are now holding the authorities to account for the protection of their livelihoods and are demanding inclusion in the project. In March 2021, Bokk Diom began the process of becoming a union. With the International Labour Organization and WIEGO, Bokk Diom worked in the development of two feasibility studies for the creation of a cooperative, identifying potential areas where they could participate within the waste management chain.

Delhi, India

The team works with **domestic workers, home-based workers, street vendors and waste pickers.**

In Delhi, WIEGO joined a diverse coalition of allies who together formed the Main Bhi Dilli ("I, too, am Delhi") Campaign – to advocate for the need for a more participatory and inclusive approach to the next Delhi master plan, which sets the tone for the city's development for the next 20 years. As a result of the campaign's advocacy efforts, the city opened up its most inclusive public consultation process yet – accepting for the first time citizen input on the master plan before the release of a draft rather than after.

Lima, Peru

The team works with **domestic workers, home-based workers, street vendors, waste pickers, "canillitas"/newspaper vendors and market porters.**

COVID-19 restrictions in Peru were among the strictest and longest in the world. Informal workers were not able to go to work for almost four months. Team Lima worked closely with membership-based organizations, government officials and the media to advocate for cash grants for self-employed workers. At the start of the pandemic, the national government granted cash support to households categorized as poor or "extremely poor", but the urban directories were not up to date and the majority of informal workers were left out of the benefit. A cash grant for self-employed workers was approved a couple of weeks after WIEGO's advocacy started and improved the reach of the cash grants to include many informal workers.

Mexico City, Mexico

The team works with **domestic workers, street vendors, waste pickers and non-salaried workers** including mariachi musicians, coffee vendors, shoe shiners and organ players.

Through the "Rifados de la Basura" campaign, launched by WIEGO in April 2020, waste pickers drew attention to their working conditions through the media and gained visibility and recognition from government officials and the public. The Mexico City Human Rights Commission issued a press release soon after the start of the campaign urging Mexico City's government to protect informal waste pickers due to the high risks they faced in the COVID-19 crisis, incorporating two of the central demands of WIEGO's campaign.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Improving the Accessibility of Our Work**

Making our research available in accessible formats and disseminating it on various channels and in a wide variety of languages contributes to an inclusive environment in which workers can use our materials to inform their advocacy. Over the past year, our new trilingual website, increasingly visual social media messaging, and media outreach conducted by a dedicated press team have contributed to improved accessibility.

These strategies were, for example, used for the dissemination of WIEGO's 12-city study, which is conducted in collaboration with organizations of informal workers and assesses the impact of the COVID-19 crisis on specific groups of workers and their households. The results and outputs from the study have been widely shared by donors and multilateral international organizations, as well as by workers who have used it in their advocacy for better working conditions and rights during the pandemic.

In Peru alone, the study results were featured in 80 news and interview pieces; the ministries of labour and production in Peru took action on a recommendation of the study to provide access to small credit to informal workers; and, following a public parliamentary session on climate where the results were presented, the Lima municipal government designated informal recyclers as essential. The ILO's flagship online publication – the International Labour Review – accepted for publication two WIEGO-authored papers on the study findings. Various news outlets around the world reported on the impacts of the crisis on informal workers after receiving a press release from WIEGO.

The Law Programme commissioned the creation of engaging materials for their Waste Pickers and Human Rights work, which aims to improve working conditions for waste pickers through a human rights perspective and to extend the right to work to include informal workers. The materials (Spanish only) included a comic, a snakes and ladders game and a guide to recyclers' rights.

Disseminating our work in partnership with donors and large international organizations makes it more accessible for a larger audience and thus increases the reach of our work. In partnership with Ford Foundation and UNU-WIDER, WIEGO co-hosted an online event to celebrate the book *The Informal Economy Revisited: Examining the Past, Envisioning the Future* and to call attention to the future of informal work. This 34-chapter open-access book brings together leading scholars from a broad range of disciplines to investigate recent conceptual shifts, research findings and policy debates on the informal economy. Edited by Marty Chen and Françoise Carré, the volume is the culmination of WIEGO's first 20 years of pioneering work on the informal economy. As a whole, it calls for a paradigm shift in theory and research as well as policies, laws and regulations on the informal economy.

Increased availability of translation and interpretation provided by the communications team makes trainings and workshops accessible for a wider audience and has improved representation from our constituencies, also in global campaigns – such as the 16 Days Campaign to call for the ratification of ILO Convention 190 to end all forms of gender-based violence, which focused on women in informal employment.

For International Women's Day, WIEGO amplified the voices of women leaders – in their own words, made possible by translation – whose organizations stepped up to provide relief when governments failed to do enough during the COVID-19 pandemic.

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Company Registration No: 6273538  
Charity Registration No: 1143510

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**FINANCIAL STATEMENTS  
(COMPANY LIMITED BY GUARANTEE)  
For the year ended 31 March 2021**

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

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# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION** **For the year ended 31 March 2021**

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Name: Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited

Charity Registration No: 1143510

Company Registration No: 6273538

Principal and Registered Address  
521 Royal Exchange  
Manchester  
M2 7EN  
United Kingdom

Telephone: 0161 819 1200

Website: [www.wiego.org](http://www.wiego.org)

Names of Current Directors

The Directors of WIEGO, which is a charitable company, are its trustees for the purposes of charity law. Throughout this report the Directors are collectively referred to as the Board.

Mirai Chatterjee (Chair)  
Debra Davis (Treasurer)  
Barbro Budin  
Lin Lim Lean  
William (Biff) Steel  
Gabriela Calandria  
Luciana Fukimoto Itikawa  
Uma Rani  
Elizabeth yin Ngor Tang  
Patrick Sibusiso Ndlovu

Chief Executive Officer  
(known as International  
Co-ordinator)

Sally Roever

Company Secretary

Jacqui Fendall

Bankers

Santander UK Bank plc  
Manchester Business Centre  
298 Deansgate  
Manchester  
M3 4HH

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION** **For the year ended 31 March 2021**

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**Auditors**

Crowe U.K. LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Solicitors**

Bates Wells and Braithwaite  
2 – 6 Cannon Street  
London  
EC4M 6YH

**Programme Team**

Sally Roever  
Jane Barrett  
Marlese von Broembsen  
Rhonda Douglas  
Laura Alfes  
Mike Rogan  
Francoise Carré

International Co-ordinator  
Programme Director, Organization & Representation  
Programme Director, Law  
Programme Strategy Advisor  
Programme Director, Social Protection  
Interim Programme Director, Urban Policies  
Programme Director, Statistics

**Operations Team**

Sally Roever  
Jacqui Fendall  
Rhonda Douglas  
Mike Bird  
Megan Landeros

Carol Clayman

International Co-ordinator  
Financial Controller/ Company Secretary  
Programme Strategy Advisor  
Operations Director  
Research and Administrative Assistant to the  
International Co-ordinator  
Executive Assistant to International Coordinator

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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The Board of Directors of Women in Informal Employment: Globalizing and Organizing (WIEGO) Ltd presents the Directors' Annual Report for the year end 31st March 2021.

### **1. STRUCTURE, GOVERNANCE AND MANAGEMENT**

WIEGO's structure, governance and management are illustrated by the organogram in Appendix 1.

#### **Structure**

WIEGO is a charity registered in England and Wales (No. 1143510) and is constituted as a company registered in England and Wales and limited by guarantee (No. 6273538). The Directors, officers and advisors of the organisation during 2020-21 are listed on page 1 and 2. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under our Articles of Association. Revised governing documents of WIEGO conforming to the Companies Act 2006 and the decisions of the Global Assembly in April 2010 were accepted by the Board and lodged with Companies House in July 2011. In the event of the company being wound up members are not required to contribute an amount exceeding £1.

All WIEGO funds are received and managed by the Operations Office of WIEGO in Manchester, UK. Until June of 2020 WIEGO paid Harvard University for the costs related to the WIEGO Senior Advisor who is located at the Harvard Kennedy School.

The WIEGO accounts at Harvard University are audited each year as part of the annual financial audit of Harvard University. Income within those accounts is recognised in the accounts of WIEGO in the UK and these are audited each year by an external auditor.

As at the end of the financial year, more than fourteen institutional funders provided financial support for WIEGO including a two year \$5 million USD grant from the William and Flora Hewlett Foundation and a three year grant from Sida. WIEGO also received grants from the Open Society Foundations, Ford Foundation, UK FCDO, Echidna Giving/Schwab Charitable, IDRC, Comic Relief, Cities Alliance, FES, International Labour Organisation, UN Women, USAID and Wellspring Philanthropy.

#### **Governance**

WIEGO is governed by a 10-person Board of Directors. The Directors are the Members of the Company and also the trustees of WIEGO as a registered charity. The Board ensures that WIEGO's activities carry into effect the Charity's object. Its work includes setting the strategic direction; scrutinising performance, quality and finances; and agreeing the financial strategy and operational budgets. The Board meets at least three times a year either physically, by teleconference, or by electronic means. In the current year, given the circumstances of the pandemic, there was one video conference meeting of the Board and two teleconference meetings.

WIEGO's Board of Directors is comprised of three representatives of membership-based organizations of informal workers (one of whom serves as the Chair); two representatives each from the other two constituencies of WIEGO (researchers and development professionals); and three other persons co-opted by the Board as needed to carry out the functions of the Board.

The Board was re-constituted during the four-yearly General Assembly that was held in Johannesburg in November 2018. Four of the previous Board of Directors were nominated and elected by the membership of the wider WIEGO network at this General Assembly and three new Directors were appointed. Three other members were co-opted by the Board thereafter. The Board has representation from Africa, Latin America and Asia as well as Europe and North America. A full term for any Director is four years and Directors may be re-elected or re-appointed to serve for a further term in any given office. The Board represents all WIEGO members between General Assemblies in accordance with WIEGO's Articles of Association.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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The International Coordinator speaks regularly with the Chair of the Board, the Treasurer and other Directors to ensure that they are all kept fully informed. Delegated decisions made at other levels of WIEGO are regularly reported to the Board and its Committees to ensure Directors have full information to fulfil their roles. The Board is supported in its work by the Management Committee, the Finance Committee and other ad hoc committees and working groups as required. The Human Resources Sub Committee of the Management Committee considers and makes recommendations regarding human resource issues. Committee reports are a standing agenda item for the Board of Directors meetings.

The Management Committee consists of five members including four Directors and the International Coordinator. The Management Committee is chiefly responsible for overseeing the programmes and policies of WIEGO. The core programmes of WIEGO (Social Protection, Organisation and Representation, Urban Policies, Statistics and Law) are each led by a Programme Director. Reports are received from the Programme Directors of these programme areas by the International Coordinator and the Management Committee, together with reports from the Company Secretary, Programme Strategy Advisor, Regional Advisors, the Research Coordinator and the Operations Director.

The Finance Committee reports to the Board of Directors and consists of six members, comprising three Directors, the International Coordinator, the Financial Controller/Company Secretary and the Operations Director. It convenes at least four times a year to consider reports from, among others the Treasurer, the International Coordinator, the Financial Controller (who also serves as Company Secretary) and external auditors. The Finance Committee is responsible for reviewing and monitoring all aspects relating to the preparation and production of the annual financial statements of WIEGO. Specifically, in terms of annual statutory accounts, this includes consideration of accounting policies, levels of disclosure, risk management policies, compliance with applicable corporate governance requirements, and reviewing any relevant matters relating to annual financial statements raised by the external auditors as a result of audit work. The Finance Committee recommends the audited financial statements to the Board of Directors for approval. It makes recommendations regarding the appointment of the external auditors and approves their remuneration and terms of engagement. It reviews the performance and reports the results of external auditors' work annually to the Board.

Since our incorporation, WIEGO has undergone considerable change and expansion. This change and expansion has required an extensive updating of our management and operations processes and procedures. As this organisational development has progressed, WIEGO has ensured that our governance arrangements are appropriate, effective and evolving to changed circumstances by having Directors who bring a wealth of organisational, research and professional experience to WIEGO. Because of this, the Operations Manual is regularly updated.

The Directors are assisted by WIEGO's International Coordinator, the Programme Directors, the Programme Strategy Advisor, the Operations Director, the Financial Controller / Company Secretary. Board Members are kept informed about major issues affecting WIEGO. All Directors are aware of their legal and financial responsibility to run the company effectively and to act in its best interests.

All WIEGO Directors are also aware of their responsibility for WIEGO's strategic direction and their responsibility to fulfil WIEGO's objectives through assessing the organisation's performance, ensuring the correct policies are in place and that WIEGO's activities reflect the needs of our beneficiaries. Reflecting this responsibility, the WIEGO Board and Team monitor the implementation of the current 5 year strategic plan, which was set out in 2018.

The Directors also have access to professional advice and guidance from external advisors, including WIEGO's external auditors, Crowe U.K. LLP, Co-operatives UK and its solicitors, Bates Wells & Braithwaite LLP.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Recruitment and Appointment**

The WIEGO General Assembly in 2018 elected seven Board members from the three constituencies of members. A Nominating Committee solicits nominations from the WIEGO Membership and then proposes a slate of nominees to the Board and the General Assembly for their approval. The Nominating Committee consists of five persons, two appointed by the Board and one person elected by each constituency of the membership at the time of each quadrennial General Assembly. Elections are usually agreed by consensus but if that is not possible then by a simple majority of votes cast. In preparing the slate of nominees for the Board, from among those nominated by the membership, the Nominating Committee is guided by the principle of achieving reasonable balance on the Board as a whole and ensuring representation from each of the three membership constituencies. The Nominating Committee also takes into account the range of skills and experience required for the Board to exercise its responsibilities and to conduct its business in an efficient and effective manner to the benefit of WIEGO and its beneficiaries.

Last year the Board Chair who was elected in 2018, Renana Jhabvala, stepped down from the Board and was replaced on the Board by Mirai Chatterjee after an election process among the members of the Constituency of Institutional Members of WIEGO. Dr Chatterjee, was endorsed as Chair by the Board at its meeting on the 13<sup>th</sup> November 2019.

The Board also has powers to co-opt to fill vacancies. It co-opted Debra Davis, a chartered accountant with international experience as a Director and Treasurer at the time of General Assembly in 2018. Two further Directors were co-opted by the Board at its meeting on the 9<sup>th</sup> May 2019.

Each has a commitment to WIEGO's aims and their appointment ends at the next General Assembly, to be held in the financial year 2022/23. They may be re-appointed.

### **Induction and training**

In line with National Council for Voluntary Organisations (NCVO) guidelines, all Directors were inducted into the work of WIEGO and the legal roles and responsibilities of Directors, through briefings by the International Coordinator, the Company Secretary, the Board Chair and the Programme Directors.

### **Management**

The Board has delegated day-to-day leadership and management of WIEGO's affairs and the implementing of agreed policies and strategies to the International Coordinator, Sally Roever. She is assisted by a team of Programme Directors, the Programme Strategy Advisor, a Research Coordinator and an Operations Team who operate within an approved scheme of delegation (see Appendix 1). The former International Coordinator, Marty Chen, has stayed on as Senior Advisor to WIEGO and continues to support the organisation especially in the areas of research and fundraising.

The development of the organisation since 2007 has required the extension and updating of operational procedures. This is a continuing process requiring revision of the Operations Manual on occasion through 2020/21.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Equality and Diversity**

In its Articles of Association, WIEGO is committed to opposing discrimination in matters of gender, race, faith, age, sexual orientation, or disability, and to operate within an equal opportunities framework. This commitment is currently applied to the delivery of WIEGO's programme, our employment practices and for the organisation of our membership. During the 2020/21 financial year we established a Diversity, Equity and Inclusion working group, chaired by the International Coordinator, to take a thorough look at how WIEGO can work more effectively to confront and overcome the biases and power imbalances that are present within WIEGO as much as in any other institution.

### **Staff Involvement**

WIEGO seeks to engage all employees, key contractors and members in our activities and achievements. A number of teams have been set up to improve working together and ensure delivery of results. These include the Operations Team, the Programme Team, the Communications Team, the Fundraising Team and others. There are a number of routine communication methods, notably frequent and regular emails, an intranet, skyping, teleconferences, and periodic physical meetings. All teams are kept up-to-date by the International Coordinator and via the WIEGO intranet with the activities and developments, such as Directors' decisions after each cycle of Board and Committee meetings.

There is normally a physical meeting of the WIEGO Team each year, the Team Retreat, but owing to an organisational decision not to hold international meetings in view of the pandemic, this was cancelled in the current year. We are planning a "virtual" Team Retreat in the 2021/22 financial year because of the continuing restrictions on international travel in order to ensure we do not lose the opportunity to have all voices and perspectives present in one meeting. With a diverse and geographically dispersed team, it has been important to hold face-to-face meetings in order to establish a team spirit and provide an opportunity to share ideas and challenges and our plan is to recreate this as closely as possible.

### **Risk Management and Internal Controls**

Review of the Risk Register is delegated to both the Management Committee and the Finance Committee to support the Board in assessing and prioritising risks and risk-mitigating strategies across WIEGO. Relevant sections of the Risk Register were reviewed by the Finance and Management Committees according to their terms of reference. The Committees monitored the major risks to which WIEGO is exposed, recommended steps to mitigate risks, and oversaw the implementation of effective risk management. The two Committees report once a year to the Board on the Risk Register and the risk management strategy. The Risk Register was amended by the Finance and Management Committees in June and in November of 2020.

The Finance and Management Committees identify the operational, financial and reputational risks WIEGO faces, prioritising them in terms of potential impact and likelihood of occurrence and proposing means of mitigating the risks. With the continuing development of the risk management strategy, the Board is assured that:

- different areas of WIEGO's risk exposure are reviewed regularly, ensuring that risks have been properly identified by management and are being effectively managed;
- the risk management processes defined by the Finance and Management Committees are in place and operating as intended;
- the Operations and Programme Team are responding to risks effectively so that those risks are reduced to an acceptable level;
- the controls that managers have in place are successful in managing those risks identified in WIEGO's register.



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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The Covid pandemic has led us to consider new risks relating to the physical and mental health of the WIEGO Team and we have put in place protocols to manage these, including strict controls on face-to-face working where this is possible to undertake at all, and frequent Team meetings. We have also taken steps to manage the increased risk of cyber-crime. Foreign exchange risk is also a key risk as we receive funds in USD, GBP and SEK. Currency matching and the continuing review of the impact of exchange rate fluctuations are in place. We are not facing any increased risk of failing to raise funds for WIEGO's work and in fact many of our donors have contributed additional funds to enable us to respond to the pandemic and its impact on informal workers.

The Board recognises that, to achieve the objectives of WIEGO, the nature of our work requires acceptance of some risks which are outside our control and cannot therefore be eliminated or fully managed. Where this happens, there is active and clear monitoring of such risk. The Board is satisfied that systems are in place to monitor, manage and mitigate WIEGO's exposure to major risks.

### **Internal Financial Control**

The Financial Controller's work is framed largely by WIEGO's regulations, policies, operations manual and risk assessments. The Directors created an Operations Manual when WIEGO was incorporated to ensure the adequacy of WIEGO's internal controls. It has been updated during the year and is reviewed regularly. Audit recommendations are systematically followed up and monitoring reports are received by the Finance Committee. The Accounting Software system used by WIEGO (Xero) provides access to financial information by budget holders and others across the globe.

The Treasurer reviews the work and ensures, through the Finance Committee and the Operations Team, that the Board and the Management Committee have confidence that:

- Processes and procedures are in place to manage the risk of fraud;
- WIEGO's internal control systems and procedures are kept under review;
- Controls are in place for the financial routines and systems that WIEGO operates.

The key procedures which the Directors have established with a view to providing effective internal control are as follows:

- Corporate accounting and procedures  
Responsibility levels are communicated throughout WIEGO. This includes delegation of authority and clear authorisation and approval levels, control processes, segregation of duties (as far as possible in a small organisation) and accounting policies.
- Quality and integrity of personnel  
The competence and integrity of personnel are ensured through high recruitment standards. High quality of personnel is seen as an essential part of the control environment.
- Budgetary process  
Each year Directors approve the annual budget taking account of the key risk areas and also of income and expenditure patterns from the previous year. Performance is monitored and relevant action taken throughout the year through the periodic reporting to the Directors of variances from budget, updated forecasts for the year and information on the key risk areas.

### **Key Management Personnel**

The Key Management Personnel consists of Sally Roever, International Coordinator and Mike Bird, the Operations Director. Sally Roever is employed by WIEGO and in the course of the current financial year she moved from Rome, Italy to Church Falls in Virginia, USA. Her salary is determined by the Board.

Mike Bird is employed by WIEGO in the UK, where remuneration is set according to market rates and reviewed periodically by a Management Committee.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## DIRECTORS REPORT For the year ended 31 March 2021

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### 2. OBJECTIVES, AIMS AND PUBLIC BENEFIT

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy. By doing so, our aim is to ensure in the long term the well-being of the working poor and the reduction of poverty.

The objects of the charity are set out in paragraphs 3 and 4 of WIEGO's Articles of Association as follows:

*The Company's objects are to relieve poverty: in particular, the poverty of the working poor in the informal economy caused by low earnings, high risks, and adverse working environments and conditions associated with the informal economy worldwide (including non-standard or unprotected employment for formal firms);*

- a) *By conducting and promoting research (making the useful results publicly available) into the experiences and conditions of the working poor, the working environment and conditions within the informal economy, the wider policy and regulatory environments under which the informal workforce operates and the causes, effects and ways of addressing the poverty of the working poor within the informal economy;*
- b) *By advancing the education of policy decision-makers, the wider public, supporters of the working poor and the working poor themselves, in relation to the causes, effects and ways of addressing the poverty of the working poor within the informal economy.*
- c) *By helping organizations of the working poor to address the poverty of their members.*

*In carrying out its objects, the Company shall promote equality of opportunity and oppose any form of discrimination on grounds of race, ethnic origin, gender, sexual orientation, age, disability or religion.*

In order to achieve our objects, WIEGO seeks to increase the Visibility, Validity and Voice of the working poor in informal employment:

- Increased **Visibility** – by undertaking and sponsoring research; convening and participating in research conferences; and helping to develop and improve official labour force and other economic statistics on informal employment and the informal economy.
- Increased **Validity** – by promoting mainstream recognition of the working poor in informal employment as legitimate economic agents who contribute to the overall economy and are, therefore, legitimate beneficiaries of economic and social policies; and by promoting the incorporation of informal workers into policy-making and rule-setting processes.
- Increased **Voice** – through supporting and strengthening organisations of informal workers, networking and linking such organisations and helping them to gain representation in the policymaking and rule-setting bodies that affect their work and lives.

The individuals and institutions in the WIEGO network are drawn from three broad constituencies: membership-based organizations (MBOs) of informal workers; individuals undertaking research and statistical work with regard to informal employment, and development practitioners in agencies of various types (non-governmental, governmental, and inter-governmental).

Together with our allies in the international movement of informal workers, WIEGO seeks:

- to put issues of employment and livelihoods in general and of informal workers in particular at the centre of development discourse, policies, and processes re growth and poverty;

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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- to investigate and increase understanding of the size, composition, and contribution of the informal economy and of the status, needs, and constraints of specific groups of informal workers, especially women;
- to investigate and increase understanding of how different groups of the working poor, especially women, in the informal economy are linked to the formal economy and inserted into the global economy;
- to strengthen membership-based organisations of informal economy workers, and assist the self-development of national, regional and global networks;
- to promote appropriate and equitable policies, laws, regulations, and institutions to improve and secure the livelihoods of the working poor in the informal economy.

Since its founding, the WIEGO network has developed several distinct features that enable us to influence mainstream perceptions, policies and institutions. First, WIEGO focuses on the concrete reality of the working poor, especially women, in the informal economy and seeks to integrate an evidenced based understanding of this concrete reality into mainstream development thinking, policies and institutions.

Second, WIEGO builds effective alliances between our three constituencies and draws on the distinct expertise of each constituency in our work:

- the credible findings and informed analysis of researchers and statisticians;
- the policy leverage and influence of professionals in development agencies;
- the grounded understanding, collective strength and moral authority of democratic membership based organizations of informal workers.

Third, WIEGO has developed programme initiatives and technical expertise on a range of issues that address the expressed needs and concerns of informal workers. Finally, and importantly, WIEGO builds networks and partnerships by providing technical support to and working closely with membership-based organisations of informal workers. A more detailed account of WIEGO's activities, achievements and performance during 2020/21 is provided in a separate Appendix 2.

### **Grant making**

Our grant making policy is to work with associations within WIEGO's wider network who share WIEGO's objectives and are well placed to deliver effective projects. Grants are recognised in the financial statements when they are approved or when there is a legal constructive obligation.

### **Public Benefit**

In preparing this report, the Directors confirm that they have complied with the duty in section 17 of the 2011 Charities Act. To the best of their ability, they took into account and consistently applied the Charity Commission's guidance on public benefit, as set out in its publications "Charities and Public Benefit: the Charity Commission's general guidance on public benefit" and "The Prevention or Relief of Poverty for Public Benefit".

The Charity's object is set out in our Articles of Association as revised on 19<sup>th</sup> July 2011 and the Directors' current interpretation of these is set out in this report, while the report as a whole covers WIEGO's activities and achievements throughout the world pursuant to this object.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **3. ACHIEVEMENTS AND PERFORMANCE**

A detailed account of WIEGO's activities, achievements and performance during 2020/21 is provided as Appendix 2. WIEGO publishes an Annual Report each year for general distribution. Appendix 2 is an abridged version of that Annual Report.

#### **Evidence of Impact**

For a detailed report on impact achieved during 2020/21 please see Appendix 2.

#### **Communications, Membership Support and Outreach**

WIEGO aims to expand its network – partners, members and allies – to strengthen the collaborative activities under this network, and to extend our reach and impact. As of March 2021, WIEGO had 208 members: 36 Institutional Members and 172 Individual Members in some 45 countries.

WIEGO has strengthened membership support and outreach to provide help in building organisational capacity of the Institutional Members (all democratic, member-based organisations of informal workers) and in developing improved two-way communication with them. In the current financial year this included creating a new post of Network Liaison Officer to coordinate and deepen this work.

WIEGO maintained our strong communications capacity during 2020/21 to help meet our goals of producing user-friendly publications and improving how we disseminate information, with an increasing focus on supporting our messaging through social media. We undertook an external review of the communications function in the current year and this led to a restructuring of the Communications Team.

We have continued to respond to the need for information on the impact of the Covid-19 pandemic and what informal workers can do to keep safe, with new pages on the WIEGO website and health education messages disseminated via social media in 14 languages.

#### **External Factors Affecting Achievement - Covid-19**

Due to the international nature of our work and also our link with partners in countries across the globe, WIEGO recognises there are a number of factors which could affect achievement of our aims and objectives. Significant external factors affecting WIEGO's work and achievements included:

##### *Economic, Policy, and Political Environment: faced by the Working Poor in the Informal Economy*

- If anything the Covid-19 pandemic has served to highlight the plight of informal workers all around the world. The economic shutdown in almost every country had a very quick impact on the livelihoods of informal workers, most of who live hand-to-mouth every day. The repercussions are likely to be profound and long-lasting
- The fall-out from the pandemic is likely to fuel the growing trend of informalisation of work with the loss of tens of thousands of formal jobs
- The shrink in demand for some of the services and products that informal workers provide will continue to have an impact and will result in increased global uncertainty and insularity

While all these factors are beyond WIEGO's control, we are able to seek the advice of international partners and experts and consult with the Board and WIEGO's membership on how best WIEGO can play its role in support of the global movement of informal workers.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Conclusion**

From our inception in 1997, WIEGO has been an organisation prepared to undertake policy research and advocacy on behalf of informal workers to increase their Voice, Visibility and Validity and thereby help to increase the well-being and relieve the poverty of the working poor, especially women. This has remained unchanged through 2020/21. WIEGO's mission, vision and purpose have remained essentially unchanged but the breadth and depth of our activities, the size and capacity of our team, and the effectiveness of our operations and governance systems have remained robust.

### **4. FINANCIAL REVIEW**

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the requirements of the Statement of Recommended Practice for Accounting and Reporting by Charities, the Charities Acts, and the Companies Acts.

The financial strategy for the year was developed to build on our strategy and achievements from the previous year, which were designed to ensure the sustainability and future viability of WIEGO. We reviewed the resources expended in relation to activities implemented and results achieved. We have also factored in when current grants will end, in order to carefully monitor expenditure and activities to ensure maximum benefit and minimal disruption for members and partners as we try to raise funds for our future work. During the fiscal year ending 31 March 2021, our total incoming resources were \$11,549,881 (as compared to \$5,437,133 in the previous year). We continue to experience peaks and troughs in our income due to the regulation on income recognition.

Our total expenditure was \$7,205,517 (as compared with \$7,008,713 in the previous year).

The overall aim of the financial strategy is to ensure that resources are used efficiently to contribute to meeting programme and project targets and achieve WIEGO's priorities. In order to achieve our objectives, the maximum levels of resources possible are channelled to the direct benefit of programmes and to deliver necessary quality improvements in research, policy advocacy and capacity building, while maintaining prudent financial management controls over resources of WIEGO as a whole. Budgetary and financial control continues to be reviewed in order to reduce the risks of under or overspending and to mitigate the effect of a drop in income in any one financial year. This is underpinned by the building of reserves.

### **Going Concern**

The indications at the time of writing are that WIEGO is well-placed to weather the storm of the Covid-19 pandemic and the policies that have been put in place to combat it. Since the start of the pandemic all of our major donors have been in touch to offer their support in the form of additional funding and/or extensions to grant periods and the possibility to redirect funds as necessary in order to meet new and unexpected needs as they arise.

The financial outlook for WIEGO is secure with two- and three-year extensions to unrestricted grant funding signed with the Hewlett Foundation and Sida respectively at the end of the 2019/20 financial year. The respective grants agreed are for US\$4 million, since increased by a further US\$1 million, and the equivalent of \$8.4 million. We have also secured additional funding from the Open Society Foundations, the Ford Foundation, the International Development Research Centre of Canada and Wellspring Philanthropy during the 2020/21 financial year in a mix of unrestricted and targeted Covid-19 response grants, which all have contract periods extending into the 2022/23 financial year.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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From an organisational point of view WIEGO is also well-placed to continue its work. Almost all of the WIEGO Team already worked from home before the pandemic and the Manchester office has been able to adapt to remote working relatively easily because our banking, financial management and payment systems are all on-line. During the pandemic we have set up systems to ensure that we are taking care of the health and well-being of the Team. We set up weekly meetings of the Manchester office team plus town hall meetings for the whole Team and liaison meetings with the leaders of the networks of informal workers that are our members. These meetings are now held monthly and continue to enable effective management and communication.

The external website and the internal intranet both have dedicated Covid-19 pages that provide effective information management for our Team and wider network.

The Operations Team has added new risks to the WIEGO risk register to cover our understanding of the potential risks to the WIEGO work programme and the health and well-being risks to the Team and this has recently been reviewed by the Finance and Management Committees of the Board. In the meantime, we have demonstrated that the work of WIEGO can continue, albeit through different kinds of activities and delivery mechanisms given the current circumstances. The view of the Directors and the WIEGO management is that the measures described above provide an effective strategy to reduce the risks to the Team.

The charity has contractual funding to cover the essential costs of running the organisation up to 31 March 2023 and beyond. On this basis, forecast budgets for the year ending 31 March 2023 have been prepared. The directors consider that the charity is a going concern and the financial statements have been prepared accordingly (Financial Statements Note 1.3).

### **Reserves Policy**

WIEGO has built reserves to meet any adverse contingencies. The Board of Directors created reserves to:

- maintain a base fund sufficient to protect WIEGO's continuity of the core programmes;
- allow for an orderly downsizing or closure in the event of funding no longer being available.
- managing cash flow and contingencies with respect to utilisation of grant funds

During 2020/21 as shown in the Financial Statements, designated reserves were maintained to counter any cash flow issues and to maintain WIEGO's core activities in the event of fundraising problems. WIEGO has reserves to make long-term commitments to projects, and to protect our work against the effects of financial fluctuations and other uncertainty. The Board of Directors seeks to have reserves at a level at which core programmes can be maintained for a 3-month period.

At present, this requires reserves of approximately \$510k. The current reserves are adequate although the necessary level of reserves is subject to regular review. We also have \$240k set aside for the General Assembly which is a meeting of our members, and a crucial part of our governance structure. This takes place every four years and we are building funds towards meeting the cost of the next General Assembly in November 2022.

The free reserves of \$500k carried forward into the new financial year are to fund budgeted costs of the core programmes over the next financial year. These reserves will be carried forward into the new financial year and will be used to fund the budgeted costs of the core programmes over the next financial year.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Investment Policy and Objectives**

WIEGO's treasury management policy objective is to optimise returns consistent with our cash flow requirements and the overriding need to protect the capital value of WIEGO's funds. WIEGO funds are invested only with UK Clearing Banks. Treasury management is carried out within the context of WIEGO's statutory background and our Memorandum and Articles of Association.

Liquidity is generally preferred over investment. Cash balances are placed in time deposits when appropriate. The board has not established formal targets for return on investment.

In order to minimise foreign exchange losses due to currency exchange rate fluctuations, our policy is to hold funds in the currency in which they are received and to expend them in the same currency wherever possible.

### **Principal Funding Sources**

During 2020/21 WIEGO received our principal funding from the following funders:

- William and Flora Hewlett Foundation
- Swedish International Development Agency (Sida)
- Open Society Foundations
- IDRC
- Ford Foundation
- Comic Relief
- UK FCDO (formerly DFID)
- Wellspring Philanthropic Fund
- UN Women
- Cities Alliance
- FES
- International Labour Organisation

There are no outstanding liens against WIEGO.

WIEGO does not undertake any commercial or trading activities.

In note 12 to the Statement of Financial Activities, a declaration on related parties has been made.

### **Fundraising**

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

## **5. PLANS FOR FUTURE PERIODS**

### **Membership**

WIEGO is committed to building sector-specific networks or federations of democratic, member-based organisations of informal workers (MBOs). MBOs can become institutional members of WIEGO and form one of three constituencies of membership. Individuals can become members of WIEGO as part of the researchers/statisticians constituency or the development practitioners constituency. The challenges to WIEGO with regard to our relationships with members are various, including how to:

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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- Work with well-established institutional members, with new but relatively strong institutional members and with new but relatively weak members.
- Concentrate support on federations (nets) of primary organisations at national, regional and international level while not neglecting the formation and development of primary organisations.
- Determine which type of support and capacity building programmes should be implemented for institutional members e.g. in terms of organising as well as financial-operational management.
- Balance continuing support for existing institutional members with the recruitment of new institutional members.
- Maintain the balance and harmony between WIEGO's three constituencies.
- Strengthen support for and networking of researchers-statisticians-academics focusing on the informal economy.

### **Programmes and functions**

WIEGO has five core programmes of work together with global projects and special initiatives. Across these strands of work cut four functions: research, policy advocacy, communication and capacity building. As part of the strategic review that gave rise to the current five-year strategic plan, work plans for the coming period identify the following challenges:

- Developing the functional activities of each core programme to move beyond “problem identification” to “solution specification” for the three thematic programmes (Law, Social Protection and Urban Policies).
- In the Statistics programme and research, moving beyond highlighting the size and composition of informal employment to systematically analysing the causes, consequences and contribution of informal employment.
- Ensuring the right choice, mix and balance of functional activities across the five core programmes and special initiatives.
- Balancing follow up of activities (past, current and new) with the flexibility to undertake reactive and proactive activities.

### **Allies and Target Audiences**

The natural allies and target audiences for WIEGO's work differ across the domains of our core programmes as highlighted in Appendix 2. Identifying key allies and audiences is difficult in most domains of WIEGO's work as there are often a large number and range of actors with different perspectives. In many contexts, specific organisations can be both allies and target audiences. The major challenge is identifying and mapping organisations and individuals relevant to each programme area and then building co-operation with the key organisations and individuals.

### **Transitions**

WIEGO has successfully addressed many challenges in the past five years. Strong financial and operational systems have been devised and implemented. These are managed by the WIEGO Office in Manchester, UK, which comprises an Operations Director, Company Secretary/Financial Controller, two Senior Finance Officers, three Finance Officers (one of whom has been on maternity leave for part of the year), an Events and Logistics Manager, an HR Officer and an Administrative Assistant. As the external audit showed, good operational and financial systems are in place.



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **6. STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Directors 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 charitable company and of our net incoming resources for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors ensure that there are appropriate financial and management controls in place sufficient to safeguard charitable funds and that these funds are used only in accordance with the conditions under which they have been made available. In addition, the Directors are responsible for ensuring the economic, efficient and effective management of WIEGO's resources so that the benefits that should be derived from the application of charitable funds are not put at risk

The Directors confirm that, so far as they are aware, the WIEGO auditors were able to examine all relevant audit information. They have taken all the steps that they ought to have taken as Directors in order to make them aware of any relevant audit information and to establish that WIEGO's auditors may examine that information.

#### **Political donations**

WIEGO made no political donations and had no such expenditure.

#### **Financial Risk Management**

WIEGO's treasury management policy objective is to optimise returns consistent with our cash flow requirements and the overriding need to protect the capital value of WIEGO's funds. WIEGO funds are invested only with UK Clearing Banks. Treasury management is carried out within the context of WIEGO's statutory background and our Memorandum and Articles of Association.

The financial risk management and policies are conservative. Hedge accounting is not used and the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is low.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **DIRECTORS REPORT For the year ended 31 March 2021**

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### **Number of employees**

The average number of persons employed by the company in each week during the financial year has been 8.

### **Auditors**

Crowe U.K. LLP continues as the auditor of WIEGO following a competitive tender during 2018.

The organisation completed a competitive tender exercise this year for the period 2018/2022. Crowe were re-appointed.

This report, which incorporates the Directors' Report, was approved by the Board of Directors on 30 November 2021 and signed on its behalf, by:

*Jacqui Fendall*

**Jacqui Fendall**  
Company Secretary

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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### **Opinion**

We have audited the financial statements of Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2021 and of 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 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 charitable company 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 and proper accounting records have not been kept; or
- the 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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 15, the directors (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 directors 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 directors 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.

### **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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **INDEPENDENT AUDITORS' REPORT For the year ended 31 March 2021**

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We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were those contained within the Charities Act.

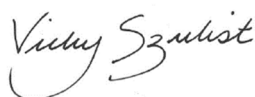
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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.



Vicky Szulist  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: 3<sup>rd</sup> December 2021

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) For the year ended 31 March 2021

	Note	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$	Total Funds 2020 \$
<b>INCOME</b>					
Donations and legacies	2	2,000	-	2,000	-
Investment income	3	-	3,679	3,679	21,200
Charitable activities	4	<u>5,780,909</u>	<u>5,763,293</u>	<u>11,544,202</u>	<u>5,415,933</u>
<b>TOTAL INCOME</b>		<u>5,782,909</u>	<u>5,766,972</u>	<u>11,549,881</u>	<u>5,437,133</u>
<b>EXPENDITURE</b>					
Charitable activities	5	<u>3,732,825</u>	<u>3,472,692</u>	<u>7,205,517</u>	<u>7,008,713</u>
<b>TOTAL EXPENDITURE</b>		<u>3,732,825</u>	<u>3,472,692</u>	<u>7,205,517</u>	<u>7,008,713</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<u>2,050,084</u>	<u>2,294,280</u>	<u>4,344,364</u>	<u>(1,571,580)</u>
<b>TOTAL FUNDS AT 1 APRIL 2020</b>		<u>1,283,712</u>	<u>704,534</u>	<u>1,988,246</u>	<u>3,559,826</u>
<b>TOTAL FUNDS AT 31 MARCH 2021</b>	10	<u>3,333,796</u>	<u>2,998,814</u>	<u>6,332,610</u>	<u>1,998,246</u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

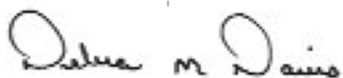
The notes on pages 23 to 42 form part of these financial statements.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## BALANCE SHEET Registered Number: 6273538 As at 31 March 2021

	Note	\$	2021 \$	\$	2020 \$
<b>CURRENT ASSETS</b>					
Debtors	8	161,575		266,571	
Cash at bank		<u>6,861,602</u>		<u>2,358,168</u>	
		7,023,177		2,624,739	
<b>CREDITORS:</b>					
Amounts falling due within one year	9	<u>(690,567)</u>		<u>(636,493)</u>	
<b>NET ASSETS</b>			<b><u>6,332,610</u></b>		<b><u>1,988,246</u></b>
<b>FUNDS</b>					
Unrestricted Funds	10	2,998,814		704,534	
Restricted Funds	10	<u>3,333,796</u>		<u>1,283,712</u>	
			<b><u>6,332,610</u></b>		<b><u>1,988,246</u></b>

The financial statements were approved and authorised for issue by the Directors on 30 November 2021 and signed on their behalf, by:



**D Davis**  
Director and Treasurer

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**CASH FLOW STATEMENT  
As at 31 March 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	<b>15</b>	<b><u>4,499,755</u></b>	<b><u>(1,663,542)</u></b>
<b>Cash Flows from investing activities</b>			
Interest received		<u>3,679</u>	<u>21,201</u>
<b>Net cash provided by investing activities</b>		<u>3,679</u>	<u>21,201</u>
Change in cash and cash equivalents in the year.		<b>4,503,434</b>	<b>(1,642,341)</b>
Cash and cash equivalents at the beginning of the year.		<u><b>2,358,168</b></u>	<u>4,000,509</u>
<b>Cash and cash equivalents at the end of the year.</b>		<u><b>6,861,602</b></u>	<u><b>2,358,168</b></u>

**ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2021 \$	2020 \$
Cash at hand	<u><b>6,861,602</b></u>	<u><b>2,358,168</b></u>

**RECONCILIATION OF NET DEBT**

	2020 \$	Cash flow \$	2021 \$
Cash at hand and at bank	<u>2,358,168</u>	<u>4,503,434</u>	<u>6,861,602</u>



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **1.1 Basis of preparation of 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 UK and Republic of Ireland (FRS102) (January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Companies Act 2006.

Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost at transaction value unless otherwise stated in the relevant accounting policy note.

#### **1.2 Company information**

The charity is a company limited by guarantee (registered number 6273538) which is incorporated and domiciled in the UK. The address of the registered office is 521 Royal Exchange, Manchester, M2 7EN.

#### **1.3 Going concern**

The directors have reviewed the forecasts and budgets for the forthcoming period. The Charity has contractual funding to cover the essential costs of running the organisation up to 31 March 2023 and beyond. On this basis, forecast budgets for the year ending 31 March 2023 have been prepared. The directors consider that the charity is a going concern and the financial statements have been prepared accordingly.

#### **1.4 Company status**

WIEGO Limited is a registered charitable company. The members of the company are the directors named on page 1. In the event of the company being wound up the Articles of Association indemnify the members of the council, officers and the directors against all liabilities incurred by them in their respective capacities.

#### **1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charitable 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 which have been raised by the charitable company for particular purposes. The cost 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.

Investment income, gains and losses are allocated to the appropriate fund.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1.6 Incoming resources**

Voluntary income including donations, gifts, income arising from fundraising events, legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities, including income received under contract and grants where entitlement to funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement or the donor has specified the funds can only be utilised in future accounting periods.

Gifts in kind received are accounted for in the Statement of Financial Activities as soon as it is prudent and practical to do so. They are valued as by the donor in the grant documentation.

Investment income is recognised on a receivable basis.

### **1.7 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the above basis of allocation.

Support costs are those costs incurred directly in support of expenditure on the objects. Where costs cannot be directly attributed they have been allocated or apportioned on a fair and consistent basis.

Governance costs are those incurred in the governance of the Company's assets and are associated with constitutional and statutory requirements.

### **1.8 Tangible fixed assets and depreciation**

All tangible fixed assets costing more than \$3,000 are capitalised.

### **1.9 Value added tax**

Value Added Tax is not recoverable by the company and as such, is included in the relevant cost in the Statement of Financial Activities.

### **1.10 Foreign currencies**

The charity's financial statements are presented in US dollars which is the presentation currency. The charity's functional currency is US dollars. The exchange rate difference from USD to GBP is expected to have little effect since we maintain USD bank accounts, from which our expenditure is also in USD.

Assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of the transaction. Any gain or loss arising on translation is included in the Statement of Financial Activities. The exchange rate between sterling and the US dollar at 31 March 2021 was £1: \$1.37832.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021**

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### **1.11 Grant making policy**

Grants are recognised in the financial statements when they are approved or when there is a legal or constructive obligation.

### **1.12 Interest Receivable**

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.

### **1.13 Operating Leases**

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

### **1.14 Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **1.15 Cash at bank and in hand**

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

### **1.16 Creditors**

Short term creditors are measured at the transaction price after allowing for any trade discount due.

### **1.17 Financial Instruments**

The charity only has basic 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 measured at amortised cost using the effective interest rate method.

### **1.18 Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged to wages and salaries in the Statement of Financial Activities as they become payable. The assets of the scheme are held separately from the assets of the charity.

### **1.19 Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the entity's accounting policies which are described above, the Directors are required to make judgments, estimates, assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Directors, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year

### 2. DONATIONS AND LEGACIES

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Membership fees	<u>2,000</u>	=	<u>2,000</u>
	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Membership fees	=	=	=

### 3. INVESTMENT INCOME

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Bank Interest	=	<u>3,679</u>	<u>3,679</u>
	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Bank Interest	<u>14,874</u>	<u>6,326</u>	<u>21,200</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

4.

### INCOME FROM CHARITABLE ACTIVITES

	Restricted Funds	Unrestricted Funds	Total Funds
	2021 \$	2021 \$	2021 \$
The William Flora Hewlett Foundation	1,970,000	4,000,000	5,970,000
Sida	1,734,848	996,517	2,731,365
The Open Society Foundations	1,085,002	333,333	1,418,335
IDRC Covid 19 Study	361,665	-	361,665
Ford Foundation	154,780	200,000	354,780
Comic Relief	126,773	-	126,773
Wellspring	100,047	-	100,047
DFID	120,145	-	120,145
UN Women	44,000	-	44,000
Cities Alliance	26,982	-	26,982
FES	24,000	-	24,000
ILO	19,887	-	19,887
Other Income	12,780	6,129	18,909
Anonymous	-	227,314	227,314
	<u>5,780,909</u>	<u>5,763,293</u>	<u>11,544,202</u>

	Restricted Funds	Unrestricted Funds	Total Funds
	2020 \$	2020 \$	2020 \$
Sida	1,822,447	1,052,165	2,874,612
Hewlett Foundation – Focal Cities 2	900,000	-	900,000
Open Society Foundations	364,000	333,332	697,332
Anonymous	-	223,094	223,094
DFID Work Opportunities Project	184,288	-	184,288
Echidna/Schwab	150,000	-	150,000
Comic Relief	136,644	-	136,644
Hewlett Foundation	95,000	-	95,000
FMO	42,000	-	42,000
World Health Organisation	39,000	-	39,000
Cities Alliance	30,000	-	30,000
International Labour Organisation	14,347	-	14,347
USAID	10,000	-	10,000
Commonwealth Foundation	3,437	-	3,437
Other income	<u>8,779</u>	<u>7,400</u>	<u>16,179</u>
	<u>3,799,942</u>	<u>1,615,991</u>	<u>5,415,933</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 5. RESOURCES EXPENDED

	Payments to Sub grantees	Activities Under taken directly	Support	Total 2021
	\$	\$	\$	\$
<b>Charitable activities</b>				
<b>Unrestricted Funds</b>				
<b>Core Programmes</b>				
Law	-	331,728	65,802	397,530
Organisation & Representation	-	528,523	104,838	633,361
Social Protection	-	342,597	67,958	410,555
Statistics	-	375,739	74,532	450,271
Urban Policies	-	708,734	140,585	849,319
Focal Cities	-	<u>446,767</u>	<u>88,621</u>	<u>535,388</u>
Total Core Programmes	-	<u>2,734,088</u>	<u>542,336</u>	<u>3,276,424</u>
International Coordination/Support	-	206,073	48,998	255,071
<b>Restricted Funds</b>				
Cities Alliance - Liberia, SV	17,194	19,166	-	36,360
Comic Relief	65,386	83,800	-	149,186
DFID WOW Project	32,979	76,016	452	109,447
Echidna-Schwab	20,287	60,805	1,870	82,962
FES - Social Protection/IW & the Law in an African Covid 19 Context	-	24,000	-	24,000
FORD FOUNDATION - HomeNet International	-	5,087	-	5,087
Hewlett Foundation - Communications Support & Fundraising	-	33,297	-	33,297
Hewlett Foundation - Covid Recovery	52,702	92,914	964	146,580
Hewlett Foundation - Focal Cities 2	-	420,887	78,854	499,741
Hewlett MLE Data Fin Training International Development	-	36,164	19,499	55,663
Research Centre - Covid 19 Study	-	244,295	47,252	291,547
ILO	-	6,064	-	6,064
ILO – ESCWA	-	3,528	-	3,528
Open Society Foundations - Care Givers Colombia	-	7,015	-	7,015
Open Society Foundations - Child Care Rebuilding project	40,000	-	-	40,000
Open Society Foundations - Covid Response - NETS Communications	5,000	13,059	2,800	20,859
Open Society Foundations - Covid Response 1	53,120	339,883	28,042	421,046
Open Society Foundations - Covid Response WP Brazil	-	139,733	-	139,733

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

Open Society Foundations - DW	-	19,637	3,257	22,894
Social Protection Asia				
Open Society Foundations –	18,000		-	51,264
Social Insurance Informal		33,264		
Workers				
Other Classes	7,180	3,590	-	10,770
Sida Nets Support	592,513	466,889	52,562	1,111,964
Sida Waste Picker Project	76,150	309,051	56,928	442,129
Coastal Cities				
UN Women	-	42,386	1,614	44,000
USAID	-	800	-	800
WELSPRING PHILANTHROPIC	-	-	37,739	37,739
FUND				
	<b><u>980,512</u></b>	<b><u>2,481,330</u></b>	<b><u>331,833</u></b>	<b><u>3,793,674</u></b>
 <b>Governance costs</b>	 -	 67,208	 -	 67,208
 <b>Gain on foreign exchange</b>	 _____ -	 <b><u>(186,857)</u></b>	 _____ -	 <b><u>(186,857)</u></b>
 <b>TOTAL RESOURCES EXPENDED</b>	 <b><u>980,512</u></b>	 <b><u>5,301,838</u></b>	 <b><u>923,167</u></b>	 <b><u>7,205,517</u></b>

Note: Sub grantees are subcontractors or institutions with contract arrangements who help to deliver the projects. Funds were allocated to IDWF, StreetNet, HomeNet South Asia, HomeNet South East Asia, SEWA, AeT, HomeNet Thailand and FACCYR/CTEP this year.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

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### 5. RESOURCES EXPENDED

	2021	2020
<b>Support Costs</b>	<b>\$</b>	<b>\$</b>
Salaries	<b>683,478</b>	492,620
Meeting costs/events	<b>872</b>	125,738
Consultants and professional	<b>112,846</b>	92,538
Rent and office costs	<b><u>125,971</u></b>	<u>111,608</u>
	<b><u>923,167</u></b>	<u>822,504</u>

Support costs have been apportioned across core programmes according to the size of the core programme.

	2021	2020
<b>Governance Costs</b>	<b>\$</b>	<b>\$</b>
Board meetings	<b>24,432</b>	51,290
Company secretarial	<b>30,359</b>	33,526
External Audit	<b><u>12,417</u></b>	<u>11,591</u>
	<b><u>67,208</u></b>	<u>96,407</u>



# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 5. RESOURCES EXPENDED – YEAR ENDED 31 MARCH 2020

	Payments to Sub grantees	Activities Under taken directly	Support costs	Total 2020
	\$	\$	\$	\$
<b>Charitable activities</b>				
<b>Unrestricted Funds</b>				
<b>Core Programmes</b>				
Law	-	410,609	62,399	473,008
Organisation & Representation	-	703,918	87,194	791,112
Social Protection	-	397,380	60,389	457,769
Statistics and Research	-	298,779	45,404	344,183
Urban Policies	-	695,054	103,762	798,816
Focal Cities	42,467	589,572	96,049	728,088
	<u>42,467</u>	<u>3,095,312</u>	<u>455,197</u>	<u>3,592,976</u>
Membership Co-ordination/Support	-	214,610	71,257	285,867
<b>Restricted Funds</b>				
Cities Alliance - Liberia	14,600	1,671	-	16,271
Comic Relief	26,209	13,453	-	39,663
Commonwealth Foundation	-	21,868	943	22,811
DFID WOW Project	77,505	122,330	-	199,835
Echidna/Schwab	9,730	11,503	-	21,233
FMO	-	61,456	2,000	63,456
Hewlett Foundation – Focal Cities	-	147,418	26,189	173,607
Hewlett Foundation - Focal Cities 2	-	189,107	24,464	213,571
Hewlett MLE Data Financial Training	-	39,337	-	39,337
International Labour Organisation	-	7,347	-	7,347
International Labour Organisation	-	7,320	-	7,320
Childcare Research	-	-	-	-
Open Society Foundations – Care Givers Columbia	-	6,985	-	6,985
Open Society Foundations – DW	43,075	15,980	6,130	65,185
Social Protection Asia	-	-	-	-
Open Society Foundations – Kazakhstan Mapping	-	6,030	-	6,030
Open Society Foundations – Monitoring & Evaluation	-	318	-	318
Open Society Foundations – Social Insurance Informal Workers	18,000	15,489	-	33,489
Open Society Foundations – Law	-	84,369	-	84,369
Other Classes	-	1,077	-	1,077
Sida Nets Support	698,652	542,217	133,938	1,374,807
Sida Waste Pickers – Coastal Cities	119,280	323,276	102,386	544,942
UNDP	-	7,653	-	7,653
USAID	-	10,000	-	10,000
WHO	-	24,000	-	24,000
WHO Kenya	-	15,000	-	15,000
	<u>1,007,051</u>	<u>1,675,202</u>	<u>296,051</u>	<u>2,978,304</u>
<b>Governance costs</b>	-	96,407	-	96,407
<b>Loss/(Gain) on foreign exchange</b>	-	55,160	-	55,160
<b>TOTAL RESOURCES EXPENDED</b>	<u>1,049,518</u>	<u>5,124,213</u>	<u>822,504</u>	<u>7,008,714</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Note: Sub grantees are subcontractors or institutions with contract arrangements who help to deliver the projects. Funds were allocated to IDWF, StreetNet, HomeNet South Asia, HomeNet South East Asia and SEWA this year.

### 6. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:	<b>2021</b>	<b>2020</b>
	\$	\$
Operating lease rentals – property	<b>18,939</b>	4,463
Auditors' remuneration – Audit fees excluding VAT	<b><u>10,889</u></b>	<u>9,819</u>

### 7. STAFF COSTS, STAFF NUMBERS AND THE COST OF KEY MANAGEMENT PERSONEL

Staff costs were as follows:	<b>2021</b>	<b>2020</b>
	\$	\$
Wages and salaries	<b>488,001</b>	414,355
Social security costs	<b>29,826</b>	22,436
Pension costs	<b><u>7,946</u></b>	<u>5,787</u>
	<b><u>525,773</u></b>	<u>442,578</u>

The key management personnel of the charity are Sally Roever, International Co-ordinator and Mike Bird, the Operations Director. Sally Roever is employed by WIEGO and her salary is determined by the Board. She currently resides in the US. Mike Bird is employed by WIEGO in the UK, where rates of remuneration are set according to market rates and reviewed periodically by a Management Committee. The total cost of the key management personnel of the charity were \$212,872 (2020 \$198,495).

The average monthly number of employees during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Administration	<b><u>8</u></b>	<u>7</u>

During the year, the directors did not receive any reimbursement of expenses (2020: \$4,723).

The directors received no remuneration or director fees during the year.

### 8. DEBTORS

	<b>2021</b>	<b>2020</b>
	\$	\$
Grant income receivable	<b>124,735</b>	117,422
Prepayments and other debtors	<b><u>36,840</u></b>	<u>149,149</u>
	<b><u>161,575</u></b>	<u>266,571</u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

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**9. CREDITORS: Amounts falling due within one year**

	2021	2020
	\$	\$
Accrued expenses	690,567	636,493
Grants deferred	-	-
	<u>690,567</u>	<u>636,493</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS

	Brought Forward 1 April 2020 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	Carried Forward 31 March 2021 \$
<b>UNRESTRICTED FUNDS</b>					
Designated funds					
General Assembly Reserves	160,000	-	-	80,000	240,000
DFID WOW Project	50,000	-	-	-	50,000
		-	-		
Undesignated funds					
Free reserves	460,744	-	-	40,000	500,744
Unrestricted Funds	33,790	-	-	-	33,790
Ford Foundation	-	200,000	-	-	200,000
Hewlett Foundation	-	4,000,000	(1,905,720)	(120,000)	1,974,280
Sida	-	924,880	(924,880)	-	-
Anonymous	-	227,314	(227,314)	-	-
Open Society - Core Funding	-	333,333	(333,333)	-	-
DFID WOW Counterpart	-	71,637	(71,637)	-	-
Other Income/Other Classes	-	9,808	(9,808)	-	-
<b>Total Unrestricted Funds</b>	<b><u>704,534</u></b>	<b><u>5,766,972</u></b>	<b><u>(3,472,692)</u></b>	<b><u>-</u></b>	<b><u>2,998,814</u></b>
<b>RESTRICTED FUNDS</b>					
Cities Alliance - Liberia & SV	7,866	26,982	(34,848)		-
Comic Relief	96,762	126,773	(134,514)		89,021
DFID WOW	(20,973)	120,145	(102,875)		(3,703)
Echidna/Schwab Grant	128,767	-	(82,962)		45,805
F E S - Friedrich Ebert Stiftung	-	24,000	(24,000)		-
Hewlett Communications Support and Fundraising	-	70,000	(33,297)		36,703

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Hewlett Foundation - Focal Cities 2	686,887	900,000	(502,489)	-	1,084,398
Hewlett Foundation - MLE, Database, FT	55,780	-	(55,780)	-	-
Hewlett Foundation COVID Response	-	1,000,000	(146,580)	-	853,420
IDRC - COVID-19 Study	-	361,665	(291,547)	-	70,118
Open Society Foundation - Covid Response	-	425,000	(421,046)	-	3,954
Open Society Foundation - Kazakhstan Mapping	43,969	-	-	-	43,969
Open Society Foundation - DW Social Protection in Asia	134,885	-	(22,894)	-	111,991
Open Society Foundation - Social Insurance Informal Workers	116,511	150,000	(51,264)	-	215,247
Open Society Foundation - Care Givers in Colombia	7,015	-	(7,015)	-	-
Open Society Foundation - Covid Response WP Brazil	-	200,000	(139,733)	-	60,267
Open Society Foundation - Covid Response NETS Communications	-	165,000	(20,859)	-	144,141
Open Society Foundation - Child Care Rebuilding Project	-	45,002	(40,000)	-	5,002
Open Society Initiative West Africa	-	100,000	-	-	100,000
Sida Nets Support	-	1,256,269	(1,112,681)	-	143,588
Sida Waste Picker Coastal Cities	26,243	478,579	(397,243)	-	107,579
UN Women	-	44,000	(44,000)	-	-
Wellspring Philanthropic Fund (WPF)	-	100,047	(37,739)	-	62,308
FORD FOUNDATION - HomeNet International	-	154,780	(5,087)	-	149,693
ILO/ ILO ESCWA	-	19,887	(9,591)	-	10,297
Other Income	-	14,780	(14,780)	-	-
<b>Total Restricted Funds</b>	<b>1,283,712</b>	<b>5,782,909</b>	<b>(3,732,825)</b>	<b>-</b>	<b>3,333,796</b>
<b>TOTAL FUNDS</b>	<b>1,988,246</b>	<b>11,549,881</b>	<b>(7,205,517)</b>	<b>-</b>	<b>6,332,610</b>

The DFID WOW Fund is in deficit as DFID only pay in arrears and £26k is due in July 2021.

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

**10. STATEMENT OF FUNDS**

	Brought Forward 1 April 2019 \$	Incoming Resources \$	Resources Expended \$	Transfers \$	Carried Forward 31 March 2020 \$
<b>UNRESTRICTED FUNDS</b>					
<b>Designated funds</b>					
General Reserves	460,744	-	-	(460,744)	-
General Assembly in 2022	160,000	-	-	-	160,000
DFID WOW project	50,000	-	-	-	50,000
	<u>670,744</u>	<u>-</u>	<u>-</u>	<u>(460,744)</u>	<u>210,000</u>
<b>Undesignated funds</b>					
Free Reserves	-	-	-	460,744	460,744
Unrestricted Funds	606,352	-	(572,562)	-	33,790
Hewlett Foundation	1,784,700	-	(1,784,700)	-	-
Sida	-	1,052,164	(1,052,164)	-	-
South Street Green Room	-	223,094	(223,094)	-	-
Open Society Foundations – Core Funding	-	237,444	(237,444)	-	-
DFID WOW Counterpart	-	95,890	(95,890)	-	-
Other Income/Other Classes/Bank Interest	-	13,726	(13,726)	-	-
	<u>3,061,796</u>	<u>1,622,318</u>	<u>(3,979,580)</u>	<u>-</u>	<u>704,534</u>
<b>Total Unrestricted Funds</b>					
Cities Alliance – Liberia & SV	(3,431)	30,000	(18,703)	-	7,866
Comic Relief	-	136,644	(39,881)	-	96,762
Commonwealth Foundation	18,198	3,437	(21,635)	-	-
DFID WOW	(5,825)	184,288	(199,436)	-	(20,973)
Echidna/Schwab	-	150,000	(21,233)	-	128,767
FMO	21,390	42,000	(63,390)	-	-

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

Hewlett Foundation – Focal Cities	171,592	-	(171,592)	-	-
Hewlett Foundation – Focal Cities 2	-	900,000	(213,113)	-	686,887
Hewlett Foundation – MLE, Database & FT	-	95,000	(39,220)	-	55,780
International Labour Organisation Childcare Research	320	7,000	(7,320)	-	-
International Labour Organisation (Dakar)	-	7,347	(7,347)	-	-
Open Society Foundation – Kazakstan	25,000	25,000	(6,031)	-	43,969
Open Society Foundation – MLE	(19,613)	20,000	(387)	-	-
Open Society Foundation – DW SP Asia	100,000	100,000	(65,115)	-	134,885
Open Society Foundation – Social Insurance	-	150,000	(33,489)	-	116,511
Open Society Foundation – Care Givers Colum	-	14,000	(6,985)	-	7,015
Open Society Foundation – Admin Law	29,132	55,000	(84,132)	-	-
Sida Nets Support	72,485	1,319,703	(1,392,188)	-	-
Sida Waste Coastal Cities	88,783	502,744	(565,284)	-	26,244
USAID	-	10,000	(10,000)	-	-
UNDP	-	7,653	(7,653)	-	-
World Health Organisation	-	24,000	(24,000)	-	-
World Health Organisation Kenya	-	15,000	(15,000)	-	-
Other income/Other Classes/Bank Interest	-	16,000	(16,000)	-	-
<b>Total Restricted Funds</b>	<b>498,030</b>	<b>3,814,815</b>	<b>(3,029,133)</b>	<b>-</b>	<b>1,283,712</b>
<b>TOTAL FUNDS</b>	<b>3,559,826</b>	<b>5,437,133</b>	<b>(7,008,713)</b>	<b>-</b>	<b>1,988,246</b>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS (continued)

	Period	Amount	Objective
<b>Designated funds</b>			
		\$160,000	Funds set aside as a contribution towards the General Assembly in 2020.
		\$50,000	Funds set aside for DFID WoW
<b>Unrestricted funds</b>			
William and Flora Hewlett Foundation	23/03/2020- 23/03/2022	\$4,000,000	To provide general operating support
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 10,000,000	To support the core activities
Open Society Foundations	01/10/2018-30/09/2021	\$1,000,000	To provide general operating support
Ford Foundation	01/10/20-30/09/22	\$400,000	To provide general operating support
Anonymous Donation	December 2016 – 20	£375,000	To provide general operating support
Anonymous Donation	June 2019 – June 2023	£500,000	To provide general operating support
<b>Restricted Funds</b>			
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 12,600,000	To provide support to the WIEGO Network of informal workers' associations
Sida – Swedish International Development Co-operation Agency	01/04/18 - 31/03/22	SEK 4,800,000	Waste Pickers as environmental agents
Hewlett Foundation	23/03/20 – 23/03/22	\$70,000	To provide support to WIEGO communications Support and Fundraising
Hewlett Foundation – Focal Cities 2	2/12/19 - 2/12/22	\$1,800,000	To establish Urban Livelihood Learning Hubs in Mexico, Senegal and Ghana
Hewlett Foundation	04/09/20-23/03/22	\$1,000,000	Covid Response
UNOPS/Cities Alliance	1/6/16 - 31/5/2021	\$180,951	Support for the Street/Market vendors in city governance and inclusive planning in Greater Monrovia in Liberia.
IDRC	1/7/20 - 30/06/22	CAD 941,500	Covid 19 Study
Open Society Foundations	1/10/18 -31/12/21	\$200,000	Social Protection for domestic workers
Open Society Foundations	1/11/19 – 1/11/22	\$300,000	Social Insurance – Informal Workers
Open Society Foundations	1/10/18 -30/9/21	\$50,000	Mapping in Kazakhstan
Open Society Foundations	1/10/18 -30/9/21	\$40,000	Monitoring, Learning and Evaluation
Open Society Foundations	15/10/19 - 31/8/20	\$14,000	Care Givers in Columbia
Open Society Foundations	01/06/20-31/05/21	\$425,000	Covid Response
Open Society Foundations	26/10/20- 26/10/21	\$165,000	Covid Response NETS Communications
Open Society Foundations	01/10/20-30/03/22	\$ 50,002	Child Care Rebuilding Project to document the experience of shared business ownership models for worker-run and managed child care services during the pandemic.
Open Society Initiative for West Africa	20/12/20 – 19/07/22	\$200,000	To strengthen women and informal sector workers' leadership and representation in time of crisis and post.



# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 10. STATEMENT OF FUNDS (continued)

Echidna Giving/Schwab Charitable	12/12/19-30/09/21	\$150,000	Develop Quality Standards for child care services in Africa
Hewlett Foundation	3/6/19 – 3/9/20	\$95,000	MLE plan, Database & Finance Training
Comic Relief	1/9/19 - 30/8/2024	£505,000	Empowering Women Home-Based Workers
DFID WoW Project	1/3/19 – 31/1/2022	£498,752	HBW – Organising for Economic Empowerment
USAID	25/8/18 - 31/12/21	\$10,000	The Development Innovations Group
UN Women	01/09/20-31/12/20	\$44,000	For the implementation of UN Women's programmes
Friedrich Ebert Stiftung ( FES)	18/08/20-31/03/21	\$24,000	Social Protection Laws in Africa
Ford Foundation – HNI	01/01/21 – 31/12/22	£500,000	HomeNet International
Wellspring Philanthropic	01/10/20 – 31/03/22	\$150,000	Support women in the Informal Economy: Relief, Recovery and Resilience
International Labour Office	01/01/21 – 31/07/21	\$27,097	Implementation of PH/development of a national database of home-based workers in the garment and crafts sectors development of a national database of home-based workers in the garment and crafts sectors in South Africa
International Labour Office	22/03/21- 30/11/21	\$10,250	ILO Informality report Statistical advisor contract

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2021
	\$	\$	\$	\$	\$
Unrestricted Funds	704,534	5,766,972	(3,472,692)	-	2,998,814
Restricted Funds	<u>1,283,712</u>	<u>5,782,909</u>	<u>(3,732,825)</u>	<u>-</u>	<u>3,333,796</u>
<b>Total of Funds</b>	<b><u>1,988,246</u></b>	<b><u>11,549,881</u></b>	<b><u>(7,205,517)</u></b>	<b><u>-</u></b>	<b><u>6,332,610</u></b>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2021 \$	Unrestricted Funds 2021 \$	Total Funds 2021 \$
Current assets	3,660,460	3,362,717	7,023,177
Creditors due within one year	<u>(326,664)</u>	<u>(363,903)</u>	<u>(690,567)</u>
<b>Total of Funds</b>	<b><u>3,333,796</u></b>	<b><u>2,998,814</u></b>	<b><u>6,332,610</u></b>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
Current assets	1,685,086	939,653	2,624,739
Creditors due within one year	<u>(401,374)</u>	<u>235,119</u>	<u>(636,493)</u>
<b>Total of Funds</b>	<b><u>1,283,712</u></b>	<b><u>704,534</u></b>	<b><u>1,988,246</u></b>

### 11. COMPANY LIMITED BY GUARANTEE

The company is a company limited by guarantee. The members of the company are the directors named on page 1 who have each guaranteed to contribute £1 (\$1.40) to the company's assets in the event of the company being wound up. The company is controlled by the members.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

### 12. RELATED PARTY DISCLOSURES

According to its Articles of Association, three members of the WIEGO Board should be elected representatives from Institutional Members of WIEGO. From time to time, WIEGO enters into partnership on specific projects with its Institutional Members, including those represented on the WIEGO Board. In addition, Individual Members of WIEGO on the Board and co-opted Board members may have involvement with partner organisations. The WIEGO Board and management agree that in the interest of transparency, such activities and/or relationships should be disclosed in the financial statements.

The WIEGO Board notes that the following Board members have working involvement in organisations that have partnered with WIEGO. In each case, the named trustee or officer was neither directly associated with the project nor in receipt of any compensation related to it.

Mirai Chatterjee is a Trustee of Lok Swasthya SEWA Trust (LSST). Payments to LSST were \$20,000 USD during the year. Mirai is also the Director of the Social Security team at the Self Employed Women's Association (SEWA). No direct payments were made to Social Security SEWA.

Payments to SEWA Bharat of \$36,88 and payments to the Indian Academy of SEWA of \$28,979 were both made during the year.

Elizabeth Tang is General Secretary (remunerated) of the International Domestic Workers Federation (IDWF). Payments to IDWF were \$189,000 USD during the year.

Uma Rani is a Senior Economist (remunerated) at the International Labour Office (ILO). WIEGO received grants from the ILO of \$19,887 USD during the year.

Gabriela Calandria is a member of the International Council for StreetNet. Payments to StreetNet International were \$238,516 USD during the year.

Patrick Ndovlu is a remunerated employee of Asiye e Tafuleni. Payments to Asiye e Tafuleni were \$129,858 during the year.

Caroline Skinner the Research Director for Urban Policies is a Board member for Asiye e Tafuleni. Payments to Asiye e Tafuleni were \$129,858 during the year.

### 13. FINANCIAL COMMITMENTS

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land & Buildings	
	2021	2020
<b>Payable:</b>	\$	\$
Within one year	14,204	4,463
Between two and five years	<u>4,735</u>	<u>-</u>
	<u><b>18,939</b></u>	<u><b>4,463</b></u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

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<b>14. FINANCIAL INSTRUMENTS</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u><b>7,023,177</b></u>	<u><b>2,624,739</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>690,567</b></u>	<u><b>636,493</b></u>

Financial assets consist of cash, grant income receivable and other debtors.

Financial liabilities consist of trade creditors, other creditors and accruals.

**15. RECONCILIATION OF NET MOVEMENT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Net incoming/(outgoing) resources for the year	<b>4,344,364</b>	<b>(1,571,580)</b>
Adjustments for:		
Interest received	<b>(3,679)</b>	<b>(21,201)</b>
Decrease/(increase) in debtors	<b>104,996</b>	<b>(43,526)</b>
Increase/(decrease) in creditors	<u><b>54,075</b></u>	<u><b>(27,235)</b></u>
<b>Net cash used in operating activities</b>	<u><b>4,499,755</b></u>	<u><b>(1,663,542)</b></u>

**WOMEN IN INFORMAL EMPLOYMENT:  
GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

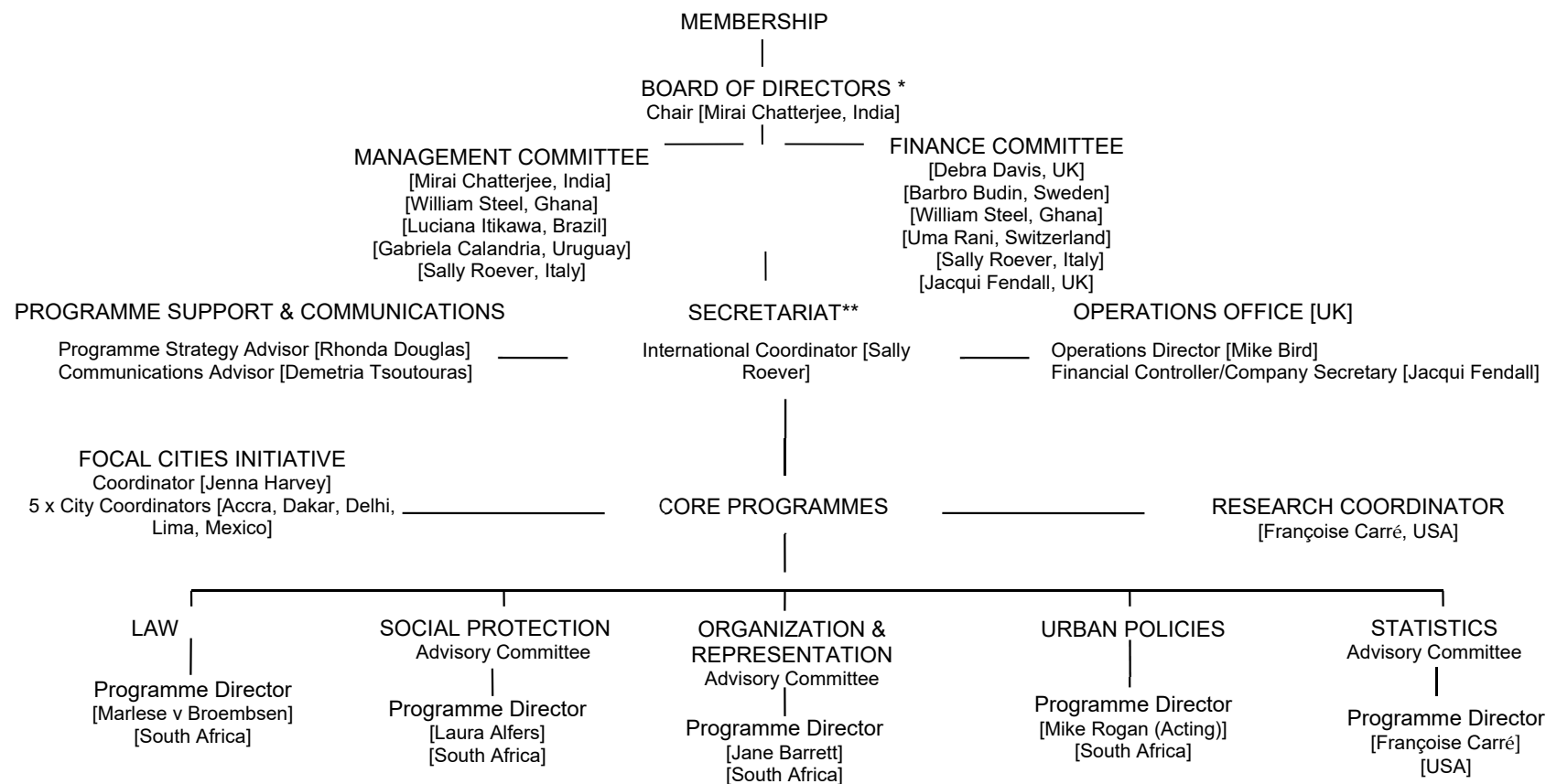
**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2021**

**16. COMPARATIVE SOFA FOR THE YEAR ENDED 31 MARCH 2021**

		Restricted Funds 2020 \$	Unrestricted Funds 2020 \$	Total Funds 2020 \$
	Note			
<b>INCOME</b>				
Donations and legacies	2	-	-	-
Investment income	3	14,874	6,326	21,200
Charitable activities	4	<u>3,799,941</u>	<u>1,615,992</u>	<u>5,415,933</u>
<b>TOTAL INCOME</b>		<u>3,814,815</u>	<u>1,622,318</u>	<u>5,437,133</u>
<b>EXPENDITURE</b>				
Charitable activities	5	<u>3,027,760</u>	<u>3,968,475</u>	<u>7,008,714</u>
<b>TOTAL EXPENDITURE</b>		<u>3,027,760</u>	<u>3,968,475</u>	<u>7,008,714</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		<u>787,055</u>	<u>2,346,157</u>	<u>1,571,580</u>
<b>TOTAL FUNDS AT 1 APRIL 2019</b>		<u>498,030</u>	<u>3,061,796</u>	<u>3,559,826</u>
<b>TOTAL FUNDS AT 31 MARCH 2020</b>	10	<u>1,285,085</u>	<u>715,639</u>	<u>1,988,246</u>

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 1 For the year ended 31 March 2021



\* The full Board is listed on Page 1.

\*\* This organogram illustrates the Delegation of Powers to the International Coordinator and key team members. There are many other team members who contribute to WIEGO's work, many of whom are mentioned in Appendix 2.

**The following pages do not form part of the statutory financial statements.**

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **The Year in Review**

#### **Mirai Chatterjee, Chair of the Board**

This past year we have witnessed and endured some of our greatest challenges ever. The serious consequences of systemic inequality and injustice, visible to all in the COVID-19 crisis, have left us mourning the loss of our leaders and members across the movement while coping with the devastating economic fallout of the global pandemic. So many workers have lost their livelihoods. So many have seen what few assets they held disappear. So many have seen their earnings drop to zero and barely recover, if at all.

The uncertainty of the pandemic and its consequences has remained with us throughout the year. What has also remained with us is the steadfast commitment of the women and men in our network to battle the injustices in these most difficult of circumstances. Collectively, membership-based organizations have mobilized around relief efforts, ensured that governments designate their members as essential, and developed new communication structures to ensure no one is alone. They have filled gaps where no one else could and brought hope where it was hard to find.

Our team, members and partners throughout the WIEGO Network have also helped to increase public understanding of the role informal workers play in communities, households and societies. They have come together across sectors and regions to join hands in solidarity and advocate for fairer policies and practices. They have formed new partnerships and alliances, developed new leaders and grown in number and diversity. They have helped to build resilience in their communities and families. They have shown us pathways to recovery by rebuilding local economies in an inclusive and fair manner.

Through everything we do as a network, our members' needs are central. The world of work as it existed before the crisis was built on unsustainable inequalities. There is now more recognition of the urgency to end those inequalities and put into place a world of work that is centred on justice and inclusion. Our strength is solidarity and we are united in our vision of a recovery for all workers.

Mirai Chatterjee  
Chair, WIEGO Board of Directors  
October 2021

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

---

### **Sally Roever, International Coordinator**

Adaptation and learning have been at the centre of our journey through the harrowing months of 2020-2021. In April 2020, as the pandemic began to play out, we undertook an unprecedented mobilization of resources to quickly design and implement two studies – a rapid appraisal with our institutional members and a mixed-method study with partners – to assess the impact of COVID-19 on informal workers in 12 cities. Never before had our network conducted a study under the circumstances we faced at that time. But putting data in the hands of workers, now as throughout our history, was critical to their efforts to convince governments to include them in relief measures.

Several years of research, organizing and networking culminated in another monumental achievement despite the circumstances of the pandemic: the launch of HomeNet International in February 2021. Home-based workers' organizations from four regions found creative ways to continue their work towards building a democratic, representative global network, even while navigating the severe impact of the pandemic on home-based workers. In coordination with the launch, our Statistics Programme published briefs profiling the size and composition of the home-based work sector in several countries and globally, showing its crucial role in local and global production.

WIEGO's unique model combining research, organizing and advocacy shaped the way policy makers saw and understood informal employment at a pivotal moment in history. Our work with partners documenting barriers to social protection and how innovations can overcome them was disseminated through the world's most influential multilateral institutions. The garment sector work we undertook with members and partners in Asia shaped the way in which stakeholders see informality throughout the supply chain and its effects on working conditions. Local governments participated in dialogues with worker organizations as a result of our joint work with members and partners to produce policy-relevant research.

As we reflect on the lessons learned from the past year, we see our foundation of solidarity in action and the potential it holds for our common future. And as we join hands in the struggle for the future, the courage we have seen in the past year can be a source of inspiration and hope for a more just and inclusive world of work.

In solidarity,

Sally Roever, PhD  
International Coordinator, WIEGO  
October 2021



# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **The Formation of a Global Network for Home-Based Workers**

The launch of HomeNet International – a global network for home-based workers – in February 2021 was the culmination of over two decades of organization building. This historic moment was witnessed by a huge number of workers and allies who attended the virtual launch at a time when an in-person meeting was impossible: there were 80 delegates from 36 affiliates from 20 countries, joined by around 200 home-based workers as observers and 200 allies.

The aim of the network is to build solidarity, share knowledge and information, take up home-based worker issues globally, raise a global voice in spaces such as the International Labour Organization, and to provide support to all regions and affiliate organizations.

The idea of a global network for home-based workers was born in the early 1990s when the issue of a convention for home-based workers was placed on the agenda of the International Labour Conference. However, early attempts to form a global network didn't succeed and, instead, the formation and building of regional networks became the focus – HomeNet South Asia and HomeNet South-East Asia – with WIEGO in a supporting role. For the past 10 years, WIEGO has also supported organizations of home-based workers in Africa, Latin America and Eastern Europe. In 2018, representatives of all five regions took the unanimous decision to form HomeNet International within two years.

WIEGO supported the formation of HomeNet International with capacity building, knowledge generation, statistics and network building. We will continue to support HomeNet International in the same way that we support the established global network organizations of street vendors (StreetNet International) and domestic workers (International Domestic Workers Federation).

### **A Global Network of Waste Pickers**

WIEGO is supporting waste pickers to work towards a global network to amplify their voice. Representatives of waste picker organizations from 13 countries participated in the first online meeting for the constitution of the Global Advisory Committee of the Global Alliance of Waste Pickers in June 2020. This is a significant step forward in a process that started in 2008.

### **How Workers Mobilized During the Pandemic**

The COVID-19 crisis has hit informal workers hard. Overnight, in places where governments enacted strict lockdowns, workers' livelihoods vanished and, to make matters worse, many found themselves stigmatized as the spreaders of the disease. Even as lockdowns eased, earnings recovered slowly and for many remained below pre-COVID-19 levels. With workers eager to get back to work instead of waiting for relief, informal worker organizations fought for the recognition of workers' essential roles in society and supported their members during this difficult time when governments failed to do enough. WIEGO has stood by them every step of the way.

Here is what we have achieved together:

### **Recognition as essential workers**

When lockdowns were imposed, informal workers used WIEGO statistics and reports to formulate arguments to persuade their governments to allow them to return to work. Peru, South Africa and Colombia are some of the places where governments recognized informal workers – including waste pickers, street vendors and market traders – as essential workers, allowing them to work during lockdown. Waste pickers provide essential sanitation and solid waste management services, which contribute to public health and safety. Street vendors and market traders provide necessary goods and services and contribute to food security for the poorest and most vulnerable communities.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Increased public awareness**

The pandemic has increased public awareness of the working poor's essential roles and the hardships they face, not least because workers are standing up and telling their stories. In Peru, media reported on street markets' crucial role in the urban food chain – something WIEGO's Lima team has continuously raised with national media – and many were eventually allowed to reopen. In Senegal, WIEGO supported informal worker organizations to speak out publicly about their stigmatization as spreaders of COVID-19. In South Africa, resident organizations, that had previously called for aggressive action against waste pickers, now recognized the importance of their work.

### **Receipt of cash transfers**

Advocacy for cash transfers or grants to informal workers affected by the pandemic was successful in Peru, Ghana and South Africa. WIEGO supported this through media outreach and articulating workers' needs.

### **Cross-sector solidarity**

At the start of the pandemic, WIEGO organized a meeting of regional and global networks of informal workers. Since then, they have been holding weekly (now biweekly) meetings, which have significantly increased cross-sectoral solidarity – a crucial element for movement-building. The networks have worked together on various big moments as a result, including a joint statement on May Day when they presented a global platform of demands, and the preparation of a common platform of demands for the International Labour Conference.

In a series of Workers' Voices webinars – made possible by interpretation into various languages – WIEGO provided a space for exchange where workers' organizations and networks of informal workers could learn from each other and discuss experiences. They talked about innovative policy, advocacy, and organizing strategies during the crisis, as well as positive policy responses. Interventions led by workers' organizations to support informal workers in the pandemic were also discussed.

### **Strengthened communications**

The pandemic contributed to the development of new communications structures, and the strengthening of existing ones, for organizations of informal workers to monitor the impact of COVID-19 and share news with their members. Information technology systems were set up to support members in applying for relief programmes and increase their use of online platforms and tools for virtual communication. The organizations also used crowdfunding platforms and created systems for food distribution among their members.

#### **How WIEGO Programmes Support Domestic Workers**

##### **Organization and Representation Programme**

WIEGO has supported the International Domestic Workers Federation (IDWF) to become recognized as a relevant partner at the European level. European trade unions, the Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and UNI Europa, and employers' organizations European Federation for Services to Individuals (EFSI) and the European Federation for Family Employment (EFFE) published a joint statement on the impact of the pandemic on domestic workers in 2020, and another demanding priority access to COVID-19 vaccines for home care workers. For the first time, following engagement by WIEGO and IDWF, IDWF was recognized as supporting the statements.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Statistics Programme**

The programme's Statistical Briefs provide statistics on all WIEGO sectors, including domestic workers, and thus bring visibility to these workers at national and international levels. Tabulations for informal workers, including domestic workers, in India, urban India and Delhi, as well as in Mexico, urban Mexico and Mexico City were provided in two new briefs. These are essential tools for planning and advocacy.

### **Law Programme**

The Law Programme builds the capacity of regional and global networks of informal worker organizations by providing technical input to support their strategies and advocacy, including on the COVID-19 response. Between March and November 2020, the Law Programme collected, collated and analyzed the laws and regulations adopted by 85 countries in response to COVID-19, with a particular focus on street vendors and domestic workers. The analysis for domestic workers focused on whether and how they were recognized as essential workers; whether and how governments protected domestic workers against lay-offs and whether they created health and safety obligations for their employers; and whether they were included in social assistance, social protection and stimulus measures.

### **Social Protection Programme**

WIEGO works continuously with the International Domestic Workers Federation (IDWF) to raise the profile of social protection among their membership. The Social Protection Programme raised funds and designed a social protection survey with IDWF's members, which helped the National Domestic Workers Union in Bangladesh and the All Nagaland Domestic Workers Union in India to better reflect on their social protection priorities and understand the needs of their members.

### **Urban Policies Programme**

To unpack the hardship, injustice and possibility for transformation within our economic system, laid bare by the pandemic, the Urban Policies Programme is hosting the WIEGO-led COVID-19 Crisis and the Informal Economy Study. Together with worker organizations, WIEGO is listening to the experiences of informal workers, including domestic workers, in 12 cities. The study found that, among domestic workers, "live-out" workers were more likely to face unemployment, while "live-in" workers suffered deteriorating working conditions and terms of employment.

How WIEGO Programmes Support Home-Based Workers

### **Organization and Representation Programme**

Collective voice is key to improving the income, working conditions and status of workers in the informal economy – especially women – whose voices are often not heard by those who make decisions that affect their lives. Through strong, democratic membership-based organizations (MBOs) that are created and led by workers, they gain the knowledge, skills, confidence and solidarity to change this. This year, as a result of the programme's support with organization building, HomeNet International and HomeNet Kenya were founded.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Statistics Programme**

Country-specific data on home-based workers are not commonly available and WIEGO has long worked to change that. This year the Statistics Programme, in collaboration with the International Labour Organization and HomeNet International, prepared the first ever global brief with cross-national comparable estimates of home-based workers by world regions and country income groups. Together with home-based worker statistical briefs for Bangladesh, India and Pakistan, they supported the HomeNet International founding congress. The briefs have laid the foundation and built interest in subsequent statistical briefs planned for countries in other regions, including Latin America and Sub-Saharan Africa.

### **Law Programme**

WIEGO seeks to influence key civil society organizations that are engaging with brands and in policy processes to include homeworkers in their strategies. In 2020, together with informal worker organizations and Asia Floor Wage Alliance (AFWA), the Law Programme called on global brands to extend a one-time Supply-chain Relief Contribution to all garment workers in their supply chains. The Law Programme also supported, together with the Organization and Representation Programme, organizations of home-based workers to participate in an EU law-making process – a first – to compel EU companies to undertake a mandatory human rights and environmental due diligence in their supply chains. As a result, 12 organizations of homeworkers from 10 South and Southeast Asian countries developed and submitted a platform of demands to the European Union Commission.

### **Social Protection Programme**

The Social Protection Programme aims to enhance the knowledge and strategic capabilities of organizations of informal workers, including women within these organizations, to exercise voice and engage in alliance building for social protection. The WIEGO Briefing Note Violence at Work, spearheaded by WIEGO's Social Protection team, shows how informal workers, including home-based workers, can use the ILO Violence and Harassment Convention (no. 190) and accompanying Recommendation (no. 206) to draw attention to the domestic violence they experience in their homes and workplaces. Private homes in which domestic workers and home-based workers operate are considered high-risk workplaces due to the isolation of these workers.

### **Urban Policies Programme**

To unpack the hardship, injustice and possibility for transformation within our economic system, laid bare by the pandemic, the Urban Policies Programme is hosting a WIEGO-led COVID-19 Crisis Study. Together with worker organizations, we are listening to the experiences of informal workers in 12 cities. HomeNet South Asia (HNSA) and HomeNet Thailand used the COVID-19 study survey questionnaire to undertake further study of home-based workers in 17 additional cities, thereby increasing our understanding of the challenges workers are facing during the pandemic.

How WIEGO Programmes Support Street Vendors and Market Traders

### **Organization and Representation Programme**

From the beginning of the COVID-19 lockdown in South Africa in March 2020, street vendors were not able to meet and became very isolated from each other. WIEGO supported the organization of virtual monthly meetings for street vendors in all nine provinces in the country. These meetings have created regular interaction and enhanced coordination among the workers, allowing them to keep track of what is going on in all the different provinces.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

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### **Statistics Programme**

Our statistical brief for urban Thailand, which included data on all informal workers including street vendors and market traders, was used by the Urban Design and Development Center (UDDC) to improve city planning to accommodate the number of street vendors and convince the Bangkok Governor to return street vendors to footpaths. The brief was also used by HomeNet Thailand to ask the National Health Commission Office (NHCO) to help facilitate a public policy for street vendors in Bangkok. NHCO agreed to discuss this issue with other stakeholders because of the large number of people affected, based on our figures.

### **Law Programme**

The pandemic has dealt a heavy economic blow on the African continent. The Law Programme analyzed the COVID-19 laws of 41 Anglophone, Francophone and Lusophone African countries through an informal trading lens. The paper in which these findings are reported considers the implications of these laws for informal traders' continuity of work, measures to prevent the spread of COVID-19, and social dialogue and engagement with governments. The research will be used to provide online training and capacity building for organizations of informal workers and has been made available to a wide range of stakeholders. The project is being implemented together with WIEGO's Social Protection Programme.

### **Social Protection Programme**

The programme produced a series of briefs to analyze the Social Protection Responses to COVID-19, drawing from WIEGO's database of social protection responses to COVID-19, in order to support movements in their advocacy efforts to expand social protection to informal workers in this period of crisis. Various donors and organizations of informal workers have drawn on these briefs, including for advocacy. For example, StreetNet International used it in their presentation at the Global Platform on the Right to the City, and the International Labour Organization's influential Social Protection Spotlight policy brief included WIEGO's contribution based on one of the briefs.

### **Urban Policies Programme**

In July 2020, the Legal Resources Centre in South Africa used WIEGO's health guidelines for street vendors in a court case to secure the opening of markets in Cape Town. The health guidelines helped demonstrate that traders have taken health concerns seriously, including those related to COVID-19. The case was won and the ruling allowed traders to start working again. The guidelines were prepared together with occupational health professors, food security experts, Asiye eTafuleni – an NGO supporting informal traders in South Africa – and trader leaders.

How WIEGO Programmes Support Waste Pickers

### **Organization and Representation Programme**

WIEGO's Reducing Waste in Coastal Cities Project supports waste picker organizations in preventing ocean waste pollution by improving the capacity of waste picker organizations to be formally integrated into solid waste management in their cities. In September 2020, the city of Mangalore, India, issued occupational ID cards for 156 waste pickers as a result of enumeration of workers conducted as part of the project. This is a clear recognition by the state that informal waste pickers are part of the solid waste management infrastructure of the city. The ID cards also make the workers eligible for certain social welfare benefits, including health insurance, and allows them to open a bank account.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 2 For the year ended 31 March 2021

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### Statistics Programme

There is particularly little data on waste pickers, relative to other informal worker groups, in country and international statistics. WIEGO prepared statistical briefs on informal workers, including waste pickers, in India, urban India and Delhi and Mexico, urban Mexico and Mexico City. This affirms the importance of the continued collection of data, which makes tabulation of these workers possible.

### Law Programme

When the Kpone landfill in Accra, Ghana, was suddenly being decommissioned without consultation in June 2020, it came as a shock to the hundreds of waste pickers who rely on their work at the site to survive and feed their families. The Law Programme engaged the Accra-based Advocates for Community Alternatives to support the Kpone Wastepickers' Association to engage the World Bank on the government's lack of compliance with the Bank's safeguarding policies – requiring consultation and the development of a livelihoods restoration plan. The World Bank did not ultimately assume responsibility for safeguarding, and waste pickers are now advocating with the government to secure waste management contracts, finance and infrastructure to operate as an independent cooperative in the waste value chain.

### Social Protection Programme

The programme's Informal Economy Podcast: Social Protection is a source of accessible information that raises awareness about research and debates on social protection for informal workers, including waste pickers. This year, it featured topics such as universal basic income, social protection needs for older workers, and the impact of the pandemic on workers. Socialprotection.org – the leading web-based platform for dissemination of social protection resources – featured WIEGO's social protection work in Lima after it was discussed on our podcast.

### Urban Policies Programme

The Urban Policies Programme supports informal workers in their efforts to transform urban systems, including through raising the visibility of waste pickers in important debates. Marli Beraldo, a waste picker leader from the Acamares association in Minas Gerais, Brazil, participated in a webinar led by Brazil's National Health Foundation about the impacts of COVID-19. She shared the health and economic impacts felt by waste pickers during the pandemic. The invitation was a result of WIEGO's ongoing interactions with the Foundation on COVID-19-related work.

#### How WIEGO's Focal Cities Teams are Supporting Informal Workers

WIEGO's Focal Cities approach supports informal worker organizations to engage with government officials to secure more inclusive laws and regulations, improved urban services and a voice in urban planning and policy-making processes. WIEGO's five Focal Cities are Accra, Ghana; Dakar, Senegal; Delhi, India; Lima, Peru and Mexico City, Mexico.

#### Accra, Ghana

The team works with **market traders, street vendors, waste pickers** and **kayayei /market porters**. After a fire in a shopping mall, WIEGO reached out to worker leaders to find out the extent of the impact on informal traders and to offer support with a statement to demand a response from the authorities. The joint statement from the Greater Accra Markets Association (GAMA) and Informal Hawkers and Vendors of Ghana (IHVAG) received a lot of media attention; this was an opportunity workers used to reiterate their demand for a safe and secure working environment. Following the statement, the National Board for Small Scale Industries (NBSSI) agreed to increase the number of eligible beneficiaries of a COVID-19 alleviation programme – although support has remained limited.

# WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED

## APPENDIX 2 For the year ended 31 March 2021

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Dakar, Senegal

The team works with **home-based producers, street and market vendors, waste pickers, taxi drivers, laundresses, carpenters and construction workers.**

WIEGO is working to secure waste pickers' livelihoods in the process of the eventual closure of the Mbeubeuss dumpsite. In partnership with strategic allies, WIEGO works to strengthen the capacity of Bokk Diom – the association of Waste Pickers of Mbeubeuss – to defend their rights and interests as workers. Bokk Diom leaders are now holding the authorities to account for the protection of their livelihoods and are demanding inclusion in the project. In March 2021, Bokk Diom began the process of becoming a union. With the International Labour Organization and WIEGO, Bokk Diom worked in the development of two feasibility studies for the creation of a cooperative, identifying potential areas where they could participate within the waste management chain.

Delhi, India

The team works with **domestic workers, home-based workers, street vendors and waste pickers.**

In Delhi, WIEGO joined a diverse coalition of allies who together formed the Main Bhi Dilli ("I, too, am Delhi") Campaign – to advocate for the need for a more participatory and inclusive approach to the next Delhi master plan, which sets the tone for the city's development for the next 20 years. As a result of the campaign's advocacy efforts, the city opened up its most inclusive public consultation process yet – accepting for the first time citizen input on the master plan before the release of a draft rather than after.

Lima, Peru

The team works with **domestic workers, home-based workers, street vendors, waste pickers, "canillitas"/newspaper vendors and market porters.**

COVID-19 restrictions in Peru were among the strictest and longest in the world. Informal workers were not able to go to work for almost four months. Team Lima worked closely with membership-based organizations, government officials and the media to advocate for cash grants for self-employed workers. At the start of the pandemic, the national government granted cash support to households categorized as poor or "extremely poor", but the urban directories were not up to date and the majority of informal workers were left out of the benefit. A cash grant for self-employed workers was approved a couple of weeks after WIEGO's advocacy started and improved the reach of the cash grants to include many informal workers.

Mexico City, Mexico

The team works with **domestic workers, street vendors, waste pickers and non-salaried workers** including mariachi musicians, coffee vendors, shoe shiners and organ players.

Through the "Rifados de la Basura" campaign, launched by WIEGO in April 2020, waste pickers drew attention to their working conditions through the media and gained visibility and recognition from government officials and the public. The Mexico City Human Rights Commission issued a press release soon after the start of the campaign urging Mexico City's government to protect informal waste pickers due to the high risks they faced in the COVID-19 crisis, incorporating two of the central demands of WIEGO's campaign.

# **WOMEN IN INFORMAL EMPLOYMENT: GLOBALIZING AND ORGANIZING (WIEGO) LIMITED**

## **APPENDIX 2 For the year ended 31 March 2021**

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### **Improving the Accessibility of Our Work**

Making our research available in accessible formats and disseminating it on various channels and in a wide variety of languages contributes to an inclusive environment in which workers can use our materials to inform their advocacy. Over the past year, our new trilingual website, increasingly visual social media messaging, and media outreach conducted by a dedicated press team have contributed to improved accessibility.

These strategies were, for example, used for the dissemination of WIEGO's 12-city study, which is conducted in collaboration with organizations of informal workers and assesses the impact of the COVID-19 crisis on specific groups of workers and their households. The results and outputs from the study have been widely shared by donors and multilateral international organizations, as well as by workers who have used it in their advocacy for better working conditions and rights during the pandemic.

In Peru alone, the study results were featured in 80 news and interview pieces; the ministries of labour and production in Peru took action on a recommendation of the study to provide access to small credit to informal workers; and, following a public parliamentary session on climate where the results were presented, the Lima municipal government designated informal recyclers as essential. The ILO's flagship online publication – the International Labour Review – accepted for publication two WIEGO-authored papers on the study findings. Various news outlets around the world reported on the impacts of the crisis on informal workers after receiving a press release from WIEGO.

The Law Programme commissioned the creation of engaging materials for their Waste Pickers and Human Rights work, which aims to improve working conditions for waste pickers through a human rights perspective and to extend the right to work to include informal workers. The materials (Spanish only) included a comic, a snakes and ladders game and a guide to recyclers' rights.

Disseminating our work in partnership with donors and large international organizations makes it more accessible for a larger audience and thus increases the reach of our work. In partnership with Ford Foundation and UNU-WIDER, WIEGO co-hosted an online event to celebrate the book *The Informal Economy Revisited: Examining the Past, Envisioning the Future* and to call attention to the future of informal work. This 34-chapter open-access book brings together leading scholars from a broad range of disciplines to investigate recent conceptual shifts, research findings and policy debates on the informal economy. Edited by Marty Chen and Françoise Carré, the volume is the culmination of WIEGO's first 20 years of pioneering work on the informal economy. As a whole, it calls for a paradigm shift in theory and research as well as policies, laws and regulations on the informal economy.

Increased availability of translation and interpretation provided by the communications team makes trainings and workshops accessible for a wider audience and has improved representation from our constituencies, also in global campaigns – such as the 16 Days Campaign to call for the ratification of ILO Convention 190 to end all forms of gender-based violence, which focused on women in informal employment.

For International Women's Day, WIEGO amplified the voices of women leaders – in their own words, made possible by translation – whose organizations stepped up to provide relief when governments failed to do enough during the COVID-19 pandemic.

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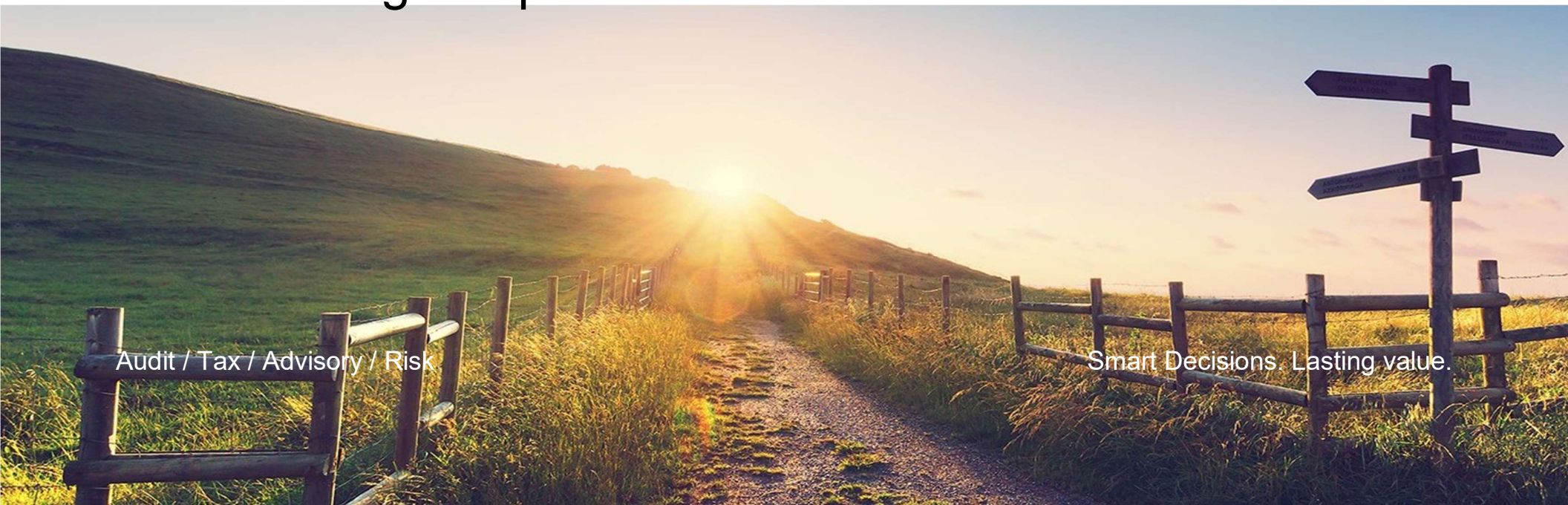
# Women in Informal Employment: Globalizing and Organizing

Year ended 31 March 2021

Audit Findings Report **DRAFT**

Audit / Tax / Advisory / Risk

Smart Decisions. Lasting value.



The Directors  
Women in Informal Employment: Globalizing and Organizing (WIEGO) Limited  
521 Royal Exchange  
Manchester  
M2 7EN  
5 July 2021

Dear Directors

### **Audit for the year ended 31 March 2021**

Following the completion of our audit fieldwork on the financial statements of Women in Informal Employment: Globalizing and Organizing (WIEGO) for the year ended 31 March 2021 we have pleasure in submitting our Audit Findings Report setting out the significant matters which have come to our attention during our audit of which we believe you need to be aware when considering the financial statements. The matters included in this report have been discussed with WIEGO's management during our audit and at our closing meeting on 5 July 2021. Mike Bird and Jacqui Fendall have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.

The Covid-19 virus outbreak continues to have a significant impact on the WIEGO's reporting and on our audit processes this year and we have commented specifically on this in the report. Vicky Szulist will be attending your meeting on 21 July 2021 and will be pleased to provide any further information or clarification on this or any other matters which you may require.

We would like to express our appreciation for the assistance provided to us by the finance team and the other staff at the charity during this year's audit.

### **Use of this report**

This report has been provided to the Finance Committee to consider and ratify on behalf of the Board of Trustees, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Yours sincerely

**Crowe U.K. LLP**

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## 1. Audit overview

### Audit scope and approach

Our audit work has been undertaken for the purposes of forming our audit opinion on the financial statements of WIEGO prepared by management with the oversight of the directors and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

We have commented below on matters that need to be finalised before we complete our audit and also later in this report on our approach to the key audit risks. Subject to the satisfactory completion of the outstanding matters, we believe that we will have obtained sufficient audit evidence and that there have not been any restrictions or limitations on our audit.

### Communicating significant findings from our audit

We are required by ISAs to communicate with the directors as "those charged with governance" various matters from our audit including:

- our views about significant qualitative aspects of the charity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures,
- significant difficulties, if any, encountered during the audit,
- any significant matters arising during the audit and written representations we are requesting,
- circumstances that affect the form and content of our auditor's report, if any, and
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention. We confirm that we have no significant control deficiencies identified from our audit which we need to bring to your attention.

You should note that our evaluation of the systems of control at WIEGO was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of systems and processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

### Audit completion

We have substantially completed our audit subject to the matters set out below.

- Completion of the going concern and post-Balance Sheet events reviews.
- Review of the final financial statements.
- Receipt of the signed letter of representation.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of the outstanding matters. On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements.

### Critical audit matters

We have identified income recognition and management override of controls as being critical to the financial statements and have considered these matters further in section 2 of this report.

Additionally, going concern has become an increased risk area for all organisations given the current unprecedented environment surrounding COVID-19 and we have considered in section 2 going concern and the impact of COVID-19 on the Trustees' Report and financial statements

### **Other significant audit matters**

In Section 3 we have also discussed in detail the findings from our work in relation to the following matters.

- Harvard debtor balance.

### **Materiality and identified misstatements**

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of "materiality" to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity of WIEGO and was set at approximately 2% of income. We have reviewed this level of materiality based on the draft financial statements for year ended 31 March 2021 and are satisfied that it continues to be appropriate.

We also report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be approximately 3% of our audit materiality.

We have listed in Appendix 2 any misstatements we have noted which have not been adjusted by management. The unadjusted errors would result in a decrease of \$3k in the net income recorded in the Statement of Financial Activities and management have concluded that this is not material. We will be requesting confirmation from the Trustees in our audit representation letter that you do not wish to adjust for these misstatements.

### **Ethical Standard**

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

In our professional judgement there are no relationships between Crowe U.K. LLP and WIEGO or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Having considered the safeguards as noted at planning, in order to provide the maximum independence to the Finance Committee, whilst providing you with the ability to retain our cumulative audit knowledge and experience, we have included a second partner review into our internal processes this year.

### **Legal and regulatory disclosure requirements**

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Companies Act 2006
- Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS102) (effective 1 January 2015)

### **Financial statements**

The trustees of WIEGO are responsible for the preparation of the financial statements on a going concern basis (unless this basis is inappropriate). The trustees are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at

the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

### **Directors' responsibilities**

Under the provisions of the Companies Act, the Directors' Report is required to include a statement confirming for each director who was a director at the time of the approval of the financial statements that:

- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit

information and to establish that the company's auditor is aware of that information; and

- so far as they are aware there is no relevant audit information of which the company's auditor is unaware.

## 2. Significant matters from our audit

We reported in our Audit Planning Report a number of areas we identified as having specific audit risk including the potential risk from management override of controls which auditing standards deem to be a significant risk for all audits. We have commented below on the results of our work in these areas as well as on any key additional risks, judgements or other matters in relation to the financial statements of WIEGO identified during our audit.

### 2.1 Going concern

We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102 the Trustees and management are required to make an assessment of the charity's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Trustees and management are required to consider all available information about the future of the charity in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The trustees' going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

The impact of the Covid-19 outbreak will require all entities, including charities, to reassess their financial position and their ability to continue to operate as a going concern. This may require considering a number of factors including updating the charity's budgets and forecasts. Where trustees identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed in the financial statements.

Trustees may consider and take account of realistic mitigating responses open to them, considering the likely success of any response.

We have discussed this with WIEGO's management and explained that our work on going concern includes the following:

- reviewing the period used by Trustees to assess the ability of WIEGO to continue as a going concern,
- examining budgets and forecasts prepared by management covering the period of the going concern assessment which adequately take

account of the potential impacts of Covid-19 on the charity to ensure that these appropriately support the trustees' conclusion,

- reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year, and
- reviewed any other information or documentation which the Trustees have used in their going concern assessment.

The Financial Reporting Council thinks it is likely that more companies (and this will include charities) will disclose "material uncertainties" to going concern in the current circumstances. For these reasons we have identified this area as a specific area of audit risk with respect to WIEGO.

Covid-19 is a fast-moving situation and it will be important that the trustees consider not only the budgets and forecasts but also the sensitivity analysis on these. Key considerations will be around reserves, liquidity and resilience.

#### a) Reserves

The Charity Commission guidance "Managing financial difficulties & insolvency in charities" (CC12) stresses the importance for "*a trustee body to have a good knowledge and understanding of the charity and its finances so that, as far as possible, the continued viability of the charity and its charitable activities can be assured.*".

This is a theme that runs through the Charity Commission's updates and alerts including its guidance on whether charities can use reserves and restricted funds to help the charity through the crisis.

The Charity Commission guidance highlights a number of factors the trustees need to consider.

- Trustees should review what are their short, medium and longer-term priorities, including whether or not certain projects, spends or activities can be stopped or delayed.
- The guidance recognises that reserves can be used to help cope with unexpected events like those unfolding at present.
- If the trustees have previously decided to earmark certain funds for a particular purpose they may be able to re-prioritise these.
- Restricted funds which cannot be spent at the trustees' discretion may only be used for a particular and defined purpose. In some instances, there may be ways to amend these restrictions, but accessing or releasing restricted funds should only be considered if other options such as reserves are not possible.
- All decisions on such financial matters should normally be taken collectively, and significant decisions and action points noted in writing.

#### b) Liquidity and resilience

The Charity Commission guidance goes on to explain that *"The overall responsibility for effective governance and the implementation of proper financial management rests with the trustees, but may well involve all staff members whether paid or volunteers."*

As well as the level of available reserves the trustees will also need to understand and consider the charity's liquidity.

- Proper consideration needs to be given to cash flow forecasts and debt and project management based on realistic assumptions set. There should be a budget including cash projections and business plans produced at least annually and monthly monitoring against the plans.
- There is a need to extend cash flow forecasts to evaluate issues that may arise after the end of the period covered by existing cash flow forecasts.
- There should be processes in place to ensure that appropriate procedures and controls have been applied to models used to

generate cash flow and valuation information, including the choice and consistent use of key assumptions.

- Appropriate sensitivity analysis needs to be applied to address the potential impact of reasonably possible events. Sources of income and expenditure should be analysed with consideration of uncertainties around grant funding, voluntary or earned income.
- The sensitivity analysis should properly flex assumptions to identify how robust the model outputs are in practice and that the assumptions are free from bias.

In April 2016 the FRC issued its guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks for companies that do not apply the UK Corporate Governance Code. Whilst this guidance refers to "directors" and "companies", the report makes it clear that it is designed to relate to all other entities preparing accounts under the going concern basis and it will therefore be applicable to charities and charity trustees.

The guidance defines Solvency Risk as *"the risk that a company will be unable to meet its liabilities in full"* and Liquidity Risk as *"the risk that a company will be unable to meet its liabilities as they fall due"*.

The guidance sets out some of the factors which directors should consider as part of their assessment process but also explains that it is the directors that need to determine the relevance of these factors considering the size, complexity and the particular circumstances of the organisation, its industry and the general economic conditions.

In their updated guidance 'Company Guidance Update March 2020 (COVID-19)', the Financial Reporting Council, explain *"Given the systemic uncertainties that currently exist, many boards will be less confident in stating that they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over a period of assessment ("the viability statement" as required for compliance with the UK Corporate Governance Code)"*.

However, the FRC stresses the following points:

- *"Boards are required to have a "reasonable expectation" of the company's viability over the period of assessment – during the current*



*emergency and unprecedented pace of change, any reasonable level of expectation would naturally carry a much lower level of confidence;*

- *Being clear on the company's specific circumstances and the degree of uncertainty about the future is important information; and*
- *When presenting a company's viability statement, its board should draw attention to any qualifications or assumptions as necessary.*

*In describing any qualifications to the statement, a board should describe the limits of the predictions, the level of confidence with which they have been made and the uncertain future events that could prove critical to viability.*

*Similarly, the key assumptions made and the future scenarios considered should be explained. Many companies already use scenario and stress testing in developing their statements and this should continue as far as practicable. The use of reverse stress testing, to identify future scenarios that could lead to corporate failures, is also good practice.*

*At this time, the need for fuller disclosure is paramount."*

In addition, there may be charity specific issues to consider including ensuring that there are no breaches of trust with respect to any restricted income or endowed funds and that the charity is able to meet its obligations in relation to these funds. Trustees may be held liable for a breach of trust if they apply restricted funds for purposes outside of the relevant restriction.

CC25: "Charity finances: trustee essentials" – issued in March 2017 emphasises the need for charities to be resilient. This is a key theme for much of the Commission's guidance is also discussed in the updated CC19 guidance entitled "Charity reserves: building resilience".

In the section on 'managing financial difficulties and insolvency, CC25 explains that if charities face financial difficulties then the trustees must:

- *"have the appropriate skills and time to ensure the proper running of the charity and lead or manage it through difficulties,*
- *ensure that they regularly receive and consider robust and up-to-date financial management information to enable them to recognise at an early stage when the charity is facing financial difficulties,*

- *find out which charity funds are restricted in their use by their donors and which can be used for any of its aims - this is crucial to the proper understanding of the charity's overall financial position,*
- *take prompt action when they think insolvency is a possibility – professional advice in writing should be taken at an early stage because any corrective action needs to be carefully planned,*
- *consider changing, cutting or restricting the charity's activities, reviewing funding sources and commitments or refinancing,*
- *think about merging or collaborating with another charity,*
- *have an understanding of (and if necessary take advice about) insolvency law and how it applies to charitable companies, and what voluntary options there are for other types of charity,*
- *recognise that once the charity has reached the stage of liquidation or winding up their primary duty is to pay the charity's debts, and*
- *tell the Commission if the charity closes or is no longer active so that it can be removed from the register of charities (legal requirement)."*

### *c) Insolvency*

There are normally two tests of insolvency – the balance sheet test (positive net assets) and the cashflow test. The key issue is, can the organisation pay its debts as they fall due? The cash flow test is of particular importance and a charity can be insolvent even if it has positive net assets. Careful consideration is required of many factors, such as what values can be realised in time to meet debts and what assets can be used to meet liabilities. Understanding is needed of the implications of the different restricted and endowed funds held by the charity. The position for trustees of an unincorporated charity is different and the risks are usually higher.

Directors and shadow directors can be guilty of wrongful trading if they continue to trade and incur liabilities they knew or ought to have known that there was no reasonable prospect of avoiding insolvent liquidation.

Fraudulent trading is also a risk. Section 213 of the Insolvency Act provides that on the application of the liquidator of a company the Court may order that any persons who were knowingly party to carrying on the business of the company with intent to defraud creditors must make a contribution to the

company's assets. For a fraudulent trading action, intent to defraud creditors must be proved and the onus of proof is on the liquidator. There must be evidence of actual dishonesty. For an insolvent charitable company, senior management, and not just the trustees, could also be made liable for fraudulent trading. The charity should avoid entering into preferential transactions which put another party in a better position to the detriment of other creditors. The court will recognise mitigating circumstances. For example, if the directors took proper steps to minimise the potential loss to the company's creditors.

On 28 March 2020 the government announced changes to the insolvency regime aimed to provide companies breathing space and keep trading through the COVID-19 pandemic. There will be a temporary suspension of wrongful trading provisions to remove the threat of personal liability during the pandemic, applied retrospectively for the periods 1 March 2020 to 30 September 2020 and 26 November 2020 to 30 June 2021. In addition, there is to be a temporary moratorium until 30 September 2021 for companies undergoing a restructuring process so that they cannot be put into administration by creditors and will continue to be able to pay suppliers and staff. The detail and the underpinning legislation is yet to follow. However, it has been clarified that these measures do not impact the existing laws relating to matters such as fraudulent trading, transactions defrauding creditors and misfeasance.

#### *d) Finalising the financial statements*

Given the potential for rapid spreading of the virus, required disclosures will likely change over time as more information about the epidemic emerges. As a result, the trustees will need to monitor developments and ensure that they are providing up-to-date and meaningful disclosure before finalising their year-end report.

The Financial Reporting Council in their 'Company Guidance Update March 2020 (COVID-19)' thinks it is likely that more companies will disclose 'material uncertainties' to going concern in current circumstances. The impact of the coronavirus outbreak will require all entities, including charities, to reassess their financial position and their ability to continue to operate as a going concern. This may require considering a number of factors but probably key will be to update the charity's budgets and forecasts and also to consider whether the charity might fail to comply with any external covenants.

Put simply, where boards identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed. Boards may take account of potential responses open to them to mitigate such events or scenarios although would need to consider the likely success of any response.

As part of our audit fieldwork we have reviewed the budgets that have been prepared for the year ended 31 March 2022 and 2023. We understand from management that they have been informed of funding of \$5m per year for 5 years from The Ford Foundation to fund WIEGO and the networks. Management do not believe that there is any material uncertainty around going concern for the organisation.

We will be seeking representations that the Board has considered the forecasts and is satisfied that the Going Concern basis is appropriate.

## **2.2 Covid-19 and the financial statements**

The measures put in place by the Government to limit the spread of Covid-19 will have a broad range of implications for all organisations and their operations, and will going forward impact on financial results.

WIEGO has been facing unexpected challenges which will impact on the charity going forward, both in its operations and financially. It is therefore important that the Financial Statement adequately disclose the impact on any significant estimates and judgements made in the financial statements. The trustees should also provide a comprehensive explanation of the challenges within the narrative reporting in the Trustees' Report.

We have discussed the draft of the proposed additional disclosures with the charity's management and how these fit in with the charity SORP requirements as well as the needs of the charity. However, due to the continually changing environment, the trustees will need to review and monitor these disclosures and update them as necessary before finalising the Report and Financial Statements

To assist our charity clients to identify the key reporting implications we have published a report "Coronavirus: financial reporting issues for charities" which is available on our website - <https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities>.

## 2.3 Income recognition

The key risks in this area have been identified as follows.

- Completeness (has all income due been appropriately recognised in the period?).
- Benefit (has income been recognised in the appropriate period?).
- Fund allocation (have donor restrictions on the use of the income been appropriately captured in the financial statements?).
- Accuracy (where income is owed at year end, is it likely to be received or should it be provided against?).

We are also required to presume that there may be risks of fraud in the recognition of income in the financial statements and to conduct our audit testing accordingly.

Our testing on income was completed as outlined in our audit planning report. During our testing we have noted that management have deferred a \$2m grant from The Hewlett Foundation on the basis that it is to be used in the year ended 31 March 2022. We have reviewed the grant documentation provided and have noted that the grant documentation whilst signed by WIEGO on 1 April 2020 was dated 22 March 2020 and says that the funds should be used within the period 23 March 2020 to 23 March 2022. Under the Charities SORP this income should not be deferred but should be carried forward in the restricted fund.

The accounts have been adjusted to include the grant in this year's income.

## 2.4 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

### *Significant accounting estimates and judgements*

A revised auditing standard, ISA (UK) 540 (Revised) Auditing Accounting Estimates and Related Disclosures, effective for accounting periods commencing on or after 15 December 2019, is applicable for the current year, and required additional audit focus over management's estimates, including undertaking separate risk assessments for both inherent and control risks. In

respect of the former, consideration is given to the estimation uncertainty, the subjectivity and the complexity of the estimate. We are also required to consider whether the disclosures made in the financial statements are reasonable.

Management have made a number of necessary significant accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- Income recognition in relation to performance related grants and contracts

This point is addressed in section 2.3 above.

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

### *Controls around journal entries and the financial reporting process*

We reviewed and carried out sample testing on the charity's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We did not identify any instances of management override of controls or other issues from our sample testing of WIEGO journals. However, we note that journal processing can be an area of potential risk and it is good practice to include consideration of this within the overall WIEGO risk assessment.

### *Significant transactions outside the normal course of business*

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the charity's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

### **3. Other matters from our audit**

In addition to matters relating to the key areas of accounting and audit focus as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

#### **3.1 Harvard debtor**

We understand that during the year management received a final statement from Harvard covering the period June 2007 to June 2020 which stated that there was a nil balance between WIEGO and Harvard whereas WIEGO have a debtor balance owed by Harvard at the year end of \$48k. The Harvard balance has formed part of the audited accounts since WIEGO's inception. The Harvard statements are often multiple for different income streams and not always co-terminus with WIEGO's year end.

We understand that Jacqui Fendall has gone back and checked all the transactions over the past few years and also tried to discuss this with Harvard but has been unable to determine where the difference has arisen. It has been agreed with management that the benefit to be gained of trying to go back further into the charity's old accounting system Quickbooks is not a good use of staff time and as it is unlikely that the amount would be recovered from Harvard even if it could be proved that the amount was owing it has been agreed that this balance should be written off in the financial statements.

## 4. Fraud and irregularities and our audit reporting

There has been an update to ISA (UK) 700 for accounting periods beginning on or after 15 December 2019, requiring the audit report to include an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of both irregularities and fraud rests with the directors and management of the organisation. It is important that management, with oversight of those charged with governance, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.

Our responsibility under ISAs (UK) is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The addition this year to our reporting requirements placed increased emphasis on our understanding of the risks to WIEGO from fraud and irregularities and our audit included discussions with management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement, as well as other procedures to obtain sufficient appropriate audit evidence.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK).

WIEGO has systems in place for review and authorisation of expenditure and journals by management, including dual authorisation and segregation of duties between those posting transactions and those approving payments.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered

in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were those contained within the Charities Act.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

In our Audit Planning Report, we explained that the responsibility for safeguarding the assets and for the prevention and detection of error and irregularities, including fraud and non-compliance with law or regulations rests with the directors of WIEGO.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including any material misstatements resulting from fraud, error or non-compliance with law or regulations).

However, no internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

As part of our audit procedures we made enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. Usually fraud in the charity sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, charities represented by its management and its trustees do not actively try to falsify financial statements as there are not the same incentives to do so. In the charity world fraud is usually carried out through misappropriation or theft.

We have reviewed and discussed the accounting and internal controls systems management has put in place to address these risks and to prevent and detect error. However, we emphasise that the directors, Finance Committee and management should ensure that these matters are considered and reviewed on a regular basis.

We have included the following statements in the letter of representation which we require from the directors when the financial statements are approved.

- The directors acknowledge their responsibility for the design and implementation of internal control to prevent and detect fraud and errors.
- The directors have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The directors are not aware of any fraud or suspected fraud affecting the charity involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.
- The directors are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the charity's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2021 financial statements, or in the period since the previous year end.

We emphasise that this section is provided to explain our approach to fraud and error, but the responsibility to make and consider your own assessment rests with yourselves.

The trustees should be aware that the Charity Commission provides guidance (updated in October 2019) on how to protect your charity from fraud including information about fraud, how to spot it and what you can do to protect against it - <https://www.gov.uk/guidance/protect-your-charity-from-fraud>.

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, the directors consider fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by the directors.

We have shared with management our guidance and a framework on conducting fraud risk assessments. A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and
- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud.

Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

### **Considering risks of fraud**

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and oversight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that charities such as WIEGO should consider.

#### ***a) Frauds of extraction***

This is where funds or assets in possession of the charity are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The close monitoring of management accounts, ledger entries and strict budgetary controls are also generally seen as an effective way of detecting and deterring frauds in this area.

Staff should be made aware of the increasing use of mandate fraud. This is where when the fraudster gets the organisation to change a direct debit, standing order or bank transfer mandate by purporting to be a supplier or organisation to which the charity make regular payments.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance.

Some charities have also been victims of what is being termed CEO fraud, although it does not involve the CEO. In this case cyber criminals spoof

company email accounts and impersonate executives to try and fool an employee in accounting or HR into executing unauthorised wire transfers or sending out confidential information.

This type of phishing scam is a sophisticated scam targeting businesses working with foreign suppliers and/or businesses that regularly perform wire transfer payments. The scam is carried out by compromising legitimate business e-mail accounts through social engineering or computer intrusion techniques to conduct unauthorised transfers of funds. Action Fraud, the UK's national fraud and cyber-crime reporting centre has reported an increase in fraud and scams relating to COVID-19, including a rise in phishing emails where the fraudster attempts to trick people into opening malicious attachments which could lead to fraudsters stealing people's personal information, email logins and passwords, and banking details.

Charities should therefore ensure that they reiterate their procedures to employees and raise awareness of fraud preventions across their organisations. All employees should exercise real scepticism and not make any payments which are not properly supported and outside the normal payment mechanisms. To paraphrase Action Fraud's recommendations, which are particularly significant as staff are working remotely and some working different hours in order to manage the challenges of working from home:

- Ensure all staff, not just finance teams, know about current frauds and scams.
- Have a system in place which allows staff to properly verify contact from their CEO or senior members of staff; for example having two points of contact so that the staff can check that the instruction which they have received from their CEO is legitimate.
- Always review financial transactions to check for inconsistencies/errors, such as a misspelt company name.
- Consider what information is publicly available about the business and whether it needs to be public.
- Ensure computer systems are secure and that antivirus software is up to date.

All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

*b) Backhanders and inducements*

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

There is also the risk that once a donation of money or aid has been authorised and released in the UK, this could be diverted, probably into the underground economy, as a result of inducements paid in the destination country. Charities should be aware of the requirements and extent of the UK Bribery Act 2010, as this extends their liability to actions beyond the shores of the UK and to cover the actions of their intermediaries and agents.

Organisations are required to put in place proportionate measures to prevent backhanders and inducements from being paid, either by their workers, agents or intermediaries or to their workers, agents or intermediaries.

*c) Frauds of diversion*

This is where income or other assets due to WIEGO are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a charity becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the charity's bank account will be a lower risk than income being received by home based fundraisers.



## 5. Managing in uncertain times

Threats arising from certain crises can be existential and circumstances are unprecedented and the scale and impact of risks and challenges make them different to routine challenges. For example, with the current pandemic the speed at which events unfold, change and impact does not allow time to interpret risks using the usual approaches. The only certainty is that there will be even more change in the future and that this will continue to impact in a number of ways many of which will be new and unprecedented. This means that whilst the immediate need may be issues such as protecting people and survival of the organisation there will be need to consider both the near term as organisations develop coping and stabilisation strategies and also longer-term strategies to optimise their position post recovery.

Many organisations learned how to adapt and manage turbulent times during the downturn in 2008 to 2009. There was recognition that emotional stress had to be factored in and this is even more important now.

The continued uncertainty and volatility of income, instability in markets along with new cost considerations has dramatically increased the exposure to liquidity risk; underlining how vital it is to have robust assumptions behind forecasts. When it is unclear how long a cash crisis may last it is important to consider needs for both now and later. When times get hard charities that have free reserves will need to consider if, when and how they use them. How much to use reserves, what for and when and how will need careful consideration.

The extent of uncertainty differs, at one end many of the perceived unknowns are in fact “knowable” and at the other there can be massive almost total uncertainty. In between lies the more common state of uncertainty where there are a number of possible alternatives that can be planned for.

Strategy must be able to deal with uncertainty and at a time when predicting the probable is difficult to say the least, strategies and tactics have to be developed on the premise that several different outcomes are possible. If there is total uncertainty which can happen when many issues interact it becomes virtually impossible to predict or even identify all the possible outcomes. In such cases strategy and planning is focused on recognising that this stage of total uncertainty is often transitory and that whilst firefighting and

dealing with the present it is also important to try to identify triggers and trends and be ready to act decisively at the right time.

In times of existential threats there is need to review and perhaps change plans at very short notice – sometimes daily. Whilst the short term is important it is also important to consider the longer term and to think hard indirect and direct implications of unfolding events. Thinking both beyond the typical planning horizon and about matters that are unfolding in real time is vital to develop action plans for different scenarios to monitoring trigger points. This make it possible for the organisation to decide when plan A or plan B needs to be implemented. For example, ‘if income looks like it is going to drop by X we will do Y...’

A focus on high impact risk is important, but one should not forget how a lower significance risk can escalate to a very high impact risk because of risk dependencies. An isolated concentration on value at risk can sometimes result in not spotting ‘risk contagion’ – in other words where one low impact risk leads to another and another so that the cumulative impact is catastrophic. Many studies have shown that most business failures are the result of a series of small, linked events rather than a single large event. If organisations only look at the big risks they can often end up lethally ill-prepared to face the interaction of separate adverse events.

Since risks invariably interact it is important to think about them in clusters rather than individual risks. This is particularly relevant in times of uncertainty. Some risks are obvious as possibly having a direct and often immediate impact whilst others have an indirect impact and it is important not to dismiss these.

Traditional risk registers and heat maps have less relevance in times of great uncertainty and it is important for decision makers to carefully consider implications and actions and what estimates and assumptions are being used, their limitations and how they might need to change. There needs to be discussion about triggers and early warnings, how actions need to be prioritised, what risks can be mitigated, which need to be accepted and how they will be managed.

Many think that, in times of grave uncertainty where the risks are too difficult to identify, risk management has little value. They refer to the unknown

unknowns but in reality there are many known unknowns and effective risk management helps organisations manage the known unknowns whilst recognising that there are unknown unknowns. It also puts organisations into a better position to manage the unknown when it becomes known and should also help earlier identification of direct and indirect risks.

There is always benefit in taking a good hard look at how efficiently activities are carried out and services are delivered. Ways of working have necessarily changed and will continue to evolve. The question is are leaders acting as catalysts for change when it is needed?

Organisations often do all these things but seem to be averse to looking at the fundamental business model and considering how fit for purpose it is. As income streams change and cost structures evolve it is important to consider whether the fundamental operating model can be improved. Strategic alliances, collaborative working and mergers need to be on the agenda. There are no stereotype answers but try and avoid dismissing things based on previous and sometimes biased analyses. New times require new responses. Organisations need to avoid knee jerk reactions whilst recognising that change is inevitable. It is important to act decisively balancing the need to consider hypotheses and options with the urgency that may be required. There is a need to ensure that the response is flexible enough and can be adapted as the environment changes whilst also recognising that responses may need to be urgent and immediate. There are a number of steps before launching into responses. Simplistically this can be broken into three key areas:

**Early and quick-thinking stage** – This requires identifying the right people to think about the key uncertainties that can impact the organisation. We have seen organisations set up effective “nerve centres” that consider what is needed to keep on track. Remember to consider direct and indirect drivers and short and long term implications. Avoid group think and be ready to look beyond the obvious identifying both risks and opportunities.

**Consider the strategic choices** – This requires revisiting earlier strategic plans and tactics. Consider the different scenarios and the strategic choices and options for action. Are the right structures, resources and procedures in place to first make the right choices and then to capitalise on them? There need to be triggers for actions as scenarios become reality and ways of identifying warning signs and alerts. This stage requires analyses and

interpretation of the choices that are available and the resources needed to make them.

**Taking action** – As the organisation implements its plan and tactics there will be need to have in place a strong change enablement framework that considers both the organisational and people transitions that may be necessary. There is a need to remain nimble and flexible and recognise that the first two stages may not have come up with the right answers and that the options and actions may need to change accordingly. As organisations have their resilience tested they will focus on what is nice to have and what they must have. Areas seen as discretionary spend such as training, marketing and service development are often the first to be cut but it is important not to forget the importance of ensuring that organisations are well positioned for the period of recovery and to recognise that there will be yet another new normal.

As difficult as it may seem during a crisis – situations improve and the organisations that will be best placed are those that make the right decisions through the periods of uncertainty. The key is to think carefully about the future and be ready to face challenges and respond to the opportunities as they arise.

More information can be found on our website

<https://www.crowe.com/uk/croweuk/insights/non-profits-managing-in-uncertain-times> .

## 6. Controls in remote working and into the new normal

As set out in our Audit Planning Report, the outbreak of Covid-19 caused significant disruption to most organisations, with charities being no exception. As auditors, we are required to consider the changes to the control environment insofar as this impacted on the key controls over significant audit risk areas or where the changes created new significant risks of material misstatement in the financial statements.

As part of our audit we have gained an understanding of how WIEGO's control environment has changed over time and considered the impacts of those changes. This was considered over three distinct phases:

1. Transition to a remote environment at pace;
2. Operating in a remote environment; and
3. Establishing business as usual in the new normal.

Two of these involved looking back at what has been done and the last is forward looking and about understanding what the control environment can and should look like in the months and years ahead.

With this framework in mind we asked management to provide us with details of how systems and controls have developed as a result of the move to remote working across the following areas:

- Segregation of duties
- Authorisation and approval

- Controls over standing data
- Data access and sharing
- Physical controls
- Board monitoring
- Financial monitoring
- Disaster recovery and insurance
- Risk management
- Working with local office and partners

We reviewed the assessment performed by management and revisited our notes on the charity's systems and processes relevant to the audit, including performing walkthroughs on processes and controls over significant audit risk areas.

Management identified minimal changes to the established control processes.

Many organisations continue to adapt to the new working environment, and further adaptation will be needed as we move back to a more mixed environment, combining remote and in person working. We recommend structured reporting of changes of operational controls to Directors, to allow appropriate oversight of the control environment, and that this is considered alongside the organisational risk register to ensure consistency.

## Appendix 1 - Systems and controls issues

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at WIEGO was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken:

High	These findings are significant and require urgent action.	<i>(0 comments in this category)</i>
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	<i>(0 comments in this category)</i>
Low	These findings merit attention within an agreed timescale.	<i>(0 comments in this category)</i>

We are pleased to report that we have no systems or controls issues to bring to your attention.

## Appendix 2 - Reporting audit adjustments

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

Our audit approach is based on consideration of audit materiality as explained in section 1 of this report. We determine materiality for the purposes of the charity's statutory reporting by our judgement as to what adjustments would influence the readers' perceptions of the financial statements. We do not therefore seek to review all immaterial amounts.

For the purpose of reporting non-trivial items identified as a result of our audit work which have not been adjusted in the financial statements we set out in our Audit Planning Report that we would report unadjusted misstatements greater than \$3,900 unless they are qualitatively material at a lower amount.

We have reported in section 2 above significant matters from our audit and the potential financial impact. In addition to these items we identified certain other items which have not been adjusted in the draft financial statements. Both the potential adjustment listed below were brought to our attention by the finance team after the first draft accounts had been produced for audit.

We have summarised below the potential overall impact of these items on the financial statements.

	Net income increase /(decrease)	Assets increase /(decrease)	Liabilities increase /(decrease)	Opening reserves
	\$	\$	\$	\$
Net results / funds per financial statements presented to the trustees	4,344,364			
To accrue for post year end invoice which relates to 2020/21	5,000	5,000		
To account for returned payment	(8,041)		8,041	
Total potential adjustments	(3,041)	5,000	8,041	
Potential revised results / funds per the financial statements	4,341,323			

## Appendix 3 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We issue a regular technical briefing for charities by email. If you would like to receive this please email your details to [nonprofits@crowecw.co.uk](mailto:nonprofits@crowecw.co.uk). Alternatively, these briefings are available in the resource library on [our website](#).

### Governance

#### Charity Commission new “5-minute guides”

The Charity Commission in November 2020 launched a new set of simple, easy to understand guides to help trustees to access the information they need.

The Commission stresses that whilst the guides may be basic, they are designed to serve the needs of experienced trustees as well as those new to the role. It says that years of experience cannot immunise even the very best trustees from running into questions or problems.

Helen Stephenson CBE, Chief Executive of the Charity Commission, commented *“Our 5-minute guides are designed with real trustees and real situations in mind. They recognise that good governance is not a bureaucratic detail – it underpins the delivery of a charity’s purposes to the high standards expected by the public – and is all the more important in the midst of this pandemic which is impacting civil society so heavily. I hope trustees, both new and experienced, read and use them to help them fulfil their charity’s purpose for the public benefit.”*

The guides explain the basics of:

- financial oversight
- achieving a charity’s purposes
- good decision making
- addressing conflicts of interest

- what to file with the Commission and what support is available

and can be found on the gov.uk website <https://www.gov.uk/guidance/charity-commission-guidance#minute-guides-for-charity-trustees>

#### Coronavirus (COVID-19) guidance for the charity sector

The Charity Commission has published its responses to the most commonly asked questions about running charities during the COVID-19 outbreak and have provided links to various guidance, both from the Commission and other sources. The initial guidance issued in April has been regularly updated with the latest update being published in November 2020.

The Commission recognises that charities will be concerned about what to do during the coronavirus (COVID-19) outbreak and have sought to assure charities that their approach to regulation during this uncertain period will be as flexible and pragmatic as possible in the public interest.

They also note that trustees need to be aware of and think about the wider or longer impact of their decisions on their charity. The guidance is split into 16 key areas which include:

- Reporting serious incidents to the Charity Commission
- Using reserves and restricted funds
- Trading subsidiaries – financial support from parent charities
- Further advice on managing financial difficulties

The guidance can be found on the gov.uk website - <https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-the-charity-sector#contents>.

## Charity Commission: “Regulating in the public interest”

For the Charity Commission increasing resilience in the charity sector means bringing the public interest to the fore. The Commission has set out to be more responsive and inclusive in the way it listens and responds to different parts of the public, including volunteers and charity supporters, up and down the country.

As part of this the Commission has over the past two years conducted several research studies among the public and charity trustees. In May 2020 the Commission, with Populus, published a report which draws together the main findings of that research to offer a better understanding of the public in whose interest the Charity Commission regulates, of the views of trustees and of the contemporary world in which everyone must operate.

The report recognises that, while there are distinct groups within public opinion based on different perspectives, certain expectations about charities transcend those differences, expectations which, because they are held by such large numbers of people across the population, are most important in defining the relationship between charities and public trust. These shared expectations are:

1. That a high proportion of charities' money is used for charitable activity
2. That charities are making the impact they promise to make
3. That the way they go about making that impact is consistent with the spirit of 'charity'
4. That all charities show a collective responsibility to each other in adhering to the above

The report looks at these expectations in more detail and also at how well charities are meeting the expectations. The report is available on the gov.uk website  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/891221/Regulating in the public interest research report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/891221/Regulating_in_the_public_interest_research_report.pdf)

## Going concern – what should Boards be considering

Trustees of charities, either as directors of incorporated charities or as Trustees of unincorporated charities, have a legal responsibility to ensure that the charity operates as a going concern and is able to meet its liabilities as they fall due. While this is a continuing responsibility, it is formalised each year in the preparation of the charity's annual report and financial statements.

Many charities will have experienced significant changes to their operating environment as a result of the COVID-19 pandemic and this will require Trustees to reassess their financial position and the ability of their charity to continue to operate as a going concern. This may require considering a number of factors, including updating the charity's budgets and forecasts, and should cover any changes up to the date of sign off of the financial statements. Where Trustees identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed in the financial statements.

The Charity Commission guidance “Managing financial difficulties & insolvency in charities” (CC12) stresses the importance for “a Trustee body to have a good knowledge and understanding of the charity and its finances so that, as far as possible, the continued viability of the charity and its charitable activities can be assured.”. This is a theme that runs through the Charity Commission's updates and alerts including its guidance on whether charities can use reserves and restricted funds to help the charity through the crisis.

To assist Trustees to meet their responsibilities in relation to going concern, we have prepared a series of questions Trustees should be considering together with a checklist of the disclosure requirements. A copy of this checklist can be obtained here:

<https://www.crowe.com/uk/croweuk/insights/charities-going-concern>

## Fundraising Regulator COVID-19 - Fundraising key principles guidance

In response to the COVID-19 emergency the Fundraising Regulator has published, and subsequently updated, guidance which aims to support charities and other fundraising organisations to be able to return to fundraising activities in a responsible way.

The guidance sets out a framework to aid good decision making and ensure responsible fundraising. It is intended to supplement existing government

guidance and highlights the key issues and areas that fundraising organisations need to consider as they plan their return to fundraising.

The guidance covers

- Getting back to fundraising – planning and risk assessments
- Safeguarding the public and fundraisers
- Enforcement
- Respectful interaction with the public

The guidance notes that it is the responsibility of individual organisations to apply the guidance in their fundraising activity so that the safety and wellbeing of fundraisers and the public are protected. Part of acting responsibly will also include fundraising organisations properly documenting their decisions, undertaking risk assessments, and being prepared to explain and justify these if necessary.

The full guidance can be seen on the Fundraising Regulator website [Coronavirus \(COVID-19\): Fundraising key principles guidance | Fundraising Regulator](#).

## Compliance

### Reporting serious incidents to the Charity Commission

The Charity Commission has recently updated its guidance on Serious Incident Reporting, reflecting the extremely demanding and ever-changing challenges arising from the coronavirus pandemic.

The update guidance includes supplementary examples to aid Trustees in their decision making as to whether an incident that is related to the pandemic is reportable.

The guidance can be obtained from the Gov.uk website here - <https://www.gov.uk/guidance/reporting-serious-incidents-to-the-charity-commission-during-the-coronavirus-pandemic>

### Online Register of Charities – new and improving

In September 2020 the Charity Commission launched a new version of the online register of charities to make more information about individual charities available at the click of a button.

Each charity's register entry will now display more clearly whether the charity has been subject to regulatory action or is of ongoing concern. And following changes to the annual return, charities' entries will now show how many staff members receive pay packages of £60,000 and above. It also notes where trustees are remunerated for their work, and lists the policies a charity has in place, from safeguarding to conflicts of interest and investments.

The new register display is also designed with the needs of charities in mind. Improved functionality makes it easier for Trustees to access and update their own charity's information with the Commission.

The Commission are encouraging the public, charities, and those with an interest in the sector, to use the new register and let the Commission know what is working and what could be improved. A feedback form has been provided so users can pass comment back to the Commission.

The register can be accessed on the government website <https://register-of-charities.charitycommission.gov.uk/>

### UK charity sector's use of tracking technologies

A group of 38 academics and privacy campaigners have called on charities to remove advertising trackers from their most sensitive web pages.

In an [open letter](#) to the UK charity sector they have expressed their extreme concern with the UK charity sector's use of tracking technologies, specifically those belonging to data brokers and programmatic advertising platforms.

The letter refers to the [report](#) published by ProPrivacy in September 2020 highlighting the widespread use of programmatic advertising in the charity sector and the potential impact this could be having on the privacy of users of charity websites. The research found that many charity pages dealing with extremely sensitive issues such as mental health, debt, end-of-life care, and disability contained various trackers belonging to AdTech services, including data brokers.



The letter calls on top charities in the UK to conduct audits of their websites for third-party elements belonging to those in the AdTech space and to exclude them entirely from any support or advice pages dealing with sensitive topics.

## Financial and other reporting

### Consultation on Responsible Investment Guidance

The Charity Commission has issued draft revised guidance on responsible investment. This is to understand if the guidance will provide greater clarity about the discretion trustees have to make responsible investments, and reassure trustees that they can decide to adopt a responsible investment policy in most circumstances. The consultation questions seek to test the clarity of the new guidance and its treatment of responsible investment.

This follows a listening exercise undertaken by the regulator last year, which found that the way responsible investment is outlined in its current guidance is not giving some trustees sufficient confidence that they can consider, or that the Commission supports, this approach to investment.

The consultation closes on 20 May 2021 with the final updated responsible investments guidance expected this summer.

The consultation can be seen on the Charity Commission website - <https://www.gov.uk/government/consultations/charity-responsible-investment-guidance>

### Coronavirus: financial reporting issues for Charities

It is difficult to predict the financial or operational implications of the outbreak of COVID-19 on the UK economy or the organisations which operate within it.

The measures put in place by the government to limit the spread of the virus have been changing on a regular basis. It is expected, at least in the shorter term, that the limiting of the movement of people by restricting flights and other travel, cancelling events, and closing venues, various business activities and schools will continue and may even increase.

The government has also implemented a number of business support schemes, including the staff furlough scheme (CJRS), some of which have been available to charities and / or their trading subsidiaries depending on their circumstances. This support continues to change as do the details of

entitlement and how any claims will be settled. However, if a charity has been able to benefit from any of these support schemes Trustees will need to determine when and how any such benefit should be reported in the financial statements.

All of these developments and measures may have a broad range of implications for charities. How the impact on individual charities will depend on a number of factors including the charity's key sources of income, areas of charitable activity, staffing models, contractual relationships, the nature of the charity's assets and liabilities and the charity's underlying funds structure.

Charity Trustees will already be facing unexpected challenges to their charities and it will be important that these are reflected into the necessary decisions that have to be made when reporting on the charity's activities and financial position.

We have produced guidance which considers the potential impact of the COVID-19 (coronavirus) on the yet to be published annual reports and financial statements of charities.

The key areas of focus of the guidance are as follows, being mindful that charities are diverse in their activities and their income generation and therefore, there may be some areas of focus not specifically addressed.

- Income recognition, including the recognition of government support grants
- Commitments and liabilities.
- Asset values.
- Going concern.
- Other financial statement disclosures.
- Trustees' annual report.
- Government support.

Management and Trustees will need to carefully consider the impact of coronavirus on the charity's report and financial statements to ensure that these continue to reflect the financial activities and position of the charity in accordance with the Charities SORP.

The full report can be found on our website - <https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities>.

### **Fundraising reporting requirements guidance**

The Fundraising Regulator in September 2020 issued additional guidance on the Fundraising reporting requirements guidance under the Charities (Protection and Social Investment) Act 2016.

This Act requires charities to provide statements in their annual report on key aspects of charities' fundraising activity including the approach taken, regulation, complaint numbers and how the charity ensures vulnerable people are protected. This reporting is a legal requirement for all charities where their gross income is over £1 million in a year.

In June 2020 the Regulator conducted a second review of a sample of charity's annual reports and found that only 21% of reports included a statement on all of the Act's requirements and 15% reported on none of them. Of particular concern, many charities did not report on what they are doing to protect vulnerable people and the public when fundraising.

It is ultimately the responsibility of Trustees to ensure compliance with the Act. The report pulls together advice on how can a charity report against the requirements and how Trustees might approach the writing of their charity's statement.

The full guidance can be seen on the Fundraising Regulator website <https://www.fundraisingregulator.org.uk/more-from-us/resources/charities-act-2016-fundraising-reporting-requirements-guidance>.

### **New guidance for charities carrying out public fundraising and retail**

As part of Step 2 of the Government's coronavirus roadmap out of locked, the Department for Digital, Culture, Media and Sport announced that public fundraising is permitted to return from 12 April 2021, which includes door-to-door, street and private site fundraising.

A statement has been published by the Fundraising Regulator and the Chartered Institute of Fundraising which links to updated guidance to assist charities and fundraising organisations as they resume these activities.

The updated guidance can be found here: <https://www.fundraisingregulator.org.uk/guidance/coronavirus>

Step 2 of the roadmap also allows for the reopening of charity shops, and the Charity Retail Association has updated its Covid-19 operation guidance to include new information on issues such as spot checks and ventilation,

The updated guidance can be found here: <https://www.charityretail.org.uk/cra-publishes-new-covid-19-operational-guide/>

### **Streamlined Energy and Carbon Reporting (SECR) / SORP Update Bulletin 5**

SECR is a mandatory reporting requirement for all large companies, including charities, other non-profits and LLPs, which is designed to:

- increase internal awareness of energy usage and cost
- drive adoption of energy efficiency measures
- standardise external reporting
- provide greater transparency for stakeholders on energy efficiency and emissions.

Exemption is available for entities with under 40,000 kWh of emissions per year. There is also a 'seriously prejudicial' exemption, although this is expected to be used in exceptional circumstances only, for example in the lead up to a major restructuring or acquisition.

If financial reporting is on a group basis, reporting of emissions will also be on a group basis, unless any of the subsidiaries fall under the 40,000 kWh per year threshold, in which case their figures can be excluded.

Reporting starts with periods commencing on or after 1 April 2019. So for companies reporting on a standard financial year the first reports affected will be for the year ended 31 March 2020.

We have summarised information in the regulations and accompanying guidance and added our own insights to aid those preparing and reviewing the new disclosures, which can be found on our website - <https://www.crowe.com/uk/croweuk/insights/streamlined-energy-and-carbon-reporting>.

## Pension liabilities – RPI or CPI

For a number of years, the question as to whether pension increases should be based on the Retail Price Index (RPI) or the Consumer Price Index (CPI) has caused a high amount of uncertainty for pension schemes. RPI is the oldest measure of inflation in the UK, introduced in 1956, and is widely used across the economy and in financial contracts. However, there are a number of shortcomings which has meant that at times the index has over or under estimated the rate of inflation.

The CPI was introduced in 1997 and does not suffer from the same shortcomings as RPI, and in 2003 the government set the CPI as the basis for the Bank of England's inflation target. However, the CPI does not include a measure of owner-occupiers' housing costs. In 2013 CPIH was introduced to address this issue.

In March 2019, the UK Statistics Authority made a recommendation to the Chancellor to address the shortcomings in the RPI, and a [consultation](#) was published in March 2020 setting out HM Treasury and the UK Statistics Authority's intention to bring the two indices together by aligning RPI with CPIH.

Many pension schemes, depending on the specific scheme rules, already provide pension increases on a CPI basis. However, there are other areas which may be impacted by any changes, such as investments linked to RPI. The Association of British Insurers estimates the potential impact of the proposed alignment to be a £96bn to £122bn reduction in the value of index-linked gilts.

The consultation closed on 21 August 2020 and a [response](#) was issued by the UK Statistics Authority and HM Treasury on 25 November 2020. The summary conclusion is that, while the Chancellor has announced that he sees the statistical arguments of the Authority's intended approach to reform, in order to minimise the impact of reform on the holders of index-linked gilts he will be unable to offer his consent to the implementation of such a proposal before the maturity of the final specific index-linked gilt in 2030.

## High Court rules on GMP equalisation of transfers

A new ruling issued on 20 November by the High Court means that trustees of defined benefit (DB) pension schemes must revisit and equalise guaranteed minimum pensions (GMP) for historic transfers. The new judgement ruled that

Lloyds Banking Group pension scheme trustees are legally responsible for equalising the GMPs for the employees who transferred out of one of its DB pension schemes.

The ruling means that organisations should revisit historic cash equivalent transfer values (CETV) that were previously not equalised, and top up where necessary. Unlike the previous ruling, no time bar applies which means that schemes are unable to rely on provisions within the rules that would normally limit claims to a six year period.

A copy of the judgement can be seen here:

<https://www.bailii.org/ew/cases/EWHC/Ch/2020/3135.html>

## Taxation

### New HMRC guidance on claiming Gift Aid on Waived Refunds and Loan Repayments

HMRC has issued guidance confirming that Gift Aid can be claimed on Waived Refunds and Loan Repayments. Previously a waiver of debt was not regarded as permissible for Gift Aid, without funds being returned to a donor first, as Gift Aid requires a "payment of a sum of money".

In response to the cancellation of many charity events as a result of COVID-19, HMRC introduced a temporary concession in April 2020 that allowed donors to convert their tickets to donations that could have Gift Aid applied.

HMRC has now confirmed that it will be making this change in view permanent, so that any such waivers of refunds, including waivers of loans to charities, can count as donations to which Gift Aid can apply, provided the agreement to waive the loan/right to a refund is clear and irrevocable.

The guidance can be seen here:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-345-claiming-gift-aid-on-waived-refunds-and-loan-repayments>

### VAT - INGOs: VAT implications for funding and grants

We have for some years now been ensuring that our clients are aware that, under a concession, there is a long-standing arrangement between HMRC and the Foreign, Commonwealth & Development Office (FCDO). This means

that contracts with overseas governments, paid for by FCDO, are viewed under this concession as FCDO procuring and paying for services provided to an overseas customer by UK suppliers. The supplies are treated as outside the scope of UK VAT and also allow VAT on associated costs to be recovered in full. These contracts have also enhanced charities' overhead recovery on general expenditure as well.

Recent guidance issued by HMRC might impact your organisations, in particular charities who are involved with:

- overseas aid grants
- FCDO projects
- collaborative partnerships
- reverse charge issues with overseas partners.

There has been much correspondence with HMRC in respect of the VAT treatment of humanitarian and associated funding, including FCDO funding and UK Global Challenges Research Funding (GCRF).

The main findings are summarised on our website - <https://www.crowe.com/uk/croweuk/insights/vat-ingos>.

### **VAT - Extra payments from local authorities to care providers**

We are aware that local authorities are making extra payments to care providers as a result of the COVID-19 outbreak. This is clearly good news for the sector but how should the extra be treated from a VAT perspective and what, if any effect, does this have on VAT recovery?

#### *Treatment of Income*

The VAT treatment applicable to income received will depend on whether the payment is structured as extra consideration for the supply of services or as a grant.

- The former will result in VAT falling due on the supply if the underlying contract is subject to VAT (e.g. where the service is provided by a trading subsidiary) but exempt where VAT exemption is applicable (where the service is provided by a state regulated entity or a charity).

- Grant funding is not subject to VAT as does not relate to a supply/activity and so no VAT would fall on any grant funding in either case.

#### *Treatment of Expenditure*

Further funding by way of grant does not change the nature or value of the services provided under the contract and so VAT recovery would not be affected. However, under the standard method of partial exemption, where the payment is extra consideration under a contract the VAT recovery of overhead costs would be increased if the contract was taxable but reduced if it is exempt.

<https://www.crowe.com/uk/croweuk/insights/payment-care-providers>

### **VAT - HMRC issues update on zero rated online advertising**

HMRC has released its guidance covering the VAT treatment of digital advertising services to charities in Business Brief 13 (2020).

In this guidance HMRC has also stated that 'location services' can be treated as zero rated, where previously it has considered these to be standard rated on the basis that the adverts were directly targeted to individuals. This is good news for the charities that acquire services from suppliers such as Facebook and GoogleAds

HMRC has recently reviewed its policy in relation to the application of the zero rate relief to digital advertising provided to charities. In HMRC's last correspondence with the Charity Tax Group, HMRC conceded that VAT relief could apply to a number of digital advertising services on the basis that the advertising processes involve the targeting of aggregated audiences and not individuals. In Brief 12 (2020) 'location advertising' is clearly on the list of services capable of being zero-rated when supplied to a charity.

Some charities have accounted for reverse charge VAT on invoices received covering ALL digital advertising services acquired from companies outside of the UK (e.g. Facebook) and UK based providers have applied UK VAT to these services. Now that HMRC has released the finalised guidance it is possible to recover the overpaid VAT, as the only supplies that should have been subject to a standard rated reverse charge are:

- email advertisements, and those that are targeted directly at individuals who login to personal pages as these are targeted directly 'at the individual'.
- natural hits

Charities who have accounted for VAT under the reverse charge on digital advertising should review the services received to quantify a claim to be made directly to HMRC. Where suppliers are based in the UK, charities should approach the suppliers to seek credit for any VAT that has been incorrectly charged.

In both of the above cases, overpaid or overcharged VAT should be claimed going back the statutory four years. Crowe can assist with identifying potential claims of overpaid VAT for the last four years and in submitting those claims to HMRC and/ or suppliers.

### **VAT - Changes to COVID-19 VAT measures**

The Chancellor recently announced two VAT measures as part of the ongoing COVID-19 support package. The first is the extension of the reduced rate of VAT applicable to the hospitality and tourism sectors, until 31 March 2021. The second measure is an extension to the time by when organisations have to settle the VAT payments they deferred earlier this year.

#### *Extension to the reduced VAT rate for hospitality and tourism sector*

In July 2020, the government introduced a temporary 5% VAT rate that is still in effect today. This reduced rate applies to food and non-alcoholic drinks served in restaurants, cafes, pubs and similar venues. It also applies to takeaway orders of hot food and hot, non-alcoholic drinks.

Supplies of hotel and holiday accommodation and entry to attractions also qualify for the reduced 5% rate of VAT. Hotels, bed and breakfasts and campsites are able to benefit from this when people stay with them while theme parks, zoos and cinemas will enjoy a lower rate of VAT on their entry fees. Our original client alert is available [here](#).

The recent announcement extends the period of time over when the temporary 5% reduced VAT rate applies to 30 September 2021, a near nine-month extension. The rate will then increase to 12.5% until 30 April 2022.

While the temporary reduced rate was a welcome development for many organisations, it did give rise to system and practical challenges for organisations in ensuring that they could maximise the benefits of the VAT savings.

Further deferral to the due date for paying deferred VAT

In March 2020 the government announced an immediate deferral of VAT payments falling due between 20 March 2020 and 30 June 2020. All organisations were able to automatically defer the VAT payments due to be made between these dates until 31 March 2021. Our original alert is available [here](#).

Today's announcement introduced a New Payment Scheme, whereby deferred VAT payment amounts can be made in instalments, rather than as a single lump sum falling due on 31 March 2021. The details released so far by HMRC say that the amount owing can be split across 11 months, and no interest will be charged on the deferral. All organisations are eligible for this deferral and will need to opt-in using HMRC's opt-in system, which HMRC hope to launch in early 2021.

It should be noted that the measures do not apply to VAT payments falling due from 1 July 2020 onwards. If organisations have difficulties in making these VAT payments, they should be able to agree a "time to pay" arrangement with HMRC and Crowe can support you in applying for this.

### **Business Rates Review**

A fundamental review of business rates was announced by the Chancellor in the 2020 Budget, with a call for evidence published in July 2020 to seek stakeholders' views on key issues, such as reliefs and exemptions including charitable rate relief. The call for evidence closed in October 2020.

An interim report was published on 23 March summarising responses received, and whilst there is no immediate indication that charitable rates relief is under threat, some respondents commented on the potentially distortive effect and disadvantage for other tenants.

The final report is expected to be published in Autumn 2021.

A copy of the interim report can be found [here](#):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/971681/Fundamental\\_Review\\_Interim\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971681/Fundamental_Review_Interim_Report.pdf)

## Appendix 4 - Non Profits events, courses and briefings

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold seminars and courses. Unfortunately, due to the current Covid-19 restrictions, we have necessarily had to suspend our face to face courses and seminars.

Although we hope to be able to return to our seminars and courses in the not too distant future, we are currently working to replace some of these as webinars. We have a number of webinars currently in development and will make these available as soon as we can.

As a result the webinar sessions are likely to be put out with relatively short notice and we therefore encourage you to visit our website (<https://www.crowe.com/uk/croweuk/industries/webinars>) or register to our mailing list ([nonprofits@crowe.co.uk](mailto:nonprofits@crowe.co.uk)) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

### Past and planned webinars

These sessions are run by experts from our Non-Profits team on topical issues. Full details of timing and how to register are on our website.

• Risk management in a post pandemic world
• The evolving role of the Audit Committee
• Emerging updates virtual conference
• Governance for non-profits in a VUCA world
• Demonstrating your charity's impact
• COVID-19 financial reporting issues for charities
• Bite sized Trustee Essential: Reserves, going concern and reporting
• Bite sized Trustee Essentials: Trustee responsibilities
• Understanding and managing reserves
• Improving efficiency and productivity

• Planning for recovery
• COVID-19 and cybercrime
• COVID-19 and fraud
• Making Tax Digital for VAT 2020
• Charity VAT update
• VAT bitesize webinars
• Managing your cashflow with CBILS and CJRS
• Off payroll working

For further information please visit our website <https://www.crowe.com/uk/croweuk/industries/non-profits> or email [nonprofits@crowe.co.uk](mailto:nonprofits@crowe.co.uk).



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