

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

*Working alongside parents in South London
and East Surrey to give children secure and
confident childhoods*

Legal & Administrative Information

Trustees	Christopher Elliott (from 15 February 2021) Cherry Murdoch (Trustee and Chair until 31 March 2021) Sarah Harty (Honorary Treasurer) The Ven Moira Astin (Vice-Chair, Interim Chair from 1 April 2021) Debbie Haith Anne Coates (until 15 February 2021) Rachel Phillips Angela Blackwood (until 31 July 2020) Elizabeth Rackow (until 10 May 2021) Paulette Tajah-Bell Revd Davy Nyirongo Ruth Martin
Chief Executive Officer	Anna Khan
Management Team	Lynn James Fay Morris Barbara Wilson Diane Taylor
Charity Number	1107859
Company Number	5275749
Registered Name	Southwark Diocesan Welcare
Principal Address & Registered Office	19 Frederick Crescent London SW9 6XN
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Banker	National Westminster Bank plc London Bridge Branch PO Box 35 10 Southwark Street London SE1 1TJ
Solicitors	Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE

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FUNDRAISING
REGULATOR

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Welcome from the Chair

On behalf of the Board of Trustees of Welcare, I am pleased to introduce our annual report and accounts.

Every week Welcare staff are working alongside families helping them change their lives for the better. This has been an extremely challenging year for us all but particularly so for the families facing financial hardship, deprivation, mental ill health, family breakdown and domestic abuse. School closures and, in many cases, inadequate accommodation have exacerbated these difficulties. Welcare's services have been needed more than ever. Our staff quickly adapted service delivery so they could continue to provide emotional and practical support for children and families online and over the telephone. Our strong connections in the community enabled us to respond quickly to address families' immediate needs; our appeals for crisis funds raised over £8,000 from our supporters. We distributed over £14,000 in client grants. Although working remotely and for much of the year unable to meet with families in our centres, their schools, or their homes, we have been able to offer support to 344 individual children and parents.

I would especially like to thank our staff team for their excellent work in rising to the challenges, embracing significant change, adopting new methods of working and continuing to support the children and families we serve despite their own personal challenges including home-schooling and concern for family members.

We are grateful to those individuals, churches, and trusts who fund and support our work including the Diocese of Southwark, Surrey County Council, National Lottery, BBC Children in Need, the Youth Endowment Fund, the Netherby Trust, Sisters of the Holy Cross, the Leathersellers' Company Charitable Fund, Richmond Parish Lands Charity, and others listed on page 10.

I would like to take this opportunity to thank all our friends and supporters not least our local Friends' Groups and Parish Representatives, and trustees who have come to the end of their term of office this year: Angela Blackwood, Anne Coates, Elizabeth Rackow and especially Cherry Murdoch who stood down after 4 years as Chair of the charity. Our thanks to Cherry for leading the charity through turbulent times.

Welcare has been supporting families since 1894. Our flexible approach to service, as demonstrated during this "Covid" year, ensures that we can continue to serve those in need.



Moira Astin
Vice Chair and Interim Chair

Trustees' Report

Introduction

The trustees, who are also directors of Southwark Diocesan Welcare for the purposes of the Companies Act 2006, are pleased to submit their annual report and audited financial statements for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2015 – Second

Edition effective 1 January 2019, the Companies Act 2006 and applicable UK accounting standards in preparing the annual report and financial statements of the organisation.

Public Benefit

The trustees confirm that they have complied with their duty under Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Objectives and Activities

Objects of the Charity

Welcare is governed by the articles of association and memorandum dated 2 November 2004 and amended 29 September 2010 and 23 September 2015. The objects of the charity are:

- The relief of poverty and distress and the promotion of any charitable purpose for the benefit of families, children and pregnant women
- The promotion of the social mission of the Christian church
- The advancement of education for the public benefit

Aims of the Charity

Our vision is of a world where every child and family is respected, included and resilient, and able to overcome challenges in life.

Our mission is to work alongside parents and carers to give children secure and confident childhoods and to enable them to thrive in the future. To achieve this, we aim to:

1. Support families and children to develop resilience, confidence and self-esteem.
2. Enable children and families to thrive within their communities.
3. Provide practical support to meet immediate needs.
4. Work with families to prevent the need for statutory social work interventions.
5. Develop our services to support children's emotional health and well-being.
6. Work collaboratively with the community, schools and churches.

Welcare staff and volunteers aim to intervene early to provide practical and emotional help and support to strengthen families who are experiencing difficulties. Our aim is to enable a parent to become the very best parent they can be to their children, to engage with their available networks and to improve the outcomes for vulnerable children and their families. We believe that by working together we can create a society where parents and children have the confidence to recognise and seize every opportunity to flourish.

Activities of the Charity

Identifying the need

We work across South London and East Surrey with children and their families facing the following challenges:

For children aged between 8 and 13

- Absence from school
- Previous experience of trauma, including exposure to domestic abuse
- Risky behaviour
- Poor self esteem
- Social exclusion
- Difficult transition to secondary education
- Impact of gang culture and the risk of serious youth crime

Parents with children up to the age of 13

- Poor parent/child relationships
- Poor housing or home environment impacting children's health
- Experience of domestic abuse and violence
- Stepping down from specialist Children's Services
- Inappropriate chastisement
- Relationship breakdown
- Low income and long-term unemployment
- Poor social networks and contacts
- Mental health challenges
- Substance misuse
- Children with special needs or challenging behaviour

Activities addressing the need

Many families have experienced unprecedented challenges over the last twelve months of the Covid-19 crisis. Families who have never faced financial difficulties before have found themselves at breaking point and have been impacted by job losses and illness and have been left unable to feed their children or provide warm clothing. Welcare staff and supporters responded to these challenges by launching our Families in Crisis and Crowdfunding campaigns to supplement the local food banks and emergency grants and funds we are able to access from local grant making trusts. Welcare purchased supermarket vouchers, sourced laptops for children being home-schooled and worked closely with voluntary sector partners to ensure we were targeting support where it was most needed. The practical and financial support by Welcare has been much appreciated, and needed, by many families and provided a financial lifeline at a time of great need.

The most prevalent issues that families have turned to us for support with since April 2020 include:

- An increase in mental health/emotional well-being challenges in both parents and children/young people. This is in part due to anxieties arising from Covid-19 itself and to the practical consequences of the lockdown.
- An increase in the incidence of domestic abuse and parental conflict.

- Parental support for children out of school and the challenges of home-schooling. While some children appear to have managed well while out of school for others it has been extremely challenging with the rupture in routines resulting in challenging behaviour and reduced access to academic support (often related to no IT or broadband being available), anxiety about being isolated and not having access to friends and about returning to school after lockdown.
- For children with special educational needs this has been a particularly difficult time with accessing appropriate specialist advice and resources a key issue. Families living in overcrowded conditions has made it difficult for children to keep up with schoolwork and has placed additional pressures on family life.
- Social Isolation – especially for first-time parents, those experiencing post-natal depression or social isolation due to the special needs of their child.

To address the need, our dedicated, professional staff work with individual children and their parents; we work to build on the positive elements of family lives and to prevent problems happening by intervening early and breaking the cycles that may become entrenched. The Covid-19 pandemic began to impact the charity's activities from the beginning of March 2020 and has continued to do so throughout the year. Fortunately, the charity had a robust business continuity plan in place and staff were able quickly to move to home-working and continue to serve children and families. We adapted our programmes to deliver support more flexibly whilst focussing on those for whom social distancing and the closure of schools exacerbated existing tensions and hardship. Our work with individual children and families which had previously taken place in families' homes, our Welcare centres and other community settings including churches and schools also moved to online, delivered using video platforms or telephone support. As the various lockdowns over the previous 12 months eased, we have held meetings with families in open spaces, parks and gardens and re-opened our centres for face-to-face appointments always in line with the government's advice on social distancing.

Achievements and Performance

Performance against objectives

We have continued to build our Child and Family Support Service to enable delivery of a consistent community-based service throughout South London boroughs and extending into East Surrey. This service has been provided alongside services delivered at our Family Centre in Redhill in partnership with Surrey County Council. Our most significant achievements of the last year included:

- Providing individual support for 344 children and parents despite not being able to meet in person for much of the year and providing a range of practical assistance and financial grants for struggling families.
- Adapting the Strengthening Families Strengthening Communities Parenting Programme to be delivered online.
- Continuing to deliver our group work programmes, MySpace and With Respect, to individual children.
- Working to prevent the cycle of youth crime and enable children to improve their futures by working in partnership with the Youth Offending Service to support siblings of those involved with the criminal justice service.
- Continuing our partnership with East Surrey YMCA to deliver Early Help family support in Reigate and Banstead by delivering telephone and online support for families.

- Delivering a range of playworker led courses including Mummy & Me and Every Child a Talker from our centre in Redhill to support isolated new mothers and those with English as a second language.
- Maintaining strong connections with local schools and churches ready to re-launch our #CapeAbility campaign when circumstances permit. The campaign was disrupted by the closure of schools and churches by the pandemic.
- Accessing training for our social workers and family support workers through our partnerships with Kingston University School of Social Work and the South-West London and Surrey Social Work Teaching Partnership. The partnerships also enable us to offer final year social work student placements which provide an additional temporary resource for our work with families.
- Investing in essential new IT to enable staff to work with agility and continue to support vulnerable children and their parents throughout the Covid-19 crisis.
- Implementing new systems, including a Client Management System to record in a cloud-based relational database all our work with individual children and families and integrate the Outcomes Star tool to demonstrate how we measure the difference we make. We have also reviewed our administrative business processes to enable the charity to operate more flexibly in the future.
- Relocation to Community House in Bromley to enable closer working with other voluntary and community groups in the borough.

Welcare made effective use of the financial measures announced by the government including successful applications for Covid-19 related funding.

Although Welcare lost income because of the cancellation of fundraising events and community activities our supporters continued to inspire us by finding new innovative ways to connect including our first zoom lent lunch, zoom fitness classes and a crowdfunding campaign to raise funds to support families in crisis.

We have been heartened that despite their own challenges over the year 60 individual churches supported our work in the last financial year.

Despite the constraints on fundraising activities during the year, our loyal supporters raised in excess of £100,400.

Total income from Trusts and Foundations amounted to £268,257.

Outcomes

Welcare staff and volunteers work alongside parents to give children secure and confident childhoods and to enable them to thrive in the future. We strive to empower families with children up to the age of 13 by offering practical and emotional support to overcome challenges and change lives for the better. To achieve this, we:

- Support children and families to have nurturing relationships free from harm
- Support children and families to feel connected to their local community
- Increase family resilience and improve parenting skills and capacity to enable children to experience effective parenting
- Support young people and parents to increase their health and emotional development
- Encourage participation in our group work programmes to promote self-care skills, independence, self-esteem and resilience
- Support children and parents to recover from domestic abuse and develop strategies to prevent abuse in future relationships

- Provide practical support and access to emergency funding to meet immediate needs and improve family well-being

Welcare Child and Family Support Services – Practical and Emotional Support for Individual Families

South-east London (Bromley and Greenwich)	79 cases of support
South-west London (Inner London, Richmond and Wandsworth)	148 cases of support
East Surrey	117 cases of support
Total	344 individual cases

From the 344 cases which received support, 117 received practical support and grants. In addition, the East Surrey centre distributed food bags to 108 families.

Welcare uses the Family Outcomes Star+ an evidence-based tool which places the beneficiary at the centre of their own journey of change. Each scale on the star is more than just a set of numbers from 1 to 10, they are underpinned by the Journey of Change for that Star. The Journey of Change is a theory of change that sets out the stages people go through when making sustainable changes in their lives, meaning the attitude and behaviour expected at each of the points on each scale are clearly defined. Each Journey of Change is specific to the individual Star that it describes in order to more effectively engage with and capture service users' change.

We use these insights to ensure we're making a lasting difference to the children and families we support. During the last twelve months, using Outcomes Star tools we demonstrated that through support from our staff we enabled progress to be made in the following areas:

- Meeting Emotional Needs 74%
- Your Wellbeing 71%
- Maintaining Boundaries and Behaviour 70%

We aim to achieve a positive change for over 80% of the children and parents we work with, although in common with other family support organisations we have found achieving change more challenging in this year dominated by the Covid-19 global pandemic.

Plans for the Future

Welcare identified five strategic objectives for 2018-2021 each of which is underpinned by a number of specific delivery targets:

- **Service Development:** To develop the core service model of emotional and practical support to meet the identified needs.
- **Impact:** To develop further systems for measuring impact and the evolving needs of the children and families we work with.
- **Partnerships:** To work collaboratively with schools, churches and other voluntary organisations to raise awareness and maximise the impact of our services.
- **Income:** To maintain a balanced budget and seek to grow by 20% by 2021.

- **Support organisational delivery:** To review and develop the resources and infrastructure needed to enable our services to function effectively and efficiently, including provision of office accommodation.

Welcare has continued to focus support on families exposed to domestic abuse and violence and staff have adapted services to meet the changing needs of service users during the coronavirus pandemic, especially digital exclusion and support with children's behaviour at home. We received a number of Covid-19 related grants which enabled us to trial new ways of working remotely.

Throughout the year, the Board of Trustees has focussed on refining our service model and developing a closer working relationship with the Diocese of Southwark delivering its social mission with children and families, mindful of the global pandemic, its impact on vulnerable families, how service delivery has changed over recent months and Welcare's 127 year history of adapting services to meet local need. The faith base of Welcare is seen as an integral part of the identity of the charity and its future.

A strategic review of the future business model of Welcare's charitably funded services, including our office accommodation, began in 2020. Due to challenges created by the Covid-19 crisis this review is ongoing. A pilot project working in partnership with the Southwark Diocesan Board of Education to become the family support provider of choice will be the first focussed activity of this strategy.

Contributions from Volunteers

Our volunteers have always been a key, valued part of the charity. However, during the last year face-to-face support from volunteers has been suspended. In October 2020 we worked with The Cranfield Trust who provided an experienced consultant who worked with us on a pro-bono basis. The consultant worked with trustees to establish the principles and frameworks for future strategic discussions.

We also benefitted from the support of 6 local volunteers who continued to provide administrative support for staff; and husband and wife volunteers who provided practical help by packing food parcels and gardening while keeping to social distancing guidelines.

During the financial year, these local volunteers provided 79 hours of support for our East Surrey and Greenwich services.

Financial Review

Income for the year of £1,070k shows a decrease of £53k compared with the previous year's total of £1,123k.

Donations amounting to £34k were received from individual supporters (2020: £26k) and £80k from fundraising (2020: £88k). Investment income amounted to £11k (2020: £12k) and rental income of £126k was derived from properties (2020: £120k).

The principal funding sources of the charity were the Diocese of Southwark, Surrey County Council, National Lottery Fund, BBC Children in Need, Youth Endowment Fund, Netherby Trust, Sisters of the Holy Cross, Leathersellers' Company Charitable Fund, Richmond Parish Lands Charity, Lambeth CLIPs, Community Links Bromley, Girdlers' Company Charitable Trust, London Response Fund, John Lewis Partnership Fund, Cicely Northcote Trust and Richmond Charities. The charity also receives funding from churches and individuals.

Expenditure in the year was £851k (2020: £1,045k) including £463k of expenditure from restricted funds (2020: £593k).

The decrease in income and expenditure has resulted in a surplus of £219k before gains on investments (2020: surplus of £79k).

It is the aim of the Charity to maintain a stable operating surplus over the coming years with the aid of strengthened financial processes, reallocation of resources, service reviews and new income streams to ensure that Welcare truly is *Here now, Here always* to serve the most vulnerable children and their families in South London and East Surrey for generations to come.

Reserves Policy

Reserves as at 31 March 2021 totalled £2,716k (2020: £2,202k) including £123k of restricted reserves and £2,440k of designated funds.

The designated operational fixed asset fund represents fixed assets used in the day to day running of Welcare and are therefore not funds freely available to the charity. The designated fixed asset investment fund represents the value of the investment property and listed securities held as these are held for long-term income generation and are not freely available as liquefiable assets. The designated pension liability fund represents the amounts owed to The Pension's Trust in respect of the pension deficit and is not part of the operational expenditure of the charity.

The Board considers that free reserves (defined as total reserves less designated and restricted funds) should be maintained at an amount equivalent to three to four months of the current year's expenditure. This gives a minimum level of £304k. The Board considers that the minimum level is adequate to support current and anticipated levels of activity, to enable it to respond to opportunities and to provide for emergencies. The target level of three to four months' reserves reflects realistic commitments on salaries, rent and other expenditure.

Free reserves are currently £153k. This is below the target level. In order to build up free reserves to the target level the charity aims to expand sources of income and to continue to monitor and control costs.

Investment Policy

As at 31 March 2021 fixed asset investments were valued at £1,995k including £1,750k of investment properties. There were net gains on investments of £273k in the year compared with a £16k loss in the year ended 31 March 2020. A full revaluation of all investment properties took place on 28 April 2021. It is the policy of the Board of Trustees to undertake a formal revaluation of investment properties every five years. The next revaluation will be undertaken in 2026.

The Board of Trustees has adopted socially responsible and ethical investment policies. In practice this is achieved by keeping under review the policies of the charity's common investment funds which are invested in such a way as to satisfy these policies.

A sub-committee of the Board, the Finance and Development Committee, keeps investment matters under review and reports to quarterly Board meetings.

The Board of Trustees holds investment properties. Welcare relies on income from property investments to finance service delivery and to provide a level of protection when grant funding comes to an end. Rental income from the properties is used for the furtherance of the aims and

objectives of the charity. These assets provide essential income streams for our service delivery.

Fundraising Policy

Welcare undertakes a variety of fundraising activities to support our strategy of delivering better outcomes for children and families. We are a registered member of the Fundraising Regulator. We abide by the Fundraising Promise and the Institute of Fundraising Codes of Practice.

We commit to fundraising ethically, responsibly and with our donors in mind. We care about our supporters, what they think about our fundraising and always promise to be transparent, fair and legally compliant. We will always respect the privacy and contact preferences of our donors. We will respond promptly to requests to cease contact or to complaints and act as best we can to address their concerns. Any enquiries regarding fundraising can be directed to fundraising@welcare.org, while complaints should be made in writing to: Welcare Fundraising, 19 Frederick Crescent, London, SW9 6XN. We have not received any complaints about our fundraising practices. We do not use the services of commercial fundraisers.

We recognise the need to monitor our activities consistently to ensure our fundraising is being conducted to the highest possible standards. We have taken steps to ensure compliance with the General Data Protection Regulation (GDPR) and all staff are required to complete a GDPR e-learning module at least every three years.

Our fundraising strategy is approved by our Finance and Development Committee, consisting of five trustees and the CEO. This committee has responsibility for overseeing all aspects of quality assurance and compliance relating to fundraising and makes recommendations to the Board of Trustees.

Principle Risks and Uncertainties

Welcare is committed to active management of risk. Risk management is incorporated into governance and management structures, planning processes and all aspects of service delivery. The Chief Executive is responsible for ensuring that this policy is implemented throughout Welcare.

Welcare produces a risk register which identifies risk and allocates responsibility for managing areas of risk to named individuals.

The risk register identifies risks under the following headings, following Charity Commission recommendations:

- Governance
- Operational
- Financial
- Environmental/External
- Compliance

Each identified risk is assessed in terms of likelihood and impact and then weighted giving a gross risk rating. Actions to minimise each risk are identified and responsibility for monitoring these is given to named individuals. The strength of each risk management strategy is given a numeric rating enabling the net risk to be calculated.

The full Board reviews the risk register on at least an annual basis. The trustees' appetite for risk informs the strategic plan of the organisation. The trustees generally adopt a low risk tolerance.

The Board Committees have oversight of the management of each risk falling within their particular terms of reference. Both committees review the risks during the year.

The Chief Executive is responsible to the Board for the management and implementation of the risk management strategy and reports to the appropriate committee of the Board on progress towards mitigating each risk.

The CEO is responsible for embedding risk management into the culture of Welcare through:

- Communication and feedback
- Business planning
- Staff appraisals

The management of risk is not an isolated process but is embedded in the management of the organisation and the delivery of Welcare's services. Several other policies, therefore, deal with risk management and risk assessment e.g. Health and Safety Policy, Safeguarding, Data Protection, Investment Policy etc. All Welcare's policies are reviewed regularly and updated in line with changes in legislation, regulation and best practice.

Welcare's ability to respond to and withstand the risks presented by a global pandemic was assessed by trustees and a number of mitigations were identified. These included the ability for all staff to access remote working and to move quickly to offer family support by telephone and on-line. Welcare already had a business continuity plan which is reviewed annually. A Standing Committee of the Board was established to enable a rapid Board level response to the crisis. Welcare responded quickly to emergency needs of service users by launching an appeal to raise money for supermarket vouchers and continued to receive donations from individuals and local churches.

Welcare's income from its regular donors, supporting churches and principal funders remained stable throughout the financial year with the exception of the grant from the Diocese of Southwark which was reduced in the final quarter reflecting a reduction in income to the diocese. Several trust funding applications submitted before the Covid-19 lockdown in March 2020 remain outstanding possibly as a result of ongoing uncertainty about levels of investment income available to trust funders. In mitigation, Welcare received additional Covid-19 related emergency grant funding from the National Lottery Fund, BBC Children in Need, the Youth Endowment Fund, Richmond Parish Lands Charity, Lambeth CLIPs, London Response Fund and Richmond Charities. Welcare also placed some staff on furlough under the government's Coronavirus Job Retention Scheme.

Other specific risks which, if materialised, would have had a significant impact on the charity were identified as:

Category	Risk	Mitigation
Financial	Inability to deliver services and fund projects due to lack of funding for any reason including termination of contracts and over-reliance on particular supporters and funders.	<ul style="list-style-type: none"> • Diversify funding streams and develop new supporters. • Promote regular giving scheme. • Improve communications between the charity and supporters by producing regular newsletters.

		<ul style="list-style-type: none"> • Develop sustainable services independent of local authority contracts. • Appointment of Trusts and Foundations Fundraising Officer. • Maintain a good local profile. • Review Central Office costs and staffing structure • Make use of Government and local authority Covid-19 related support (e.g., furlough) when appropriate
Operational	<p>Unanticipated long-term absence of key member of staff resulting in additional costs to cover the post or overload on existing staff required to cover the post; or reduced output (contact with families).</p> <p>Failure to recruit and retain professional, skilled and experienced staff to work in south London and East Surrey, endangering service delivery.</p>	<ul style="list-style-type: none"> • Employee Assistance programme to mitigate stress and resolve the risk of long-term sickness absence. • Senior staff required to provide 3 months' notice • Succession business continuity planning. • Professional HR advice and support from HRSP • Emphasise the advantages of working for Welcare • Review salary levels and role descriptions
Governance	<p>Failure to maintain a skilled and dynamic trustee board with the skills and enthusiasm required to assist and oversee the delivery of the strategic aims.</p> <p>Failure to recruit a trustee with a professional social work background.</p>	<ul style="list-style-type: none"> • Strengthen and use professional networks to encourage Board membership • Maintain a balance between Diocesan representatives and trustees with specific professional skills. • Annual review of Board skills, organisational focus on Christian distinctiveness
Compliance	<p>Incident involving child protection or safeguarding issue involving staff member or volunteer resulting in harm to the child and reputational damage.</p>	<ul style="list-style-type: none"> • External Safeguarding Supervisor. • Independent Safeguarding Audit every three years. • Rigorous application and annual review of Safeguarding policy. • Safer recruitment processes. • Mandatory safeguarding training for all staff and volunteers. • DBS checks carried out for all eligible staff, volunteers and trustees. • Robust supervision, complaints and referral processes.
Environmental/External	<p>Inadequate response to and failure to withstand the global pandemic and continue "business as usual". (excluding potential impact on future funding)</p>	<ul style="list-style-type: none"> • All staff have access to Windows 10 and SharePoint to enable homeworking • Use of video conferencing using a variety of platforms for both

		<p>staff meetings and group-work with service users</p> <ul style="list-style-type: none"> • Board Standing Committee created as a rapid response Board committee • Disaster Management Plan reviewed annually and regularly updated • Ability to offer on-line and telephone support for service users
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Structure, Governance and Management

Governing Document

Southwark Diocesan Welcare is a charitable company limited by guarantee. It was established under a Memorandum of Association and is governed under its Articles of Association. Revised Articles of Association were adopted by a special resolution passed at the charity's AGM on 23 September 2015. The members of the organisation are limited to the trustees for the time being who may serve two terms of three years which, in exceptional circumstances and with the agreement of the Board, can be extended for one additional three-year term. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Trustees

The directors of the company are also the charity trustees. Trustees serve fixed terms of office. The Anglican Bishop of Southwark has the right to nominate up to two trustees. The Bishop's nominees were Anne Coates (until 15 February 2021) and Christopher Elliott (from 15 February 2021) and Ruth Martin.

The trustees do not receive any benefit but may be reimbursed for reasonable expenses properly incurred when acting on behalf of the charity. No such reimbursements were made to trustees in 2020-2021.

An induction process and pack provides new trustees with the detailed information about the charity required for their role. Following an independent review of Board effectiveness in May 2019, the Board has held a number of facilitated planning sessions to inform development of the 2021-2024 Strategic Plan: in November 2019, and July and November 2020. Trustees are encouraged to attend appropriate external training courses, conferences and forums. All trustees have received Charity Commission guidance on The Essential Trustee and the Charity Governance Code and receive briefings from Welcare's professional advisers. Welcare is a member of the NCVO and trustees are able to access a wide range of online training and resources to support them in their role.

Organisational Structure

The Board currently has eight members who meet at least four times a year and are responsible for the strategic direction and policy of Welcare.

Two sub-committees report regularly to the Board: The Finance and Development Committee and the Services Committee.

- The Finance and Development committee monitors the finance, fundraising, properties, resources and risk responsibilities of the Board. The Finance and Development Committee has five trustee members and is attended by the CEO.
- The Services Committee provides Board level oversight of all Welcare's services and operations. The committee has four trustee members and monitors professional practice, service delivery, service development and HR matters. Each of Welcare's service managers reports to the committee annually on rotation. Welcare's independent freelance social work and safeguarding supervisor reports to the committee annually and meets regularly with the CEO.

In addition, a Standing Committee of the Board consisting of the Chair, Vice-Chair and Chairs of the Services and Finance and Development Committees was established as a rapid response committee of the Board during the pandemic. The Standing Committee has delegated authority to conduct business of the Board between the Board meetings and reports regularly to the Board.

Overall responsibility for the delivery of Welcare's services lies with the CEO. Welcare is structured into three separate regional service delivery areas (South-East London, South-West London and East Surrey) each headed by a senior social worker or experienced centre manager. The Child and Family Support Service Managers and the Family Centre Manager have been brought into the senior management structure of the organisation. An independent freelance social work and safeguarding supervisor provides service managers with regular individual and group social work supervision, opportunities for reflective practice and facilitates group supervision and mandatory CPD for all front-line staff. The next all staff training day is scheduled for July 2021.

Welcare employs a part-time Fundraising Officer responsible for submitting funding applications to Trusts and Foundations.

The continued integration of eTapestry, our supporter database, into the organisation, has enabled improved communication with donors and supporters and better data collection, management and protection.

Financial services and the provision of professional HR advice are outsourced to external providers.

Safeguarding Policy

Our safeguarding policy is available on our website. The policy is reviewed annually by senior managers and an independent senior social worker who also provides professional supervision for Welcare's social workers. The policy has been updated in line with recommendations for maintaining safeguarding standards while using digital platforms to deliver individual and groupwork. The safeguarding policy is approved by the Services Committee of the Board of Trustees. Welcare has a named Service Manager with responsibility for and oversight of all safeguarding matters within Welcare. The Chair of the Services Committee holds Board level responsibility for safeguarding. During the year, an independent safeguarding consultant carried out an audit of all Welcare's services in line with recommendations in Section 11 of the Children Act 2004. The safeguarding audit takes place every three years to ensure that standards are maintained throughout Welcare and that any safeguarding risks are addressed.

Relationships

Welcare has worked closely with statutory bodies involved in the delivery of services to children. Welcare has a contract with Surrey County Council to provide services at the Redhill Family Centre and delivers Early Help work in partnership with East Surrey YMCA. Welcare is building future services around local needs and local support. Welcare works within the legislative framework of the Children Acts of 1989 and 2004 and the Children and Families Act 2014. Welcare is in regular contact with other charities serving children and families through active membership of Children England.

Welcare has a strong relationship with the Church of England and receives a significant annual grant towards its work from the Anglican Diocese of Southwark. Welcare also enjoys close relationships with a number of churches in south London boroughs including the Bromley, Beckenham and Orpington deaneries in the Diocese of Rochester and with the Hampton deanery in the Diocese of London where individual church members support Welcare financially, through volunteering and in prayer.

Key Management Personnel Remuneration Policy

The salary of the Chief Executive is set by the Chair in consultation with the Vice-Chair following annual appraisals. The organisation uses the NJC pay scales for benchmarking salaries of other staff.

Statement of Trustees' Responsibilities

The trustees, who are also directors of Southwark Diocesan Welcare for the purposes of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as we are aware, there is no relevant audit information of which the auditor is unaware. We have taken appropriate steps to identify any relevant audit information and to establish that

the auditor is aware of that information.

Auditor

Haysmacintyre LLP have signified their willingness to continue as our auditor and the Board of Trustees will consider the matter at the next scheduled Board meeting.

On behalf of the Board of Trustees

Maira Astin

Maira Astin, Vice-Chair and Interim Chair

8 July 2021

Opinion

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the charitable company's net movement in funds, including the 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 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- the charity's 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 trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, safeguarding regulations, data protection, health and safety regulations and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charity SORP and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to donation and legacies income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify instances of fraud
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how donation or legacies income has been recognised at the year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
8 July 2021

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities

For the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
INCOME					
<i>Donations and legacies</i>					
Individual Giving		31,302	2,986	34,288	25,846
<i>Other Trading Activities</i>					
Fundraising Activities		80,018	-	80,018	87,568
<i>Income From Investments</i>					
Investment income		11,475	-	11,475	12,195
Rents received		126,441	-	126,441	119,799
<i>Income From Charitable Activities</i>					
Child & Family Support Services		248,981	197,674	446,655	434,768
Volunteer Programme		-	-	-	-
Community Social Work		-	-	-	48,871
Groups & Workshops		3,760	13,425	17,185	46,208
Redhill Children's Centre		-	-	-	116,400
Early Help		-	30,993	30,993	7,152
Family Centre		-	279,335	279,335	139,588
Family Centre transition		-	3,832	3,832	80,157
<i>Other income</i>		40,070	-	40,070	4,877
Total income	2	542,047	528,245	1,070,292	1,123,429
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		43,859	-	43,859	66,516
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		278,479	179,941	458,420	468,225
Volunteer Programme		-	-	-	9,103
Community Social Work		-	-	-	61,805
Groups & Workshops		6,579	13,425	20,004	75,997
Redhill Children's Centre		-	-	-	150,247
Early Help		7,081	30,578	37,659	8,258
Family Centre		52,266	236,380	288,646	86,395
Family Centre transition		-	2,400	2,400	118,073
Total Expenditure	3	388,264	462,724	850,988	1,044,613
Net income (expenditure) before investments gains/(losses)		153,783	65,521	219,304	78,816
Net (losses)/gains on investments		294,911	-	294,911	(16,060)
Net income (expenditure) after investments gains		448,694	65,521	514,215	62,756
Net movement in funds		448,694	65,521	514,215	62,756
Fund balances brought forward at 1 April 2020		2,145,173	56,993	2,202,166	2,139,410
Funds balances carried forward at 31 March 2021		2,593,867	122,514	2,716,381	2,202,166

There were no recognised gains or losses other than those shown in the Statement of Financial Activities.

All income and expenditure derive from continuing activities.

The accompanying notes form part of those financial statements.

Details of comparative figures by fund are given in note 12.

Balance Sheet

As at 31 March 2021

Registered company number 05275749

	Note	2021 £	2021 £	2020 £	2020 £
Operational Fixed Assets	6		450,549		467,251
Fixed Asset Investments	7		1,995,432		1,722,472
Current assets					
Debtors	8	55,062		62,134	
Short term investments		127,762		105,811	
Cash at bank & in hand		360,488		177,372	
Current assets		543,312		345,317	
Creditors: amounts falling due within one year	9	(154,075)		(183,453)	
Net current assets			389,237		161,864
Creditors: amounts falling due after one year	9		(118,837)		(149,421)
Net assets	10		2,716,381		2,202,166
Restricted funds	10		122,514		56,993
Designated funds	10				
Operational fixed assets			450,549		467,251
Fixed assets investments			1,995,432		1,722,472
Covid Recovery			153,783		-
Pension liability			(159,098)		(188,509)
General funds			153,201		143,959
Total funds			2,716,381		2,202,166

The financial statements were approved by the Board and authorised for issue on 08 July 2021 and signed on its behalf by:



Sarah Harty, Honorary Treasurer



Moira Astin, Vice Chair and Interim Chair

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities:				
Net income for the year	514,215		62,756	
Adjustments for:				
Depreciation charges	16,702		11,714	
Gains on revaluation of investments	(294,911)		16,060	
Dividends, interest & rents from investments	(137,916)		(131,994)	
Increase/(decrease) in debtors	7,072		(41,189)	
Decrease in creditors	(59,962)		(56,297)	
Net cash provided by operating activities		45,200		(138,950)
Cash flows from investing activities:				
Purchase of tangible fixed assets	-		(18,553)	
Dividends, interest & rents from investments	137,916		131,994	
Net cash used in investing activities		137,916		113,441
Change in cash and cash equivalents in the year		183,116		(25,509)
Cash and cash equivalents at the beginning of the year		177,372		202,881
Cash and cash equivalents at the end of the year		360,488		177,372

The accompanying notes form part of these financial statements.

1. ACCOUNTING POLICIES

(a) Basis of Accounting

(i) 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 (FRS 102) – (Charities SORP 2015 (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

(ii) The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on collections and other voluntary income. After making enquiries the trustees have concluded that there are no material uncertainties and there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Operational Fixed Assets

Depreciation has been provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% of cost p.a. straight line
Office furniture and equipment	20% of cost p.a. straight line
Computer equipment	33⅓% of cost p.a. straight line

Tangible fixed assets are capitalised if their initial costs are in excess of £1,000.

(c) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment properties are included at market value. The Statement of Financial Activities includes the gains and losses arising on revaluation and disposals throughout the year.

(d) Cash Management

Cash not required for day to day operation, but for the medium term, is held in an instant access savings account. Where it is deemed that cash can be held for the longer term this is transferred into the investment portfolio.

(e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgements, estimates, and 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.

The estimates and underlying assumptions are reviewed on an ongoing 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 affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and the assumptions used in determining the value of the pension scheme deficit.

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

(f) Debtors

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

(g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(h) Gifts in kind

Gifts in kind are included at the value to the charity where this can be quantified and a third party is bearing the cost. The charity has a policy of accounting for gifts in kind if the value can be quantified as being over £10,000. No amounts are included in the financial statements for services of volunteers.

(i) General funds – unrestricted

These comprise the funds which are available to be used for the general purposes of the charity.

(j) Designated funds – unrestricted

Designated funds are those earmarked by the trustees for specific purposes or projects as noted in the financial statements.

(k) Restricted funds

These funds are held subject to specific trusts declared by the donor or through legal processes as explained in the financial statements.

(l) Income

All income including donations, any associated income tax recoveries from donations received under Gift Aid, and legacies are credited to the Statement of Financial Activities in the year in which they arise.

Income is recognised when the charity is considered to be entitled to apply the resource, the amount may be estimated with reasonable accuracy and the likelihood of receipt established with reasonable certainty.

Unless the provisions of a given grant or contract specify otherwise, grants are accounted for as restricted income resources and contracts as unrestricted.

(m) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be

directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

(n) Charitable activities

Charitable activities are expenditure incurred in delivering the charity's activities and services to its beneficiaries.

(o) Fundraising, publicity, communication and events expenditure

Fundraising, publicity, communication and events expenditure consists of expenditure incurred in raising funds together with the cost of communication and of holding events.

(p) Support costs

Support costs include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, financing and governance costs, and are allocated across the categories of charitable expenditure, governance costs and the costs of raising funds.

(q) Governance

Governance costs are the costs associated with the governance arrangements of the charity which relate to meeting constitutional requirements. Included within this category are costs related to external audit together with an apportionment of overhead and support costs.

(r) Pension costs

Southwark Diocesan Welcare participates in the defined contribution scheme offered by The Pensions Trust. The Pensions Trust is an occupational pension scheme provider for organisations involved in social, educational, charitable, voluntary or similar work. The financial position and the income and expenditure of The Pensions Trust are disclosed in its annual financial statements. Although The Pensions Trust is a defined contribution scheme a shortfall has occurred and each contributor is required to make good their share of the shortfall. The liability is reduced when payments are made to The Pension Trust.

As a result of the transfer of 2 members of staff to the Family Centre, Welcare is in the process of obtaining admitted body status to the Local Government Pension Scheme (LGPS). Welcare will enter into a side agreement to restrict the charity's exposure to the LGPS liabilities.

Notes to the Accounts

For the year ended 31 March 2021

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2021 £
Donations			
Donations and fundraising	105,838	8,468	114,306
Grants			
South London Church Fund	185,583	-	185,583
Surrey County Council:			
- Early Help	-	30,993	30,993
- Family Centre	-	279,177	279,177
- Transition to Family Centre	-	3,832	3,832
National Lottery Fund	-	71,125	71,125
BBC Children in Need	-	46,720	46,720
Netherby Trust	35,000	-	35,000
Mercers	-	25,837	25,837
Grants of under £20,000	46,649	52,926	99,575
Total Grants	267,232	510,610	777,842
Investment income & rent receivable	137,916	-	137,916
Other income	31,061	9,167	40,228
Total income	542,047	528,245	1,070,292

	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations			
Donations and fundraising	113,159	255	113,414
Grants			
South London Church Fund	192,433	-	192,433
Surrey County Council:			
- Redhill Children's Centre	-	116,400	116,400
- Children's social care	-	48,871	48,871
- Early Help	-	7,152	7,152
- Family Centre	-	139,588	139,588
- Transition to Family Centre	-	80,157	80,157
Big Lottery	-	79,930	79,930
BBC Children in Need	-	36,528	36,528
Netherby Trust	35,000	-	35,000
Mercers	-	47,471	47,471
Grants of under £20,000	9,850	79,494	89,344
Total Grants	237,283	635,861	873,144
Investment income & rent receivable	131,994	-	131,994
Other income	2,642	2,236	4,877
Total income	485,078	638,351	1,123,429

Notes to the Accounts

For the year ended 31 March 2021

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2021 Total £
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	24,535	10,278	9,046	43,859
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	274,948	110,222	73,250	458,420
Volunteer Programme	-	-	-	-
Community Social Work	-	-	-	-
Groups & Workshops	15,795	-	4,209	20,004
Redhill Children's Centre	-	-	-	-
Early Help	26,577	4,001	7,081	37,659
Family Centre	197,323	38,753	52,570	288,646
Family Centre transition	-	2,400	-	2,400
Total Expenditure	539,178	165,654	146,156	850,988
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	22,287	32,273	11,956	66,516
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	288,372	100,786	79,066	468,225
Volunteer Programme	5,642	1,914	1,547	9,103
Community Social Work	44,130	5,575	12,100	61,805
Groups & Workshops	56,989	3,382	15,626	75,997
Redhill Children's Centre	90,448	34,994	24,799	150,241
Early Help	6,115	466	1,677	8,258
Family Centre	58,401	11,981	16,013	86,395
Family Centre transition	59,593	42,140	16,340	118,073
Total Expenditure	631,977	233,511	179,125	1,044,613

Notes to the Accounts

For the year ended 31 March 2021

ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2021 £	2020 £
<i>Governance</i>		
Audit fee	7,620	7,710
Trustee and other meeting costs	663	13
AGM and other	-	5,685
Staff costs allocated to Governance	6,795	6,846
	15,078	20,254
Other Support costs	61,929	61,797
Staff costs allocated to Support	69,149	97,073
	146,156	179,124

Support costs are allocated on the basis of time spent on each activity.

4. RESULTS FOR THE YEAR

Expenditure includes:	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Auditors' remuneration:	7,620	7,470
Depreciation	16,702	11,714

Notes to the Accounts

For the year ended 31 March 2021

5. STAFF COSTS AND NUMBERS

The key management personnel of the charity comprise the trustees and the Chief Executive Officer.

The total amounts paid in respect of the key management personnel of the charity were £78,977 (2020: £79,597).

Staff costs were as follows:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Salaries and wages	549,600	659,816
Social Security costs	43,628	52,981
Pension contributions	21,894	23,071
Redundancy	-	35,930
	<u>615,122</u>	<u>771,798</u>

One employee earned between £60,000 and £70,000 during the year (2020: one). No redundancy payments were made during the year (2020: £35,787).

The average number of full-time equivalent employees, analysed by function, was:

	2021 No.	2020 No.
Fundraising and publicity	0.75	1.6
Charitable activities	16.35	17.8
	<u>17.1</u>	<u>19.4</u>

The average number of staff employed during the year was 22 (2020: 22).

No member of the Board of Trustees received remuneration for their services during the year (2020: £nil). No trustees were reimbursed for out-of-pocket expenses (2020: £nil).

Notes to the Accounts

For the year ended 31 March 2021

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2021 £
<i>Cost or Valuation</i>				
As at 1 April 2020	582,221	6,021	27,206	615,448
Disposals	-	-	(7,341)	(7,341)
At 31 March 2021	582,221	6,021	19,865	608,107
<i>Accumulated depreciation</i>				
As at 1 April 2020	132,499	6,021	9,677	148,197
Charge for the year	10,513	-	6,189	16,702
Disposals	-	-	(7,341)	(7,341)
At 31 March 2021	143,012	6,021	8,525	157,558
<i>Net book value</i>				
At 31 March 2021	439,209	-	11,340	450,549
At 31 March 2020	449,722	-	17,529	467,251

All operational fixed assets are used in the charitable activities of the charity.

7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2021 £	Total 2020 £
Balance at 1 April 2020	1,520,000	202,472	1,722,472	1,722,764
Gains on revaluation	230,000	42,960	272,960	13,917
Balance as at 31 March 2021	1,750,000	245,432	1,995,432	1,736,681

The investment properties were revalued at 31 March 2021 in accordance with the RICS Valuation – Professional Standards 2014 (The Red Book) by William Bradley BSc (Hons) MRICS of Bradley Harris Ltd, Chartered Surveyors, 368 Croydon Road, Beckenham, Kent BR3 4EX. In line with their policy to undertake a formal revaluation of investment properties every five years, the next formal revaluation will take place in March 2026.

Notes to the Accounts

For the year ended 31 March 2021

8. DEBTORS

	Total 2021 £	Total 2020 £
Prepayments	4,675	2,936
Accrued income	<u>50,387</u>	<u>59,198</u>
	<u>55,062</u>	<u>62,134</u>

9. CREDITORS

	Total 2021 £	Total 2020 £
Accounts falling due within one year:		
Trade creditors	12,638	5,919
Deferred income and accruals	69,451	114,679
Other taxes & social security	30,740	23,290
Other creditors	985	477
Pension provision	<u>40,261</u>	<u>39,088</u>
Total Creditors	<u>154,075</u>	<u>183,453</u>
Deferred grant income		
Balance brought forward	83,663	120,015
Amount released to grant income	(83,663)	(120,015)
Amount deferred in the year	<u>45,981</u>	<u>83,663</u>
	<u>45,981</u>	<u>83,663</u>
	Total 2021 £	Total 2020 £
Accounts falling due after more than one year:		
Pension provision	<u>118,837</u>	<u>149,421</u>

Notes to the Accounts

For the year ended 31 March 2021

10. MOVEMENT IN FUNDS

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2021 £
Restricted funds:					
East Surrey	54,871	330,947	(281,043)	-	104,775
South West London	1426	128,087	(127,985)	-	1,528
South East London	696	69,211	(53,696)	-	16,211
Total restricted funds	56,993	528,245	(462,724)	-	122,514
Designated funds:					
Operational fixed assets fund	467,251	-	-	(16,702)	450,549
Fixed asset investment fund	1,722,472	-	-	272,960	1,995,432
Covid Recovery	-	-	-	153,783	153,783
Pension liability fund	(188,509)	-	-	29,411	(159,098)
Total unrestricted designated funds:	2,001,214	-	-	439,452	2,440,666
Total unrestricted general funds:	143,959	542,047	(388,264)	(144,541)	153,201
Total funds	2,202,166	1,070,292	(850,988)	294,911	2,716,381

Restricted Funds

East Surrey – these funds represent income from Surrey County Council to provide Early Help, family support and a Family Centre. They also receive some small grants and donations restricted to specific uses.

South West London – these funds represent specific grants from National Lottery, Youth Endowment Fund, Mercers and other specific grant funding to deliver child and family support services and income received to provide grants to clients.

South East London – these funds represent BBC Children in Need, Leathersellers, Girdlers and other specific grant funding to deliver child and family support services and income received to provide grants to clients.

Designated Funds

The operational fixed asset fund represents the net book value of tangible fixed assets used in the day to day running of Welcare and are therefore not funds freely available to the charity.

The fixed asset investment fund represents the value of the investment property and listed securities held as these are held for long term income generation and are not freely available as liquefiable assets.

Welcare met the needs of its beneficiaries by continuing to offer practical and emotional family support throughout the pandemic. Trustees focused on securing the future well-being of the charity and the surplus from this year has been designated to our recovery fund to forge a stronger charity able to withstand a more challenging funding environment in the future. Trustees are considering accommodation needs and a more flexible model of service delivery.

Notes to the Accounts

For the year ended 31 March 2021

10. MOVEMENT IN FUNDS (continued)

The pension liability fund represents the amounts owed to The Pension's Trust in respect of the pension deficit and is not part of the operational expenditure of the charity.

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2020 £
Restricted funds:					
East Surrey	11,322	401,588	(358,039)	-	54,871
South West London	-	136,096	(134,670)	-	1,426
South East London	493	100,667	(100,464)	-	696
Total restricted funds	11,815	638,351	(593,173)	-	56,993
Designated funds:					
Operational fixed assets fund	460,412	-	-	6,839	467,251
Fixed asset investment fund	1,736,681	-	-	(14,209)	1,722,472
Pension liability fund	(229,000)	-	-	40,491	(188,509)
Total unrestricted designated funds:	1,968,093	-	-	33,121	2,001,214
Total unrestricted general funds:	159,502	485,077	(451,439)	(49,181)	143,959
Total funds	2,139,410	1,123,428	(1,044,612)	(16,060)	2,202,166

Transfers in funds represent programmes funded from unrestricted income.

Notes to the Accounts

For the year ended 31 March 2021

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 2021 £
Restricted funds	-	-	122,514	-	122,514
Unrestricted general funds	-	-	365,736	(212,535)	153,201
Unrestricted designated funds	450,549	1,995,432	-	(5,315)	2,440,666
Net assets at 31 March 2021	450,549	1,995,432	488,250	(217,850)	2,716,381

PRIOR YEAR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 2020 £
Restricted funds	-	-	56,993	-	56,993
Unrestricted general funds	-	-	226,190	(82,231)	143,959
Unrestricted designated funds	467,251	1,722,472	-	(188,509)	2,001,214
Net assets at 31 March 2020	467,251	1,722,472	283,183	(270,740)	2,202,166

Notes to the Accounts

For the year ended 31 March 2021

12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total £
INCOME			
<i>Donations and legacies</i>			
Individual Giving	25,591	255	25,846
<i>Other Trading Activities</i>			
Fundraising Activities	87,568	-	87,568
<i>Income From Investments</i>			
Investment income	12,195	-	12,195
Rents received	119,799	-	119,799
<i>Income From Charitable Activities</i>			
Child & Family Support Services	237,033	197,735	434,768
Volunteer Programme	-	-	-
Community Social Work	-	48,871	48,871
Groups & Workshops	250	45,958	46,208
Redhill Children's Centre	-	116,400	116,400
Early Help	-	7,152	7,152
Family Centre	-	139,588	139,588
Family Centre transition	-	80,157	80,157
<i>Other income</i>	2,641	2,236	4,877
Total income	485,077	638,352	1,123,429
EXPENDITURE			
<i>Expenditure on Raising Funds</i>			
Fundraising & Marketing	66,516	-	66,516
<i>Expenditure on Charitable Activities</i>			
Child & Family Support Services	287,002	181,223	468,225
Volunteer Programme	9,056	47	9,103
Community Social Work	12,100	49,705	61,805
Groups & Workshops	15,967	60,030	75,997
Redhill Children's Centre	26,484	123,757	150,241
Early Help	1,677	6,581	8,258
Family Centre	16,297	70,098	86,395
Family Centre transition	16,340	101,733	118,073
Total Expenditure	451,439	593,174	1,044,613
Net income (expenditure) before investments gains	33,638	45,178	78,816
Net gains on investments	(16,060)	-	(16,060)
Net income (expenditure) after investments gains	17,578	45,178	62,756
Net movement in funds	17,578	45,178	62,756
Fund balances brought forward at 1 April 2019	2,127,595	11,815	2,139,410
Funds balances carried forward at 31 March 2020	2,145,173	56,993	2,202,166

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £185,583 (2020: £192,433) from Southwark Diocesan Board of Finance. Under the Articles of Association of the charity, the Anglican Bishop of Southwark has the right to nominate up to two Trustees and to approve the appointment of the Chair from among the Trustees. The Bishop's nominees are Ruth Martin, the Diocesan Secretary, and Christopher Elliott.

Aggregated donations to the charity from trustees during the year amounted to £550 (2020: £440). There have been no other related party transactions and all trustees and key management personnel have signed related party declarations.

14. PENSION ARRANGEMENTS

Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last-man standing arrangement". Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows

DEFICIT CONTRIBUTIONS

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustees the term to 31 January 2025 applies.

14. PENSION ARRANGEMENTS (continued)

Pensions Trust Growth Plan (continued)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

A pension provision has been included in the accounts of £159,098 in respect of the above liability to the scheme as at 31 March 2021 (2020: £188,509).

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2020: £nil).

16. OPERATING LEASE COMMITMENT

The charity had total commitments at the period end under operating leases expiring as follows:

	2021	2020
	£	£
Less than 1 year	5,950	2,316
1 – 2 years	18,521	1,544
Total	24,471	3,860

17. POST BALANCE SHEET EVENTS

Since March 2020, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise, as set out in the trustees' report, the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations.

Our communications with current supporters and trusts have been very positive and our supporters remain motivated to continue to support our work with children and families although we are aware that many individual parish churches will have significantly fewer funds to distribute to other charitable organisations including our own. Welcare has successfully applied for short-term Covid-19 related funding during 2020-2021 although the medium to long-term impact on grant-making trusts including their available funds and future priorities are uncertain.