

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

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

Legal & Administrative Information

Trustees	Christopher Elliott (Chair from 21 October 2021) Sarah Harty (until October 2021) The Ven Moira Astin (Vice-Chair, Interim Chair from 1 April until 21 October 2021) Debbie Haith Rachel Phillips Paulette Tajah-Bell Revd Davy Nyirongo (until 25 April 2022) Ruth Martin (until 15 November 2021) Christopher Taylor (From 21 October 2021; Honorary Treasurer from 15 November 2021) Nicola Thomas (from 15 November 2021)
Chief Executive Officer	Anna Khan
Management Team	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	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex, BN44 3TN
Banker	National Westminster Bank plc London Bridge Branch PO Box 35 10 Southwark Street London, SE1 1TJ
Solicitors	Russell-Cooke 2 Putney Hill London, SW15 6AB

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FUNDRAISING
REGULATOR

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Welcome from the Chair

On behalf of the Board of Trustees of Welcare, it is a privilege and pleasure, following my appointment as Chair of the Board in October 2021, to introduce our annual report and accounts.

Welcare has been supporting families in south London and East Surrey for 128 years. Today, we provide practical and emotional support for families damaged by social isolation, domestic abuse, financial hardship, mental ill health, family breakdown and other disadvantages. Families continue to face these challenges which have been exacerbated by an unprecedented second year of global pandemic.

During these exceptional times, Welcare has continued its work with vulnerable children and families who desperately need our early intervention and prevention services to address problems before they become crises. Welcare's services have been needed more than ever.

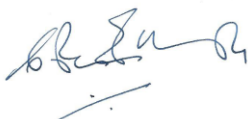
Every week Welcare staff work alongside families helping them change their lives for the better. Our strong connections in the community enabled us to respond quickly to address families' immediate needs; our appeal for crisis funds raised £2,479 from our supporters. We distributed additional support worth over £14,700 in value. This included supermarket vouchers, household items and children's clothing. Our group work programmes were attended by a total of 353 parents and 363 children giving them the tools and strategies needed to make positive changes in their lives.

I would especially like to thank Anna Khan, our Chief Executive, and all of our staff team for going the extra mile during the extremely challenging times over the last two years rising to the challenges presented and continuing to support the families we serve.

We are grateful to those individuals, churches, and trusts who fund and support our work including the Diocese of Southwark, Surrey County Council, BBC Children in Need, the Youth Endowment Fund, the Barnes Fund, the Netherby Trust, St Faith's Trust, the Leathersellers' and Girdlers' Companies Charitable Funds, the Charity of Sir Richard Whittington, Richmond Parish Lands Charity, PTL Foundation, Peter Harrison Foundation, and Richmond Charities.

I would like to take this opportunity to thank all our friends and supporters not least our local Friends' Groups and Parish Representatives; and Sarah Harty and Ruth Martin who both stepped down as trustees during the year; and Moira Astin who served as interim Chair until October and for her continued support for me in her role as Vice Chair.

Welcare has been supporting families since 1894. Our flexible approach to service ensures that, 128 years later, we can continue to serve those in need.



Christopher Elliott
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 2022. 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 challenges with the cost of living crisis
- Poor social networks and contacts
- Mental health challenges
- Children with special needs or challenging behaviour

Activities addressing the need

The impact of the coronavirus pandemic continued during the year 2021-22 and has disrupted the life of every person and organisation in the country. It was not only an unprecedented public health emergency but also a challenge to our society and our economy. Whilst impacting every child and family in the country, Covid-19 has had a particularly pernicious impact on children and young people living in financially unstable households and as the country began to recover from the challenges of the pandemic, we are being faced with a cost-of-living crisis. These global challenges have had a disproportionate impact on the families we serve and in response we are focusing our charitably funded support services alleviate the impact of:

- Emotional health and well-being issues experienced by children and young people up to the age of 13
- Domestic abuse and parental conflict
- Social isolation, especially for parents of children with special educational needs and disabilities
- The Cost-of-Living Crisis, our staff access local support and emergency funds including fuel funds to help families in need and hold a Families In Crisis appeal during December to enable us to purchase supermarket vouchers to help families buy food, cleaning products, warm clothes and shoes.

To address the need, our dedicated professional staff work with individual children and their parents; we work to build and strengthen the positive elements of family lives and to prevent future problems by intervening early and breaking cycles before they become entrenched. A particular highlight was the Summer Activity Programme delivered in Lambeth during August 2021. This programme was aimed at children who had been especially isolated during the year and was made possible through the support of the Sherborne in The Community Trust who allowed their donation made during the prior year to be deferred.

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 307 families and providing a range of practical assistance and financial grants for struggling families.
- Delivering the Strengthening Families Strengthening Communities Parenting Programme in person and online.
- Continuing to deliver our group work programmes, MySpace, With Respect and My Next Step.
- Delivering the Caring Dads group work programme.
- Continuing our partnership with East Surrey YMCA to deliver Early Help family support in Reigate and Banstead by delivering telephone, online, and whenever possible, face to face 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, including asylum seekers.
- 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.
- Rolling out our new client management system to record in a cloud-based relational database all our work with individual children and families; including integration of the Outcomes Star tool to demonstrate how we measure the difference we make.

Following the cancellation of fundraising events and community activities in 2020-2021, our loyal supporters enthusiastically returned to traditional fundraising events this year including sponsored walks, participation in the Vitality London 10k run and community carol singing.

We have been heartened that despite their own challenges over the year 60 individual churches supported our work in the last financial year and it has been a pleasure to be able to visit churches again and speak with supporters about our work.

Despite the constraints on fundraising activities during the year, our loyal supporters raised in excess of £59,249 (2021: £100,400).

Total income from Trusts and Foundations amounted to £145,477 (2021: £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

During the year we received 369 referrals from a variety of sources including schools, children's services and health service providers. Reasons for referral included child and parent emotional wellbeing, domestic abuse, and low self-esteem.

Our Child and Family Support Service provided advice and support to over 300 families. In addition, our Redhill Family Centre worked with an additional 73 families referred at Level 3 (requiring more specialist support) and worked in partnership with other Family Centres throughout the borough of Reigate & Banstead to provide a wide range of support groups and preventative services.

Our families received additional support in the form of supermarket vouchers, household items and children's clothing worth over £14,700 in value.

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 engage with and capture service users' change more effectively. We use these insights to ensure we're making a lasting difference to the children and families we support.

Plans for the Future

The review of Welcare's charitably funded services continues as we seek to provide a more consistent service throughout our area of benefit and deliver key interventions and programmes that make most efficient use of our limited staff resources to make a lasting impact for children and families. The key elements have included:

- A focus on supporting children and families exposed to domestic abuse and violence to rebuild their lives and prevent future abuse. We continue to offer our MySpace – community treatment and recovery group for children and have successfully piloted the Caring Dads programme and will build on this during 2022. Caring Dads is an intense 17-week group intervention programme for fathers who have abused, neglected or

exposed their children to domestic violence. It is an accredited and evaluated programme to support men who have been brave enough to admit they need help to become a better father.

- Building on the successful pilot of the schools-based programme we called Families and Schools Together (FAST). This programme supports vulnerable children and offers a range of group-work programmes focussed on building emotional well-being, resilience, and self-esteem. Through our strategic relationship with the Southwark Diocesan Board of Education (SDBE) we are seeking to extend the service to other children and families in schools working in clusters in areas of high need. We are grateful to the Charity of Sir Richard Whittington and the City Bridge Trust who have funded the expansion of this work in the academic year beginning in September 2022.
- Rationalisation of our premises - the coronavirus pandemic changed how many people work and it provided the opportunity to review how we deliver child and family support services. Our centre-based approach has been replaced by delivering our services more flexibly and co-locating group work programmes from schools. During the year we vacated our premises on the Nightingale Estate in Greenwich and are exploring options to work more closely with schools and locate our central office within the Southwark Diocesan Board of Education (SDBE).

Contributions from Volunteers

Our volunteers have always been a key, valued part of the charity.

Our Trustees, Friends, and Parish Representatives donated 468 hours of their time to support Welcare during the year.

We have had to reduce practical volunteering opportunities working directly with families due to covid regulations. We are very grateful to have a regular volunteer at East Surrey who has been doing much needed outdoor maintenance and gardening and assisting on an ad hoc basis with packing food parcels and recycling printer cartridges.

Our week-long Lambeth summer project received 12 hours of support from volunteers, including from a fitness instructor who led the children in outdoor physical activities.

Financial Review

Income for the year of £881k shows a decrease of £189k compared with the previous year's total of £1,070k.

Donations amounting to £57k were received from individual supporters (2021: £34k) and £68k from fundraising (2021: £80k). Investment income amounted to £12k (2021: £11k) and rental income of £123k was derived from properties (2021: £126k).

The principal funding sources of the charity were the Diocese of Southwark, Surrey County Council, BBC Children in Need, the Youth Endowment Fund, the Barnes Fund, the Netherby Trust, St Faith's Trust, the Leathersellers' and Girdlers' Companies Charitable Funds, the Charity of Sir Richard Whittington, Richmond Parish Lands Charity, PTL Foundation, Peter Harrison Foundation and Richmond Charities. The charity also receives funding from churches and individuals.

Expenditure in the year was £795k (2021: £851k) including £463k of expenditure from restricted funds (2021: £463k).

The decrease in income and expenditure has resulted in a surplus of £86k before gains on investments (2021: surplus of £219k).

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 2022 totalled £2,811k (2021: £2,716k) including £124k (2021: £123k) of restricted reserves and £2,509k (2021: £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 £234k. 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 £200k (2021: £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 2022 fixed asset investments were valued at £2,016k (2021: £1,995k) including £1,750k (2021: £1,750) of investment properties. There were net gains on investments of £20k in the year (2021: net gains of £273k). 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.

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 the board of trustees. The trustees are responsible for overseeing all aspects of quality assurance and compliance relating to fundraising.

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 Chief Executive is responsible to the board for the management and implementation of the risk management strategy and reports on the 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. During the early days of the pandemic a Standing Committee of the Board was established to enable a rapid Board level response to the crisis. The standing committee can be reconvened at short notice when required. Welcare built on the Families in Crisis appeal of 2020 by repeating the appeal at Christmas 2021 to meet the emergency needs of service users by raising money for supermarket vouchers. Throughout the pandemic Welcare has 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. However, like other charities we received less income from events and community fundraising. The Diocese of Southwark had reduced their grant to Welcare in the final quarter of 2020-2021 and maintained it at that level during 2021-2022. Towards the end of the reporting period, we received the welcome news that St Faith's Trust would support our work in East Surrey for three years, the PTL Foundation and the Charity of Sir Richard Whittington would support our work for two years and City Bridge Trust awarded a 5 year grant. Welcare did not place any staff on furlough under the government's Coronavirus Job Retention Scheme after March 2021.

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"> • Develop sustainable services independent of local authority contracts • Diversify funding streams and develop new supporters • Promote regular giving scheme • Improve communications between charity and supporters by producing regular newsletters • Maintain a good local profile • Employment of part-time specialist Trust and Foundations fundraiser

		<ul style="list-style-type: none"> Review finances of all services before making decisions Make use of Covid19 related support 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
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"> 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 Foster awareness throughout Welcare of the duty to report Safeguarding policies updated to take account of increased use of phones/IT during lockdown
Environmental/External	<p>Inadequate response to and failure to withstand the global pandemic and continue "business as usual".</p>	<ul style="list-style-type: none"> All staff have access to Office 365 and SharePoint to enable homeworking

	(excluding potential impact on future funding)	<ul style="list-style-type: none"> • Use of video conferencing using a variety of platforms for both staff meetings and group-work with service users • Board Standing Committee created as a rapid response Board committee can be reinstated as needed • 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 Christopher Elliott (from 15 February 2021), Ruth Martin (until 15 November 2021) and Nicola Thomas (from 15 November 2021).

The trustees do not receive any benefit but may be reimbursed for reasonable expenses properly incurred when acting on behalf of the charity. In 2021-2022 a total of £75.70 was paid to trustees in reasonable expenses.

An induction process 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. Strategic planning is a standard item on each Board agenda. Trustees are encouraged to attend appropriate external training courses, including online safeguarding training for trustees, 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.

Organisational Structure

Following a review of the governance structure in May 2021, the Board agreed to merge the business of the Finance and Development and Services Committees with that of the Board. Previously, there had been 4 full Board meetings with each committee meeting 3 times a year.

The Board currently has eight members who now meet at least six times a year. The Board is responsible for the strategic direction and policy of Welcare. The new structure has enabled enhanced oversight of the charity's finances alongside management of its strategic delivery objectives.

A Standing Committee 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 to report to the Board. It can be reinstated when required.

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 are members of the senior management team. The annual all staff training day took place online in 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.

The implementation of Lamplight, our client management system, from 1 April 2021 has enhanced our ability to record output and outcomes and to report to funders.

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

Safeguarding Policy

Our safeguarding policy is available on our website and is reviewed annually by senior managers. 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 annually by the Board of Trustees. Welcare has a named Service Manager with responsibility for and oversight of all safeguarding matters within Welcare. A designated Board member holds Board level responsibility for safeguarding. Every three years, an independent safeguarding audit of all Welcare's services is carried out (in line with recommendations in Section 11 of the Children Act 2004) to ensure that standards are maintained throughout Welcare and that any safeguarding risks are addressed. The last audit took place in July 2020.

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

The Board of Trustees appointed TC Group to undertake the audit for the financial year ending in 2022 and will consider the appointment of the auditor for 2022-23 at the next scheduled Board meeting.

On behalf of the Board of Trustees



Christopher Elliott, Chair

25 July 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SOUTHWARK DIOCESAN WELCARE

Opinion

We have audited the financial statements of Southwark Diocesan Welcare (the 'charitable company') for the year ended 31 March 2022. 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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. The other information comprises the information included in the trustees' 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SOUTHWARK DIOCESAN WELCARE

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.

The financial statements for Southwark Diocesan Welcare for the prior period were audited by the predecessor auditors Haysmacintyre LLP who issued an unqualified opinion on 8 July 2021.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SOUTHWARK DIOCESAN WELCARE

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, and employment law. Auditing standards limit the required audit procedures to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity's operations, the control environment and financial performance.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
AND TRUSTEES OF SOUTHWARK DIOCESAN WELCARE**

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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.

TC Group

Jonathan Aikens FCA DChA (Senior Statutory Auditor)

for and on behalf of TC Group

Statutory Auditors

Office: Sussex

1 August 2022

Statement of Financial Activities

(including income and expenditure account)
For the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
INCOME					
<i>Donations and legacies</i>					
Individual Giving		30,224	27,339	57,563	34,288
<i>Other Trading Activities</i>					
Fundraising Activities		67,738	-	67,738	80,018
<i>Income From Investments</i>					
Investment income		12,056	-	12,056	11,475
Rents received		123,266	-	123,266	126,441
<i>Income From Charitable Activities</i>					
Child & Family Support Services		177,283	109,216	286,499	446,655
Groups & Workshops		-	16,800	16,800	17,185
Early Help		-	30,993	30,993	30,993
Family Centre		-	257,056	257,056	279,335
Family Centre transition		-	-	-	3,832
Other income		4,969	1,666	6,635	40,070
Total income	2	415,536	443,070	858,606	1,070,292
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		49,401	-	49,401	43,859
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		248,110	123,599	371,709	458,420
Groups & Workshops		2,898	16,800	19,698	20,004
Early Help		2,832	30,041	32,873	37,659
Family Centre		28,156	292,791	320,947	288,646
Family Centre transition		-	-	-	2,400
Total Expenditure	3	331,397	463,231	794,628	850,988
Net income/(expenditure) before investments gains/(losses)		84,139	(20,161)	63,978	219,304
Net (losses)/gains on investments		30,896	-	30,896	294,911
Net income/(expenditure) after investments gains		115,035	(20,161)	94,874	514,215
Net movement in funds		115,035	(20,161)	94,874	514,215
Fund balances brought forward at 1 April 2021		2,593,867	122,514	2,716,381	2,202,166
Funds balances carried forward at 31 March 2022		2,708,902	102,353	2,811,255	2,716,381

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 2022


Registered company number 05275749

	Note	2022 £	2022 £	2021 £	2021 £
Operational Fixed Assets	6		433,852		450,549
Fixed Asset Investments	7		2,015,562		1,995,432
Current assets					
Debtors	8	30,104		55,062	
Short term investments		138,528		127,762	
Cash at bank & in hand		535,912		360,488	
Current assets		704,544		543,312	
Creditors: amounts falling due within one year	9	(275,146)		(154,075)	
Net current assets			429,398		389,237
Creditors: amounts falling due after one year	9		(67,557)		(118,837)
Net assets	10		2,811,255		2,716,381
Funds of the Charity					
Restricted funds	10		102,353		122,514
Designated funds	10				
Operational fixed assets			433,852		450,549
Fixed assets investments			2,015,562		1,995,432
Covid Recovery			93,783		153,783
Pension liability			(34,181)		(159,098)
General funds			199,886		153,201
Total funds			2,811,255		2,716,381

The financial statements were approved by the Board and authorised for issue on 25 July 2022 and signed on its behalf by:



Christopher Taylor, Honorary Treasurer



Christopher Elliott, Chair

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities:				
Net income for the year	94,874		514,215	
Adjustments for:				
Depreciation charges	16,697		16,702	
Gains on revaluation of investments	(30,896)		(294,911)	
Dividends, interest & rents from investments	(135,322)		(137,916)	
(Increase)/decrease in debtors	24,958		7,072	
Increase/(decrease) in creditors	69,791		(59,962)	
Net cash provided by operating activities		40,102		45,200
Cash flows from investing activities:				
Dividends, interest & rents from investments	135,322		137,916	
Net cash used in investing activities		135,322		137,916
Change in cash and cash equivalents in the year		175,424		183,116
Cash and cash equivalents at the beginning of the year		360,488		177,372
Cash and cash equivalents at the end of the year		535,912		360,488
		01 April 2021 £	Cash flow £	31 March 2022 £
Cash at bank and in hand		360,488	175,424	535,912

Notes to the Accounts

For the year ended 31 March 2021

1. ACCOUNTING POLICIES

(a) Statutory information

Southwark Diocesan Welcare is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found on the Legal and Administrative Information page.

(b) 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), the Charities Act 2011 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.

The financial statements are produced in sterling, which is the functional currency of the charity. Items are rounded to the nearest £.

(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.

(c) 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.

(d) 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.

(e) 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.

Notes to the Accounts (continued)

For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) General funds – unrestricted

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

(k) Designated funds – unrestricted

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

(l) Restricted funds

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

Notes to the Accounts (continued)

For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

(m) 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 is considered probable.

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

(n) 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.

(o) Charitable activities

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

(p) 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.

(q) 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.

(r) 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.

(s) 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 under TUPE arrangements, Welcare has obtained admitted body status to the Local Government Pension Scheme (LGPS). Welcare has entered into a side agreement to restrict the charity's exposure to the LGPS liabilities.

(t) Operating leases

Payments made under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Notes to the Accounts (continued)

For the year ended 31 March 2022

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2022 £
Donations			
Donations and fundraising	97,962	27,339	125,301
Grants			
South London Church Fund	157,772	-	157,772
Surrey County Council:			
- Early Help	-	30,993	30,993
- Family Centre	-	257,056	256,056
BBC Children in Need	-	41,635	41,635
Netherby Trust	17,476	-	17,476
Grants of under £20,000	2,035	84,381	86,416
Total Grants	177,283	414,065	591,348
Investment income & rent receivable	135,322	-	135,322
Other income	4,969	1,666	6,635
Total income	415,536	443,070	858,606

	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

Notes to the Accounts (continued)

For the year ended 31 March 2022

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2022 Total £
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	24,920	19,621	4,860	49,401
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	272,409	67,836	29,554	369,799
Groups & Workshops	19,493	-	2,115	21,608
Early Help	26,103	3,938	2,832	32,873
Family Centre	259,521	33,270	28,156	320,947
Total Expenditure	602,446	124,665	67,517	794,628

	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
Groups & Workshops	15,795	-	4,209	20,004
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

ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2022 £	2021 £
<i>Governance</i>		
Audit fee	9,300	7,620
Trustee and other meeting costs	76	663
Staff costs allocated to Governance	6,904	6,795
	16,280	15,078
<i>Other Support costs</i>		
Other Support costs	81,724	61,929
Movement in accrued pension liability	(84,656)	-
Staff costs allocated to Support	54,169	69,149
Total support costs	67,517	146,156

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

Notes to the Accounts (continued)

For the year ended 31 March 2022

4. RESULTS FOR THE YEAR

Expenditure includes:	2022	2021
	£	£
Auditors' remuneration:	9,300	7,620
Depreciation	16,697	16,702

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 £78,860 (2021: £78,977).

Staff costs were as follows:	2022	2021
	£	£
Salaries and wages	586,344	549,600
Social Security costs	40,636	43,628
Pension contributions	36,539	21,894
	663,519	615,122

One employee earned between £60,000 and £70,000 during the year (2021: one).

Pension contributions in the year for this employee amounted to £4,011 (2021: £4,011)

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

	2022	2021
	No.	No.
Fundraising and publicity	0.60	0.75
Charitable activities	17.07	16.35
	17.67	17.1

The total number of staff employed at year end was 22 (2021: 22).

No member of the Board of Trustees received remuneration for their services during the year (2021: £nil). 1 trustee was reimbursed for out of pocket expenses for £76 (2021: £nil).

Notes to the Accounts (continued)

For the year ended 31 March 2022

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2022 £
<i>Cost or Valuation</i>				
As at 1 April 2021	582,221	6,021	19,865	608,107
At 31 March 2022	582,221	6,021	19,865	608,107
<i>Accumulated depreciation</i>				
As at 1 April 2021	143,012	6,021	8,525	157,558
Charge for the year	10,513	-	6,184	16,697
At 31 March 2022	153,525	6,021	14,709	174,255
<i>Net book value</i>				
At 31 March 2022	428,696	-	5,156	433,852
At 31 March 2021	439,209	-	11,340	450,549

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

7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2022 £	Total 2021 £
Balance at 1 April 2021	1,750,000	245,432	1,995,432	1,722,472
Gains on revaluation	-	20,130	20,130	272,960
Balance as at 31 March 2022	1,750,000	265,562	2,015,562	1,995,432

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. The trustees believe that the commercial property market has remained relatively static over the last 12 months and, therefore, do not consider the investment properties to have materially altered in value over that period. 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 (continued)

For the year ended 31 March 2022

8. DEBTORS

	Total 2022 £	Total 2021 £
Prepayments	9,967	4,675
Accrued income	20,137	50,387
	<u>30,104</u>	<u>55,062</u>

9. CREDITORS

	Total 2022 £	Total 2021 £
Accounts falling due within one year:		
Trade creditors	14,903	12,638
Deferred income and accruals	221,084	69,451
Other taxes & social security	20,341	30,740
Other creditors	6,365	985
Pension provision	12,453	40,261
Total Creditors	<u>275,146</u>	<u>154,075</u>

Deferred grant income

Balance brought forward	45,981	83,663
Amount released to grant income	(45,981)	(83,663)
Amount deferred in the year	219,184	45,981
	<u>219,184</u>	<u>45,981</u>

	Total 2022 £	Total 2021 £
Accounts falling due after more than one year:		
Deferred income	45,829	-
Pension provision	21,728	118,837
	<u>67,557</u>	<u>118,837</u>

Notes to the Accounts (continued)

For the year ended 31 March 2022

10. MOVEMENT IN FUNDS

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2022 £
Restricted funds:					
East Surrey	104,775	329,243	(342,560)	-	91,458
South West London	1,528	55,092	(53,271)	-	3,349
South East London	16,211	58,735	(67,400)	-	7,546
Total restricted funds	122,514	443,070	(463,231)	-	102,353
Designated funds:					
Operational fixed assets fund	450,549	-	-	(16,697)	433,852
Fixed asset investment fund	1,995,432	-	-	20,130	2,015,562
Covid Recovery	153,783	-	-	(60,000)	93,783
Pension liability fund	(159,098)	-	-	124,917	(34,181)
Total unrestricted designated funds:	2,440,666	-	-	68,350	2,509,016
Total unrestricted general funds:	153,201	415,536	(331,397)	(37,454)	199,886
Total funds	2,716,381	858,606	(794,628)	30,896	2,811,255

	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	1,426	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

Notes to the Accounts (continued)

For the year ended 31 March 2022

10. MOVEMENT IN FUNDS (continued)

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 Youth Endowment Fund, The Charity of Sir Richard Whittington 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 has met the needs of its beneficiaries by continuing to offer practical and emotional family support throughout the pandemic. Trustees have focused on securing the future well-being of the charity and the surplus from 2021 was designated to a recovery fund to deliver pilot projects aimed at forging a stronger charity able to withstand a more challenging funding environment in the future. Welcare has rationalised its office accommodation requirements and during the year has moved to a flexible way of working whilst co-locating service delivery in schools. During 2022-2023 we plan to complete the rationalisation of our office service delivery accommodation including the location of our Central Office to enable us to work more closely with the Diocese of Southwark and with schools.

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.

Transfers in funds represent programmes funded from unrestricted income.

Notes to the Accounts (continued)

For the year ended 31 March 2022

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 2022 £
Restricted funds	-	-	102,353	-	102,353
Unrestricted general funds	-	-	572,087	(372,201)	199,886
Unrestricted designated funds	433,852	2,015,562	-	59,602	2,509,016
Net assets at 31 March 2022	433,852	2,015,562	674,440	(312,599)	2,811,255

PRIOR YEAR 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

Notes to the Accounts (continued)

For the year ended 31 March 2022

12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total £
INCOME			
<i>Donations and legacies</i>			
Individual Giving	31,302	2,986	34,288
<i>Other Trading Activities</i>			
Fundraising Activities	80,018	-	80,018
<i>Income From Investments</i>			
Investment income	11,475	-	11,475
Rents received	126,441	-	126,441
<i>Income From Charitable Activities</i>			
Child & Family Support Services	248,981	197,674	446,655
Groups & Workshops	3,760	13,425	17,185
Early Help	-	30,993	30,993
Family Centre	-	279,335	279,335
Family Centre transition	-	3,832	3,832
<i>Other income</i>	40,070	-	40,070
Total income	542,047	528,245	1,070,292
EXPENDITURE			
<i>Expenditure on Raising Funds</i>			
Fundraising & Marketing	43,859	-	43,859
<i>Expenditure on Charitable Activities</i>			
Child & Family Support Services	278,479	179,941	458,420
Groups & Workshops	6,579	13,425	20,004
Early Help	7,081	30,578	37,659
Family Centre	52,266	236,380	288,646
Family Centre transition	-	2,400	2,400
Total Expenditure	388,264	462,724	850,988
Net income (expenditure) before investments gains	153,783	65,521	219,304
Net gains on investments	294,911	-	294,911
Net income (expenditure) after investments gains	448,694	65,521	514,215
Net movement in funds	448,694	65,521	514,215
Fund balances brought forward at 1 April 2020	2,145,173	56,993	2,202,166
Funds balances carried forward at 31 March 2021	2,593,867	122,514	2,716,381

Notes to the Accounts (continued)

For the year ended 31 March 2022

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £157,772 (2021: £185,583) 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 Christopher Elliott and Nicola Thomas.

Aggregated donations to the charity from trustees during the year amounted to £nil (2021: £550). 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.

Notes to the Accounts (continued)

For the year ended 31 March 2022

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 £34,181 in respect of the above liability to the scheme as at 31 March 2022 (2021: £159,098).

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2021: £nil).

16. OPERATING LEASE COMMITMENT

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

	2022	2021
	£	£
Less than 1 year	5,840	4,664
1 – 2 years	11,680	9,328
3 – 5 years	2,434	11,766
Total	19,954	25,758

17. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

The trustees recognise that the future impact of the war in Ukraine is unknown, and it has already contributed to an increase in the cost of living and energy.

The impact of increased utility costs for the charity will be mitigated by staff working more flexibly from serviced office accommodation.

18. TAXATION

The charitable company is registered as a charity and all of its income falls within the exemption under Part 11 of the Corporation Tax Act 2010.

19. CONTROL

Throughout the year the charity was controlled by its trustees.

Notes to the Accounts (continued)

For the year ended 31 March 2022

20. SHARE CAPITAL

The charity is a company limited by guarantee and has no share capital.