

# welcare

*strengthening families since 1894*

## TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

*Welcare is a charity based on Christian values, working with families and children up to age 13, in South London and East Surrey.*

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

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## Legal & Administrative Information

<b>Trustees</b>	Christopher Elliott (Chair) The Ven Moira Astin (until 30 January 2023) Debbie Haith (until 25 July 2022) David Nyirongo (until 25 April 2022) Rachel Phillips Paulette Tajah-Bell Christopher Taylor (Honorary Treasurer) Nicola Thomas The Ven Greg Prior (from 28 November 2022) Louise Villeneuve (from 28 November 2022)
<b>Chief Executive Officer</b>	Anna Khan
<b>Management Team</b>	Fay Morris Barbara Wilson Catharine Adjei Diane Taylor
<b>Charity Number</b>	1107859
<b>Company Number</b>	5275749
<b>Registered Name</b>	Southwark Diocesan Welcare
<b>Registered Office</b>	24 Warwick Road Redhill Surrey, RH1 1BU
<b>Correspondence Address</b>	48 Union Street London, SE1 1TD
<b>Auditor</b>	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex, BN44 3TN
<b>Banker</b>	National Westminster Bank plc London Bridge Branch PO Box 35 10 Southwark Street London, SE1 1TJ
<b>Solicitors</b>	Russell-Cooke 2 Putney Hill London, SW15 6AB

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## **Our Centres**

### **Registered Office**

24 Warwick Road  
Redhill  
Surrey  
RH1 1BU

### **Central Office, South London Services and Correspondence Address**

48 Union Street  
London  
SE1 1TD

Tel: 020 7820 7910

Email: [info@welcare.org](mailto:info@welcare.org)

### **Bromley Centre**

Community House  
South Street  
Bromley  
BR1 1RH

Tel: 020 8466 0399

Email: [info@welcare.org](mailto:info@welcare.org)

### **East Surrey**

Welcare House  
24 Warwick Road  
Redhill  
Surrey  
RH1 1BU

Tel: 01737 780884

Email: [Redhill@welcare.org](mailto:Redhill@welcare.org)

[welcare.org](http://welcare.org)



[@welcareuk](https://twitter.com/welcareuk)



[facebook.com/welcareuk](https://facebook.com/welcareuk)



[@welcare\\_uk](https://www.instagram.com/welcare_uk)



FUNDRAISING  
REGULATOR

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## Welcome from the Chair

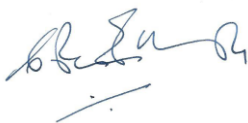
This has been my first full year as Chair of Trustees and it has been a pleasure and privilege to work with my fellow trustees and the team at Welcare. During the year we have had a number of changes on the Board: Debbie Haith, David Nyirongo and Ven Moira Astin have stood down. I would like to formally record my personal thanks to each of them for the contribution they have made to our work. We have welcomed Louise Villeneau and Ven Greg Prior to our number and I look forward to working with them in the future.

I am delighted to be able to report that we have now moved out of our previous head office in Lambeth and we are now located in Union Street, London SE1, where we are sharing premises with Southwark Diocesan Board of Education who we are working closely with on our Family and Schools Together (FAST) programme.

I would like to thank all those who have supported us financially including Surrey County Council who commission us to run the Family Centre in Redhill and provide Early Help services to children and families in the borough of Reigate & Banstead. The Early Help services are provided in partnership with East Surrey YMCA. The Diocese of Southwark has provided us with a grant for which we are extremely grateful. Others who have provided us with grants include City Bridge Trust, the Charity of Sir Richard Whittington, the PTL Foundation, the Netherby Trust, the Peter Harrison Foundation, Richmond Parish Lands Charity, St Faith's Trust, Barnes Fund, Sherborne in the Community, Girdlers' Company and a final contribution from the Leathersellers' who funded our work in South East London for the last four years.

Throughout this year we have provided help and support to 518 families. None of this could have been possible without the dedicated work of Anna Khan, our Chief Executive Officer, and her wonderful team who I would like to take this opportunity to thank for their relentless efforts.

I feel that the Charity is well placed to continue with our work and to move forward after some challenging years not least of which has been the Pandemic. I believe we have an exciting time ahead and look forward to the year ahead.



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 2023. 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.

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## **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**

As the country began to recover from the challenges of the coronavirus pandemic, we were faced with a cost-of-living crisis which has had a disproportionate impact on the families we serve. In response, we are focusing our charitably funded support services to 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 high cost of food and energy bills; our staff are able to access local support and emergency funds, including fuel funds, to help families in need. Our annual Families In Crisis appeal enables 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.

Our Families and Schools Together pilot projects have enabled us to work in partnership with schools to address emotional needs of children particularly those who were at risk of exclusion because of their behaviour or those who have experienced domestic abuse in their home.

A particular highlight has been our annual Summer Activity Programme delivered in Lambeth during August. This programme is aimed at children who have been especially isolated and is made possible through the support of the Sherborne in the Community Trust.

## 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 the Family Centre and Early Help services commissioned by Surrey County Council. Our most significant charitably funded achievements of the last year include:

- Providing individual support for 518 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 and deepening our working relationship with Skylarks, a charity supporting parents with children with disabilities and additional needs.
- **Families and Schools Together (FAST):** Continuing to deliver our group work programmes, MySpace, With Respect and My Next Step and expanding our partnerships with schools.
- **Summer Holiday Programme:** Children from our FAST programme in Lambeth took part in an activity packed week in August. Highlights included a sports day, tour of The Oval cricket ground, kite making and flying, and a DJ workshop. The programme was supported by Sherborne in the Community and the activities helped build relationships, grow confidence, and learn and play together.
- Delivering the Caring Dads group work programme in partnership with St Michael's Fellowship.
- **Youth Justice Partnership:** Our partnership with Lambeth Youth Justice Service to support young people and their families who have a child or sibling already in the criminal justice system or at severe risk of being so has continued and we will seek continuation funding to enable this example of preventative, early intervention to continue.
- 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 Southwark Diocese and our supporters in local churches by attending the Diocesan Conference and Area Deans' meeting and by speaking at churches.
- 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.
- **Trauma Informed Practice:** Welcare facilitated a joint training event with staff from other charities supported by The Mercers' Company on Trauma Informed Practice. Led by Developing Together, the Social Work Teaching Partnership covering South West London and Surrey (Welcare is a primary partner), the training focussed on how we could become more adept at recognising trauma and adversity, how to respond appropriately and what we can learn from research on Adverse Childhood Experiences



(ACEs) and how this relates to working in a trauma informed way. The training also examined how to build resilience, repair trauma responses and reviewed some fascinating research on child and teenage brain development.

- **Refreshed Website** [www.welcare.org](http://www.welcare.org) The website was refreshed to reflect our work as one charity working across South London and East Surrey with clear sections for Welcare wide news and events and dedicated space to thank and acknowledge our church supporters and a space to share prayers reflecting the hopes and fears of the community we serve.
- Rationalisation of our office accommodation to strengthen our connections in the local community, the Diocese of Southwark, and Southwark Diocesan Board of Education.

Our loyal supporters organised a range of traditional fundraising events during the year including sponsored walks, the Rock Choir concert and community carol singing and raised over £16.9k from events, including matched funding from The Morrisons Foundation. (2022: £59,249)

We have been heartened that despite their own challenges over the year 56 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.

Total income from Trusts and Foundations amounted to £192,951 (2022: £145,477).

## 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 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 families received additional support in the form of supermarket vouchers, household items and children's clothing worth over £38,000 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 include:

- To work with Surrey County Council and local partners to enable Welcare to continue to deliver Early Help and Family centre services in East Surrey district and boroughs.
- 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 delivered and will extend the Caring Dads programme to South West London and Redhill in 2023. Caring Dads is an intense 17-week group intervention programme for fathers who have shown harmful or neglectful behaviour towards their children or exposed them to domestic abuse. 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 in Lambeth and have re-located our inner London and central office staff within offices at the Southwark Diocesan Board of Education (SDBE).
- Development of our Let's Talk programme originally run in partnership with Lambeth Youth Justice Service (and funded by the Youth Endowment Fund). The programme provides relationship building support for families where young people are at the end of their out of court intervention. Welcare offers a non-judgemental and safe place for families to explore different areas they are struggling with through a range of therapeutic activities. This opens discussion, creates understanding, and seeks to address recurring communication breakdown which can have a profound effect on the whole family's emotional wellbeing, stability, and day-to-day functioning.
- Expansion of our child and family support services into the boroughs of Croydon and Southwark. We plan to deliver services primarily through our Family and Schools Together programme and in partnership with the Southwark Diocesan Board of Education.

## Contributions from Volunteers

Our volunteers have always been a key, valued part of the charity. We are grateful for all the prayerful and financial support we receive throughout South London and East Surrey but especially from our Bromley Parish Reps and Greenwich Friends who have organised Lent lunches, concerts, walks and other fundraising events. We are particularly grateful to Christina Clark for organising the Rock Choir concert and generous matched funding from the Morrisons Foundation.

We also remember Alan Wiltcher who sadly died during the year – Alan had been a stalwart supporter of our work for over 40 years especially in the borough of Greenwich.

Our Trustees, Friends, and Parish Representatives donated 600 hours of their time to support Welcare during the year.

We are delighted to have been able to reintroduce volunteering with families at the East Surrey centre this year. We ran a Parenting Puzzle course for adults alongside a creche for their under 5s. Our playworker ran the crèche and was ably assisted by two volunteers.

Our regular outdoor maintenance and gardening volunteer left in July to work abroad. We put out a plea to our other volunteers and parish reps and someone nominated her husband who had recently retired. He started volunteering in August - it is lovely to have another husband and wife team on board.

On a regular basis we are very fortunate to have one amazingly versatile volunteer who comes in to sort harvest donations, assemble food bags, sort out printer cartridges and is willing to turn her hand to any other tasks our admin team finds. As a parish rep and volunteer she also organised the refreshments at the East Surrey Thanksgiving Service in June. We are incredibly grateful for her support.

Our week-long Lambeth summer project, funded by Sherbourne in the Community, received 12 hours of support from volunteers, including from a fitness instructor who led the children in outdoor physical activities and supported the group on a visit to Oval cricket ground.

## Financial Review

Income for the year of £931k shows an increase of £72k compared with the previous year's total of £859k.

Donations amounting to £31k were received from individual supporters (2022: £58k) and £81k from fundraising (2022: £68k). Investment income amounted to £15k (2022: £12k) and rental income of £126k was derived from properties (2022: £123k).

The principal funding sources of the charity were the Diocese of Southwark (South London Church Fund) and Surrey County Council. Grants received during the year over £25,000 include, City Bridge Trust, the Charity of Sir Richard Whittington, the PTL Foundation and the Netherby Trust. We are also grateful to the following trusts and foundations who generously supported our work including the Peter Harrison Foundation, Richmond Parish Lands Charity, St Faith's Trust, Barnes Fund, Sherborne in the Community, Girdlers' Company and a final contribution from the Leathersellers' who funded our work in South East London for the last four years. We were grateful to Richmond Charities for their grant to us to support families in crisis and the Morrison Foundation for their matched funding. The charity also receives funding from churches and individuals.

Expenditure in the year was £941k (2022: £795k) including £494k of expenditure from restricted funds (2022: £463k).

The increase in income and expenditure has resulted in a deficit of £10k before losses on investments (2022: surplus of £64k before gains on investments).

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 2023 totalled £2,785k (2022: £2,811k) including £75k (2022: £102k) of restricted reserves and £2,476k (2022: £2,509k) 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 £245k. 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 £234k (2022: £200k). 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 2023 fixed asset investments were valued at £2,005k (2022: £2,016k) including £1,750k (2022: £1,750k) of investment properties. There were net losses on investments of £11k in the year (2022: net gains of £20k). 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.

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## **Fundraising Policy**

Welcare undertakes a variety of fundraising activities to support our strategy of delivering better outcomes for children and families. We are registered with 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](mailto:fundraising@welcare.org), while complaints should be made in writing to: Welcare Fundraising, 48 Union Street, London, SE1 1TD. We have not received any complaints about our fundraising practices.

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**

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 has a business continuity plan which is reviewed annually. All staff are able to work remotely. A sub-committee of the Board, initially established to provide a rapid Board level response to the pandemic, can be reconvened at short notice to address a specific crisis.

Welcare's income from its regular donors, supporting churches and principal funders remained stable throughout the financial year. However, like other charities we received more income from events and community fundraising. The grant from the Diocese of Southwark to Welcare was maintained at the 2021-2022 level during 2022-2023. We remained in receipt of ongoing funding from St Faith's Trust, the PTL Foundation, the Charity of Sir Richard Whittington and City Bridge Trust.

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"> <li>• Develop sustainable services independent of local authority contracts</li> <li>• Diversify funding streams and develop new supporters</li> <li>• Promote regular giving scheme</li> <li>• Improve communications between charity and supporters by producing regular newsletters</li> <li>• Maintain a good local profile</li> <li>• Recent Board agreement to use services of freelance professional fundraiser</li> <li>• Review finances of all services before making decisions</li> </ul>
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"> <li>• Employee Assistance programme to mitigate stress and resolve the risk of long-term sickness absence</li> <li>• Senior staff required to provide 3 months' notice</li> <li>• Succession business continuity planning</li> <li>• Professional HR advice and support from WorkNest</li> <li>• Emphasise the advantages of working for Welcare</li> <li>• Review salary levels and role descriptions</li> <li>• Review staffing structure and operational model to increase resilience to</li> </ul>

		impact of short- and medium-term staff changes
Operational	Incident involving child protection or safeguarding issue involving staff member or volunteer resulting in harm to the child and reputational damage.	<ul style="list-style-type: none"> <li>• Rigorous application and annual review of Safeguarding policy</li> <li>• Safer recruitment processes</li> <li>• Mandatory safeguarding training for all staff, volunteers and trustees</li> <li>• DBS checks carried out for all eligible staff, volunteers and trustees</li> <li>• Robust supervision, complaints and referral processes</li> <li>• Foster awareness throughout Welcare of the duty to report</li> <li>• Safeguarding policies updated to take account of increased use of smartphones/IT and staff working from home</li> </ul>
Environmental/External	Welcare is required to absorb increased costs (utilities, HR, supplier contracts etc) while income remains static resulting in budget deficits.	<ul style="list-style-type: none"> <li>• Reduce external costs wherever possible.</li> <li>• Move to serviced offices</li> </ul>

## 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 and Nicola Thomas.

The trustees do not receive any benefit but may be reimbursed for reasonable expenses properly incurred when acting on behalf of the charity. In 2022-2023 a total of £218.60 (2021-2022: £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 most recently in November 2022 at which the Board confirmed its strategy to:

- The expansion of the Families And Schools Together programme, particularly into Croydon
- Seek renewal of the Family Centre contract
- Continue delivering Caring Dads and other courses.

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 sub-committee was established as a rapid response committee of the Board during the pandemic. The sub-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. Two whole staff training days took place June 2022 and January 2023.

eTapestry, our supporter database has enabled improved communication with donors and supporters and better data collection, management and protection.

Lamplight, our client management system 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 includes recommendations for maintaining safeguarding standards while using digital platforms to deliver individual and group work. The safeguarding policy is reviewed and updated annually by senior managers and then approved 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.



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## **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 2023 and will consider the appointment of the auditor for 2023-2024 at the next scheduled Board meeting.

On behalf of the Board of Trustees



**Christopher Elliott, Chair**

**17 July 2023**

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

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### **Opinion**

We have audited the financial statements of Southwark Diocesan Welcare (the 'charitable company') for the year ended 31 March 2023. 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 2023 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**

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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

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### **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), the relevant tax compliance regulations in the UK and the application of relevant business regulations including consideration of the UK sanctions regime;
- 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**

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- 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



**Mark Cummins**  
for and on behalf of TC Group  
Statutory Auditors  
Office: Sussex

**17 July 2023**

# Statement of Financial Activities

(including income and expenditure account)  
For the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
<b>INCOME</b>					
<i>Donations and legacies</i>					
Individual Giving		30,827	300	<b>31,127</b>	57,563
<i>Other Trading Activities</i>					
Fundraising Activities		80,733	-	<b>80,733</b>	67,738
<i>Income From Investments</i>					
Investment income		14,583	-	<b>14,583</b>	12,056
Rents received		126,044	-	<b>126,044</b>	123,266
<i>Income From Charitable Activities</i>					
Child & Family Support Services		194,212	156,511	<b>350,723</b>	286,499
Groups & Workshops		16,536	-	<b>16,536</b>	16,800
Early Help		-	30,993	<b>30,993</b>	30,993
Family Centre		-	278,636	<b>278,636</b>	257,056
Other income		1,173	-	<b>1,173</b>	6,635
<b>Total income</b>	2	464,108	466,440	<b>930,548</b>	858,606
<b>EXPENDITURE</b>					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		48,843	-	<b>48,843</b>	49,401
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		276,842	179,011	<b>455,853</b>	371,709
Groups & Workshops		30,802	-	<b>30,802</b>	19,698
Early Help		7,207	26,489	<b>33,696</b>	32,873
Family Centre		83,451	288,371	<b>371,822</b>	320,947
<b>Total Expenditure</b>	3	447,145	493,871	<b>941,016</b>	794,628
<b>Net income/(expenditure) before investments gains/(losses)</b>		16,963	(27,431)	<b>(10,468)</b>	63,978
Net (losses)/gains on investments		(15,697)	-	<b>(15,697)</b>	30,896
<b>Net income/(expenditure) after investments gains</b>		1,266	(27,431)	<b>(26,165)</b>	94,874
<b>Net movement in funds</b>		1,266	(27,431)	<b>(26,165)</b>	94,874
<b>Fund balances brought forward at 1 April 2022</b>		2,708,902	102,353	<b>2,811,255</b>	2,716,381
<b>Funds balances carried forward at 31 March 2023</b>		2,710,168	74,922	<b>2,785,090</b>	2,811,255

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 2023

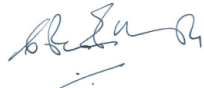
Registered company number 05275749

	Note	2023 £	2023 £	2022 £	2022 £
<b>Operational Fixed Assets</b>	6		<b>418,185</b>		433,852
<b>Fixed Asset Investments</b>	7		<b>2,004,786</b>		2,015,562
<b>Current assets</b>					
Debtors	8	<b>61,445</b>		30,104	
Short term investments		<b>133,607</b>		138,528	
Cash at bank & in hand		<b>390,775</b>		535,912	
<b>Current assets</b>		<b>585,827</b>		704,544	
<b>Creditors: amounts falling due within one year</b>	9	<b>(214,370)</b>		(275,146)	
<b>Net current assets</b>			<b>371,457</b>		429,398
<b>Creditors: amounts falling due after one year</b>	9		<b>(9,338)</b>		(67,557)
<b>Net assets</b>	10		<b>2,785,090</b>		2,811,255
<b>Funds of the Charity</b>					
Restricted funds	10		<b>74,922</b>		102,353
Designated funds	10				
Operational fixed assets			<b>418,185</b>		433,852
Fixed assets investments			<b>2,004,786</b>		2,015,562
Covid Recovery			<b>75,000</b>		93,783
Pension liability			<b>(21,791)</b>		(34,181)
General funds			<b>233,988</b>		199,886
<b>Total funds</b>			<b>2,785,090</b>		2,811,255

The financial statements were approved by the Board and authorised for issue on 17 July 2023 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 2023

	2023 £	2023 £	2022 £	2022 £
<b>Cash flows from operating activities:</b>				
Net income for the year	(26,165)		94,874	
<b>Adjustments for:</b>				
Depreciation charges	15,667		16,697	
(Gains)/Losses on revaluation of investments	15,697		(30,896)	
Dividends, interest & rents from investments	(140,627)		(135,322)	
(Increase)/decrease in debtors	(31,341)		24,958	
Increase/(decrease) in creditors	<u>(118,995)</u>		<u>69,791</u>	
<b>Net cash provided by operating activities</b>		<b>(285,764)</b>		40,102
<b>Cash flows from investing activities:</b>				
Dividends, interest & rents from investments		<u>140,627</u>		<u>135,322</u>
<b>Net cash used in investing activities</b>		<b>140,627</b>		135,322
<b>Change in cash and cash equivalents in the year</b>		<b>(145,137)</b>		175,424
<b>Cash and cash equivalents at the beginning of the year</b>		<b>535,912</b>		360,488
<b>Cash and cash equivalents at the end of the year</b>		<b><u>390,775</u></b>		<b><u>535,912</u></b>
		<b>01 April 2022 £</b>	<b>Cash flow £</b>	<b>31 March 2023 £</b>
Cash at bank and in hand		535,912	(145,137)	<b>390,775</b>

# Notes to the Accounts

For the year ended 31 March 2023

## 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 2023

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## 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 2023

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## 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 2023

### 2. ANALYSIS OF INCOME

Current year	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Donations</b>			
Donations and fundraising	111,559	300	111,859
<b>Grants</b>			
South London Church Fund	157,772	-	157,772
Surrey County Council:			
- Early Help	-	30,993	30,993
- Family Centre	-	278,636	278,636
Netherby Trust	35,000	-	35,000
The Charity of Sir Richard Whittington	-	30,538	30,538
City Bridge	-	30,833	30,833
PTL Foundation	-	50,000	50,000
Grants of under £20,000	1,440	45,140	46,580
<b>Total Grants</b>	194,212	466,140	660,352
Investment income & rent receivable	140,627	-	140,627
Groups & Workshops	16,536	-	16,536
Other income	1,174	-	1,174
<b>Total income</b>	464,108	466,440	930,548

Prior year	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Donations</b>			
Donations and fundraising	97,962	27,339	125,301
<b>Grants</b>			
South London Church Fund	157,772	-	157,772
Surrey County Council:			
- Early Help	-	30,993	30,993
- Family Centre	-	257,056	257,056
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
<b>Total Grants</b>	177,283	414,065	591,348
Investment income & rent receivable	135,322	-	135,322
Other income	4,969	1,666	6,635
<b>Total income</b>	415,536	443,070	858,606

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 3. ANALYSIS OF TOTAL EXPENDITURE

Current year	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2023 Total £
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	28,121	10,313	10,409	<b>48,843</b>
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	276,882	107,705	71,266	<b>455,853</b>
Groups & Workshops	23,266	1,548	5,988	<b>30,802</b>
Early Help	21,214	7,022	5,460	<b>33,696</b>
Family Centre	245,835	62,713	63,274	<b>371,822</b>
<b>Total Expenditure</b>	<b>595,318</b>	<b>189,301</b>	<b>156,397</b>	<b>941,016</b>

Prior year	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
<b>Total Expenditure</b>	<b>602,446</b>	<b>124,665</b>	<b>67,517</b>	<b>794,628</b>

### ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2023 £	2022 £
<i>Governance</i>		
Audit fee	10,500	9,300
Trustee and other meeting costs	219	76
AGM and other	41	-
Staff costs allocated to Governance	<b>7,361</b>	6,904
	<b>18,121</b>	16,280
<i>Other Support costs</i>		
Other Support costs	20,449	81,724
Movement in accrued pension liability	13,982	(84,656)
Staff costs allocated to Support	<b>103,845</b>	54,169
<b>Total support costs</b>	<b>156,397</b>	67,517

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

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 4. RESULTS FOR THE YEAR

Expenditure includes:	<b>2023</b>	2022
	£	£
Auditors' remuneration:	<b>10,500</b>	9,300
Depreciation	<b>15,667</b>	16,697

### 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 £82,601 (2022: £78,860).

Staff costs were as follows:	<b>2023</b>	2022
	£	£
Salaries and wages	<b>624,779</b>	586,344
Social Security costs	<b>50,901</b>	40,636
Pension contributions	<b>29,012</b>	36,539
Redundancy	<b>1,832</b>	-
	<b><u>706,524</u></b>	<u>663,519</u>

One employee earned between £70,000 and £80,000 during the year (2022: none). No employee earned between £60,000 and £70,000 during the year (2022: one).

Pension contributions in the year for this employee amounted to £4,178 (2022: £4,011).

A redundancy payment of £1,832 was made in the year (2022: £Nil).

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

	<b>2023</b>	2022
	No.	No.
Fundraising and publicity	<b>0.84</b>	0.60
Charitable activities	<b>17.36</b>	17.07
	<b><u>18.20</u></b>	<u>17.67</u>

The total number of staff employed at year end was 22 (2022: 22).

No member of the Board of Trustees received remuneration for their services during the year (2022: £nil). One trustee was reimbursed for out of pocket expenses for £219 (2021: £76).

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2023 £
<i>Cost or Valuation</i>				
As at 1 April 2022	582,221	6,021	19,865	608,107
Disposals	-	(6,021)	(1,753)	(7,774)
At 31 March 2023	582,221	-	18,112	600,333
<i>Accumulated depreciation</i>				
As at 1 April 2022	153,525	6,021	14,709	174,255
Charge for the year	10,511	-	5,156	15,667
Disposals	-	(6,021)	(1,753)	(7,774)
At 31 March 2023	164,036	-	18,112	182,148
<i>Net book value</i>				
At 31 March 2023	<b>418,185</b>	-	-	<b>418,185</b>
At 31 March 2022	428,696	-	5,156	433,852

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

### 7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2023 £	Total 2022 £
Balance at 1 April 2022	1,750,000	265,562	2,015,562	1,995,432
Gains on revaluation	-	(10,776)	(10,776)	20,130
Balance as at 31 March 2023	<b>1,750,000</b>	<b>254,786</b>	<b>2,004,786</b>	<b>2,015,562</b>

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 2023

### 8. DEBTORS

	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Prepayments	605	9,967
Accrued income	52,970	20,137
Other taxes & social security	<u>7,870</u>	<u>-</u>
	<u><b>61,445</b></u>	<u><b>30,104</b></u>

### 9. CREDITORS

	<b>Total 2023 £</b>	<b>Total 2022 £</b>
<b>Accounts falling due within one year:</b>		
Trade creditors	7,583	14,903
Deferred income and accruals	183,925	221,084
Other taxes & social security	7,429	20,341
Other creditors	2,980	6,365
Pension provision	<u>12,453</u>	<u>12,453</u>
<b>Total Creditors</b>	<u><b>214,370</b></u>	<u><b>275,146</b></u>

#### Deferred grant income

Balance brought forward	219,184	45,981
Amount released to grant income	(219,184)	(45,981)
Amount deferred in the year	<u>157,129</u>	<u>219,184</u>
	<u><b>157,129</b></u>	<u><b>219,184</b></u>

	<b>Total 2023 £</b>	<b>Total 2022 £</b>
<b>Accounts falling due after more than one year:</b>		
Deferred income	-	45,829
Pension provision	<u>9,338</u>	<u>21,728</u>
	<u><b>9,338</b></u>	<u><b>67,557</b></u>

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 10. MOVEMENT IN FUNDS

Current year	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2023 £
<b>Restricted funds:</b>					
East Surrey	91,458	328,725	(346,011)	-	74,172
South London	10,895	134,465	(145,360)	-	-
Central	-	3,250	(2,500)	-	750
<b>Total restricted funds</b>	<b>102,353</b>	<b>466,440</b>	<b>(493,871)</b>	<b>-</b>	<b>74,922</b>
<b>Designated funds:</b>					
Operational fixed assets fund	433,852	-	-	(15,667)	418,185
Fixed asset investment fund	2,015,562	-	-	(10,776)	2,004,786
Covid Recovery	93,783	-	-	(18,783)	75,000
Pension liability fund	(34,181)	-	-	12,390	(21,791)
<b>Total unrestricted designated funds:</b>	<b>2,509,016</b>	<b>-</b>	<b>-</b>	<b>(32,836)</b>	<b>2,476,180</b>
<b>Total unrestricted general funds:</b>	<b>199,886</b>	<b>464,108</b>	<b>(447,145)</b>	<b>17,139</b>	<b>233,988</b>
<b>Total funds</b>	<b>2,811,255</b>	<b>930,548</b>	<b>(941,016)</b>	<b>(15,697)</b>	<b>2,785,090</b>

Prior year	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2022 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>122,514</b>	<b>443,070</b>	<b>(463,231)</b>	<b>-</b>	<b>102,353</b>
<b>Designated funds:</b>					
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)
<b>Total unrestricted designated funds:</b>	<b>2,440,666</b>	<b>-</b>	<b>-</b>	<b>68,350</b>	<b>2,509,016</b>
<b>Total unrestricted general funds:</b>	<b>153,201</b>	<b>415,536</b>	<b>(331,397)</b>	<b>(37,454)</b>	<b>199,886</b>
<b>Total funds</b>	<b>2,716,381</b>	<b>858,606</b>	<b>(794,628)</b>	<b>30,896</b>	<b>2,811,255</b>

## Notes to the Accounts (continued)

For the year ended 31 March 2023

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### 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 London – this fund is represented by a specific grant from the Charity of Sir Richard Whittington to deliver work in schools in Lambeth.

#### 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 year. 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 moved to a flexible way of working whilst co-locating service delivery in schools. During 2022-2023 we completed 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 2023

### 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 2023 £
Restricted funds	-	-	74,922	-	<b>74,922</b>
Unrestricted general funds	-	-	449,460	(215,472)	<b>233,988</b>
Unrestricted designated funds	418,185	2,004,786	-	53,209	<b>2,476,180</b>
<b>Net assets at 31 March 2023</b>	<b>418,185</b>	<b>2,004,786</b>	<b>524,382</b>	<b>(162,263)</b>	<b>2,785,090</b>

### PRIOR YEAR 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
<b>Net assets at 31 March 2022</b>	<b>433,852</b>	<b>2,015,562</b>	<b>674,440</b>	<b>(312,599)</b>	<b>2,811,255</b>

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total £
<b>INCOME</b>			
<i>Donations and legacies</i>			
Individual Giving	30,224	27,339	57,563
<i>Other Trading Activities</i>			
Fundraising Activities	67,738	-	67,738
<i>Income From Investments</i>			
Investment income	12,056	-	12,056
Rents received	123,266	-	123,266
<i>Income From Charitable Activities</i>			
Child & Family Support Services	177,283	109,216	286,499
Groups & Workshops	-	16,800	16,800
Early Help	-	30,993	30,993
Family Centre	-	257,056	257,056
<i>Other income</i>	4,969	1,666	6,635
<b>Total income</b>	<b>415,536</b>	<b>443,070</b>	<b>858,606</b>
<b>EXPENDITURE</b>			
<i>Expenditure on Raising Funds</i>			
Fundraising & Marketing	49,401	-	49,401
<i>Expenditure on Charitable Activities</i>			
Child & Family Support Services	248,110	123,599	371,709
Groups & Workshops	2,898	16,800	19,698
Early Help	2,832	30,041	32,873
Family Centre	28,156	292,791	320,947
<b>Total Expenditure</b>	<b>331,397</b>	<b>463,231</b>	<b>794,628</b>
<b>Net income (expenditure) before investments gains</b>	<b>84,139</b>	<b>(20,161)</b>	<b>63,978</b>
Net gains on investments	30,896	-	30,896
<b>Net income (expenditure) after investments gains</b>	<b>115,035</b>	<b>(20,161)</b>	<b>94,874</b>
<b>Net movement in funds</b>	<b>115,035</b>	<b>(20,161)</b>	<b>94,874</b>
<b>Fund balances brought forward at 1 April 2021</b>	<b>2,593,867</b>	<b>122,514</b>	<b>2,716,381</b>
<b>Funds balances carried forward at 31 March 2022</b>	<b>2,708,902</b>	<b>102,353</b>	<b>2,811,255</b>

## Notes to the Accounts (continued)

For the year ended 31 March 2023

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### 13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £157,772 (2022: £157,772) 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 £20 (2022: £nil). 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 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### DEFICIT CONTRIBUTIONS

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

## Notes to the Accounts (continued)

For the year ended 31 March 2023

### 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 £21,791 in respect of the above liability to the scheme as at 31 March 2023 (2022: £34,181).

### 15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2022: £nil).

### 16. OPERATING LEASE COMMITMENT

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

	<b>2023</b>	2022
	£	£
Less than 1 year	16,040	5,840
1 – 2 years	15,336	11,680
3 – 5 years	588	2,434
<b>Total</b>	<b>31,964</b>	<b>19,954</b>

### 17. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

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

The impact of increased utility costs for the charity will continue to 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.

### 20. SHARE CAPITAL

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