

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

*Working to prevent the children of
today from becoming the troubled
families of tomorrow*

Legal & Administrative Information

Trustees	Cherry Murdoch (Chair – from 27 April 2017) David Atterbury Thomas (until 9 February 2017) Mary Evans (Vice Chair) Stephanie Wilson (Honorary Treasurer until 9 February 2017) The Ven Dr Paul Wright Sara Drake Nicholas Bull Megan Pacey Debbie Haith Anne Coates (from 7 July 2016) The Ven Moira Astin (from 27 April 2017)
Chief Executive Officer	Anna Khan
Management Team	Hannah Franklin Amy Mawby Julie Mitchell Paul Vitty Fay Morris Diane Taylor Barbara Wilson
Charity Number	1107859
Company Number	5275749
Registered Name	Southwark Diocesan Welcare
Principal Address & Registered Office	19 Frederick Crescent London SW9 6XN
Auditor	haysmacintyre 26 Red Lion Square London WC1R 4AG
Banker	National Westminster Bank plc London Bridge Branch PO Box 35 10 Southwark Street London SE1 1TT
Solicitors	Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE

Our Centres

Registered Office

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19 Frederick Crescent
London SW9 6XN

Tel: 020 7820 7910

Email: info@welcare.org

Inner South London Service

19 Frederick Crescent
London SW9 6XN

Tel: 020 7820 7913

Email: innerlondon@welcare.org

South-east London:

Bromley Centre

St Barnabas Church
Rushet Road
Orpington
Kent BR5 2PU

Tel: 020 8466 0399

Email: Bromley@welcare.org

Greenwich Centre

248-266 Nightingale Vale
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SE18 4HN

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Email: Greenwich@welcare.org

South-west London:

Child and Family Support Service (south-west London)

Parkway House
Sheen Lane
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Email: swlondon@welcare.org

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Chair's Report

On behalf of the Board of Trustees of Welcare, I am pleased to introduce our annual report and accounts and my first as Chair of Welcare. This year we have been able to help over one thousand children and families in need and, using Outcomes Star reporting, over 81% of families have reported positive changes in their lives following intervention from Welcare. This would not have been possible without the generous support of our funders. I would especially like to thank our staff and volunteer teams for their excellent direct work supporting families and all our friends and supporters including our local Friends' Groups, Parish Representatives and members of supporting churches for their prayerful and fundraising support. Not least, I thank David Atterbury Thomas for his commitment to Welcare and dedicated leadership of the Board over many years.



Cherry Murdoch

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 2017. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2015, 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 4 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

To prevent the children of today from becoming the troubled families of tomorrow. To enable us to achieve this aim we developed the following aims for the charity:

1. To put the needs of the children and families who use our services at the heart of the charity.
2. To ensure that Welcare has a sustainable future delivering vital preventative family support services.
3. To deliver Welcare's strategic objective of rolling out a comprehensive Child and Family Support Service across our areas of service delivery, provided by staff and complemented by volunteers.
4. To expand our individual regular giving scheme to diversify and strengthen our income streams to ensure that Welcare has a firm supporter base and is able to continue to deliver its charitable aims for the benefit of children and families throughout our service delivery area.
5. To build on our strong relationships with other professionals, agencies and charities to ensure we identify local needs and enhance the experience of the families we work with.
6. To build on our strengthened relationships with churches within the Anglican Diocese of Southwark, as well as those within three deaneries in the Diocese of Rochester and with the Hampton deanery in the Diocese of London.
7. To record and monitor outputs and outcomes data to enable us to assess and demonstrate the impact of our work.
8. To develop a more user-friendly website that enables parents and professionals to access our services and members of the public to learn more about Welcare and how they may support us.

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. Welcare has a reputation for always putting our beneficiaries first.

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 8-13

- Absence from school
- Early signs of offending/anti-social behaviour
- Risky behaviour
- Poor self esteem
- Social exclusion
- Difficult transition to secondary education

Parents with children up to the age of 13

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

Addressing the need

We continue to serve families throughout South London and East Surrey as we have done for the last 123 years. We deliver a range of targeted social work and family support services, parenting courses, group work programmes, mentoring services for children aged 8-13 and a Children's Centre in Redhill.

Our dedicated, professional staff work with individual children and their parents; they are wonderfully supported by trained volunteers. We work with children and families in their own homes, our Welcare centres and other community settings including churches and schools. Volunteers assist families with a range of practical help and emotional support. Our volunteer mentors work with individual children to build resilience and find positive alternatives to challenging behaviour and also encourage them to explore and take full advantage of the opportunities available locally. We work to build on the positive elements of family lives and to prevent problems happening by intervening early and breaking the cycles that may become entrenched.

Achievements and Performance

Performance against objectives

We are proud of our progress in building our Child & Family Support Service to enable delivery of a consistent community based service throughout South London boroughs and extending into East Surrey. This service is provided alongside the programme of work delivered in partnership with local authorities and other voluntary sector organisations. Our most significant achievements of the last year included:

- Re-launching our services in the inner London boroughs of Lambeth and Southwark funded by the Big Lottery.
- Delivery of our MySpace programme in Inner, South-east and South-west London. This is the evidence-based community based treatment programme for children from families where domestic abuse and violence have occurred.
- Our first Annual Meeting and Volunteer Awards ceremony, presided by our President, the Bishop of Southwark, enabled us to thank all those who offer vital volunteer and fundraising support for our work.
- Building our Individual Regular Giving Scheme has enabled us to build a supporter base and develop a regular and sustainable income to further our charitable activities to ensure the charity can continue to deliver services in generations to come. We delivered two individual giving campaigns using our *Here now, Here always* strapline during the year and to March 2017, 86 people were giving regularly to our work.
- Our regular termly newsletters have enabled us to keep all those who support our work informed about developments, fundraising initiatives and other news stories from our services and centres. The newsletter and other email communications have been made possible through ongoing development of the cloud based eTapestry supporter database which enables our centres to work together to build a strong, well managed and compliant supporter database.
- Delivery of our first fully comprehensive training programme for Welcare's Family Support volunteers held over five days and including sessions on Effective Volunteering, Volunteering with Families, Safeguarding and Child and Adolescent Development.
- Our Services Database has enabled us to collate accurate volume information about the number of children and families supported across all our services providing accurate aggregated data on a quarterly basis and allowing our centres and managers to track activity and report to those who fund our work. We are now able to present comparative data with 2015-16.

Welcare Child and Family Support Services– Intensive and sustained support

Centre/Service	Families (2016-2017)	Families (2015-2016)	Associated Children (2016-2017)	Associated Children (2015-2016)
Bromley	57	42	85	91
East Surrey	47	54	102	107
Greenwich	68	52	147	106
Inner London	18	-	32	-
South-west London	48	19	105	40
Total	238	167	471	344

In addition, 916 individual children and families benefitted by attending groups, programmes or activities organised by Welcare.

- Measuring **Outcomes** and the **Impact** of our work using Outcome Family Star+ and My Star, Welcare has demonstrated that over 81% of parents and children reported making a positive change in their life following our intervention.
- Unfortunately, we also received news in December 2016 that the Royal Borough of Greenwich would terminate their funding agreement from the end of March 2017. Although we had secured a funding agreement with them until 2019, the contract included the right to review funding annually. This decision resulted in staff redundancies. We remain committed to providing a Welcare service to vulnerable children and families locally (especially as the estate in Woolwich Common where we are based is one of the most deprived wards in London). We are therefore working towards developing a charitably funded Child and Family Support Service, led by paid staff and assisted by trained volunteers.

Plans for the Future

The Chief Executive, management team and trustees discuss the business and operational plan and have agreed the following objectives:

- To position the needs of children and families at the heart of the organisation. This will involve more extensive use of service user engagement feedback and enable us to develop innovative and responsive support services reflecting their needs.
- To attract funding to enable us to deliver our distinctive child and family support and group work programmes from our Greenwich centre.
- To develop engagement with young people aged 11-13 in Inner London and deliver a range of drop-in and group work programmes in response to their needs. This work is being funded by Child and Adolescent Mental Health Services (CAMHS) for 2017-18.
- To deliver the Strengthening Families, Strengthening Communities parenting programme in each centre. The programme is a culturally sensitive group work programme that aims to strengthen resilience and promote good parenting resulting in better outcomes for children.
- Increase awareness of the work of the charity and encourage new supporters through crowd funding and other integrated social media campaigns including an awareness campaign around Mothering Sunday and a social media led Lent giving appeal to complement our Lent Lunches.
- To celebrate the work of Welcare by planning a Service of Thanksgiving and associated fundraising campaign to celebrate Welcare's 125th anniversary in 2019.

Contributions from volunteers

Our volunteers are a key, valued part of our service delivery. We have developed an innovative and comprehensive programme to engage, support and recognise the role they play. We were awarded the Investing in Volunteers award by the United Kingdom Volunteering Forum (UKVF) in October 2015 which recognised the strength of our volunteer recruitment, training and ongoing support procedures. Welcare won three awards in separate categories at The Bromley Volunteer Awards, 2016.

Our volunteers form a natural extension of the professional support Welcare offers to vulnerable children and families facing multiple challenges. We have benefitted from the support of 209 volunteers in a diverse range of roles – assisting with group work, providing individual help to parents and families, providing mentor support for children and administrative support for staff – the volunteers play a vital role in empowering children and parents to build positive lives.

Our Family Support volunteers participate in a comprehensive training programme over five days which includes sessions on Effective Volunteering, Volunteering with Families, Safeguarding and Child and Adolescent Development.

During the financial year, our volunteers provided a total of 3,735.25 hours of volunteer support across all our services, an increase of 183.25 hours from the previous year. 93% of our volunteers reported that volunteering with Welcare had given them an increased attachment to their community.

We held our first Volunteer Awards ceremony in September 2016 to recognise and reward the achievements of our volunteers. The ceremony also included the presentation of the Emily Bennett award for outstanding contribution by a supporter.

Financial Review

Income for the year of £1,025k shows an increase of £64k compared with the previous year's total of £961k.

Donations amounting to £23k were received from individual supporters and churches (2016: £25k) and £99k from fundraising events (2016: £101k). Investment income amounted to £11k (2016: £9k) and rental income of £123k was derived from properties (2016: £124k).

The principal funding sources of the charity were Surrey County Council, Royal Borough of Greenwich, Big Lottery, Netherby Trust, Richmond Parish Lands Charity, Cicely Northcote Trust, Bromley Community Fund and St Faith's Trust. The charity receives significant funding from charitable trusts, churches and individuals. We benefitted from a large one-off donation in the previous year so, although the total income from individual giving has not risen, the number of individual donors has. The charity receives a grant from the Diocese of Southwark vital to its continuing survival, as this provides unrestricted funding to underpin core costs.

Expenditure in the year was £984k (2016: £899k) including £473k of expenditure from restricted funds (2016: £387k).

The increase in income and expenditure has resulted in a surplus of £41k (2016: surplus of £62k).

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 2017 totalled £2,061k including £32k of restricted reserves and £1,926k 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 a minimum amount equivalent to three months of the current year's expenditure and build up to a maximum of six months' expenditure. This gives a minimum level of £246k and a maximum level of £492k. 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.

Free reserves are currently £103k. 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 2017 fixed asset investments were valued at £1,720k including £1,695k of investment properties. There were unrealised gains of £39k in the year compared with a £682k gain in the year ended 31 March 2016, when full revaluation of all properties was undertaken, leading to a significant uplift in value and consequently a significant unrealised gain.

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

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

The Board of Trustees holds investment properties. It is the policy and practice of the Board to use the rental income from the properties for the furtherance of the aims and objectives of the charity.

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 and our Fundraising & Marketing Manager is a member of the Institute of Fundraising (IoF). As such we abide by the Fundraising Promise and the IoF 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 complaints and act as best we can to address their issues. 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 recognise the need to monitor our activities consistently to ensure our fundraising is being conducted to the highest possible standards. We have developed, and continue to refine, a broad range of quality assurance methods to do this including: supporter feedback analysis, training and development of our professional fundraiser and annual data audits.

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

Risk Management

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

The Board Committees have oversight of the management of each risk falling within their particular terms of reference.

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

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

- Communication and feedback
- Business planning
- Staff appraisals

The management of risk is not an isolated process but is embedded in the management of the organisation and the delivery of Welcare's services. Several other policies, therefore,

deal with risk management and risk assessment e.g. Health and Safety Policy, Safeguarding, Investment Policy etc. All Welcare's policies are reviewed regularly and updated in line with changes in legislation, regulation and best practice.

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

Category	Risk	Mitigation
Financial	Inability to deliver services and fund projects due to lack of funding for any reason including termination of contracts and over-reliance on particular supporters and funders.	<ul style="list-style-type: none"> • Diversify funding streams and develop new supporters. • Promote regular giving scheme. • Improve communications between the charity and supporters by producing regular newsletters. • Develop sustainable services independent of local authority contracts. • Maintain a good local profile.
External	Existing contracts are rolled over despite increases in resources, utilities, HR and other compliance costs resulting in Welcare absorbing increased costs.	<ul style="list-style-type: none"> • Reduce external costs wherever possible.
Operational	Ability to recruit and retain key staff to work in our area of benefit (South London and East Surrey) due to the high cost of living.	<ul style="list-style-type: none"> • Review salary levels. • Emphasise the advantages of working for a voluntary sector organisation.
Governance	Ability to maintain a skilled and dynamic trustee Board and in particular the recruitment of trustees with fundraising and financial expertise.	<ul style="list-style-type: none"> • Strengthen and use networks to encourage Board membership.
Operational	Child Protection or Safeguarding issue concerning a member or former member of staff or volunteer.	<ul style="list-style-type: none"> • Develop a safeguarding component of our Quality Assurance system. • Engage an external Safeguarding Supervisor. • Use section 11 of the Children Act 2004 as the framework against which to assess the quality of practice. • Rigorous application of Safeguarding policy. • 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. • Volunteers' files record all families the volunteer has worked with. • Annual review of Safeguarding policy.

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 nominee from the Diocesan Council of Trustees is Anne Coates.

The trustees do not receive any benefit but may be reimbursed for reasonable expenses properly incurred when acting on behalf of the charity. No such reimbursements were made to trustees in 2016-2017.

The Board wishes to express its deep gratitude to David Atterbury Thomas and Stephanie Wilson who both stood down in February 2017 after serving respectively as Chair and Honorary Treasurer; and to welcome Moira Astin and Cherry Murdoch to the Board. Cherry Murdoch's appointment as Chair of Welcare was approved at the Board meeting in April 2017.

All trustees receive a comprehensive induction pack and are encouraged to visit Welcare centres. The Board held a Planning Day in February 2017.

Organisational Structure

The Board currently has 9 members who meet at least 4 times a year and are responsible for the strategic direction and policy of Welcare. The sub-committees which reported to the Board during 2015-16 were:

- Finance and Properties
- Services
- Fundraising and Marketing
- Finance and Development

The Finance and Properties Committee merged with the Fundraising and Marketing Committee in September 2016 to become the Finance and Development Committee with new terms of reference. Consequential amendments were also made to the terms of reference of the Services Committee.

The Services Committee provides Board level oversight of all Welcare's services and operations. The committee monitors professional practice, service delivery and service development. All Welcare's service managers attend the committee's meetings. Welcare's independent freelance social work supervisor reports to the committee annually.

Overall responsibility for the delivery of Welcare's services lies with the CEO. As part of the delivery of the Child and Family Support Service, Welcare has restructured into four separate regional service delivery areas (south-east, south-west, inner south London and East Surrey) each headed by a senior social worker or experienced centre manager. The Child and Family Support Service Managers and the Children's Centre Manager have been brought into the senior management structure of the organisation. An independent freelance senior social worker provides service managers with monthly social work supervision, opportunities for reflective practice and facilitates group supervision and mandatory CPD for all front-line staff.

The Fundraising Manager has developed, and is responsible for, the delivery of a robust fundraising strategy to manage our voluntary income streams and to build relationships with supporters. Significant achievements this year include the award of CAMHS Transformation

funding, the ongoing development and delivery of the individual regular giving scheme and regular newsletters for supporters and the design and publication of a range of marketing materials with consistent branding for use throughout Welcare.

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

Safeguarding Policy

Our safeguarding policy is available on our website. The policy is reviewed annually by senior managers and an independent senior social worker who also provides professional supervision for Welcare's social workers. The policy is updated in line with regulatory and legislative changes and is approved by the Services Committee of the Board of Trustees. Welcare has a named Service Manager with responsibility for and oversight of all safeguarding matters within Welcare. The Vice-Chair of Welcare and Chair of the Services Committee holds Board level responsibility. During 2017 we will introduce a safeguarding component into our Quality Assurance system. We will engage an external consultant to use section 11 of the Children Act as the framework against which to assess the quality of practice.

Relationships

Welcare has worked closely with statutory bodies involved in the delivery of services to children. Welcare has reduced its reliance on the delivery of statutory services on behalf of local authorities and 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 in three 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 with the exception of the Fundraising Manager. Salary increases for senior staff are discussed during annual appraisals. Increments are paid to members of staff who have not already reached the top of the relevant pay scale.

Statement of Trustees Responsibilities

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

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

In preparing these accounts the trustees are required to:

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

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

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

Auditor

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

On behalf of the Board of Trustees



Cherry Murdoch, Chair

Signed 6 July 2017

Independent Auditor's Report to the Members and Trustees of Southwark Diocesan Welcare

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2017 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

-
- The Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

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 Annual Report (which incorporates the directors' report).

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate and sufficient accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.



**Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor**

26 Red Lion Square
London
WC1R 4AG

6 July 2017

Statement of Financial Activities

For the year ended 31 March 2017

welcare
strengthening families since 1894

	Note	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
INCOME					
<i>Donations and legacies</i>					
Individual Giving		21,236	1,387	22,623	25,063
<i>Other Trading Activities</i>					
Fundraising Activities		86,128	12,840	98,968	101,150
<i>Income From Investments</i>					
Investment income		10,821	-	10,821	9,355
Rents received		122,546	-	122,546	123,811
<i>Income From Charitable Activities</i>					
Child and Family Support Services		310,316	135,502	445,818	373,187
Volunteer Programme		1,700	-	1,700	6,500
Community Social Work		-	66,915	66,915	67,168
Groups & Workshops		-	11,564	11,564	7,460
Redhill Children's Centre		-	239,454	239,454	244,698
<i>Other income</i>					
Other		4,773	-	4,773	3,029
Total income	2	557,520	467,662	1,025,182	961,421
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		51,028	7,500	58,528	61,005
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		355,977	142,927	498,904	338,455
Volunteer Programme		27,311	4,925	32,236	31,552
Community Social Work		13,710	67,889	81,599	116,828
Groups & Workshops		12,729	7,506	20,235	24,038
Redhill Children's Centre		49,839	242,446	292,285	327,262
Total Expenditure	3	510,594	473,193	983,787	899,140
Net income (expenditure) before investments gains/losses					
		46,926	(5,531)	41,395	62,281
Net gains on investments		38,562	-	38,562	678,186
Net income (expenditure) after investments gains/losses					
		85,488	(5,531)	79,957	740,467
Transfer between funds	10	(975)	975	-	-
Net movement in funds		84,513	(4,556)	79,957	740,467
Fund balances brought forward at 1 April 2016					
		1,944,190	36,826	1,981,016	1,240,549
Funds balances carried forward at 31 March 2017					
		2,028,703	32,270	2,060,973	1,981,016

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 2017

Registered company number 05275749

	Note	2017 £	2017 £	2016 £	2016 £
Operational Fixed Assets	6		481,780		492,124
Fixed Asset Investments	7		1,720,410		1,695,155
Current assets					
Debtors	8	2,519		805	
Short term deposits		96,664		83,357	
Bank & cash in hand		198,774		128,967	
Current assets		297,957		213,129	
Creditors: amounts falling due within one year	9	(196,067)		(142,477)	
Net current assets			101,890		70,652
Creditors: amounts falling due after one year	9	(243,107)		(276,915)	
Net assets	10		2,060,973		1,981,016
General funds			102,623		1,944,190
Restricted funds	10		32,270		36,826
Designated funds	10				
.Operational fixed assets			481,780		-
.Fixed assets investments			1,720,410		-
.Pension liability			(276,110)		-
Total funds			2,060,973		1,981,016

The financial statements were approved by the Board and authorised for issue on 6th July 2017 and signed on its behalf by:

Sara Drake, Chair of Finance and Development Committee

Cherry Murdoch, Chair

Statement of Cash Flows

For the year ended 31 March 2017

welcare
strengthening families since 1894

	Note	2017 £	£	2016 £	£
Cash flows from operating activities:					
Net income for the year		79,957		740,467	
Adjustments for:					
Depreciation charges		10,861		11,208	
Impairment of fixed assets		-		12,430	
(Gains)/losses on revaluation of investments		(25,771)		(681,806)	
Dividends, interest & rents from investments		(133,367)		(133,166)	
(Increase)/decrease in debtors		(1,714)		90,607	
Increase/(decrease) in creditors		19,781		(94,312)	
Net cash provided by operating activities		(50,253)		(54,572)	
Cash flows from investing activities:					
Dividends, interest & rents from investments		133,367		133,166	
Net cash used in investing activities		133,367		133,166	
Change in cash and cash equivalents in the year		83,114		78,594	
Cash and cash equivalents at the beginning of the year		212,324		133,730	
Cash and cash equivalents at the end of the year		295,438		212,324	

The accompanying notes form part of these financial statements.

1. ACCOUNTING POLICIES

(a) Basis of Accounting

- (i) The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

- (ii) The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the Charity's forecasts and projections. After making enquiries the trustees have concluded that there is a reasonable expectation that the Charity has adequate resources for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Operational Fixed Assets

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

Freehold buildings	2% of cost p.a. straight line
Office furniture and equipment	20% of cost p.a. straight line
Computer equipment	33 $\frac{1}{3}$ % of cost p.a. straight line

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

(c) Investments

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

(d) Cash Management

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

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

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

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

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

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

(f) Debtors

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

(g) Creditors and provisions

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

(h) Gifts in kind

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

(i) General funds – unrestricted

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

(j) Designated funds – unrestricted

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

(k) Restricted funds

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

(l) Income

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

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

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

(m) Expenditure

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

-
- (n) **Charitable activities**
Charitable activities are expenditure incurred in delivering the charity's activities and services to its beneficiaries.
- (o) **Fundraising, publicity, communication and events expenditure**
Fundraising, publicity, communication and events expenditure consists of expenditure incurred in raising funds together with the cost of communication and of holding events.
- (p) **Support costs**
Support costs include the central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, financing and governance costs, and are allocated across the categories of charitable expenditure, governance costs and the costs of raising funds.
- (q) **Governance**
Governance costs are the costs associated with the governance arrangements of the charity which relate to meeting constitutional requirements. Included within this category are costs related to external audit together with an apportionment of overhead and support costs.
- (r) **Pension costs**
Southwark Diocesan Welcare participates in the defined contribution scheme offered by The Pensions Trust. The Pensions Trust is an occupational pension scheme provider for organisations involved in social, educational, charitable, voluntary or similar work. The financial position and the income and expenditure of The Pensions Trust are disclosed in its annual financial statements. Although The Pensions Trust is a defined contribution scheme a shortfall has occurred and each contributor is required to make good their share of the shortfall. The liability is reduced when payments are made to The Pension Trust.

Notes to the Accounts

For the year ended 31 March 2017

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donations				
Donations and fundraising	107,529	20,362	127,891	126,213
Grants				
South London Church Fund	188,190	-	188,190	160,124
Surrey County Council:				
- Redhill Children's Centre	-	239,454	239,454	240,664
- Children's social care	-	66,915	66,915	67,168
Big Lottery	-	111,785	111,785	37,343
Netherby Trust	35,000	-	35,000	35,000
Grants of under £25,000	2,825	29,146	31,971	24,396
Total Grants	226,015	447,300	673,315	564,695
Contracts				
Wandsworth Borough Council	-	-	-	48,318
Royal Borough of Greenwich	86,000	-	86,000	86,000
Total Contracts	86,000	-	86,000	134,318
Investment income and rent receivable	133,203	-	133,203	133,166
Other income	4,773	-	4,773	3,029
Total income	557,520	467,662	1,025,182	961,421

Notes to the Accounts

For the year ended 31 March 2017

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2017 Total £	2016 Total £
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing	34,144	14,780	9,604	58,528	61,005
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services	303,420	119,443	76,041	498,904	338,455
Volunteer Programme	23,887	2,362	5,987	32,236	31,552
Community Social Work	55,303	12,436	13,860	81,599	116,828
Groups & Workshops	10,637	6,932	2,666	20,235	24,038
Redhill Children's Centre	183,411	62,910	45,964	292,285	327,262
Total Expenditure	610,802	218,863	154,122	983,787	899,140

ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2017 £	2016 £
<i>Governance</i>		
Audit Fee	6,000	6,780
Trustee and other meeting costs	104	82
AGM and other	1,842	575
Staff costs allocated to Governance	7,051	13,672
	<u>14,997</u>	<u>21,109</u>
Other Support costs	40,009	37,826
Staff costs allocated to Support	99,116	139,961
Total support costs	154,122	198,896

Notes to the Accounts

For the year ended 31 March 2017

4. RESULTS FOR THE YEAR

Expenditure includes:	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Auditors' remuneration:	6,000	6,780
Depreciation	10,861	11,208
Impairment	-	12,429

5. STAFF COSTS AND NUMBERS

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The Director of services was included as key management personnel in the year ended 31 March 2016 but retired in August 2016.

The total amounts paid in respect of the key management personnel of the Charity were £76,029 (2016: £97,228).

Staff costs were as follows:	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Salaries and wages	642,976	532,221
Social Security costs	59,012	44,926
Pension contributions	14,981	49,144
	716,969	626,291

One employee earned between £60,000 and £70,000 during the year (2016: £nil). Redundancy payments totalling £12,314 were made during the year (2016: £nil).

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

	2017 No.	2016 No.
Fundraising and publicity	0.8	0.8
Charitable activities	20.8	16.7
	21.6	17.5

The average number of staff employed during the year was 26 (2016: 24).

No member of the Board of Trustees received remuneration for their services during the year (2016: £nil). No trustees were reimbursed for out of pocket expenses (2016: £nil).

Notes to the Accounts

For the year ended 31 March 2017

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2017 £
<i>Cost or Valuation</i>				
As at 1 April 2016	582,221	5,504	8,653	596,378
Additions	-	517	-	517
At 31 March 2017	582,221	6,021	8,653	596,895
<i>Accumulated depreciation</i>				
As at 1 April 2016	90,448	5,153	8,653	104,254
Charge for the year	10,513	348	-	10,861
At 31 March 2017	100,961	5,501	8,653	115,115
<i>Net book value</i>				
At 31 March 2017	481,260	520	-	481,780
At 31 March 2016	491,773	351	-	492,124

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

7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2017 £	Total 2016 £
Balance at 1 April 2016	1,520,000	175,155	1,695,155	583,989
Transfer from operational fixed assets	-	-	-	429,360
Revaluation	-	25,255	25,255	681,806
	1,520,000	200,410	1,720,410	1,695,155

The investment properties were revalued at 31st March 2016 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.

Notes to the Accounts

For the year ended 31 March 2017

8. DEBTORS

	Total 2017 £	Total 2016 £
Prepayments	2,519	805
	<u>2,519</u>	<u>805</u>

9. CREDITORS

	Total 2017 £	Total 2016 £
Accounts falling due within one year:		
Trade Creditors	10,359	16,896
Deferred Income and accruals	133,909	81,248
Other taxes & Social Security	18,796	12,135
Pension Provision	33,003	32,198
Total Creditors	<u>196,067</u>	<u>142,477</u>

Deferred grant income

Balance brought forward	35,271	119,097
Amount released to grant income	(35,271)	(119,097)
Amount deferred in the year	94,020	35,271
	<u>94,020</u>	<u>35,271</u>

	Total 2017	Total 2016
Accounts falling due after more than one year:		
Pension Provision	<u>243,107</u>	<u>276,915</u>

Notes to the Accounts

For the year ended 31 March 2017

10. MOVEMENT IN FUNDS

	Balance at 1 April 2016 £	Income £	Expenditure £	Gains on investments and transfers £	As at 31 March 2017 £
Restricted funds:					
East Surrey	11,958	332,992	(324,177)	975	21,748
Southwest London	233	14,000	(13,974)	-	259
Bromley	1,543	31,507	(29,832)	-	3,218
Central	23,092	28,158	(50,746)	-	504
Inner London	-	61,005	(54,464)	-	6,541
Total restricted funds	36,826	467,662	(473,193)	975	32,270
Designated funds:					
Operational fixed assets fund	-	-	-	481,780	481,780
Fixed asset investment fund	-	-	-	1,720,410	1,720,410
Pension liability fund	-	-	-	(276,110)	(276,110)
Total unrestricted designated funds:	-	-	-	1,926,080	1,926,080
Total unrestricted general funds:	1,944,190	557,520	(510,594)	(1,888,493)	102,623
Total funds	1,981,016	1,025,182	(983,787)	38,562	2,060,973

Restricted Funds

Central – these funds represent Big Lottery funding for child and family support services and income from the London Catalyst Block grant.

Bromley – these funds represent Big Lottery funding for child and family support services, specific grants to deliver MySpace and income received to provide grants to clients.

Inner London – these funds represent Big Lottery and other specific grant funding for child and family support services.

East Surrey – these funds represent grants from Surrey County Council to provide community social work, family support and a children's centre. They also receive some small grants and donations restricted to specific uses.

South West London – these funds represent specific grants to deliver MySpace and income received to provide grants to clients.

Designated funds

The 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.

Notes to the Accounts

For the year ended 31 March 2017

10. MOVEMENT IN FUNDS (continued)

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.

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.

Prior year movements in funds

	At 1 April 2015 £	Income £	Expenditure £	Gains on investments and transfers £	As at 31 March 2016 £
Restricted funds:					
East Surrey	5,890	373,630	(367,562)	-	11,958
Southwest London:					
Richmond	384,417	-	(237)	(384,180)	-
Wandsworth	-	890	(657)	-	233
Bromley	1,400	9,320	(9,177)	-	1,543
Central	1,101	31,342	(9,351)	-	23,092
Total restricted funds	392,808	415,182	(386,984)	(384,180)	36,826
Total unrestricted funds	847,741	546,239	(512,156)	1,062,366	1,944,190
Total funds	1,240,549	961,421	(899,140)	678,186	1,981,016

Transfers in funds represent programmes funded from unrestricted income.

Notes to the Accounts

For the year ended 31 March 2017

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Bank & Cash £	Other Net Assets / (Liabilities) £	Total 2017 £
Restricted funds	-	-	32,270	-	32,270
Unrestricted general funds	-	-	263,168	(160,545)	102,623
Unrestricted designated funds	481,780	1,720,410	-	(276,110)	1,926,080
Net assets at 31 March 2017	481,780	1,720,410	295,438	(436,655)	2,060,973

PRIOR YEAR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Bank & Cash £	Other Net Assets / (Liabilities) £	Total 2016 £
Restricted funds	-	-	36,826	-	36,826
Unrestricted funds	492,124	1,695,155	175,498	(418,587)	1,944,190
Net assets at 31 March 2016	492,124	1,695,155	212,324	(418,587)	1,981,016

Notes to the Accounts

For the year ended 31 March 2017

12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2016 £
INCOME			
<i>Donations and legacies</i>			
Individual Giving	14,683	10,380	25,063
<i>Other Trading Activities</i>			
Fundraising Activities	99,547	1,603	101,150
<i>Income From Investments</i>			
Investment income	9,355	-	9,355
Rents received	123,811	-	123,811
<i>Income From Charitable Activities</i>			
Child and Family Support Services	295,814	77,373	373,187
Volunteer Programme	-	6,500	6,500
Community Social Work	-	67,168	67,168
Groups & Workshops	-	7,460	7,460
Redhill Children's Centre	-	244,698	244,698
<i>Other income</i>			
Other	3,029	-	3,029
Total income	546,239	415,182	961,421
EXPENDITURE			
<i>Expenditure on Raising Funds</i>			
Fundraising & Marketing	59,618	1,387	61,005
<i>Expenditure on Charitable Activities</i>			
Child & Family Support Services	288,225	50,230	338,455
Volunteer Programme	29,423	2,129	31,552
Community Social Work	48,553	68,275	116,828
Groups & Workshops	8,427	15,611	24,038
Redhill Children's Centre	77,910	249,352	327,262
Total Expenditure	512,156	386,984	899,140
Net income before investment gains/losses	34,083	28,198	62,281
Net gains on investments	678,186	-	678,186
Net income after investment gains/losses	712,269	28,198	740,467
Transfers between funds	384,180	(384,180)	-
Net movement in funds	1,096,449	(355,982)	740,467
Funds balances brought forward at 1 April 2015	847,741	392,808	1,240,549
Fund balances carried forward at 31 March 2016	1,944,190	36,826	1,981,016

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £188,190 (2016: £160,124) 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 nominated one representative from the Diocesan Council of Trustees.

There have been no related party transactions and all trustees and key management personnel have signed related party declarations. Aggregated donations to the charity from trustees during the year amounted to £940 (2016: £10).

14. PENSION ARRANGEMENTS

(a) Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 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 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. 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 2013 to 31 March 2023

£13.9m per annum
(payable monthly and increasing by 3% each on 1st April)

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

14. PENSION ARRANGEMENTS (continued)

(a) Pensions Trust Growth Plan (continued)

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)

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.

PRESENT VALUES OF PROVISION

	2017 £	2016 £	2015 £
Present value of provision	306,000	323,000	261,000

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2017 £	2016 £
Provision at start of period	323,000	261,000
Unwinding of the discount factor (interest expense)	6,000	4,000
Deficit contribution paid	(33,000)	(31,000)
Remeasurements – impact of any change in assumptions	10,000	(5,000)
Remeasurements – amendments to the contribution schedule	-	94,000
Provision at end of period	306,000	323,000

A pension provision has been included in the accounts of £276,110 in respect of the above liability to the scheme as at 31 March 2017.

Notes to the Accounts

For the year ended 31 March 2017

14. PENSION ARRANGEMENTS (continued)

(a) Pensions Trust Growth Plan (continued)

INCOME AND EXPENDITURE IMPACT

	2017 £	2016 £
Interest expense	6,000	4,000
Remeasurements – impact of any change in assumptions	10,000	(5,000)
Remeasurements – amendments to the contribution schedule	-	94,000
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	2017 % per annum	2016 % per annum	2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2016: £nil).