

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

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

Legal & Administrative Information

Trustees	David Atterbury Thomas (Chair) Mary Evans (Vice Chair) Julie Mayhew (to 23 September 2015) Stephanie Wilson (Honorary Treasurer from 23 September 2015) The Ven Dr Paul Wright Sara Drake Nicholas Bull The Revd Andrew Wakefield (until 12 May 2016) Megan Pacey Chris Hansen (until 12 May 2016) Debbie Haith (from 9 July 2015)
Chief Executive Officer	Anna Khan
Director of Services	Lorna White (until August 2015)
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 Russell-Cooke 2 Putney Hill London SW15 6AB

Our Centres

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Chair's Report

Welcome to our Report and Accounts 2015-16

On behalf of the Board of Trustees of Welcare I am pleased to introduce our annual report and accounts. This year we have been able to help over one thousand children and families in need and I am delighted that a break-even financial position has been achieved for the first time for some years. In this I would especially like to thank our staff team for their excellent work in tandem with embracing significant change and adopting new methods of working. Our investment in the website and fundraising development has enabled us to generate more income from non-statutory sources and nurture our relationships with the individuals, charitable trusts and churches that make delivering our work possible. I would like to take this opportunity to thank all our friends and supporters not least our local Friends' Groups and Parish Representatives who have sustained us magnificently through many challenges. All this has made sure that Welcare truly is here now, here always to serve the most vulnerable children and their families in South London and East Surrey.



David Atterbury Thomas

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 2016. 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.

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 troubled 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 take actions to ensure that Welcare has a sustainable future delivering vital preventative family support services.
2. 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.
3. To deliver a shared system for recording and monitoring outputs and outcomes data to enable us to assess and demonstrate the impact of our work.
4. To develop further 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.
5. To launch an individual 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.
6. To update our governance structure, which had become cumbersome and unwieldy, by amending our Articles of Association to meet the governance needs of the charity.
7. 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.
8. 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.

Following a period of transition and investment in our IT resources, website and Services Database and the rationalisation of our property portfolio, Welcare has now emerged as a stronger charity focussing on effective service provision with a reputation for always putting our beneficiaries first.

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.

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

- Communication difficulties
- 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 & violence
- Stepping down from 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 122 years. We currently 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 'full offer' 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 strategies to cope with challenging situations 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 the significant progress building our Child & Family Support Service to enable delivery of a consistent community based service throughout South London boroughs including Bromley and extending into East Surrey. This service will be provided alongside the programme of work currently delivered in partnership with local authorities and other voluntary sector organisations. Our most significant achievements of the last year:

- Securing a four year grant from the Big Lottery Reaching Communities Fund to enable us to re-launch our child and family support services in the inner London boroughs of Lambeth and Southwark and fund a Family Support Worker in Bromley.
- The appointment of an experienced senior social worker to lead the development of a new programme of work, independent of statutory funding, in South West London covering the boroughs of Richmond and Wandsworth.
- Achieving a Good Ofsted rating for our Children's centre in Redhill. In addition to demonstrating good access to services for targeted children and families from areas of high need, inspectors commented that the long-standing work locally enabled us to support those who needed the services most and that as a charity we were effective in leveraging additional resources and made very effective use of well-developed local partnerships.
- Achieving the Investing in Volunteers Quality Mark which demonstrates our commitment to developing and growing the contribution of volunteers within the charity. Investing in Volunteers accreditation ensures that systems are in place to recruit volunteers robustly and safely and also that the framework and structures are in place to harness their contribution effectively.
- Adopting a new model of governance following approval at the AGM in September 2015. The membership structure was changed so that formal membership of Welcare resides with the trustees. Alongside this and separate from Welcare's Articles of Association, we inaugurated an Individual Regular Giving Scheme to enable us to build a supporter base and develop a regular and sustainable income to further our charitable activities. The *Here now, Here always* strapline encourages regular financial contributions from those who believe every child deserves the best possible start in life and wish to support us financially to deliver this. To March 2016, 78 were giving regularly to our work.
- Communicating regularly through a termly newsletter to all those who support our work. This forms an important part of our Communications Calendar and has been made possible through development of the cloud based eTapestry supporter database. This powerful tool enables all our centres to work together to build a strong, well managed and FRSB compliant supporter base.
- We adopted the Fundraising Standards Board (FRSB) self-regulatory scheme. The FRSB works to ensure that organisations raising money for charity from the public do so honestly and properly. As members of the scheme, we follow the Institute of Fundraising's Code of Fundraising Practice and comply with the key principles embodied in the Code.
- Services Database – collating accurate volume information about the number of children and families supported across all our services. This provides accurate aggregated data on a quarterly basis and allows our centres and managers to track activity and report to those who fund our work.

Welcare Child and Family Support Services 2015-16 – Intensive and sustained support

Centre/Service	Families	Associated Children
Bromley	42	91
East Surrey	54	107
Greenwich	52	106
South-west London	19	40
Total	167	344

In addition, 904 individual children and families benefitted by attending groups, programmes or activities organised by Welcare.

- Measuring **Outcomes** and the Impact of our work using Family Star+. This variant of the Family Star has greater focus on the parent. It is suited to services within the government's Troubled Families initiative and those working with families with older children. It differs from the Family Star in that it has an additional two scales and provides evidence of progress to work, anti-social behaviour and school attendance. The remaining scales are identical to those in the Family Star. Welcare is committed to demonstrating that 80% of parents and children will make a positive change in their life following our intervention.

Plans for the Future

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

- To retain the balanced budget position achieved at the end of 2016.
- To increase the number of children and families served in our area of benefit.
- Position the needs of children and families at the heart of the organisation. This will involve more extensive use of service user feedback and evaluation and enable us to develop innovative and responsive support services reflecting their needs.
- To exceed the milestones agreed with Big Lottery to demonstrate our effective work with children and their families in the inner London boroughs of Lambeth and Southwark and Bromley.
- To develop the contribution of volunteers and secure funding to sustain and build on the success of the first comprehensive training programme piloted during spring 2016.
- Develop a more integrated approach to the delivery of MySpace – our domestic abuse community group work programme for children and their parent. 1 in 4 women in the UK will experience domestic violence in their lifetime (2014 Crime Survey for England & Wales). This is a sobering statistic and we know that in a majority of our referrals there has been experience of domestic abuse. To meet this overwhelming need we developed 'MySpace' based on the accredited model developed by Against Violence & Abuse (AVA). We have achieved impressive feedback from the courses delivered whilst recognising that an integrated multi-agency approach will allow a consistent core offer and through sharing of referrals and resources, enable support for a greater number of beneficiaries. This programme is unique in working with children and their non-abusing parent concurrently and in a child-focussed way and we are committed to placing the delivery of this effective programme, at the heart of our strategy.

- Increase awareness of the work of the charity and encourage new supporters through focussing an awareness campaign around Mothering Sunday. The campaign will incorporate an integrated social media campaign.
- Continue to strengthen our Individual Regular Giving Scheme by communicating regularly with our supporters.

Contributions from volunteers

Our volunteers are a key, valued part of our service delivery. Over the past three years we have developed an innovative and comprehensive programme to engage, support and recognise the role they play. As such we are pleased to have been awarded the Investing in Volunteers award by the United Kingdom Volunteering Forum (UKVF) in October 2015. This award not only demonstrates the strength of our volunteering recruitment, training and ongoing support, but also recognises the significant impact that our past, current and future volunteers have on the children and families that they help us to support. Our assessor particularly commented how valued our volunteers feel at Welcare and how well staff and volunteers worked together.

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 200 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.

During the financial year, our volunteers provided a total of 3,552 hours of volunteer support across all our services.

Financial Review

Income for the year of £961k shows an increase of £93k compared with the previous year's total of £868k. The increase in income was due to a new grant from Big Lottery and an increase in donations.

Donations amounting to £25k were received from individual supporters and churches (2015: £12k) and £101k from fundraising events (2015: £105k). Investment income amounted to £9k (2015: £13k) and rental income of £124k was derived from properties (2015: £79k).

The principal funding sources of the charity are the Royal Borough of Greenwich, Surrey County Council and the Big Lottery which is a new restricted fund. The charity receives significant funding from charitable trusts, churches and individuals. 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 £899k (2015: £959k) including £387k of expenditure from restricted funds (2015: £411k).

The increase in income and decrease in expenditure has resulted in a surplus of £62k (2015: deficit of £91k). However, £28k is restricted and the related expenditure will be made in the following year. The unrestricted income less expenditure resulted in a surplus of £34k.

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.

Welcare adopted FRS 102 this year and changed its accounting policy towards the recognition of the deficit of The Pensions Trust. The prior years' accounts have been adjusted to reflect the recognition of Welcare's share of this deficit as a liability and unrestricted funds have been reduced accordingly. Payments being made to The Pensions Trust were previously treated as expenditure in the year, but are now being shown as a reduction to the overall liability.

Reserves Policy

Reserves as at 31 March 2016 totalled £1,981k including £37k of restricted reserves.

The Board considers that free reserves (defined as total reserves less tangible fixed assets and investment properties) 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. 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. As a result of the requirement to recognise agreed deficit pension reduction payments under revised accounting standards, free reserves as at 31 March 2016 were in deficit by £68k. However, the accounts now include a creditor of over 1 year relating to the pension deficit reduction payments. By excluding that balance on the basis it is not immediately payable, free reserves would be £209k, and as a consequence the trustees do not consider that the headline reserves deficit is of concern to the medium term operations of the charity.

Investment Policy

As at 31 March 2016 fixed asset investments were valued at £1,695k including £1,520k of investment properties. There were unrealised gains of £682k in the year compared with a £22k gain in 2014-15.

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 Properties 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.

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 (Finance and Properties, Services, Fundraising and Marketing) 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 • Launch 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
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 • Review role descriptions • Emphasise the advantages of working for a voluntary sector organisation
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 • Review regularly costs of utilities and other resources, e.g. telephone and IT contracts.
Governance	Ability to maintain a skilled and dynamic trustee Board	<ul style="list-style-type: none"> • Strengthen and use professional and Diocesan networks to encourage Board membership

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. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Following consultation with members, revised Articles of Association were adopted by a special resolution passed at the charity's AGM on 23 September 2015.

The former membership structure had become administratively onerous; the trustees therefore took legal advice on amending and updating the Articles of Association. Under the revised Articles of Association the members of the organisation are now limited to the trustees for the time being. The revised Articles also introduced for the first time fixed terms of office for trustees who may now 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. The requirement to hold an AGM was also removed from the Articles as this is no longer a legal requirement.

Trustees

The directors of the company are also the charity trustees. Trustees now serve fixed terms of office. The Anglican Bishop of Southwark has the right to nominate up to two trustees. These nominees have traditionally been representatives of the Bishop's Council and Southwark Diocesan Board of Finance. Following reorganisation of administrative structures in the Diocese of Southwark, the Bishop's Council and the Board of Finance have formed the Council of Trustees. Welcare has been liaising with Diocesan representatives about the impact the restructuring will have on nominations to the Board of Trustees of Welcare.

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 2015-2016.

The Board wishes to express its gratitude to Julie Mayhew who stood down at the AGM on 23 September 2015 after serving Welcare for many years as Honorary Treasurer; and to welcome Debbie Haith who is an experienced senior social worker and Stephanie Wilson. Stephanie Wilson has been appointed Honorary Treasurer.

All trustees receive a comprehensive induction pack. The Board held a Planning Day in July 2015 and trustees attended a joint trustee and staff meeting in December 2015. A further Board Away Day is planned for the autumn of 2016.

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 three sub-committees which reported to the Board during 2015/16 were:

- Finance and Properties
- Services
- Fundraising and Marketing

Overall responsibility for the delivery of Welcare's services lies with the CEO. The Director of Services, who was in post until August 2015, was responsible for the day to day operational management of Welcare's centres, projects and services. Welcare, as part of the delivery of the Child and Family Support Service 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. 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 training sessions 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. A significant achievement this year has been the launch of the individual regular giving scheme and introduction of a regular newsletter for supporters.

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

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 the neighbouring dioceses of Rochester and London where individual church members support Welcare financially, through volunteering and in prayer.

Key Management Personnel Remuneration

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 all other members of staff. Annual 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



David Atterbury Thomas, Chair

Signed 7 July 2016

Independent Auditor's Report

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2016 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 (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 Trustees' Responsibilities Statement 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 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 charitable company 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

Signed 7 July 2016

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

For the year ended 31 March 2016

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
INCOME					
<i>Donations and legacies</i>					
Individual Giving	2	14,683	10,380	25,063	11,580
<i>Other Trading Activities</i>					
Fundraising Activities		99,547	1,603	101,150	104,794
<i>Income From Investments</i>					
Investment income		9,355	-	9,355	13,460
Rents received		123,811	-	123,811	78,984
<i>Income From Charitable Activities</i>					
Child and Family Support Services		295,814	77,373	373,187	334,365
Volunteer Programme		-	6,500	6,500	2,500
Community Social Work		-	67,168	67,168	67,169
Groups & Workshops		-	7,460	7,460	9,864
Redhill Children's Centre		-	244,698	244,698	244,691
<i>Other income</i>					
Other		3,029	-	3,029	1,021
Total income		546,239	415,182	961,421	868,428
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising and Marketing	3	59,618	1,387	61,005	49,735
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		288,225	50,230	338,455	281,456
Volunteer Programme		29,423	2,129	31,552	48,313
Community Social Work		48,553	68,275	116,828	189,225
Groups & Workshops		8,427	15,611	24,038	50,671
Redhill Children's Centre		77,910	249,352	327,262	339,691
Total Expenditure		512,156	386,984	899,140	959,091
Net income (expenditure) before investments		34,083	28,198	62,281	(90,663)
Net gains on investments		678,186	-	678,186	22,127
Net income (expenditure) after investments		712,269	28,198	740,467	(68,536)
Transfer between funds		384,180	(384,180)	-	-
Net movement in funds		1,096,449	(355,982)	740,467	(68,536)
Fund balances brought forward		847,741	392,808	1,240,549	1,309,085
Fund balances carried forward		1,944,190	36,826	1,981,016	1,240,549

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.

Balance Sheet

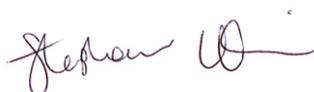
As at 31 March 2016

Registered company number 05275749

	Note	2016 £	2015 £
Operational Fixed Assets	6	492,124	945,122
Fixed Asset Investments	7	1,695,155	583,989
Current assets			
Debtors	8	805	91,412
Short term deposits		83,357	86,977
Bank & Cash in Hand		128,967	46,753
Current assets		213,129	225,142
Creditors: amounts falling due within one year	9	(142,477)	(204,592)
Net current assets		70,652	20,550
Creditors: amounts falling due after one year	9	(276,915)	(309,112)
Net assets		1,981,016	1,240,549
Funds	10		
Restricted funds		36,826	392,808
Unrestricted fund: General Fund		1,944,190	847,741
		1,981,016	1,240,549

The accompanying notes form part of those financial statements.

The financial statements were approved by the Board and authorised for issue on 7th July 2016 and signed on its behalf by:



Stephanie Wilson, Honorary Treasurer



David Atterbury Thomas, Chair

The accompanying notes form part of those financial statements.

Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
<i>Net income / (expenditure) for the year</i>		740,467	(99,095)
Adjustments for			
Depreciation charges		11,208	16,440
Impairment of fixed assets		12,430	-
(Gains) / Losses on revaluation of investments and deposits		(681,806)	(23,980)
Dividends, interest & rents from investments		(133,166)	(90,695)
Decrease/(increase) in debtors		90,607	(2,760)
Increase/(decrease) in creditors		(94,312)	29,150
Net cash provided by (used in) operating activities		(54,572)	(170,940)
Cash flows from investing activities			
Dividends, interest & rents from investments		133,166	90,695
Transfer investments to short term deposits		-	186,978
Net cash provided by (used in) investing activities		133,166	277,673
Change in cash and cash equivalents in the year		78,594	106,733
Net cash and cash equivalents at the start of the year		133,730	26,997
Net cash and cash equivalents at the end of the year		212,324	133,730

The accompanying notes form part of those 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) FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP a restatement of comparative items was needed.

At the date of transition, in applying the requirement to recognise liabilities arising from agreed pension shortfalls, a liability was recognised for agreed deficit reduction payments relating to the Pensions Trust Growth Plan. The additional liability recognised at the date of transition was for the total deficit reduction payments of £310,448 to be paid in instalments over the period to 31 March 2023. No other restatements were required. In accordance with the requirements of FRS 102, a reconciliation of opening balances is provided.

Reconciliation of total funds

	31 March 2015 £	31 March 2014 £
Funds previously reported	1,581,137	1,680,232
Transitional adjustment:		
Agreed Pensions Trust deficit reduction payments	(340,588)	(371,147)
Total funds under SORP (FRS 102)	1,240,549	1,309,085

Reconciliation of net movement in funds

	31 March 2015 £
Net movement in funds under previous GAAP	(99,095)
Transitional adjustment:	
Agreed Pensions Trust deficit reduction payments	30,559
Total funds under SORP (FRS 102)	(68,536)

1. ACCOUNTING POLICIES (continued)

(iii) The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(iv) 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) 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.

(e) General funds – unrestricted

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

(f) Designated funds – unrestricted

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

(g) Restricted funds

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

1. ACCOUNTING POLICIES (continued)

(h) 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.

Incoming resources are 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.

(i) 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.

(j) Charitable activities

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

(k) 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.

(l) Support costs

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

(m) 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.

(n) 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. On adopting FRS 102 this liability has been restated in the prior year accounts and is now shown as a liability. The liability is reduced when payments are made to The Pension Trust.

Southwark Diocesan Welcare participated in the Church Workers Pension Fund, which is a defined benefit pension scheme administered by the Church of England Pension Board. The assets of the scheme are held separately from those of the Board. Pension costs in relation to the scheme are likewise charged to the financial statements in the period in which they fall due. We paid in £0 in 2015 and paid our section 75 liability, £4,400, on withdrawal in respect of the Church Workers Pension Fund.

Notes to the Accounts

For the year ended 31 March 2016

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations				
Donations and Fundraising	114,230	11,983	126,213	115,939
Grants				
South London Church Fund	160,124	-	160,124	159,735
Surrey County Council:				
Redhill Children's Centre		240,664	240,664	240,664
Children's Social Care		67,168	67,168	67,169
Big Lottery	-	37,343	37,343	-
Netherby Trust	-	35,000	35,000	35,944
Grants of under £25,000	1,372	23,024	24,396	13,602
Total Grants	161,496	403,199	564,695	517,114
Contracts				
Wandsworth Borough Council	48,318	-	48,318	49,251
Royal Borough of Greenwich	86,000	-	86,000	85,000
Total Contracts	134,318	-	134,318	134,251
Investment income and rent receivable	133,166	-	133,166	90,696
Other	3,029	-	3,029	10,429
Total income	546,239	415,182	961,421	868,429

Notes to the Accounts

For the year ended 31 March 2016

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	Total 2016 £	Total 2015 £
<i>Expenditure on Raising Funds</i>					
Fundraising and Marketing	33,769	12,012	15,224	61,005	49,735
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services	157,134	110,481	70,840	338,455	281,456
Volunteer Programme	20,508	1,798	9,246	31,552	48,313
Community Social Work	46,392	49,522	20,914	116,828	189,225
Groups & Workshops	10,564	8,712	4,762	24,038	50,671
Redhill Children's Centre	172,816	76,536	77,910	327,262	339,691
Total Expenditure	441,183	259,061	198,896	899,140	959,091

SUPPORT COSTS

Support costs can be analysed as follows:

	2016 £	2015 £
<i>Governance</i>		
Audit Fee	6,780	6,000
Trustees Expenses	82	200
AGM and other	575	82
Staff costs allocated to Governance	<u>13,672</u>	<u>15,525</u>
	21,109	21,807
Other Support costs	37,826	119,358
Staff costs allocated to Support	139,961	120,769
Total Resources Expended	<u>198,896</u>	<u>261,934</u>

Notes to the Accounts

For the year ended 31 March 2016

4. RESULTS FOR THE YEAR

Resources expended include	Total 2016 £	Total 2015 £
Auditors remuneration including VAT	6,780	6,000
Depreciation	11,208	16,440
Impairment	12,429	-

5. EMPLOYEE AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Charity comprise the trustees, the Chief Executive Officer and the Senior Management team. The total amounts paid in respect of the key management personnel of the Charity were £79,792 (2015: £107,050).

	Total 2016 £	Total 2015 £
Wages and salaries	532,221	564,166
Social Security costs	44,926	48,034
Pensions costs-The Pensions Trust	49,144	46,169
Total staff costs	626,291	658,369

No employee earned £60,000 or more per annum (2015: nil).

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

	Total 2016	Total 2015
Fundraising and publicity	0.8	0.8
Charitable activities	16.7	18.0
Total number	17.5	18.8

The total number of staff employed at year end was 24 (2015: 23).

No member of the Board of Trustees received remuneration for their services during the year (2015: £nil). No trustees were reimbursed for out of pocket expenses (2015: £nil).

Notes to the Accounts

For the year ended 31 March 2016

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2016 £
<i>Cost or Valuation</i>				
As at 1 April 2015	1,090,974	5,504	59,446	1,155,924
Disposals	-	-	(50,793)	(50,793)
Transfer to investments	(494,128)	-	-	(494,128)
Impairments	(14,625)	-	-	(14,625)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	582,221	5,504	8,653	596,378
<i>Accumulated depreciation</i>				
As at 1 April 2015	146,898	4,805	59,099	210,802
Charge for the year	10,513	348	347	11,208
Disposals	-	-	(50,793)	(50,793)
Impairments	(2,196)	-	-	(2,196)
Transfers to investments	(64,767)	-	-	(64,767)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	90,448	5,153	8,653	104,254
<i>Net book value</i>				
At 31 March 2016	491,773	351	-	492,124
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	944,076	699	347	945,122

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

Notes to the Accounts

For the year ended 31 March 2016

7. FIXED ASSET INVESTMENTS

<u>2016</u>	Investment property £	Other investments £	Total 2016 £	Total 2015 £
Balance at 1 April 2015	400,000	183,989	583,989	746,987
Transfer from operational fixed assets	429,360	-	429,360	-
Transfer to cash	-	-	-	(86,977)
Disposals	-	-	-	(98,148)
Revaluation	690,640	(8,834)	681,806	22,127
Net Book Value at 31 March 2016	<u>1,520,000</u>	<u>175,155</u>	<u>1,695,155</u>	<u>583,989</u>

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.

Individual holdings greater than or equal to 5% or more of the market value of other investments are:

	Total 2016 £	Total 2015 £
M & G Charifund	46,785	50,044
CBF Unit Trusts	128,370	133,945
	£	£
Investment income		
Bank deposit income	55	71
Dividend income	9,301	11,640
Total Investment income	<u>9,356</u>	<u>11,711</u>

Notes to the Accounts

For the year ended 31 March 2016

8. DEBTORS

	Total 2016 £	Total 2015 £
Prepayments	805	1,098
Accrued income	-	90,314
Total Debtors	805	91,412

9. CREDITORS

	Total 2016 £	Total 2015 £
Accounts falling due within one year:		
Trade Creditors	16,896	13,205
Deferred Income and accruals	81,248	147,617
Other taxes & Social Security	12,135	12,295
Pension provision	32,198	31,475
Total Creditors	142,477	204,592
Deferred grant income		
Balance brought forward	119,097	81,758
Amount released to grant income	(119,097)	(81,758)
Amount deferred in the year	35,271	119,097
Balance carried forward	35,271	119,097
Accounts falling due after more than one year:		
Pension provision	276,915	309,112

Notes to the Accounts

For the year ended 31 March 2016

10. RESTRICTED FUNDS

	Balance at 1 April 2015 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance at 31 March 2016 £
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

The funds associated with a property in southwest London have been reclassified as unrestricted funds. The property to which the funds originally related is no longer used by Welcare and is now leased and forms part of Welcare's investment portfolio.

East Surrey received 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.

Big Lottery funds for Bromley and Inner London have been received.

The Bromley restricted income consists of donations all of which were spent in Bromley, and specific grants to deliver MySpace and child and family support funded by Big Lottery.

11. 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
Total funds	492,124	1,695,155	212,324	(418,587)	1,981,016

Notes to the Accounts

For the year ended 31 March 2016

12. STATEMENT OF FINANCIAL ACTIVITIES 2015

	Note	Unrestricted funds £	Restricted funds £	Total 2015 £
INCOME				
<i>Donations and legacies</i>				
Individual Giving		6,884	4,696	11,580
<i>Other Trading Activities</i>				
Fundraising Activities		62,255	42,539	104,794
<i>Income From Investments</i>				
Investment income		13,460	-	13,460
Rents received		78,984	-	78,984
<i>Income From Charitable Activities</i>				
Child and Family Support Services		294,618	39,747	334,365
Volunteer Programme		-	2,500	2,500
Community Social Work		-	67,169	67,169
Groups & Workshops		-	9,864	9,864
Redhill Children's Centre		4,468	240,223	244,691
<i>Other income</i>				
Other		921	100	1,021
Total income		461,590	406,838	868,428
EXPENDITURE				
<i>Expenditure on Raising Funds</i>				
Fundraising and Marketing		47,434	2,301	49,735
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services		216,181	65,275	281,456
Volunteer Programme		33,076	15,237	48,313
Community Social Work		120,788	68,437	189,225
Groups & Workshops		39,522	11,149	50,671
Redhill Children's Centre		91,408	248,283	339,691
Total Expenditure		548,409	410,682	959,091
Net income (expenditure) before investments		(86,819)	(3,844)	(90,663)
Net gains on investments		22,127	-	22,127
Net movement in funds		(64,692)	(3,844)	(68,536)
Fund balances brought forward at 1 April 2015		912,433	396,652	1,309,085
Fund balances carried forward at 31 March 2016		847,741	392,808	1,240,549

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £160,125 (2015: £159,735) 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 have traditionally been representatives of the Bishop's Council and Southwark Diocesan Board of Finance. Following reorganisation of administrative structures in the Diocese of Southwark, the Bishop's Council and the Board of Finance have formed the Council of Trustees. Welcare has been liaising with Diocesan representatives about the impact the restructuring will have on nominations to the Board of Trustees of Welcare.

There have been no related party transactions and all trustees and key management personnel have signed related party declarations.

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

	2016 £	2015 £	2014 £
Present value of provision	323,000	261,000	273,000

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2016 £	2015 £
Provision at start of period	261,000	273,000
Unwinding of the discount factor (interest expense)	4,000	7,000
Deficit contribution paid	(31,000)	(30,000)
Remeasurements - impact of any change in assumptions	(5,000)	11,000
Remeasurements - amendments to the contribution schedule	94,000	-
Provision at end of period	323,000	261,000

A pension provision has been included in the accounts of £309,113 in respect of the above liability to the scheme as at 31 March 2016.

Notes to the Accounts

For the year ended 31 March 2016

14. PENSION ARRANGEMENTS (continued)

(a) Pensions Trust Growth Plan (continued)

INCOME AND EXPENDITURE IMPACT

	2016 £	2015 £
Interest expense	4,000	7,000
Remeasurements – impact of any change in assumptions	(5,000)	11,000
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

	2016 % per annum	2015 % per annum	2014 % per annum
Rate of discount	2.07	1.74	2.82

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.

(b) Church Workers' Pension Fund

Welcare has paid £4,400 in respect of its section 75 liability and has received written confirmation from the Church of England Pensions Board that no further liability will arise in respect of Bromley Welcare's participation in the fund.

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2015: £nil).