

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

*Working to strengthen children and
their families in south London and
East Surrey*

Legal & Administrative Information

Trustees	Cherry Murdoch (Chair) Mary Evans (Vice Chair) Sarah Harty (Honorary Treasurer from 6 July 2017) The Ven Dr Paul Wright (until 13 November 2017) Sara Drake Nicholas Bull (until 6 July 2017) Megan Pacey Debbie Haith Anne Coates The Ven Moira Astin (from 27 April 2017)
Chief Executive Officer	Anna Khan
Management Team	Hannah Franklin Amy Mawby Lynn James 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 10 Queen Street Place London EC4R 1AG
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

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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. I have been privileged to chair the Board of Trustees since April 2017. This report therefore reflects my first full year as Chair of Welcare.

Welcare's services have been as much in demand as ever as children and families struggle to face major challenges of poverty, domestic abuse and mental/physical ill health. In response, we have delivered our targeted community group work programme, MySpace, to support children and families who have experienced domestic abuse. We have also piloted new innovative ways of supporting young people aged 11-13 to improve their emotional health and well-being. This year, using Outcomes Star reporting, 93% of families have reported positive changes in their lives following interventions from Welcare.

Despite a challenging and uncertain funding environment, Welcare has increased its voluntary giving to ensure all four centres are funded to deliver services. This would not have been possible without the generous support of our funders, including the Diocese of Southwark, BBC Children in Need, Surrey County Council, Lambeth CAMHS, Big Lottery, trusts, churches and individual supporters.

Welcare's staff and trustees have worked diligently on an ambitious 3-year Strategy and Business Plan for 2018-2021 which sets the direction for future service development, financial targets and organisational infrastructure. As we implement the Plan, our focus remains on working together with parents to overcome challenges, so they can give their children secure and confident childhoods.

Finally, I would like to express my gratitude to all those who have made Welcare's achievements possible this year: to our Chief Executive, staff and volunteers for their dedication to supporting children and families in need; to our supporters, local Friends' Groups, Parish Representatives, and church members for their prayerful and fundraising support; to Welcare's trustees for their commitment to Welcare's mission and in particular to the Venerable Dr Paul Wright and Nicholas Bull who have left the Board after serving as trustees since 2013.

All this has made sure that Welcare truly is *Here now, Here always* to serve vulnerable children and their families in South London and East Surrey.



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 2018. 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

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

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

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

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

Activities of the Charity

Identifying the need

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

For children aged between 8-13

- Absence from school
- Previous experience of trauma, including exposure to domestic abuse
- Risky behaviour
- Poor self esteem
- Social exclusion
- Difficult transition to secondary education

Parents with children up to the age of 13

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

Activities addressing the need

We continue to serve families throughout South London and East Surrey as we have done for the last 124 years. While Welcare's response to meet families' needs has changed over the decades, many of the problems facing families have not. Tough economic conditions, together with an increase in family breakdown, parental mental ill health issues and a rise in domestic abuse have all added to the number of children, young people and families in greater need.

To address the need, 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. We deliver a range of targeted social work and family support services, parenting courses, group work programmes, mentoring services for children aged

8-13 as well as a Children's Centre in Redhill. 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 have continued to build our Child and Family Support Service to enable delivery of a consistent community based service throughout South London boroughs and extending into East Surrey. This service is provided alongside the universal service delivered at our children's centre in Redhill in partnership with Surrey County Council. Our most significant achievements of the last year included:

- We were able to retain our Child and Family Support Service in the Royal Borough of Greenwich through charitable funding and a reduced grant from the local authority. As a result of funding received from BBC Children in Need and the William Wates Memorial Trust, we were able to appoint a specialist Children's Support Worker and to deliver MySpace, our community group treatment and recovery programme for children impacted by domestic abuse; and to support local children and young people aged 8-13 to increase their self esteem and resilience and to build greater emotional well-being.
- We continued to deliver Strengthening Families Strengthening Communities group work in all our London centres.
- We piloted a range of services specifically for young people aged 11-13 in Inner London, including a weekly drop-in group and a summer holiday activity programme which used photography to encourage young people to tell their own stories. Their photographs were made into a film which was premiered at our Annual Meeting and Volunteer Award Ceremony in September.
- We launched our first ever crowdfunding campaign which raised funds towards the salary costs for a family support worker to work alongside our children's support worker in south-east London.
- We recruited child mentors for each of our centres to support children aged 8-13.
- We refreshed our vision, mission and core values and agreed our three year strategic plan for service delivery until 2021.
- We have begun to plan for our 125th Anniversary Service of Thanksgiving which will take place on 15 June 2019.

Welcare Child and Family Support Services– Intensive and sustained support

Centre/Service	Families (2017-2018)	Families (2016-2017)	Associated Children (2017-2018)	Associated Children (2016-2017)
Bromley	46	57	91	85
East Surrey	52	47	109	102
Greenwich*	7	68	6	147
Inner London	89	18	117	32
South-west London	88	48	190	105
East Surrey Children's Centre and casework	345	**	342	**
Total	627	238	855	471

* Work in Greenwich was resumed in January 2018.

** Not reported separately in Annual Report 2017.

In addition, 900 individual children and families benefitted by attending groups, programmes or activities hosted by Welcare.

- Measuring **Outcomes** and the **Impact** of our work using Outcome Family Star+ and My Star, Welcare has demonstrated that 93% of parents and children reported making a positive change in their life following our intervention.

Plans for the Future

Welcare has identified five strategic objectives each of which is underpinned by a number of specific delivery targets:

- **Service Development:** To develop the core service model of emotional and practical support to meet the identified needs.
- **Impact:** To develop further systems for measuring impact and the evolving needs of the children and families we work with.
- **Partnerships:** To work collaboratively to raise awareness and maximise the impact of our services.
- **Income:** To maintain a balanced budget and seek to grow by 20% by 2021.
- **Support organisational delivery:** To review and develop the resources and infrastructure needed to enable our services to function effectively and efficiently, including provision of office accommodation.

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. We will seek re-accreditation during 2018.

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 50 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 over 3,645 hours of volunteer support across all our services. 90% of our volunteers reported that volunteering with Welcare had given them an increased attachment to their community.

We celebrated the contributions of our volunteers and supporters at our Volunteer Awards ceremony in September 2017. Certificates of recognition were presented by The Rt Revd Dr Karwei Dorgu, Bishop of Woolwich, who inspired all with his thoughtful words and encouragement.

Financial Review

Income for the year of £998k shows a decrease of £27k compared with the previous year's total of £1,025k. This reduction in income reflects reduced funding received from the Royal Borough of Greenwich.

Donations amounting to £27k were received from individual supporters (2017: £23k) and £96k from fundraising events (2017: £99k). Investment income amounted to £11k (2017: £11k) and rental income of £123k was derived from properties (2017: £123k).

The principal funding sources of the charity were Surrey County Council, Royal Borough of Greenwich, Big Lottery, Lambeth CAMHS, Netherby Trust, BBC Children in Need, William Wates Memorial Trust, Richmond Parish Lands Charity, and Cicely Northcote Trust. 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 £956k (2017: £984k) including £465k of expenditure from restricted funds (2017: £473k).

The decrease in income and expenditure has resulted in a surplus of £41k before gains on investments (2017: surplus of £41k).

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 2018 totalled £2,107k (2017: £2,061k) including £26k of restricted reserves and £1,952k 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 £239k and a maximum level of £478k. 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 £130k. 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 2018 fixed asset investments were valued at £1,723k including £1,520k of investment properties. There were net gains on investments of £5k in the year compared with a £39k gain in the year ended 31 March 2017. A full revaluation of all properties was last undertaken in 2016.

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 have not received any complaints about our fundraising practices. We do not use the services of commercial fundraisers.

We recognise the need to monitor our activities consistently to ensure our fundraising is being conducted to the highest possible standards. We have 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. We have taken steps to ensure compliance with the General Data Protection Regulation (GDPR).

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

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

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

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

- Communication and feedback
- Business planning
- Staff appraisals

The management of risk is not an isolated process but is embedded in the management of the organisation and the delivery of Welcare's services. Several other policies, therefore, deal with risk management and risk assessment e.g. Health and Safety Policy, Safeguarding, 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.
Financial	Reduction in active supporter base as a result of compliance with General Data Protection Regulation	<ul style="list-style-type: none"> • Communicate updated privacy notices to all supporters. • Maintain up to date communication preferences. • Encourage existing supporters to continue to subscribe to newsletters. • Use existing contacts with churches to build up individual supporter base.
External	Reduction in resources following review by Surrey County Council of early years' provision resulting in a reorganisation of remaining services	<ul style="list-style-type: none"> • Close liaison with commissioners. • Engagement with local supporters, funders and churches to develop local child and family support services. • Production of a fundraising strategy.
Operational	Disruption to and distraction from service delivery as a result of landlords' proposed redevelopment and review of properties occupied by Welcare.	<ul style="list-style-type: none"> • Close liaison and good working relationships with landlords. • Ability of all staff to work remotely. • Trusted and reliable professional and legal advisors.
Governance	Ability to maintain a skilled and diverse trustee Board and in particular the recruitment of trustees with fundraising, financial and relevant professional expertise.	<ul style="list-style-type: none"> • Strengthen and use networks to encourage Board membership. • Maintain a balance between Diocesan representatives and trustees with specific professional skills.
Operational	Incident involving child protection or safeguarding issue involving staff member or volunteer resulting in harm to the child and reputational damage.	<ul style="list-style-type: none"> • Quality Assurance system includes a safeguarding component. • 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. • Careful recruitment processes. • Mandatory safeguarding training for all staff and volunteers. • DBS checks carried out for all eligible staff, volunteers and trustees. • Robust supervision, complaints and referral processes. • 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 2017-2018.

The Board wishes to express its gratitude to the Venerable Dr Paul Wright and Nicholas Bull who both stood down during the year and to welcome Sarah Harty who joined the Board as Honorary Treasurer in July 2017.

An induction process and pack provides new trustees with the detailed information about the charity required for their role. Trustees are encouraged to attend appropriate external training courses, conferences and forums. All trustees have received Charity Commission guidance on The Essential Trustee and the Charity Governance Code and receive briefings from our professional advisers.

Organisational Structure

The Board currently has 8 members who meet at least 4 times a year and are responsible for the strategic direction and policy of Welcare.

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

- The Finance and Development committee monitors the finance, fundraising, properties, resources and risk responsibilities of the Board. The Finance and Development Committee has 4 trustee members and is attended by the CEO and Fundraising Manager.
- The Services Committee provides Board level oversight of all Welcare's services and operations. The committee monitors professional practice, service delivery and service development. Each of Welcare's service managers reports to the committee annually on rotation. Welcare's independent freelance social work and safeguarding supervisor reports to the committee annually and meets regularly with the CEO.

Overall responsibility for the delivery of Welcare's services lies with the CEO. Welcare is structured into four separate regional service delivery areas (south-east, south-west, inner 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 social work and safeguarding supervisor provides service managers with regular individual and group social work supervision, opportunities for reflective practice and facilitates group supervision and mandatory CPD for all front-line staff.

The 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 have included:

- Our first digital crowdfunding campaign to raise money towards the salary of a new Family Support Worker for our Greenwich centre to re-launch services in the borough following loss of funding. The campaign raised £7,680 from existing and new donors.
- Participation for the second year in the Virgin Sport British 10k London Run. 19 runners, joggers and walkers raised over £5,000 for Welcare.
- A grant of £104,351 over 3 years from Children in Need to fund a new Children's Worker for our Greenwich centre.
- Ongoing and loyal support from our Friends and Reps groups who, by holding events, raffles, Lent Lunches and attending fairs representing Welcare, raised in excess of £15,000.
- Setting the tone and security for our future we continued to diversify our income, including increasing our income from events by 32%, from trusts and foundations by 10% and from church giving by 5% during a difficult and competitive year for our charity and our sector.
- We further integrated eTapestry, our supporter database, into the organisation, developing its capability to manage volunteers and communicate with donors and supporters, benefitting from better data collection, management and protection.
- Our Fundraising & Communications Manager attended free training workshops about GDPR, crowdfunding and using short videos to strengthen messages, helping us to be more innovative in the way that we communicate and raise money.

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 for safeguarding. During the year, an independent safeguarding consultant carried out an audit of all Welcare's services in line with recommendations in Section 11 of the Children Act 2004. The safeguarding audit takes place every three years to ensure that standards are maintained throughout Welcare and that any safeguarding risks are addressed.

Relationships

Welcare has worked closely with statutory bodies involved in the delivery of services to children. Recently, 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 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 5 July 2018

Opinion

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of the 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.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the 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 Trustees' Annual Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

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



**Lee Stokes (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor**

10 Queen Street Place
London,
EC4R 1AG

5 July 2018

Statement of Financial Activities

For the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
INCOME					
<i>Donations and legacies</i>					
Individual Giving		18,941	8,210	27,151	22,623
<i>Other Trading Activities</i>					
Fundraising Activities		92,559	2,957	95,516	98,968
<i>Income From Investments</i>					
Investment income		11,085	-	11,085	10,821
Rents received		123,157	-	123,157	122,546
<i>Income From Charitable Activities</i>					
Child and Family Support Services		289,144	126,906	416,050	445,818
Volunteer Programme		-	-	-	1,700
Community Social Work		-	67,168	67,168	66,915
Groups & Workshops		1,000	14,342	15,342	11,564
Redhill Children's Centre		-	235,007	235,007	239,454
<i>Other income</i>		6,055	1,083	7,138	4,773
Total income	2	541,941	455,673	997,614	1,025,182
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		55,120	-	55,120	58,528
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		333,939	135,912	469,851	498,904
Volunteer Programme		28,752	402	29,154	32,236
Community Social Work		13,845	66,525	80,370	81,599
Groups & Workshops		6,941	25,881	32,822	20,235
Redhill Children's Centre		52,629	236,290	288,919	292,285
Total Expenditure	3	491,226	465,010	956,236	983,787
Net income (expenditure) before investments gains		50,715	(9,337)	41,378	41,395
Net gains on investments		4,569	-	4,569	38,562
Net income (expenditure) after investments gains		55,284	(9,337)	45,947	79,957
Transfer between funds	10	(2,215)	2,215	-	-
Net movement in funds		53,069	(7,122)	45,947	79,957
Fund balances brought forward at 1 April 2017		2,028,703	32,270	2,060,973	1,981,016
Funds balances carried forward at 31 March 2018		2,081,772	25,148	2,106,920	2,060,973

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 2018

Registered company number 05275749

	Note	2018 £	2018 £	2017 £	2017 £
Operational Fixed Assets	6		471,095		481,780
Fixed Asset Investments	7		1,722,764		1,720,410
Current assets					
Debtors	8	22,379		2,519	
Short term deposits		98,879		96,664	
Bank & cash in hand		142,002		198,774	
Current assets		263,260		297,957	
Creditors: amounts falling due within one year	9	(143,085)		(196,067)	
Net current assets			120,175		101,890
Creditors: amounts falling due after one year	9		(207,114)		(243,107)
Net assets	10		2,106,920		2,060,973
General funds			130,040		102,623
Restricted funds	10		25,148		32,270
Designated funds	10				
Operational fixed assets			471,095		481,780
Fixed assets investments			1,722,764		1,720,410
Pension liability			(242,127)		(276,110)
Total funds			2,106,920		2,060,973

The financial statements were approved by the Board and authorised for issue on 5 July 2018 and signed on its behalf by:

Sarah Harty, Honorary Treasurer

Cherry Murdoch, Chair

Statement of Cash Flows

For the year ended 31 March 2018

	Note	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities:					
Net income for the year		45,947		79,957	
Adjustments for:					
Depreciation charges		10,685		10,861	
Gains on revaluation of investments		(2,354)		(25,771)	
Dividends, interest & rents from investments		(134,242)		(133,367)	
Increase in debtors		(19,860)		(1,714)	
(Decrease)/increase in creditors		(88,975)		19,781	
Net cash provided by operating activities			(188,799)		(50,253)
Cash flows from investing activities:					
Dividends, interest & rents from investments		134,242		133,367	
Net cash used in investing activities			134,242		133,367
Change in cash and cash equivalents in the year			(54,557)		83,114
Cash and cash equivalents at the beginning of the year			295,438		212,324
Cash and cash equivalents at the end of the year			240,881		295,438

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	33⅓% of cost p.a. straight line

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

(c) Investments

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

(d) Cash Management

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

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

In the application of the accounting policies, trustees are required to make 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 2018

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donations				
Donations and fundraising	115,352	30,431	145,783	127,891
Grants				
South London Church Fund	185,961	-	185,961	188,190
Surrey County Council:				
- Redhill Children's Centre	-	235,008	235,008	239,454
- Children's social care	-	67,168	67,168	66,915
Big Lottery	-	106,381	106,381	111,785
Netherby Trust	35,000	-	35,000	35,000
Royal Borough of Greenwich	24,300	-	24,300	-
Grants of under £25,000	1,800	15,603	17,403	31,971
Total Grants	247,061	424,160	671,221	673,315
Contracts				
CAMHS - Emotional health and preventative services for young people aged 11-13	43,289	-	43,289	-
Royal Borough of Greenwich	-	-	-	86,000
Total Contracts	43,289	-	43,289	86,000
Investment income and rent receivable	134,517	-	134,517	133,203
Other income	1,722	1,082	2,804	4,773
Total income	541,941	455,673	997,614	1,025,182

Notes to the Accounts

For the year ended 31 March 2018

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2018 Total £	2017 Total £
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing	35,093	9,182	10,846	55,121	58,528
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services	276,715	116,221	76,914	469,850	498,904
Volunteer Programme	20,930	2,071	6,153	29,154	32,236
Community Social Work	50,466	16,059	13,845	80,370	81,599
Groups & Workshops	22,712	3,957	6,153	32,822	20,235
Redhill Children's Centre	182,130	56,027	50,762	288,919	292,285
Total Expenditure	588,046	203,517	164,673	956,236	983,787

ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2018 £	2017 £
<i>Governance</i>		
Audit Fee	6,933	6,000
Trustee and other meeting costs	52	104
AGM and other	4,999	1,842
Staff costs allocated to Governance	7,121	7,051
	<u>19,105</u>	<u>14,997</u>
Other Support costs	38,130	40,009
Staff costs allocated to Support	107,438	99,116
Total support costs	<u>164,673</u>	<u>154,122</u>

Notes to the Accounts

For the year ended 31 March 2018

4. RESULTS FOR THE YEAR

Expenditure includes:	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Auditors' remuneration:	6,933	6,000
Depreciation	10,685	10,861

5. STAFF COSTS AND NUMBERS

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

The total amounts paid in respect of the key management personnel of the Charity were £76,870 (2017: £76,029).

Staff costs were as follows:	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Salaries and wages	634,375	642,976
Social Security costs	53,914	59,012
Pension contributions	14,316	14,981
	<u>702,605</u>	<u>716,969</u>

One employee earned between £60,000 and £70,000 during the year (2017: one). No redundancy payments were made during the year (2017: £12,314).

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

	2018 No.	2017 No.
Fundraising and publicity	0.8	0.8
Charitable activities	24.0	20.8
	<u>24.8</u>	<u>21.6</u>

The average number of staff employed during the year was 25 (2017: 26).

No member of the Board of Trustees received remuneration for their services during the year (2017: £nil). No trustees were reimbursed for out of pocket expenses (2017: £nil).

Notes to the Accounts

For the year ended 31 March 2018

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2018 £
<i>Cost or Valuation</i>				
As at 1 April 2017	582,221	6,021	8,653	596,895
Additions	-	-	-	-
At 31 March 2018	582,221	6,021	8,653	596,895
<i>Accumulated depreciation</i>				
As at 1 April 2017	100,961	5,501	8,653	115,115
Charge for the year	10,512	173	-	10,685
At 31 March 2018	111,473	5,674	8,653	125,800
<i>Net book value</i>				
At 31 March 2018	470,748	347	-	471,095
At 31 March 2017	481,260	520	-	481,780

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

7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2018 £	Total 2017 £
Balance at 1 April 2017	1,520,000	200,410	1,720,410	1,695,155
Transfer from operational fixed assets	-	-	-	-
Revaluation	-	2,354	2,354	25,255
Balance as at 31 March 2018	1,520,000	202,764	1,722,764	1,720,410

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. The trustees have assessed the valuation as at 31st March 2018 and concluded that there was no material difference from the 2016 revaluation.

Notes to the Accounts

For the year ended 31 March 2018

8. DEBTORS

	Total 2018 £	Total 2017 £
Prepayments	2,869	2,519
Other debtors	19,510	-
	<u>22,379</u>	<u>2,519</u>

9. CREDITORS

	Total 2018 £	Total 2017 £
Accounts falling due within one year:		
Trade Creditors	7,377	10,359
Deferred Income and accruals	85,178	133,909
Other taxes & social security	14,428	18,796
Other creditors	1,089	-
Pension provision	35,013	33,003
Total Creditors	<u>143,085</u>	<u>196,067</u>

Deferred grant income

Balance brought forward	94,020	35,271
Amount released to grant income	(94,020)	(35,271)
Amount deferred in the year	68,865	94,020
	<u>68,865</u>	<u>94,020</u>

	Total 2018 £	Total 2017 £
Accounts falling due after more than one year:		
Pension Provision	<u>207,114</u>	<u>243,107</u>

Notes to the Accounts

For the year ended 31 March 2018

10. MOVEMENT IN FUNDS

	Balance at 1 April 2017 £	Income £	Expenditure £	Gains on investments and transfers £	As at 31 March 2018 £
Restricted funds:					
East Surrey	21,748	308,889	(320,147)	2,215	12,705
Southwest London	259	11,768	(9,992)	-	2,035
Bromley	3,218	37,056	(39,648)	-	626
Central	504	-	(504)	-	-
Inner London	6,541	73,420	(77,859)	-	2,102
Greenwich	-	24,540	(16,860)	-	7,680
Total restricted funds	32,270	455,673	(465,010)	2,215	25,148
Designated funds:					
Operational fixed assets fund	481,780	-	-	(10,685)	471,095
Fixed asset investment fund	1,720,410	-	-	2,354	1,722,764
Pension liability fund	(276,110)	-	-	33,983	(242,127)
Total unrestricted designated funds:	1,926,080	-	-	25,652	1,951,732
Total unrestricted general funds:	102,623	541,941	(491,226)	(23,298)	130,040
Total funds	2,060,973	997,614	(956,236)	4,569	2,106,920

Restricted Funds

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.

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.

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

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

Greenwich – these funds represent decommissioning expenses and support for the generation of new and sustainable funding.

Notes to the Accounts

For the year ended 31 March 2018

Designated funds

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

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

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

	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

Transfers in funds represent programmes funded from unrestricted income.

Notes to the Accounts

For the year ended 31 March 2018

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Bank & Cash £	Other Net Assets / (Liabilities) £	Total 2018 £
Restricted funds	-	-	25,148	-	25,148
Unrestricted general funds	-	-	215,733	(85,693)	130,040
Unrestricted designated funds	471,095	1,722,764	-	(242,127)	1,951,732
Net assets at 31 March 2018	471,095	1,722,764	240,881	(327,820)	2,106,920

PRIOR YEAR 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

Notes to the Accounts

For the year ended 31 March 2018

12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £185,961 (2017: £188,190) 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 £2,990 (2017: £940).

14. PENSION ARRANGEMENTS

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 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

DEFICIT CONTRIBUTIONS

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

Unless a concession has been agreed with the Trustees the term to 30 September 2025 applies.

14. PENSION ARRANGEMENTS (continued)

Pensions Trust Growth Plan (continued)

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

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

A pension provision has been included in the accounts of £242,127 in respect of the above liability to the scheme as at 31 March 2018.

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2017: £nil).