

welcare

strengthening families since 1894

TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

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

Legal & Administrative Information

Trustees	Cherry Murdoch (Chair) Mary Evans (Vice Chair) Sarah Harty (Honorary Treasurer) Sara Drake Megan Pacey Debbie Haith Anne Coates The Ven Moira Astin
Chief Executive Officer	Anna Khan
Management Team	Hannah Franklin Lynn James Paul Vitty Fay Morris Diane Taylor Barbara Wilson Amy Mawby (Fundraising Manager until 31 December 2018)
Charity Number	1107859
Company Number	5275749
Registered Name	Southwark Diocesan Welcare
Principal Address & Registered Office	19 Frederick Crescent London SW9 6XN
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Banker	National Westminster Bank plc London Bridge Branch PO Box 35 10 Southwark Street London SE1 1TT
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Welcome from the Chair

On behalf of the Board of Trustees of Welcare, I am delighted to introduce our annual report and accounts which demonstrate the progress we have made in the first year of our Strategy and Business Plan for 2018-2021.

As we celebrate our 125th year anniversary, we continue to adapt our services to meet emerging needs in local communities which over the course of the year have included:

- Young people impacted by gang culture and the risk of serious youth crime particularly in Inner London centres (Lambeth, Southwark, Greenwich)
- Emotional and mental health, well-being of both children and adults
- Children traumatised by the effects of domestic violence and abuse
- Increasing numbers of fathers and boys referred to our services for support

In response, we have consolidated our services so that each centre delivers accredited programmes to strengthen family life and to support children and non-abusing parents who have experienced domestic violence and abuse. We have run our first outward bound summer course and introduced two new service offers in Inner London: a weekly drop-in and a school-based programme to promote respectful behaviour towards oneself and others.

Welcare has maintained funding for our five centres located in South London and East Surrey due to the generous support of our funders, including the Diocese of Southwark, BBC Children in Need, Surrey County Council, The Netherby Trust, Richmond Parish Lands Charity, Big Lottery, Community Foundation for Surrey, Leathersellers' and Girdlers' Companies charitable trusts, churches, and individual supporters. In addition, we received new funding this year from the Mercers' Company for our Inner London service.

Welcare's trustees have focused on the 2018-2019 strategic and financial priorities and worked to raise awareness and partnership working with churches throughout the South London boroughs and East Surrey.

Finally, I would like to express my gratitude to all those who have made Welcare's achievements possible this year: to our Chief Executive, Board of Trustees, 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.

Thank you most of all to the children and families we have the privilege to work with. Their wonderful resilience in the face of multiple challenges is a testimony to their inner strength to cope, change and grow.



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 2019. 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
- Impact of gang culture and the risk of serious youth crime

Parents with children up to the age of 13

- Poor parent/child relationships
- Poor housing or home environment impacting children's health
- Experience of domestic abuse and violence
- Stepping down from specialist Children's Services
- Inappropriate chastisement
- Relationship breakdown
- Low income and 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 125 years. While Welcare's response to 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 develop our Child and Family Support Service in the Royal Borough of Greenwich, as a result of funding received from BBC Children in Need and the William Wates Memorial Trust, to support local children and young people aged 8-13 to increase their self-esteem and resilience and to build greater emotional well-being. Our specialist Children's Support Worker delivered MySpace, our community group treatment and recovery programme for children impacted by domestic abuse in local schools, ran a weekly drop in and summer holiday activity sessions. Our service of Thanksgiving at St Luke's Church, Charlton, in May 2018 provided an opportunity to thank all our supporters and to develop partnerships with local domestic abuse charities and churches.
- We were able to increase the capacity of our Inner London service as a result of two years' funding received from the Mercers' Company.
- We continued to deliver Strengthening Families Strengthening Communities and MySpace group work programmes in all our London centres.
- We delivered a range of services specifically for young people aged 11-13 in Inner London, including a weekly drop-in group, a summer holiday activity programme and a residential activity week in the Lake District. Several children who participated had previously been prevented from participating in school outings because of concerns about their behaviour.
- We recruited child mentors for each of our centres to support children aged 8-13.
- We launched a number of school based programmes working alongside parents and teachers to support children and help build their emotional resilience.
- We have continued to liaise closely with Surrey County Council to maximise our opportunities to deliver services from our Redhill centre and in partnership with other local providers will offer targeted services from a Family Centre in Reigate and Banstead.
- We have recruited and trained 13 new Volunteer Mentors.
- We celebrated our 125th Anniversary with a Service of Thanksgiving at Southwark Cathedral on 15 June 2019.

Outcomes

Welcare staff and volunteers work to:

- Reduce inequalities for disadvantaged children and families to prevent the need for statutory services
- Strengthen family relationships and enable them to thrive
- Improve child and family health and well-being

Welcare Child and Family Support Services – Intensive and sustained support

Centre/Service	Families (2018-2019)	Families (2017-2018)	Associated Children (2018-2019)	Associated Children (2017-2018)
Bromley	51	46	79	91
East Surrey	94	52	172	109
Greenwich*	37	7*	48	6*
Inner London	109	89	116	117
South-west London	77	88	154	190
East Surrey Children's Centre and casework	394	345	383**	342
Total	762	627	952	855

* Work in Greenwich was resumed in January 2018.

**Lower figure for associated children reflects an increase in health appointments for parents

In addition, 82 individual children from 60 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 84% of parents and children reported making a positive change in their life following our intervention.

Plans for the Future

Welcare identified five strategic objectives for 2018-2021 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 with schools and churches 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 renewed our Investing in Volunteers award from the United Kingdom Volunteering Forum (UKVF) for a further three years which recognised the strength of our volunteer recruitment, training and ongoing support procedures.

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 59 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 which includes sessions on Effective Volunteering, Volunteering with Families, Safeguarding and Child and Adolescent Development.

During the financial year, our volunteers provided over 2,300 hours of volunteer support across all our services.

We celebrated the contributions of our volunteers and supporters at our Volunteer Awards ceremony in September 2018. Certificates of recognition were presented by The Rt Revd Dr Graham Kings, Mission Theologian to the Anglican Communion, who inspired all with his thoughtful words and encouragement.

Financial Review

Income for the year of £1,001k shows an increase of £3k compared with the previous year's total of £998k.

Donations amounting to £43k were received from individual supporters (2018: £27k) and £91k from fundraising events (2018: £96k). Investment income amounted to £12k (2018: £11k) and rental income of £117k was derived from properties (2018: £123k).

The principal funding sources of the charity were Surrey County Council, Big Lottery, Netherby Trust, BBC Children in Need, William Wates Memorial Trust, Mercers' Company, Leathersellers' Company Charitable Fund, The Girdlers Charitable Trust, Community Foundation for Surrey, Barnes Workhouse Fund, Richmond Parish Lands Charity, Cicely Northcote Trust and the London Borough of Wandsworth. 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 £991k (2018: £956k) including £530k of expenditure from restricted funds (2018: £465k).

The increase in income and expenditure has resulted in a surplus of £10k before gains on investments (2018: 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 2019 totalled £2,139k (2018: £2,107k) including £12k of restricted reserves and £1,968k 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 £247k and a maximum level of £495k. 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 £160k. 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 2019 fixed asset investments were valued at £1,737k including £1,520k of investment properties. There were net gains on investments of £23k in the year compared with a £5k gain in the year ended 31 March 2018. 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. We abide by the Fundraising Promise and the Institute of Fundraising Codes of Practice.

We commit to fundraising ethically, responsibly and with our donors in mind. We care about our supporters, what they think about our fundraising and always promise to be transparent, fair and legally compliant. We will always respect the privacy and contact preferences of our donors. We will respond promptly to requests to cease contact or complaints and act as best we can to address their concerns. Any enquiries regarding fundraising can be directed to

fundraising@welcare.org, while complaints should be made in writing to: Welcare Fundraising, 19 Frederick Crescent, London, SW9 6XN. We have not received any complaints about our fundraising practices. We do not use the services of commercial fundraisers.

We recognise the need to monitor our activities consistently to ensure our fundraising is being conducted to the highest possible standards. We have developed, and continue to refine, a broad range of quality assurance methods to do this including: supporter feedback analysis, staff 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 five trustees, the CEO and, until her resignation in December 2018, the 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.
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 and other providers. • Engagement with local supporters, funders and churches to develop local child and family support services.
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. • Independent review of Board Effectiveness.
Compliance	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"> • External Safeguarding Supervisor. • Independent Safeguarding Audit every three years. • Rigorous application of Safeguarding policy. • Safer recruitment processes. • Mandatory safeguarding training for all staff and volunteers. • DBS checks carried out for all eligible staff, volunteers and trustees. • Robust supervision, complaints and referral processes. • 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 2018-2019.

An induction process and pack provides new trustees with the detailed information about the charity required for their role. An independent review of Board effectiveness was carried out during the year. Trustees are continuing to work through the findings from the review. 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. During the year, the trustees considered and responded to the '15 questions trustees should ask', as recommended by the Charity Commission. They concluded that Welcare was a resilient and flexible organisation able to adapt to change and which continues to benefit from strong support from Southwark Diocese and the wider local communities it served.

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 5 trustee members and is attended by the CEO and, until her resignation in December 2018, the Fundraising Manager.
- The Services Committee provides Board level oversight of all Welcare's services and operations. The committee monitors professional practice, service delivery, service development and HR matters. 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 was responsible for the delivery of the fundraising strategy to manage our voluntary income streams and to build relationships with supporters. Significant achievements included:

- Participation in the Virgin Sport British 10k London Run. Our runners, joggers and walkers raised over £1,800 for Welcare.
- A number of successful trust funding applications submitted generating total income of £174k.
- Fundraising events hosted by our loyal supporters which raised in excess of £14k.
- We continued to integrate 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.
- Development of a digital campaign #CapeAbility to engage a new generation of supporters using the themes of capes and super-heroes; it shows that Welcare can help children to thrive, care and inspire.
- Carrying out a data audit throughout the charity to ensure compliance with the General Data Protection Regulation which came into force on 25 May 2018. This task included amending our privacy notices and contacting all our supporters to update their communication preferences. This has resulted in a 65% reduction in the number of people who receive our newsletters. We are working hard to rebuild our network of supporters.

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 2017-2018, 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. The next audit will take place during 2020-2021.

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 the Bromley, Beckenham and Orpington deaneries in the Diocese of Rochester and with the Hampton deanery in the Diocese of London where individual church members support Welcare financially, through volunteering and in prayer.

Key Management Personnel Remuneration Policy

The salary of the Chief Executive is set by the Chair in consultation with the Vice-Chair following annual appraisals. The organisation uses the NJC pay scales for benchmarking salaries of other staff with the exception of the post of 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 LLP 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

10 July 2019

Opinion

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2019 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 2019 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.

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 set out on page 16, 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' 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' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have 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' 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 LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

10 July 2019

Statement of Financial Activities

For the year ended 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
INCOME					
<i>Donations and legacies</i>					
Individual Giving		42,319	1,150	43,469	27,151
<i>Other Trading Activities</i>					
Fundraising Activities		91,030	205	91,235	95,516
<i>Income From Investments</i>					
Investment income		11,610	-	11,610	11,085
Rents received		117,149	-	117,149	123,157
<i>Income From Charitable Activities</i>					
Child & Family Support Services		216,988	196,033	413,021	416,050
Volunteer Programme		1,800	-	1,800	-
Community Social Work		-	67,200	67,200	67,168
Groups & Workshops		-	19,077	19,077	15,342
Redhill Children's Centre		-	232,816	232,816	235,007
<i>Other income</i>		2,683	340	3,023	7,138
Total income	2	483,579	516,821	1,000,400	997,614
EXPENDITURE					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		51,230	-	51,230	55,120
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		297,525	204,444	501,969	469,851
Volunteer Programme		25,775	132	25,907	29,154
Community Social Work		16,260	67,133	83,393	80,370
Groups & Workshops		11,964	29,025	40,989	32,822
Redhill Children's Centre		57,702	229,420	287,122	288,919
Total Expenditure	3	460,456	530,154	990,610	956,236
Net income (expenditure) before investments gains		23,123	(13,333)	9,790	41,378
Net gains on investments		22,700	-	22,700	4,569
Net income (expenditure) after investments gains		45,823	(13,333)	32,490	45,947
Net movement in funds		45,823	(13,333)	32,490	45,947
Fund balances brought forward at 1 April 2018		2,081,772	25,148	2,106,920	2,060,973
Funds balances carried forward at 31 March 2019		2,127,595	11,815	2,139,410	2,106,920

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 2019

Registered company number 05275749

	Note	2019 £	2019 £	2018 £	2018 £
Operational Fixed Assets	6		460,412		471,095
Fixed Asset Investments	7		1,736,681		1,722,764
Current assets					
Debtors	8	20,945		22,379	
Short term investments		107,662		98,879	
Cash at bank & in hand		202,881		142,002	
Current assets		331,488		263,260	
Creditors: amounts falling due within one year	9	(198,121)		(143,085)	
Net current assets			133,367		120,175
Creditors: amounts falling due after one year	9		(191,050)		(207,114)
Net assets	10		2,139,410		2,106,920
Restricted funds	10		11,815		25,148
Designated funds	10				
Operational fixed assets			460,412		471,095
Fixed assets investments			1,736,681		1,722,764
Pension liability			(229,000)		(242,127)
General funds			159,502		130,040
Total funds			2,139,410		2,106,920

The financial statements were approved by the Board and authorised for issue on 10 July 2019 and signed on its behalf by:

Sarah Harty, Honorary Treasurer

Cherry Murdoch, Chair

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2019

welcare
strengthening families since 1894

	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities:				
Net income for the year	32,490		45,947	
Adjustments for:				
Depreciation charges	10,683		10,685	
Gains on revaluation of investments	(22,700)		(4,569)	
Dividends, interest & rents from investments	(128,759)		(134,242)	
Decrease/(increase) in debtors	1,434		(19,860)	
Decrease/(increase) in creditors	38,972		(88,975)	
Net cash provided by operating activities		(67,880)		(191,014)
Cash flows from investing activities:				
Dividends, interest & rents from investments	128,759		134,242	
Net cash used in investing activities		128,759		134,242
Change in cash and cash equivalents in the year		60,879		(56,772)
Cash and cash equivalents at the beginning of the year		142,002		198,774
Cash and cash equivalents at the end of the year		202,881		142,002

The accompanying notes form part of these financial statements.

1. ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

(b) Operational Fixed Assets

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

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

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

(c) Investments

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

(d) Cash Management

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

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

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

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

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

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

(f) Debtors

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

(g) Creditors and provisions

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

(h) Gifts in kind

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

(i) General funds – unrestricted

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

(j) Designated funds – unrestricted

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

(k) Restricted funds

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

(l) Income

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

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

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

(m) Expenditure

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

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

Notes to the Accounts

For the year ended 31 March 2019

2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2019 £
Donations			
Donations and fundraising	133,349	1,355	134,704
Grants			
South London Church Fund	189,603	-	189,603
Surrey County Council:			
- Redhill Children's Centre	-	232,816	232,816
- Children's social care	-	67,200	67,200
Big Lottery	-	111,813	111,813
BBC Children in Need	-	34,784	34,784
Netherby Trust	26,274	-	26,274
Mercers	-	23,772	23,772
Grants of under £20,000	2,911	44,741	47,652
Total Grants	218,788	515,126	733,914
Investment income & rent receivable	128,759	-	128,759
Other income	2,683	340	3,023
Total income	483,579	516,821	1,000,400
	Unrestricted funds £	Restricted funds £	Total 2018 £
Donations			
Donations and fundraising	111,500	11,167	122,667
Grants			
South London Church Fund	185,961	-	185,961
Surrey County Council:			
- Redhill Children's Centre	-	235,007	235,007
- Children's social care	-	67,168	67,168
Big Lottery	-	106,381	106,381
Netherby Trust	35,000	-	35,000
Royal Borough of Greenwich	24,300	-	24,300
Grants of under £20,000	1,594	34,867	36,461
Total Grants	246,855	443,423	690,278
Contracts			
CAMHS - Emotional health and preventative services for young people aged 11-13	43,289	-	43,289
Total Contracts	43,289	-	43,289
Investment income & rent receivable	134,242	-	134,242
Other income	6,055	1,083	7,138
Total income	541,941	455,673	997,614

Notes to the Accounts

For the year ended 31 March 2019

3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2019 Total £
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	27,024	14,372	9,834	51,230
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	281,599	128,555	91,815	501,969
Volunteer Programme	19,127	553	6,227	25,907
Community Social Work	49,949	17,184	16,260	83,393
Groups & Workshops	29,084	2,437	9,468	40,989
Redhill Children's Centre	173,635	56,962	56,525	287,122
Total Expenditure	580,418	220,063	190,129	990,610

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

ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2019 £	2018 £
<i>Governance</i>		
Audit fee	6,573	6,933
Trustee and other meeting costs	13	52
AGM and other	402	4,999
Staff costs allocated to Governance	7,547	7,121
	14,535	19,105
Other Support costs	70,627	38,130
Staff costs allocated to Support	104,967	107,438
Total support costs	190,129	164,673

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

Notes to the Accounts

For the year ended 31 March 2019

4. RESULTS FOR THE YEAR

Expenditure includes:	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Auditors' remuneration:	6,573	6,933
Depreciation	10,683	10,685

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 £77,976 (2018: £76,870).

Staff costs were as follows:	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Salaries and wages	628,904	634,375
Social Security costs	48,129	53,914
Pension contributions	15,899	14,316
	692,932	702,605

One employee earned between £60,000 and £70,000 during the year (2018: one). No redundancy payments were made during the year (2018: £nil).

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

	2019 No.	2018 No.
Fundraising and publicity	0.6	0.8
Charitable activities	19.1	24.0
	19.7	24.8

The average number of staff employed during the year was 23 (2018: 25).

No member of the Board of Trustees received remuneration for their services during the year (2018: £nil). No trustees were reimbursed for out of pocket expenses (2018: £nil).

Notes to the Accounts

For the year ended 31 March 2019

6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2019 £
<i>Cost or Valuation</i>				
As at 1 April 2018 & 31 March 2019	582,221	6,021	8,653	596,895
<i>Accumulated depreciation</i>				
As at 1 April 2018	111,473	5,674	8,653	125,800
Charge for the year	10,513	170	-	10,683
At 31 March 2019	121,986	5,844	8,653	136,483
<i>Net book value</i>				
At 31 March 2019	460,235	177	-	460,412
At 31 March 2018	470,748	347	-	471,095

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

7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2019 £	Total 2018 £
Balance at 1 April 2018	1,520,000	202,764	1,722,764	1,720,410
Gains on revaluation	-	13,917	13,917	2,354
Balance as at 31 March 2019	1,520,000	216,681	1,736,681	1,722,764

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 2019 and concluded that there was no material difference from the 2016 revaluation.

Notes to the Accounts

For the year ended 31 March 2019

8. DEBTORS

	Total 2019 £	Total 2018 £
Prepayments	1,407	2,869
Accrued income	<u>19,538</u>	<u>19,510</u>
	<u>20,945</u>	<u>22,379</u>

9. CREDITORS

	Total 2019 £	Total 2018 £
Accounts falling due within one year:		
Trade creditors	11,415	7,377
Deferred income and accruals	134,940	85,178
Other taxes & social security	12,836	14,428
Other creditors	980	1,089
Pension provision	<u>37,950</u>	<u>35,013</u>
Total Creditors	<u>198,121</u>	<u>143,085</u>
Deferred grant income		
Balance brought forward	68,865	94,020
Amount released to grant income	(68,865)	(94,020)
Amount deferred in the year	<u>120,015</u>	<u>68,865</u>
	<u>120,015</u>	<u>68,865</u>
	Total 2019 £	Total 2018 £
Accounts falling due after more than one year:		
Pension provision	<u>191,050</u>	<u>207,114</u>

Notes to the Accounts

For the year ended 31 March 2019

10. MOVEMENT IN FUNDS

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains on investments £	As at 31 March 2019 £
Restricted funds:					
East Surrey	12,705	314,775	(316,158)	-	11,322
Southwest London	2,035	13,718	(15,753)	-	-
Bromley	626	37,271	(37,404)	-	493
Central	-	-	-	-	-
Inner London	2,102	98,314	(100,416)	-	-
Greenwich	7,680	52,743	(60,423)	-	-
Total restricted funds	25,148	516,821	(530,154)	-	11,815
Designated funds:					
Operational fixed assets fund	471,095	-	-	(10,683)	460,412
Fixed asset investment fund	1,722,764	-	-	13,917	1,736,681
Pension liability fund	(242,127)	-	-	13,127	(229,000)
Total unrestricted designated funds:	1,951,732	-	-	16,361	1,968,093
Total unrestricted general funds:	130,040	483,579	(460,456)	6,339	159,502
Total funds	2,106,920	1,000,400	(990,610)	22,700	2,139,410

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 2019

10. MOVEMENT IN FUNDS (continued)

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 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)	4569	2,106,920

Transfers in funds represent programmes funded from unrestricted income.

Notes to the Accounts

For the year ended 31 March 2019

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Bank & Cash £	Other Net Assets / (Liabilities) £	Total 2019 £
Restricted funds	-	-	11,815	-	11,815
Unrestricted general funds	-	-	298,728	(139,226)	159,502
Unrestricted designated funds	460,412	1,736,681	-	(229,000)	1,968,093
Net assets at 31 March 2019	460,412	1,736,681	310,543	(368,226)	2,139,410

PRIOR YEAR 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

Notes to the Accounts

For the year ended 31 March 2019

12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £189,603 (2018: £185,961) 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 £520 (2018: £2,990).

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 £229,000 in respect of the above liability to the scheme as at 31 March 2019 (2018: £242,127).

15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2018: £nil).

16. OPERATING LEASE COMMITMENT

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

	2019 £	2018 £
Less than 1 year	15,638	26,088
1 – 2 years	-	15,638
Total	<u>15,638</u>	<u>41,725</u>