

# welcare

*strengthening families since 1894*

## TRUSTEES' REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

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

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## Legal & Administrative Information

<b>Trustees</b>	<b>Cherry Murdoch (Chair)</b> <b>Mary Evans (Vice Chair) (to 8 May 2020)</b> <b>Sarah Harty (Honorary Treasurer)</b> <b>Sara Drake (to 18 November 2019)</b> <b>Megan Pacey (to 8 May 2020)</b> <b>Debbie Haith</b> <b>Anne Coates</b> <b>The Ven Moira Astin</b> <b>Rachel Phillips (from 18 November 2019)</b> <b>Angela Blackwood (from 18 November 2019)</b> <b>Elizabeth Rackow (from 18 November 2019)</b> <b>Paulette Tajah-Bell (from 18 November 2019)</b> <b>Revd Davy Nyirongo (from 18 November 2019)</b> <b>Ruth Martin (from 17 February 2020)</b>
<b>Chief Executive Officer</b>	<b>Anna Khan</b>
<b>Management Team</b>	<b>Hannah Franklin</b> <b>Lynn James</b> <b>Fay Morris</b> <b>Barbara Wilson</b> <b>Diane Taylor</b>
<b>Charity Number</b>	<b>1107859</b>
<b>Company Number</b>	<b>5275749</b>
<b>Registered Name</b>	<b>Southwark Diocesan Welcare</b>
<b>Principal Address &amp; Registered Office</b>	<b>19 Frederick Crescent</b> <b>London SW9 6XN</b>
<b>Auditor</b>	<b>Haysmacintyre LLP</b> <b>10 Queen Street Place</b> <b>London EC4R 1AG</b>
<b>Banker</b>	<b>National Westminster Bank plc</b> <b>London Bridge Branch</b> <b>PO Box 35</b> <b>10 Southwark Street</b> <b>London SE1 1TJ</b>
<b>Solicitors</b>	<b>Bates Wells &amp; Braithwaite</b> <b>10 Queen Street Place</b> <b>London EC4R 1BE</b>

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## Our Centres

### Registered Office

Central Office  
19 Frederick Crescent  
London SW9 6XN

Tel: 020 7820 7910

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

### Inner London Service

19 Frederick Crescent  
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Tel: 020 7820 7913

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

### South-East London:

#### Bromley Centre

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Rushet Road  
Orpington  
Kent BR5 2PU

Tel: 020 8466 0399

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

#### Greenwich Centre

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SE18 4HN

Tel: 020 8854 3865

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

### South-West London:

Child and Family Support Service (South-West London)

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Sheen Lane  
East Sheen  
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Tel: 020 8893 9123

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Tel: 01737 780884

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



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



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



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



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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. This report is written, however, against a background of turmoil and change as we face the global pandemic, Covid-19. While we want to celebrate our achievements this year as a charity, we are mindful, as trustees, of our great responsibility in steering Welcare through the current crisis.

In June 2019, we celebrated our 125<sup>th</sup> anniversary with a Thanksgiving Service in Southwark Cathedral with the Bishop of Southwark leading the service. Many past members of staff, volunteers and trustees attended making it a wonderfully joyful occasion.

During our 125<sup>th</sup> anniversary year we have continued to offer individual support to families and accredited programmes to strengthen family life and to support children and non-abusing parents who have experienced domestic violence and abuse. We have developed our partnerships with schools to deliver two schools-based programmes: one aimed at promoting respectful behaviour towards oneself and others and another to ease the challenges faced by some children during the transition from primary to secondary school.

Welcare adapted our face-to-face services quickly to the changing circumstances in March. As a charity working directly with families, Welcare's support for families during the Covid-19 pandemic has included provision of supermarket food vouchers, telephone advice and access to funding for laptops for school children.

Increasing our funding base has continued to be challenging. We are particularly pleased that Welcare's East Surrey service has been successful in securing the contract for the Family Centre in Redhill and, in partnership with East Surrey YMCA, the contract to deliver Early Help in the borough of Reigate and Banstead. We are grateful to those individuals, churches, schools and trusts who fund and support our work including the Diocese of Southwark, BBC Children in Need, The Netherby Trust, Sherborne in the Community, Richmond Parish Lands Charity, Big Lottery, Community Foundation for Surrey, Sisters of the Holy Cross, the Porta Pia Foundation, London Borough of Wandsworth, the Greenwich Charitable Trust, and the trusts of the Mercers', Leathersellers' and Girdlers' Companies.

The Board led a successful open recruitment drive for new trustees resulting in appointing six trustees with a diversity of skills and experience. Their enthusiasm and commitment is already helping to prepare the Board for the huge challenges ahead.

As we review our current 2018-2021 Strategic Business Plan and prepare for our next 3-year strategy, we will ensure our services are fit for purpose, add value and address the greatest need in a rapidly changing environment.

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 including those who are coming to the end of their term of office after serving six years on the Board; 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.

Finally, I would like to commend to you all the families and children whom we serve. Their well-being and security is our primary concern and purpose. In everything we do whether as staff,

trustees, volunteers, or fundraisers, our focus will always be on responding to those families and children in need by loving service. At a time of crisis, our resolve is to adapt as Welcare has done for over 125 years.



Cherry Murdoch

## Trustees' Report

### Introduction

The trustees, who are also directors of Southwark Diocesan Welcare for the purposes of the Companies Act 2006, are pleased to submit their annual report and audited financial statements for the year ended 31 March 2020. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2015 – Second Edition effective 1 January 2019, the Companies Act 2006 and applicable UK accounting standards in preparing the annual report and financial statements of the organisation.

### Public Benefit

The trustees confirm that they have complied with their duty under Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

## Objectives and Activities

### Objects of the Charity

Welcare is governed by the articles of association and memorandum dated 2 November 2004 and amended 29 September 2010 and 23 September 2015. The objects of the charity are:

- The relief of poverty and distress and the promotion of any charitable purpose for the benefit of families, children and pregnant women
- The promotion of the social mission of the Christian church
- The advancement of education for the public benefit

### Aims of the Charity

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

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

1. Support families and children to develop resilience, confidence and self-esteem.
2. Enable children and families to thrive within their communities.
3. Provide practical support to meet immediate needs.

4. Work with families to prevent the need for statutory social work interventions.
5. Develop our services to support children's emotional health and well-being.
6. Work collaboratively with the community, schools and churches.

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

### **Activities of the Charity**

#### **Identifying the need**

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

#### **For children aged between 8 and 13**

- Absence from school
- Previous experience of trauma, including exposure to domestic abuse
- Risky behaviour
- Poor self esteem
- Social exclusion
- Difficult transition to secondary education
- Impact of gang culture and the risk of serious youth crime

#### **Parents with children up to the age of 13**

- Poor parent/child relationships
- Poor housing or home environment impacting children's health
- Experience of domestic abuse and violence
- Stepping down from specialist Children's Services
- Inappropriate chastisement
- Relationship breakdown
- Low income and 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 126 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 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 and mentoring services for children aged 8-13. We delivered universal services at our Children's Centre in Redhill until 31 October 2019. We were successful in our application to deliver targeted family support services on behalf of Surrey County Council and have done so from our Family Centre in Redhill since 1 November 2019. We have provided an Early Help service in partnership with East Surrey YMCA since January 2020. Volunteers assist families with a range of practical help and emotional support and with our group work programmes. 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. The Covid-19 pandemic began to impact the charity's activities from the beginning of March 2020. Fortunately, the charity had a robust business continuity plan in place and staff were able quickly to move to home-working and continue to serve children and families. We adapted our programmes to deliver support more flexibly whilst focussing on those for whom social distancing and the closure of schools has exacerbated existing tensions and hardship. We have also launched a trial online parenting course for parents whose children have been referred to a youth offending team.

## Achievements and Performance

### Performance against objectives

We have continued to build our Child and Family Support Service to enable delivery of a consistent community-based service throughout South London boroughs and extending into East Surrey. This service has been provided alongside services delivered at our centre in Redhill in partnership with Surrey County Council. Our most significant achievements of the last year included:

- Supporting over 1100 families with over 1200 associated children.
- The recruitment of 6 new trustees bringing a range of skills and experience to our Board.
- We were successful in our application to deliver targeted family support services (replacing the universal service) on behalf of Surrey County Council from our Redhill Centre. As a result, a number of staff were transferred to Welcare from closing Children's Centres under TUPE arrangements. Welcare carried out a consultation, reorganisation, selection and redundancy process. The Welcare Family Centre, Redhill became fully operational on 1 November 2019.
- We continued to deliver the Strengthening Families Strengthening Communities Parenting Programme and our MySpace domestic abuse treatment and recovery programme in all our London centres.
- We delivered a number of school-based programmes working alongside children, their parents and teachers to support children and help build their emotional resilience and to ease the transition to secondary school.
- In partnership with Lambeth North Deanery, Southwark Diocese, we delivered a summer holiday activity programme aimed at alleviating holiday hunger and promoting stable and healthy family relationships.
- We recruited and trained volunteer child mentors for each of our centres to support children aged 8-13.

- In partnership with East Surrey YMCA we were awarded a contract to deliver Early Help family support in Reigate and Banstead.
- We celebrated our 125<sup>th</sup> Anniversary with a Service of Thanksgiving at Southwark Cathedral on 15 June 2019 and publication of a commemorative brochure.
- Our #CapeAbility campaign aimed at attracting a new generation of supporters was formally launched at our Anniversary Service. Resources using themes of capes and super-heroes have been shared with schools and junior church groups.
- Our partnerships with Kingston University School of Social Work and the South-West London and Surrey Social Work Teaching Partnership have enabled us to access training for our social workers and family support workers and to offer social work student placements. These have provided an additional temporary resource for our work with families.
- The implementation of a digital communications strategy to promote the work of the charity and diversify the supporter base.

## Outcomes

Welcare staff and volunteers work alongside parents to give children secure and confident childhoods and to enable them to thrive in the future. We strive to empower families with children up to the age of 13 by offering practical and emotional support to overcome challenges and change lives for the better. To achieve this, we:

- Support children and families to have nurturing relationships free from harm
- Support children and families to feel connected to their local community
- Increase family resilience and improve parenting skills and capacity to enable children to experience effective parenting
- Support young people and parents to increase their health and emotional development
- Encourage participation in our group work programmes to promote self-care skills, independence, self-esteem and resilience
- Support children and parents to recover from domestic abuse and develop strategies to prevent abuse in future relationships
- Provide practical support and access to emergency funding to meet immediate needs and improve family well-being

### Welcare Child and Family Support Services – Practical and Emotional Support for Individual Families

Centre/Service	Families (2019-2020)	Associated Children (2019-2020)
Bromley	45	56
East Surrey*	101	196
Greenwich	49	53
Inner London	76	100
South-West London	117	187
East Surrey Children's Centre and casework	902	833
<b>Total</b>	<b>1189</b>	<b>1229</b>

\*Not included in total as the East Surrey Children's Centre and casework figure includes the East Surrey figure

In addition, 101 individual children from 87 families benefitted by attending groups, programmes or activities hosted by Welcare.

Welcare uses the Family Outcomes Star+ (for parents) and MyStar (for children) to measure the impact of our work. Our aim is to focus on long-term positive change. Each scale on the star is more than just a set of numbers from 1 to 10 or 1 to 5 – they are underpinned by the Journey of Change for that Star. The Journey of Change is a theory of change that sets out the stages people go through when making sustainable changes in their lives, meaning the attitude and behaviour expected at each of the points on each scale are clearly defined. Each Journey of Change is specific to the individual Star that it describes in order to more effectively engage with and capture service users' change.

Measuring **Outcomes** and the **Impact** of our work using Family Outcomes Star+ and My Star, Welcare has demonstrated that 88% 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, churches and other voluntary organisations 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.

In the short term, Welcare continues to focus support on families exposed to domestic abuse and violence and staff have adapted services to meet the changing needs of service users during the coronavirus pandemic, especially digital exclusion and support with children's behaviour at home. We are applying for Covid-19 related funding to trial new ways of working remotely.

The Board of Trustees is developing the strategic plan for 2021-2024 mindful of the global pandemic, its impact on vulnerable families, how service delivery has changed over recent months and Welcare's 126 year history of adapting services to meet local need. Welcare will develop a new three year plan for 2021-24 which will include:

- a) contingency planning to accommodate possible budget cuts triggered by the coronavirus pandemic
- b) reviewing the aspirational target of 20% growth in income by 2021.

## Contributions from Volunteers

Our volunteers are a key, valued part of our service delivery. We have an innovative and comprehensive programme to engage, support and recognise the role they play. Our Investing in Volunteers accreditation from the United Kingdom Volunteering Forum (UKVF) has

successfully been renewed until 2022 and recognises the strength of our volunteer recruitment, training and ongoing support procedures.

Although face-to-face support from volunteers has been suspended during the Covid-19 pandemic, 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 35 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 1300 hours of volunteer support across all our services.

We celebrated the contributions of our volunteers and supporters at an event in the spring.

## Financial Review

Income for the year of £1,123k shows an increase of £122k compared with the previous year's total of £1,001k.

Donations amounting to £26k were received from individual supporters (2019: £43k) and £88k from fundraising events (2019: £91k). Investment income amounted to £12k (2019: £12k) and rental income of £120k was derived from properties (2019: £117k).

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, Sisters of the Holy Cross, the Porta Pia Foundation, Community Foundation for Surrey, Richmond Parish Lands Charity, Sherborne in the Community, the Greenwich Neighbourhood Fund 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 £1,044k (2019: £991k) including £593k of expenditure from restricted funds (2019: £530k).

The increase in income and expenditure has resulted in a surplus of £63k before losses on investments (2019: surplus of £10k).

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 2020 totalled £2,202k (2019: £2,139k) including £57k of restricted reserves and £2,001k of designated funds.

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

fixed asset investment fund represents the value of the investment property and listed securities held as these are held for long-term income generation and are not freely available as liquefiable assets. The designated pension liability fund represents the amounts owed to The Pension's Trust in respect of the pension deficit and is not part of the operational expenditure of the charity.

The Board considers that free reserves (defined as total reserves less designated and restricted funds) should be maintained at an amount equivalent to three to four months of the current year's expenditure. This gives a minimum level of £261k. The Board considers that the minimum level is adequate to support current and anticipated levels of activity, to enable it to respond to opportunities and to provide for emergencies. The target level of three to four months' reserves reflects realistic commitments on salaries, rent and other expenditure.

Free reserves are currently £167k. This is below the target level. Welcare will develop a new three-year plan for 2021-24 which will include contingency planning to accommodate possible budget cuts triggered by the coronavirus pandemic. 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 2020 fixed asset investments were valued at £1,723k including £1,520k of investment properties. There were net losses on investments of £16k in the year compared with a £23k gain in the year ended 31 March 2019. A full revaluation of all properties was last undertaken in 2016. A formal revaluation of investment properties is scheduled for 2021.

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 to quarterly Board meetings.

The Board of Trustees holds investment properties. Welcare relies on income from property investments to finance service delivery and to provide a level of protection when grant funding comes to an end. Rental income from the properties is used for the furtherance of the aims and objectives of the charity. These assets provide essential income streams for our service delivery.

### **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 to complaints and act as best we can to address their concerns. Any enquiries regarding fundraising can be directed to [fundraising@welcare.org](mailto:fundraising@welcare.org), while complaints should be made in writing to: Welcare Fundraising, 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 taken steps to ensure compliance with the General Data Protection Regulation (GDPR) and all staff are required to complete a GDPR e-learning module at least every three years.

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

### **Principle Risks and Uncertainties**

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, Data Protection, Investment Policy etc. All Welcare's policies are reviewed regularly and updated in line with changes in legislation, regulation and best practice.

Welcare's ability to respond to and withstand the risks presented by a global pandemic was assessed by trustees and a number of mitigations were identified. These included the ability for all staff to access remote working and to move quickly to offer family support by telephone and on-line. Welcare already had a business continuity plan which is reviewed annually. A Standing Committee of the Board was established to enable a rapid Board level response to the crisis. Welcare responded quickly to emergency needs of service users by launching an appeal to raise money for supermarket vouchers and continued to receive donations from individuals and local churches. Welcare's income from its principal funders, including the Diocese of Southwark, trusts and foundations, has not yet been adversely affected by the Covid-19 crisis. Trust funding applications submitted before the Covid-19 lockdown remain outstanding and there is uncertainty about levels of future income from the Diocese of Southwark and individual churches. The situation is unlikely to become clear until the autumn of 2020. In mitigation, some funders have provided additional emergency grant funding and applications for Covid-19 related funding have been submitted. Welcare placed six members of staff on the government's Coronavirus Job Retention Scheme.

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

<b>Category</b>	<b>Risk</b>	<b>Mitigation</b>
Financial	Inability to deliver services and fund projects due to lack of funding for any reason including termination of contracts and over-reliance on particular supporters and funders.	<ul style="list-style-type: none"> <li>• Diversify funding streams and develop new supporters.</li> <li>• Promote regular giving scheme.</li> <li>• Improve communications between the charity and supporters by producing regular newsletters.</li> <li>• Develop sustainable services independent of local authority contracts.</li> <li>• Appointment of Trusts and Foundations Fundraising Officer.</li> <li>• Maintain a good local profile.</li> </ul>
Operational	Failure or misuse of IT systems resulting in total disruption to services and/or reputational damage to Welcare resulting from misuse.	<ul style="list-style-type: none"> <li>• Upgrade to Windows 10 and change of IT provider specialising in supporting charities.</li> <li>• Work with IT provider towards gaining Cyber-Essentials Certification</li> <li>• Clear policy on acceptable use of IT contained in staff handbook</li> <li>• Compliance with GDPR to mitigate risk of accidental or malicious loss of personal data.</li> </ul>
Operational	Failure to recruit and retain professional, skilled and experienced staff to work in south London and East Surrey, endangering service delivery.	<ul style="list-style-type: none"> <li>• Emphasise the advantages of working for Welcare</li> <li>• Review salary levels and role descriptions</li> </ul>
Governance	Ability to maintain a skilled and diverse trustee Board and in particular the recruitment of trustees with professional social work qualifications and expertise.	<ul style="list-style-type: none"> <li>• Strengthen and use local professional networks to encourage Board membership.</li> <li>• Actively recruit trustees with specific professional skills.</li> </ul>

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"> <li>• External Safeguarding Supervisor.</li> <li>• Independent Safeguarding Audit every three years.</li> <li>• Rigorous application and annual review of Safeguarding policy.</li> <li>• Safer recruitment processes.</li> <li>• Mandatory safeguarding training for all staff and volunteers.</li> <li>• DBS checks carried out for all eligible staff, volunteers and trustees.</li> <li>• Robust supervision, complaints and referral processes.</li> </ul>
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## Structure, Governance and Management

### Governing Document

Southwark Diocesan Welcare is a charitable company limited by guarantee. It was established under a Memorandum of Association and is governed under its Articles of Association. Revised Articles of Association were adopted by a special resolution passed at the charity's AGM on 23 September 2015. The members of the organisation are limited to the trustees for the time being who may serve two terms of three years which, in exceptional circumstances and with the agreement of the Board, can be extended for one additional three-year term. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

### Trustees

The directors of the company are also the charity trustees. Trustees serve fixed terms of office. The Anglican Bishop of Southwark has the right to nominate up to two trustees. The Bishop's nominees are Anne Coates and Ruth Martin.

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 2019-2020.

An induction process and pack provides new trustees with the detailed information about the charity required for their role. The Board received the recommendations from an independent review of Board effectiveness in May 2019 and, following the review, held a facilitated planning day in November 2019. 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 Welcare's professional advisers. Welcare is a member of the NCVO and trustees are able to access a wide range of online training and resources to support them in their role.

### Organisational Structure

The Board currently has eleven members who meet at least four 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 six trustee members and is attended by the CEO.
- The Services Committee provides Board level oversight of all Welcare's services and operations. The committee has five trustee members and 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.

In addition, a new Standing Committee of the Board consisting of the Chair, Vice-Chair and Chairs of the Services and Finance and Development Committees has been established. The Standing Committee has delegated authority to conduct business of the Board between the Board meetings and reports regularly to the Board.

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 Family 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. This year staff training covered Values Based Practice including the theoretical underpinnings of a values-based approach to social work and family support practice, how these are relevant to, and can be applied in, Welcare, and values based practice and the law.

Welcare employs a part-time Fundraising Officer responsible for submitting funding applications to Trusts and Foundations. Significant fundraising achievements included:

- Participation in the ASICS London 10k London Run. Our runners, joggers and walkers raised over £2,947 for Welcare.
- Total income from trusts of £253,406.
- Fundraising events hosted by our loyal supporters which raised in excess of £12,840.
- Continued integration of 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.
- Roll-out of our #CapeAbility campaign 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 and has led to a closer working relationship with the Southwark Diocesan Board of Education.
- The implementation of a digital communication strategy which promoted the work of the charity and diversified the supporter base.

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 Chair of the Services Committee holds Board level responsibility for safeguarding. During 2020-2021, an independent safeguarding consultant will carry 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. We have recently entered into new contracts with Surrey County Council and have developed partnership working with East Surrey YMCA. Welcare is building future services around local needs and local support. Welcare works within the legislative framework of the Children Acts of 1989 and 2004 and the Children and Families Act 2014. Welcare is in regular contact with other charities serving children and families through active membership of Children England.

Welcare has a strong relationship with the Church of England and receives a significant annual grant towards its work from the Anglican Diocese of Southwark. Welcare also enjoys close relationships with a number of churches in south London boroughs including the Bromley, Beckenham and Orpington deaneries in the Diocese of Rochester and with the Hampton deanery in the Diocese of London where individual church members support Welcare financially, through volunteering and in prayer.

## **Key Management Personnel Remuneration Policy**

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

## **Statement of Trustees' Responsibilities**

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

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

In preparing these accounts the trustees are required to:

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

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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**

**20 July 2020**

## **Opinion**

We have audited the financial statements of Southwark Diocesan Welcare for the year ended 31 March 2020 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 2020 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.

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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](http://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

**20 July 2020**

# Statement of Financial Activities

For the year ended 31 March 2020

	Note	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
<b>INCOME</b>					
<i>Donations and legacies</i>					
Individual Giving		25,591	255	<b>25,846</b>	43,469
<i>Other Trading Activities</i>					
Fundraising Activities		87,568	-	<b>87,568</b>	91,235
<i>Income From Investments</i>					
Investment income		12,195	-	<b>12,195</b>	11,610
Rents received		119,799	-	<b>119,799</b>	117,149
<i>Income From Charitable Activities</i>					
Child & Family Support Services		237,033	197,735	<b>434,768</b>	413,021
Volunteer Programme		-	-	-	1,800
Community Social Work		-	48,871	<b>48,871</b>	67,200
Groups & Workshops		250	45,958	<b>46,208</b>	19,077
Redhill Children's Centre		-	116,400	<b>116,400</b>	232,816
Early Help		-	7,152	<b>7,152</b>	-
Family Centre		-	139,588	<b>139,588</b>	-
Family Centre transition		-	80,157	<b>80,157</b>	-
<i>Other income</i>		2,641	2,236	<b>4,877</b>	3,023
<b>Total income</b>	2	<b>485,077</b>	<b>638,352</b>	<b>1,123,429</b>	<b>1,000,400</b>
<b>EXPENDITURE</b>					
<i>Expenditure on Raising Funds</i>					
Fundraising & Marketing		66,516	-	<b>66,516</b>	51,230
<i>Expenditure on Charitable Activities</i>					
Child & Family Support Services		287,002	181,223	<b>468,225</b>	501,969
Volunteer Programme		9,056	47	<b>9,103</b>	25,907
Community Social Work		12,100	49,705	<b>61,805</b>	83,393
Groups & Workshops		15,967	60,030	<b>75,997</b>	40,989
Redhill Children's Centre		26,484	123,757	<b>150,241</b>	287,122
Early Help		1,677	6,581	<b>8,258</b>	-
Family Centre		16,297	70,098	<b>86,395</b>	-
Family Centre transition		16,340	101,733	<b>118,073</b>	-
<b>Total Expenditure</b>	3	<b>451,439</b>	<b>593,174</b>	<b>1,044,613</b>	<b>990,610</b>
<b>Net income (expenditure) before investments gains/(losses)</b>		<b>33,638</b>	<b>45,178</b>	<b>78,816</b>	<b>9,790</b>
Net (losses)/gains on investments		(16,060)	-	<b>(16,060)</b>	22,700
<b>Net income (expenditure) after investments gains</b>		<b>17,578</b>	<b>45,178</b>	<b>62,756</b>	<b>32,490</b>
<b>Net movement in funds</b>		<b>17,578</b>	<b>45,178</b>	<b>62,756</b>	<b>32,490</b>
<b>Fund balances brought forward at 1 April 2019</b>		<b>2,127,595</b>	<b>11,815</b>	<b>2,139,410</b>	<b>2,106,920</b>
<b>Funds balances carried forward at 31 March 2020</b>		<b>2,145,173</b>	<b>56,993</b>	<b>2,202,166</b>	<b>2,139,410</b>

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 2020

welcare  
strengthening families since 1894

Registered company number 05275749

	Note	2020 £	2020 £	2019 £	2019 £
<b>Operational Fixed Assets</b>	6		<b>467,251</b>		460,412
<b>Fixed Asset Investments</b>	7		<b>1,722,472</b>		1,736,681
<b>Current assets</b>					
Debtors	8	<b>62,134</b>		20,945	
Short term investments		<b>105,811</b>		107,662	
Cash at bank & in hand		<b>177,372</b>		202,881	
<b>Current assets</b>		<b>345,317</b>		331,488	
<b>Creditors: amounts falling due within one year</b>	9	<b>(183,453)</b>		(198,121)	
<b>Net current assets</b>			<b>161,864</b>		133,367
<b>Creditors: amounts falling due after one year</b>	9		<b>(149,421)</b>		(191,050)
<b>Net assets</b>	10		<b>2,202,166</b>		2,139,410
Restricted funds	10		<b>56,993</b>		11,815
Designated funds	10				
Operational fixed assets			<b>467,251</b>		460,412
Fixed assets investments			<b>1,722,472</b>		1,736,681
Pension liability			<b>(188,509)</b>		(229,000)
General funds			<b>143,959</b>		159,502
<b>Total funds</b>			<b>2,202,166</b>		2,139,410

The financial statements were approved by the Board and authorised for issue on 20 July 2020 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 2020

	2020 £	2020 £	2019 £	2019 £
<b>Cash flows from operating activities:</b>				
Net income for the year	62,756		32,490	
<b>Adjustments for:</b>				
Depreciation charges	11,714		10,683	
Gains on revaluation of investments	16,060		(22,700)	
Dividends, interest & rents from investments	(131,994)		(128,759)	
Decrease/(increase) in debtors	(41,189)		1,434	
Decrease/(increase) in creditors	(56,297)		38,972	
<b>Net cash provided by operating activities</b>		<b>(138,950)</b>		<b>(67,880)</b>
<b>Cash flows from investing activities:</b>				
Purchase of tangible fixed assets	(18,553)		-	
Dividends, interest & rents from investments	131,994		128,759	
<b>Net cash used in investing activities</b>		<b>113,441</b>		<b>128,759</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(25,509)</b>		<b>60,879</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>202,881</b>		<b>142,002</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>177,372</b>		<b>202,881</b>

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) – (Charities SORP 2015 (Second Edition, effective 1 January 2019), 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 assumption is appropriate in preparing these financial statements. The trustees have made this assessment to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on collections and other voluntary income. After making enquiries the trustees have concluded that there are no material uncertainties and there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

### (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 judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if

the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

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

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

**(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 income 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.

As a result of the transfer of 2 members of staff to the Family Centre, Welcare is in the process of obtaining admitted body status to the Local Government Pension Scheme (LGPS). Welcare will enter into a side agreement to restrict the charity's exposure to the LGPS liabilities.

# Notes to the Accounts

For the year ended 31 March 2020

## 2. ANALYSIS OF INCOME

	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Donations</b>			
Donations and fundraising	113,159	255	113,414
<b>Grants</b>			
South London Church Fund	192,433	-	192,433
Surrey County Council:			
- Redhill Children's Centre	-	116,400	116,400
- Children's social care	-	48,871	48,871
- Early Help		7,152	7,152
- Family Centre		139,588	139,588
- Transition to Family Centre		80,157	80,157
Big Lottery	-	79,930	79,930
BBC Children in Need	-	36,528	36,528
Netherby Trust	35,000	-	35,000
Mercers	-	47,741	47,741
Grants of under £20,000	9,850	79,494	89,344
<b>Total Grants</b>	<b>237,283</b>	<b>635,861</b>	<b>873,144</b>
Investment income & rent receivable	131,994	-	131,994
Other income	2,642	2,236	4,877
<b>Total income</b>	<b>485,078</b>	<b>638,351</b>	<b>1,123,429</b>
	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>
<b>Donations</b>			
Donations and fundraising	133,349	1,355	134,704
<b>Grants</b>			
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
<b>Total Grants</b>	<b>218,788</b>	<b>515,126</b>	<b>733,914</b>
Investment income & rent receivable	128,759	-	128,759
Other income	2,683	340	3,023
<b>Total income</b>	<b>483,579</b>	<b>516,821</b>	<b>1,000,400</b>

# Notes to the Accounts

For the year ended 31 March 2020

## 3. ANALYSIS OF TOTAL EXPENDITURE

	Direct Staff Costs £	Direct Other Costs £	Support Costs Allocated £	2020 Total £
<i>Expenditure on Raising Funds</i>				
Fundraising & Marketing	22,287	32,273	11,956	<b>66,516</b>
<i>Expenditure on Charitable Activities</i>				
Child & Family Support Services	288,372	100,786	79,066	<b>468,225</b>
Volunteer Programme	5,642	1,914	1,547	<b>9,103</b>
Community Social Work	44,130	5,575	12,100	<b>61,805</b>
Groups & Workshops	56,989	3,382	15,626	<b>75,997</b>
Redhill Children's Centre	90,448	34,994	24,799	<b>150,241</b>
Early Help	6,115	466	1,677	<b>8,258</b>
Family Centre	58,401	11,981	16,013	<b>86,395</b>
Family Centre transition	59,593	42,140	16,340	<b>118,073</b>
<b>Total Expenditure</b>	<b>631,977</b>	<b>233,511</b>	<b>179,125</b>	<b>1,044,613</b>

	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
<b>Total Expenditure</b>	<b>580,418</b>	<b>220,063</b>	<b>190,129</b>	<b>990,610</b>

## ANALYSIS OF SUPPORT COSTS

Support costs can be analysed as follows:

	2020 £	2019 £
<i>Governance</i>		
Audit fee	7,710	6,573
Trustee and other meeting costs	13	13
AGM and other	5,685	402
Staff costs allocated to Governance	<b>6,846</b>	7,547
	<b>20,254</b>	14,535
<i>Other Support costs</i>		
Other Support costs	61,797	70,627
Staff costs allocated to Support	<b>97,073</b>	104,967
<b>Total support costs</b>	<b>179,124</b>	190,129

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

# Notes to the Accounts

For the year ended 31 March 2020

## 4. RESULTS FOR THE YEAR

Expenditure includes:	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Auditors' remuneration:	7,470	6,573
Depreciation	11,714	10,683

## 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 £79,597 (2019: £77,976).

Staff costs were as follows:	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Salaries and wages	659,816	628,904
Social Security costs	52,981	48,129
Pension contributions	23,071	15,899
Redundancy	35,930	-
	<b>771,798</b>	<b>692,932</b>

One employee earned between £60,000 and £70,000 during the year (2019: one). Redundancy payments of £35,787 were made during the year, £33,480 of which was paid on behalf of Surrey County Council for redundancies as a result of the new Family Centre contract. (2019: £nil).

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

	2020 No.	2019 No.
Fundraising and publicity	1.6	0.6
Charitable activities	17.8	19.1
	<b>19.4</b>	<b>19.7</b>

The average number of staff employed during the year was 22 (2019: 23).

No member of the Board of Trustees received remuneration for their services during the year (2019: £nil). No trustees were reimbursed for out of pocket expenses (2019: £nil).

# Notes to the Accounts

For the year ended 31 March 2020

## 6. OPERATIONAL FIXED ASSETS

	Operational freehold land and buildings in use £	Office furniture & equipment £	Computer equipment £	Total 2020 £
<i>Cost or Valuation</i>				
As at 1 April 2019	582,221	6,021	8,653	596,895
Additions	-	-	18,553	18,553
At 31 March 2020	582,221	6,021	27,206	615,448
<i>Accumulated depreciation</i>				
As at 1 April 2019	121,986	5,844	8,653	136,483
Charge for the year	10,513	177	1,024	11,714
At 31 March 2020	132,499	6,021	9,677	148,197
<i>Net book value</i>				
At 31 March 2020	449,722	-	17,529	467,251
At 31 March 2019	460,235	177	-	460,412

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

## 7. FIXED ASSET INVESTMENTS

	Investment properties £	Other investments £	Total 2020 £	Total 2019 £
Balance at 1 April 2019	1,520,000	216,681	1,736,681	1,722,764
Gains on revaluation	-	(14,209)	(14,209)	13,917
Balance as at 31 March 2020	<b>1,520,000</b>	<b>202,472</b>	<b>1,722,472</b>	<b>1,736,681</b>

The investment properties were revalued at 31 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. There has been a rent review at 26 The Green and the rent has been increased in line with RPI as set out in the terms of the lease. All rents are being received. The trustees have considered the impact of COVID19 on the property sector and in turn on the investment properties; however, in light of long-term tenancies and no appropriate market benchmarks being available, they do not consider the properties to have materially altered in value. They will undertake a formal revaluation of investment properties in March 2021 in line with their policy to do so every five years.

# Notes to the Accounts

For the year ended 31 March 2020

## 8. DEBTORS

	Total 2020 £	Total 2019 £
Prepayments	2,936	1,407
Accrued income	59,198	19,538
	<u>62,134</u>	<u>20,945</u>

## 9. CREDITORS

	Total 2020 £	Total 2019 £
<b>Accounts falling due within one year:</b>		
Trade creditors	5,919	11,415
Deferred income and accruals	114,679	134,940
Other taxes & social security	23,290	12,836
Other creditors	477	980
Pension provision	39,088	37,950
<b>Total Creditors</b>	<u>183,453</u>	<u>198,121</u>
<b>Deferred grant income</b>		
Balance brought forward	120,015	68,865
Amount released to grant income	(120,015)	(68,865)
Amount deferred in the year	83,663	120,015
	<u>83,663</u>	<u>120,015</u>
	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Accounts falling due after more than one year:</b>		
Pension provision	<u>149,421</u>	<u>191,050</u>

# Notes to the Accounts

For the year ended 31 March 2020

## 10. MOVEMENT IN FUNDS

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers and gains/(losses) on investments £	As at 31 March 2020 £
<b>Restricted funds:</b>					
East Surrey	11,322	401,588	(358,039)	-	54,871
Southwest London	-	24,568	(24,318)	-	250
Bromley	493	33,743	(33,790)	-	446
Inner London	-	111,528	(110,352)	-	1,176
Greenwich	-	66,924	(66,674)	-	250
<b>Total restricted funds</b>	<b>11,815</b>	<b>638,351</b>	<b>(593,173)</b>	<b>-</b>	<b>56,993</b>
<b>Designated funds:</b>					
Operational fixed assets fund	460,412	-	-	6,839	467,251
Fixed asset investment fund	1,736,681	-	-	(14,209)	1,722,472
Pension liability fund	(229,000)	-	-	40,491	(188,509)
<b>Total unrestricted designated funds:</b>	<b>1,968,093</b>	<b>-</b>	<b>-</b>	<b>33,121</b>	<b>2,001,214</b>
<b>Total unrestricted general funds:</b>	<b>159,502</b>	<b>485,077</b>	<b>(451,439)</b>	<b>(49,181)</b>	<b>143,959</b>
<b>Total funds</b>	<b>2,139,410</b>	<b>1,123,428</b>	<b>(1,044,612)</b>	<b>(16,060)</b>	<b>2,202,166</b>

### Restricted Funds

East Surrey – these funds represent grants from Surrey County Council to provide Early Help, family support and a children’s centre (subsequently, a Family 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.

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

Greenwich – these funds represent restricted funding for a MySpace programme.

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.

# Notes to the Accounts

For the year ended 31 March 2020

## 10. MOVEMENT IN FUNDS (continued)

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.

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

Transfers in funds represent programmes funded from unrestricted income.

# Notes to the Accounts

For the year ended 31 March 2020

## 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 2020 £
Restricted funds	-	-	56,993	-	56,993
Unrestricted general funds	-	-	226,190	(82,231)	143,959
Unrestricted designated funds	467,251	1,722,472	-	(188,509)	2,001,214
<b>Net assets at 31 March 2020</b>	<b>467,251</b>	<b>1,722,472</b>	<b>283,183</b>	<b>(270,740)</b>	<b>2,202,166</b>

## PRIOR YEAR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Operational Fixed Assets £	Investments £	Short term investment and cash at bank £	Other Net Assets / (Liabilities) £	Total 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
<b>Net assets at 31 March 2019</b>	<b>460,412</b>	<b>1,736,681</b>	<b>310,543</b>	<b>(368,226)</b>	<b>2,139,410</b>

# Notes to the Accounts

For the year ended 31 March 2020

## 12. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

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

## 13. RELATED PARTIES

During the year Southwark Diocesan Welcare received a grant of £192,433 (2019: £189,603) from Southwark Diocesan Board of Finance. Under the Articles of Association of the charity, the Anglican Bishop of Southwark has the right to nominate up to two Trustees and to approve the appointment of the Chair from among the Trustees. The Bishop's nominees are Ruth Martin, the Diocesan Secretary, and Anne Coates.

Aggregated donations to the charity from trustees during the year amounted to £440 (2019: £520). There have been no other related party transactions and all trustees and key management personnel have signed related party declarations.

## 14. PENSION ARRANGEMENTS

### Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 31 January 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 £188,509 in respect of the above liability to the scheme as at 31 March 2020 (2019: £229,000).

## 15. CAPITAL COMMITMENTS

There were no capital commitments at year end (2019: £nil).

## 16. OPERATING LEASE COMMITMENT

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

	<b>2020</b>	2019
	£	£
Less than 1 year	2,316	15,638
1 – 2 years	1,544	-
<b>Total</b>	<b>3,860</b>	<b>15,638</b>

## 17. POST BALANCE SHEET EVENTS

Since the year end, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise, as set out in the trustees' report, the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. As a result, the trustees consider the impact of the Covid-19 pandemic to be a non-adjusting post balance sheet event and hence does not warrant any adjustments to these financial statements.

Our communications with current and potential funders around the current circumstances have been very positive, with funders showing an understanding of the challenges, a willingness to be flexible, and an offer to provide more unrestricted funding to see organisations like ours through these challenges. We are feeling reasonably optimistic about the fundraising outlook for the next twelve months.