

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 March 2021
for
WELCOME
(A COMPANY LIMITED BY GUARANTEE)**

Eden Currie Limited
Chartered Accountants
and Statutory Auditor
2 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

WELCOME

**Contents of the Financial Statements
for the Year Ended 31 March 2021**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 10
Statement of Financial Activities	11
Statement of Financial Position	12 to 13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 27

WELCOME

**Reference and Administrative Details
for the Year Ended 31 March 2021**

TRUSTEES

Dr L M Williams
M Lewis
A Darkes
J P Elsegood
C Nickolls

REGISTERED OFFICE

Middlewood House
15 Larch Croft
Chelmsley Wood
Solihull
West Midlands
B37 7UR

**REGISTERED COMPANY
NUMBER**

04241324 (England and Wales)

**REGISTERED CHARITY
NUMBER**

1087511

INDEPENDENT AUDITORS

Eden Currie Limited
Chartered Accountants
and Statutory Auditor
2 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

CEO

Sally Edwards

**Report of the Trustees
for the Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2019).

Welcome is a charitable company limited by guarantee, incorporated on 26 June 2001 and registered as a charity on 13 July 2001. The company was established under a constitution, the governing document which underlines the company objectives, membership, activities, meetings, and how the constitution may be changed. In the event of the company being wound up members are required to contribute an amount not exceeding £10 each.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are:

- a) to provide open access and a single point of contact to a range of drug and alcohol services in Solihull for those individuals whose lives are adversely affected by substance misuse. These services include not only those who use substances, but also their friends and family (who are often also indirectly affected);
- b) to work in partnership to ensure a seamless service is provided for those accessing treatment pathways in the borough of Solihull;
- c) to enable individuals to change their lives in a positive way through the provision of support, advice, and counselling and care co-ordination services.

Significant activities

The Charity's stakeholders have continued to benefit from our provision of services in association with other SIAS partners.

Welcome continues to employ the Single Point of Engagement (SPOE) team, which includes a team leader and two administrators. The team plays a critical role in welcoming and engaging clients into the service, carrying out triage assessments before allocating clients to their keyworker/Practitioner. We employ four full time and one part time adult treatment Practitioners. One of these Practitioners has taken on Additional Responsibility for leading on Harm Reduction and the Needle Exchange Service in Solihull on behalf of the SIAS Partnership.

Welcome has become the SIAS lead in the provision of young persons' services, including early intervention and prevention, treatment and support for children affected by a family member's substance misuse. We employ two YP treatment Practitioners and a Hidden Harm Practitioner funded through the SIAS contract as well as a treatment Counsellor, Hidden Harm Support Worker and Hidden Harm Counsellor thanks to funding from Children in Need. The Hidden Harm Support Worker is able to offer children living with parents or family members with issues around substance misuse the chance to enjoy a wide range of activities, giving them some respite and fun away from their normal environment. These include an annual day trip beyond Solihull, as well as craft workshops, fun days, activities after school and a Christmas party and gifts.

**Report of the Trustees
for the Year Ended 31 March 2021**

OBJECTIVES AND ACTIVITIES

Welcome also acts as Marketing Lead on behalf of the SIAS Partnership and undertook a thorough branding review and refresh during the year, which included updating the website and suite of literature.

Youth Engagement in Birmingham

Thanks to funding from Aquarius, Welcome employs a Youth Engagement Worker who works with young people across Birmingham encouraging them to comment on and improve the provision of services and become peer mentors.

Welcome Change CIC

Welcome Change CIC, a subsidiary undertaking of Welcome charity, has continued to provide opportunities for people who have received treatment and support through SIAS, as well as others with mental health issues or disadvantaged in society, to volunteer, build skills and confidence and make positive contributions in the community. This in turn helps them to better integrate into society. The CIC's enterprises currently include a Community Centre, a Community Garden and two Community Hubs. Aiming to 'Encourage Enterprise and Support Communities', our work through the CIC supports communities across East Birmingham including Shard End, Kitts Green/Lea Village, East Meadway and Glebe Farm.

Position at the end of 2021

The charity has been stable throughout the challenges of the pandemic and staff have adapted well first to working from home, then returning to the office working in 'bubbles'. Recruitment continued through lockdowns where necessary.

The Board continued to pay the staff their full salaries as they agreed to top up their furlough income.

Our staff have continued to deliver in terms of their contractual obligations and to shine in terms of their willingness to do whatever it takes to ensure that their clients are well served.

Our co-productive and collaborative relationships with our service users have remained in place and we have continued to take new referrals and work effectively via telephone and online platforms where face to face contact has not been possible.

The need to employ agency staff while we recruited and consultants to support us in covering then reviewing and upgrading our financial processes did lead to a loss in this financial year. The Board considers this to be an investment in the long-term future and stability of the charity. Whilst reduced funding for the delivery of substance misuse services does pose a challenge, the Board is confident that this can be successfully met by both reviewing and streamlining methods of working and seeking additional funding for new projects. As the charity passes its 20 year milestone, the Board is looking forward to the future with confidence and optimism.

Public benefit

The Trustees are aware of the obligations of the charity, which are set out in the Guidance issued by The Charities Commission under the Companies Act 2006. They are confident that the work of the charity in pursuit of its objects is delivering Public Benefit. The Trustees will comply with the future reporting requirements in this regard.

Volunteers

Welcome makes extensive use of volunteers where appropriate and is extremely grateful for the contribution they make to the work of the charity.

**Report of the Trustees
for the Year Ended 31 March 2021**

FINANCIAL REVIEW

Financial position

The charity generated a net deficit of £54,374 (2020: deficit £32,904) for the year ended 31 March 2021. The results for the year are shown on page 11. The charity has total funds of £526,502 (2020: £580,876) at the year end. The Financial position at the year end is shown on page 12.

Principal funding sources

The principal funding source during the year ended 31 March 2021 continued to be from our programme delivery as a SIAS Partner which ensures our charitable activities are met.

Reserves policy

Welcome is committed to maintaining a level of reserves that is prudent to meet ongoing liabilities, sufficient to ensure that all service delivery commitments can be met and to protect the long term future of its operations. The policy seeks to balance these priorities by holding a level of reserves sufficient to:

- ensure the availability of sufficient working funds in hand to ensure that spending commitments can be met and to provide a breathing space in case of unexpected loss of income;
- provide sufficient funds for an orderly wind down in the event of a need to cease our activities.

The charity has total funds of £526,502 (2020: £580,876) at the year end, of which £5,725 is restricted (2020: £10,774).

FUTURE PLANS

The Board is confident that Welcome will continue to manage the challenges it faces as it has a strong foundation and is resilient, both financially and through the expertise and commitment of its staff and volunteer Board members.

The Board acknowledges and thanks the team on the ground for their continued hard work. 2021 has been a more challenging year than anyone could have predicted with the ongoing coronavirus pandemic and further lockdowns, but they have pulled together and come through strongly poised for what we all hope will be a brighter, more 'normal' year ahead.

Welcome is proud to be an essential part of the SIAS partnership and key in bringing the 'local' to the tender process. It is also proud of its ability, as a charity, to secure additional funding to 'add value' to that contract to benefit service users and plans to do more of this in the year ahead.

The transfer of the charity shops in Shard End and Lea Village to the main charity from its subsidiary undertaking, provides an opportunity to develop an unrestricted income stream for the charity in the years ahead. This will become the primary purpose of the shops, whereas their original purpose was to serve their communities, which are areas of high deprivation, and provide volunteering opportunities for people in recovery from addiction.

The Board of Trustees continues to support the charity giving up their essential free time to ensure its sustainability going forward. The Board will continue to provide commitment and guidance, helping to ensure that Welcome is a strong organisation that is able to take difficult decisions and steer its way through any challenges that arise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Report of the Trustees
for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Under the governing document members of the Board are elected to serve for three years after which they must be re-elected at the next Annual General Meeting.

We regularly review the skills of our current Board to ensure the charity has the appropriate level of skill and expertise required to ensure it is effectively directed. If any skill gaps are identified we seek to recruit new Trustees from the communities we serve, with the necessary skills to join the board.

Organisational structure

Welcome has a Board of Trustees which meets six weekly. Day-to-day responsibility rests with the CEO who is responsible for ensuring that the charity delivers the services specified and that service level agreements are achieved. The CEO along with the Service Manager and Senior Practitioner have responsibility for the operational management of the charity, staff supervision and ensuring the staff continue to develop their skills and working practices in line with good practice.

Induction and training of new trustees

Any potential new Trustees are invited to visit the charity and its trading arm and experience its full range of activities in operation. Additionally, Trustees are kept abreast of ongoing work through a short presentation at each Board meeting by a member of the Welcome team.

Members of our existing Board and any new Trustees undertake governance training and are involved in an annual Away Day to facilitate discussions surrounding strategic direction for the charity and CIC.

Key management remuneration

The remuneration paid to the Charity's employees is reviewed annually. The pay is benchmarked against pay levels for other roles with similar responsibilities elsewhere within the sector.

National Drug Strategy

Welcome is guided by both local and national drugs and alcohol policies. The Government has a published Drugs Strategy and an Alcohol Strategy, but the lead responsibility for commissioning drug and alcohol services rests with local authorities.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Throughout the year, effective control over expenditure has been maintained so that our cash balance at the year end remains healthy. As part of our charity's overall risk management, possible dangers to assets and future cash flows have been assessed and deemed to be under satisfactory control.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Welcome for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

**Report of the Trustees
for the Year Ended 31 March 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Eden Currie Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 2 December 2021 and signed on its behalf by:



L. WILLIAMS

Dr L M Williams - Trustee

Opinion

We have audited the financial statements of Welcome (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2021 and of its incoming resources and application of resources, including its result, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Performing audit work over the risk of understatement of income including substantive testing and obtaining corroborated explanations from Management.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Welcome (Registered number: 04241324)**

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 auditors' 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.

Eden Currie Limited

Paul Mannion ACA ACCA (Senior Statutory Auditor)
for and on behalf of Eden Currie Limited
Chartered Accountants
and Statutory Auditor
2 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

2 December 2021

WELCOME

**Statement of Financial Activities
for the Year Ended 31 March 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
	3				
Solihull Integrated Addiction Service		472,658	-	472,658	456,036
BBC Children in Need Grant		-	5,000	5,000	46,802
Active Citizens Award Grant		-	2,847	2,847	1,180
Hidden Harm Grant		-	-	-	3,500
Aquarius Grant		-	30,072	30,072	15,000
Other trading activities	2	123,945	-	123,945	-
Total		596,603	37,919	634,522	522,518
EXPENDITURE ON					
Raising funds	4	108,140	-	108,140	-
Charitable activities					
	5				
Solihull Integrated Addiction Service		524,406	-	524,406	495,144
BBC Children in Need Grant		-	21,182	21,182	44,702
Active Citizens Award Grant		-	960	960	1,212
Hidden Harm Grant		-	-	-	3,500
Aquarius Grant		-	34,208	34,208	10,864
Total		632,546	56,350	688,896	555,422
NET INCOME/(EXPENDITURE)		(35,943)	(18,431)	(54,374)	(32,904)
Transfers between funds	16	(13,382)	13,382	-	-
Net movement in funds		(49,325)	(5,049)	(54,374)	(32,904)
RECONCILIATION OF FUNDS					
Total funds brought forward		570,102	10,774	580,876	613,780
TOTAL FUNDS CARRIED FORWARD		<u>520,777</u>	<u>5,725</u>	<u>526,502</u>	<u>580,876</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Statement of Financial Position
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	31,235	5,725	36,960	44,360
Investments	12	-	-	-	-
		<u>31,235</u>	<u>5,725</u>	<u>36,960</u>	<u>44,360</u>
CURRENT ASSETS					
Debtors	13	76,744	5,000	81,744	8,134
Cash at bank and in hand		445,024	-	445,024	602,643
		<u>521,768</u>	<u>5,000</u>	<u>526,768</u>	<u>610,777</u>
CREDITORS					
Amounts falling due within one year	14	(32,226)	(5,000)	(37,226)	(74,261)
		<u>489,542</u>	<u>-</u>	<u>489,542</u>	<u>536,516</u>
NET CURRENT ASSETS					
		<u>489,542</u>	<u>-</u>	<u>489,542</u>	<u>536,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>520,777</u>	<u>5,725</u>	<u>526,502</u>	<u>580,876</u>
NET ASSETS					
		<u>520,777</u>	<u>5,725</u>	<u>526,502</u>	<u>580,876</u>
FUNDS					
	16				
Unrestricted funds:					
General fund				520,777	570,102
Restricted funds:					
BBC Children In Need Grant				-	2,800
Active Citizens Award Grant				5,725	3,838
Aquarius Grant				-	4,136
				<u>5,725</u>	<u>10,774</u>
TOTAL FUNDS					
				<u>526,502</u>	<u>580,876</u>

WELCOME (REGISTERED NUMBER: 04241324)

Statement of Financial Position - continued
31 March 2021

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 2 December 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Lewis', with a small dot at the end.

M Lewis - Trustee

WELCOME

**Statement of Cash Flows
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(94,082)	155,998
Net cash (used in)/provided by operating activities		<u>(94,082)</u>	<u>155,998</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,440)	(31,841)
Sale of tangible fixed assets		21,000	-
Net cash provided by/(used in) investing activities		<u>10,560</u>	<u>(31,841)</u>
Cash flows from financing activities			
Subsidiary loan (receipt)/payment		(74,097)	35,530
Net cash (used in)/provided by financing activities		<u>(74,097)</u>	<u>35,530</u>
Change in cash and cash equivalents in the reporting period			
		(157,619)	159,687
Cash and cash equivalents at the beginning of the reporting period		<u>602,643</u>	<u>442,956</u>
Cash and cash equivalents at the end of the reporting period		<u><u>445,024</u></u>	<u><u>602,643</u></u>

The notes form part of these financial statements

WELCOME

**Notes to the Statement of Cash Flows
for the Year Ended 31 March 2021**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(54,374)	(32,904)
Adjustments for:		
Depreciation charges	11,097	8,081
Profit on disposal of fixed assets	(14,257)	-
(Increase)/decrease in debtors	(16,052)	148,526
(Decrease)/increase in creditors	(20,496)	32,295
	(94,082)	155,998
	(94,082)	155,998

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	602,643	(157,619)	445,024
	602,643	(157,619)	445,024
Total	602,643	(157,619)	445,024

WELCOME

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

Preparation of consolidated financial statements

The financial statements contain information about Welcome as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Retail income including income from clothing and other items donated for resale through the charity shops are included in income from other trading activities when the sale takes place.

Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Raising funds expenditure comprises of the direct costs of trading through the charity shops.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.

Allocation and apportionment of costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative and management payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the charity's employee profile.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

WELCOME

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Improvements to property	- straight line over the life of the lease
Fixtures and fittings	- 15% straight line
Motor vehicles	- 25% on reducing balance
Furniture and computer equipment	- 20% straight line

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the Statement of Financial Activities.

In common with any other tangible assets, donated goods held as tangible fixed assets are subject to depreciation and an assessment is made at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Grants

Income from grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

WELCOME

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Grants

Government grants

Revenue Government grants will be recognised using the accrual model and will be recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

2. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Charity shop income	45,492	-	45,492	-
Covid grants	61,725	-	61,725	-
Furlough grants	16,728	-	16,728	-
	<u>123,945</u>	<u>-</u>	<u>123,945</u>	<u>-</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Solihull Integrated Addiction Service £	BBC Children in Need Grant £	Active Citizens Award Grant £
Solihull Integrated Addition Service	472,658	-	-
BBC Children in Need Grant	-	5,000	-
Active Citizens Award Grant	-	-	2,847
Hidden Harm Grant	-	-	-
Aquarius Grant	-	-	-
Furlough grants	-	-	-
	<u>472,658</u>	<u>5,000</u>	<u>2,847</u>
		2021 Total activities £	2020 Total activities £
Solihull Integrated Addition Service	-	472,658	456,036
BBC Children in Need Grant	-	5,000	46,802
Active Citizens Award Grant	-	2,847	1,180
Hidden Harm Grant	-	-	3,500
Aquarius Grant	27,908	27,908	15,000
Furlough grants	2,164	2,164	-
	<u>30,072</u>	<u>510,577</u>	<u>522,518</u>

WELCOME

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

4. RAISING FUNDS

Other trading activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Staff costs	60,960	-	60,960	-
Other operating leases	32,425	-	32,425	-
Rates & water	1,150	-	1,150	-
Insurance	284	-	284	-
Light & Heat	4,327	-	4,327	-
Repairs & Renewals	3,734	-	3,734	-
Motor expenses	1,556	-	1,556	-
Professional fees	469	-	469	-
Telephone	1,756	-	1,756	-
Equipment rental	757	-	757	-
Post & stationery	401	-	401	-
Sundry expenses	321	-	321	-
	<u>108,140</u>	<u>-</u>	<u>108,140</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Solihull Integrated Addiction Service	385,150	139,256	524,406
BBC Children in Need Grant	21,182	-	21,182
Active Citizens Award Grant	960	-	960
Aquarius Grant	34,208	-	34,208
	<u>441,500</u>	<u>139,256</u>	<u>580,756</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Solihull Integrated Addiction Service	110,683	28,573	139,256

Support costs, included in the above, are as follows:

Management

	2021 Solihull Integrated Addiction Service £	2020 Total activities £
Wages	89,614	68,249
Social security	6,459	5,549
Pensions	2,064	3,412
Insurance	1,453	1,395
Repairs and renewals	27	-
Travelling	56	1,600
Motor expenses	321	896
Legal and professional fees	-	28,395
Telephone	2,408	1,533
Computer costs	2,711	1,571
Equipment rental	430	463
Post and stationery	160	295
Subscriptions	1,211	421
Sundry expenses	1,051	816
Recruitment	-	812
Bank charges	117	80
Training	203	694
Depreciation of tangible assets	2,398	1,902
	110,683	118,083

Governance costs

	2021 Solihull Integrated Addiction Service £	2020 Total activities £
Auditors' remuneration	8,762	8,100
Auditors' remuneration for non audit work	-	294
Bookkeeping fees	18,411	7,000
Consultancy fees	1,400	-
	28,573	15,394

WELCOME

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	8,762	8,100
Auditors' remuneration for non audit work	-	294
Depreciation - owned assets	11,097	8,305
Other operating leases	32,425	-
Surplus on disposal of fixed assets	(14,257)	-
	<u> </u>	<u> </u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

9. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	456,993	328,266
Social security costs	26,420	22,722
Other pension costs	21,450	16,803
	<u> </u>	<u> </u>
	<u>504,863</u>	<u>367,791</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Counselling staff	14	14
Administrative staff	4	3
Charity Shops	5	-
	<u> </u>	<u> </u>
	<u>23</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

Total key management personnel remuneration in the year amounted to £45,000 (2020: £64,247).

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

10. **COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Solihull Integrated Addiction Service	456,036	-	456,036
BBC Children in Need Grant	-	46,802	46,802
Active Citizens Award Grant	-	1,180	1,180
Hidden Harm Grant	-	3,500	3,500
Aquarius Grant	-	15,000	15,000
	456,036	66,482	522,518
Total			
EXPENDITURE ON			
Charitable activities			
Solihull Integrated Addiction Service	495,144	-	495,144
BBC Children in Need Grant	-	44,702	44,702
Active Citizens Award Grant	-	1,212	1,212
Hidden Harm Grant	-	3,500	3,500
Aquarius Grant	-	10,864	10,864
	495,144	60,278	555,422
Total			
NET INCOME/(EXPENDITURE)	(39,108)	6,204	(32,904)
RECONCILIATION OF FUNDS			
Total funds brought forward	609,210	4,570	613,780
	570,102	10,774	580,876
TOTAL FUNDS CARRIED FORWARD	570,102	10,774	580,876

WELCOME

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Furniture and computer equipment £	Totals £
COST					
At 1 April 2020	31,905	9,418	43,625	79,041	163,989
Additions	-	-	-	10,440	10,440
Disposals	-	-	(31,000)	-	(31,000)
	<u>31,905</u>	<u>9,418</u>	<u>12,625</u>	<u>89,481</u>	<u>143,429</u>
At 31 March 2021	31,905	9,418	12,625	89,481	143,429
DEPRECIATION					
At 1 April 2020	31,905	8,978	28,621	50,125	119,629
Charge for year	-	199	2,526	8,372	11,097
Eliminated on disposal	-	-	(24,257)	-	(24,257)
	<u>31,905</u>	<u>9,177</u>	<u>6,890</u>	<u>58,497</u>	<u>106,469</u>
At 31 March 2021	31,905	9,177	6,890	58,497	106,469
NET BOOK VALUE					
At 31 March 2021	<u>-</u>	<u>241</u>	<u>5,735</u>	<u>30,984</u>	<u>36,960</u>
At 31 March 2020	<u>-</u>	<u>440</u>	<u>15,004</u>	<u>28,916</u>	<u>44,360</u>

Assets with a total carrying amount of £5,725 (2020: £4,138) have a restricted title.

12. FIXED ASSET INVESTMENTS

Welcome is a Corporate director of Welcome Change CIC, a company limited by guarantee, company number 07758208. Also the Board of Welcome has common board members with Welcome Change CIC. Therefore, the directors of Welcome consider Welcome Change CIC to be the charity's subsidiary.

Welcome Change CIC's principal activities are the provision of a variety of enterprises operated for the benefit of the community consisting of a community centre a community garden and two community hubs. These enterprises offer volunteering opportunities and work experience placements for people in recovery from substance misuse, or otherwise disadvantaged in the mainstream job market, helping to build their confidence and skills and enable them ultimately to find work.

The results of Welcome Change CIC for the year ended 31 March 2021 are:

Profit and loss Account	2021 £	2020 £
Turnover	215,682	346,302
Expenditure	<u>201,437</u>	<u>369,927</u>
Profit/(loss)	14,245	(23,625)
Donation to Charity	-	-
Profit/(loss)	<u>14,245</u>	<u>(23,625)</u>

WELCOME

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

12. FIXED ASSET INVESTMENTS - continued

Balance Sheet

	£	£
Fixed Assets	118,572	139,192
Current Assets	147,741	47,492
Creditors due within one year	(98,080)	(42,267)
Creditors due after one year	-	-
Deferred Income	(153,965)	(144,394)
	<u>14,268</u>	<u>23</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	5,408	-
Amounts owed by group undertakings	57,558	-
Other debtors	5,000	-
Prepayments	13,778	8,134
	<u>81,744</u>	<u>8,134</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	8,688	37,909
Amounts owed to group undertakings	-	16,539
Social security and other taxes	6,390	4,358
Other creditors	4,920	4,778
Accrued expenses	13,341	7,620
Deferred revenue grants	3,887	3,057
	<u>37,226</u>	<u>74,261</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	16,200	18,860
Between one and five years	1,350	26,042
	<u>17,550</u>	<u>44,902</u>

WELCOME

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

16. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	570,102	(35,943)	(13,382)	520,777
Restricted funds				
BBC Children In Need Grant	2,800	(16,182)	13,382	-
Active Citizens Award Grant	3,838	1,887	-	5,725
Aquarius Grant	4,136	(4,136)	-	-
	<u>10,774</u>	<u>(18,431)</u>	<u>13,382</u>	<u>5,725</u>
TOTAL FUNDS	<u>580,876</u>	<u>(54,374)</u>	<u>-</u>	<u>526,502</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	596,603	(632,546)	(35,943)
Restricted funds			
BBC Children In Need Grant	5,000	(21,182)	(16,182)
Active Citizens Award Grant	2,847	(960)	1,887
Aquarius Grant	30,072	(34,208)	(4,136)
	<u>37,919</u>	<u>(56,350)</u>	<u>(18,431)</u>
TOTAL FUNDS	<u>634,522</u>	<u>(688,896)</u>	<u>(54,374)</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	609,210	(39,108)	570,102
Restricted funds			
BBC Children In Need Grant	700	2,100	2,800
Active Citizens Award Grant	3,870	(32)	3,838
Aquarius Grant	-	4,136	4,136
	<u>4,570</u>	<u>6,204</u>	<u>10,774</u>
TOTAL FUNDS	<u><u>613,780</u></u>	<u><u>(32,904)</u></u>	<u><u>580,876</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	456,036	(495,144)	(39,108)
Restricted funds			
BBC Children In Need Grant	46,802	(44,702)	2,100
Active Citizens Award Grant	1,180	(1,212)	(32)
Hidden Harm Grant	3,500	(3,500)	-
Aquarius Grant	15,000	(10,864)	4,136
	<u>66,482</u>	<u>(60,278)</u>	<u>6,204</u>
TOTAL FUNDS	<u><u>522,518</u></u>	<u><u>(555,422)</u></u>	<u><u>(32,904)</u></u>

Purpose of restricted income funds:

BBC Children in Need: Funding to provide support to young people affected by parental drug and alcohol misuse. Through taking part in various activities the young people will be more confident, resilient and able to make more informed life choices.

Active Citizens Award: Funding towards supporting a mobile platform from which the charity can provide support to young people affected by parental drug and alcohol misuse. Through engaging with the mobile platform in various activities, the young people will become more confident in engaging with the charity.

WELCOME

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

16. MOVEMENT IN FUNDS - continued

Hidden Harm: Funding to provide support to people affected by drug and alcohol misuse. Through taking part in various activities the people will be more confident, resilient and able to make more informed life choices.

Aquarius: Funding to provide support to young people affected by parental drug and alcohol misuse through young people workers. Through taking part in various activities the young people will be more confident, resilient and able to make more informed life choices.

17. RELATED PARTY DISCLOSURES

During the year ended 31 March 2021 the Charity recharged expenses totalling £13,994 (2020: £nil) and approved revenue grants totalling £nil (2020: £16,000) to its subsidiary company, Welcome Change CIC.

As at 31 March 2021 the Charity was owed £57,558 (2020: owed by £16,539) from Welcome Change CIC.

18. POST BALANCE SHEET EVENTS

The Charity's main activity is the delivery of drug and alcohol treatment services which is supplemented by related grant-funded activity. Whilst the pandemic has affected the way in which services and back-office support are delivered the trustees have taken steps to develop its unrestricted income streams by transferring the charity shops from its subsidiary to the Charity. Therefore, whilst the true financial impact of Covid-19 cannot be fully ascertained the Trustees are confident about the future and the Charity's ability to continue as a Going Concern.