

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 March 2022**

for

**WELCOME
(A COMPANY LIMITED BY GUARANTEE)**

BK Plus Audit Limited
2 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

WELCOME

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for the Year Ended 31 March 2022**

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WELCOME

**Reference and Administrative Details
for the Year Ended 31 March 2022**

TRUSTEES	Dr L M Williams M Lewis A Darkes J P Elsegood C Nickolls
REGISTERED OFFICE	2 Highlands Court Cranmore Avenue Shirley Solihull West Midlands B90 4LE
REGISTERED COMPANY NUMBER	04241324 (England and Wales)
REGISTERED CHARITY NUMBER	1087511
INDEPENDENT AUDITORS	BK Plus Audit Limited 2 Highlands Court Cranmore Avenue Solihull West Midlands B90 4LE
CEO	Sally Edwards

**Report of the Trustees
for the Year Ended 31 March 2022**

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 2022. 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 play a critical role in welcoming and engaging clients into the service, carrying out triage assessments before allocating clients to their Practitioner. We also continue to employ a small team of Adult Treatment Practitioners, one of whom has Additional Responsibility across the SIAS Partnership for leading on Harm Reduction and Needle Exchange Services.

Welcome remains the SIAS Partnership 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 (known as Hidden Harm). We employ two Young Person treatment Practitioners and a Hidden Harm Practitioner as well as a Hidden Harm Counsellor.

Welcome also continues to act as Marketing Lead on behalf of the SIAS Partnership, adding content to its website and social media platforms, planning campaigns and co-ordinating contributions from other staff. This has resulted in an increase in numbers coming into treatment.

**Report of the Trustees
for the Year Ended 31 March 2022**

OBJECTIVES AND ACTIVITIES

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. The CIC's current enterprises include a Community Centre, a Community Garden and two Community Hubs. Aiming to 'Encourage Enterprise and Support Communities', our work through Welcome Change CIC continues to support communities across East Birmingham including Shard End, Kitts Green/Lea Village, East Meadway and Glebe Farm.

Position at the end of 2022

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.

They have coped well with the challenges associated with returning to working in the office post-COVID and with moving to new premises.

Sadly, we were unable to re-open our smaller charity shop after the lockdown - in part due to a persistent leak, which left us without electricity and which we were unable to find anyone to take responsibility for fixing. Neither were we able to break the lease without financial penalty, so the shop made a loss in 2021-22. When the lease expired in May 2022 and we did not renew it. The staff member from that shop was redeployed to our larger shop, but it too struggled to be profitable. In spite of investment in a range of measures aimed at increasing income, that shop too made a loss. We had to rely on paid staff to avoid lone working and keep the retail and warehouse space operational, due to a shortage of volunteers. Some volunteers did not return and there was an overall drop in volunteering post-COVID noted by the charity retail sector nationwide. At the end of the financial year ending 2022, and into this financial year, the war in Ukraine also reduced donations coming into the shop. In June 2022, we consulted with staff and put a number of measures in place to reduce costs. Whilst these were successful, increased energy prices and rises in the cost of living continued to work against us, which led to the Board taking the decision to close that shop as well.

The need to employ agency staff while we recruited, funding a two month overlap between our retiring Office Manager and her replacement, payroll and audit costs for which we hadn't accrued sufficient funds, increased phone and IT costs, in part associated with the move to new premises, all contributed to an additional operating loss for the charity in 2021-22.

Since the end of the financial year, the Board has taken steps to ensure that this level of loss will not be repeated. Income has increased and expenditure has been brought into line with income on the SIAS contract. Retail trading activities have ceased.

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 2022**

FINANCIAL REVIEW

Financial position

The charity generated a net deficit of £106,555 (2021: deficit £54,374) for the year ended 31 March 2022. The results for the year are shown on page 10. The charity has total funds of £419,947 (2021:£526,502) at the year end. The Financial position at the year end is shown on page 11.

Principal funding sources

The principal funding source during the year ended 31 March 2022 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 £419,947 (2021: £526,502) at the year end, of which £19,707 is restricted (2021: £5,725).

FUTURE PLANS

The Board is confident that Welcome remains a strong organisation, with good reserves and resilience derived from its skilled and loyal staff team.

The Board acknowledges and thanks the team on the ground for their continued hard work. The effects of the pandemic have continued to be felt throughout 2022, overlaid with economic challenges, but they have continued to deliver and develop the services the charity offers.

Welcome is proud to be an essential part of the SIAS partnership, helping adults and children in Solihull affected by substance misuse on the road to recovery. In the year ahead we will be looking to secure additional funding, to 'add value' to that contract, grow the charity and increase its range of activities.

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.

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.

**Report of the Trustees
for the Year Ended 31 March 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 2022

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:

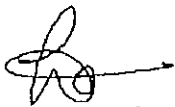
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, BK Plus Audit 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 20 October 2022 and signed on its behalf by:



Dr L M Williams - Trustee

Opinion

We have audited the financial statements of Welcome (the 'charitable company') for the year ended 31 March 2022 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 2022 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.

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

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.

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.

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.



Paul Mannion FCA FCCA (Senior Statutory Auditor)
for and on behalf of BK Plus Audit Limited
2 Highlands Court
Cranmore Avenue
Solihull
West Midlands
B90 4LE

20 October 2022

WELCOME

**Statement of Financial Activities
for the Year Ended 31 March 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	43	-	43	-
Charitable activities					
Solihull Integrated Addiction Service	4	460,735	-	460,735	472,658
BBC Children in Need Grant		-	28,228	28,228	5,000
Active Citizens Award Grant		-	-	-	2,847
Aquarius Grant		-	22,500	22,500	30,072
Other trading activities	3	122,299	-	122,299	123,945
Total		<u>583,077</u>	<u>50,728</u>	<u>633,805</u>	<u>634,522</u>
EXPENDITURE ON					
Raising funds	5	168,862	-	168,862	108,140
Charitable activities					
Solihull Integrated Addiction Service	6	534,752	-	534,752	524,406
BBC Children in Need Grant		-	21,202	21,202	21,182
Active Citizens Award Grant		-	720	720	960
Aquarius Grant		-	14,824	14,824	34,208
Total		<u>703,614</u>	<u>36,746</u>	<u>740,360</u>	<u>688,896</u>
NET INCOME/(EXPENDITURE)		<u>(120,537)</u>	<u>13,982</u>	<u>(106,555)</u>	<u>(54,374)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>520,777</u>	<u>5,725</u>	<u>526,502</u>	<u>580,876</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>400,240</u></u>	<u><u>19,707</u></u>	<u><u>419,947</u></u>	<u><u>526,502</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Statement of Financial Position
31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	32,526	2,158	34,684	36,960
Investments	13	-	-	-	-
		<u>32,526</u>	<u>2,158</u>	<u>34,684</u>	<u>36,960</u>
CURRENT ASSETS					
Debtors	14	4,868	5,000	9,868	81,744
Cash at bank and in hand		<u>419,574</u>	<u>12,549</u>	<u>432,123</u>	<u>445,024</u>
		<u>424,442</u>	<u>17,549</u>	<u>441,991</u>	<u>526,768</u>
CREDITORS					
Amounts falling due within one year	15	(56,728)	-	(56,728)	(37,226)
		<u>367,714</u>	<u>17,549</u>	<u>385,263</u>	<u>489,542</u>
NET CURRENT ASSETS					
		<u>400,240</u>	<u>19,707</u>	<u>419,947</u>	<u>526,502</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>400,240</u>	<u>19,707</u>	<u>419,947</u>	<u>526,502</u>
NET ASSETS					
		<u>400,240</u>	<u>19,707</u>	<u>419,947</u>	<u>526,502</u>
FUNDS					
	17				
Unrestricted funds:					
General fund				400,240	520,777
Restricted funds:					
BBC Children In Need Grant				7,026	-
Active Citizens Award Grant				5,005	5,725
Aquarius Grant				7,676	-
				<u>19,707</u>	<u>5,725</u>
TOTAL FUNDS					
				<u>419,947</u>	<u>526,502</u>

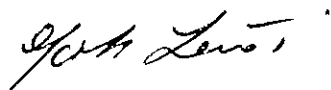
The notes form part of these financial statements

WELCOME (REGISTERED NUMBER: 04241324)

Statement of Financial Position - continued
31 March 2022

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 20 October 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Lewis', is written over a horizontal line.

M Lewis - Trustee

The notes form part of these financial statements

WELCOME

**Statement of Cash Flows
for the Year Ended 31 March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(80,001)</u>	<u>(94,082)</u>
Net cash used in operating activities		<u>(80,001)</u>	<u>(94,082)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,360)	(10,440)
Sale of tangible fixed assets		<u>-</u>	<u>21,000</u>
Net cash (used in)/provided by investing activities		<u>(9,360)</u>	<u>10,560</u>
Cash flows from financing activities			
Subsidiary loan (receipt)/payment		<u>76,460</u>	<u>(74,097)</u>
Net cash provided by/(used in) financing activities		<u>76,460</u>	<u>(74,097)</u>
Change in cash and cash equivalents in the reporting period			
		<u>(12,901)</u>	<u>(157,619)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>445,024</u>	<u>602,643</u>
Cash and cash equivalents at the end of the reporting period		<u><u>432,123</u></u>	<u><u>445,024</u></u>

The notes form part of these financial statements

WELCOME

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2022

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

	2022	2021
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(106,555)	(54,374)
Adjustments for:		
Depreciation charges	11,445	11,097
Loss/(profit) on disposal of fixed assets	191	(14,257)
Decrease/(increase) in debtors	14,318	(16,052)
Increase/(decrease) in creditors	600	(20,496)
	<u> </u>	<u> </u>
Net cash used in operations	<u>(80,001)</u>	<u>(94,082)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21	Cash flow	At 31/3/22
	£	£	£
Net cash			
Cash at bank and in hand	445,024	(12,901)	432,123
	<u> </u>	<u> </u>	<u> </u>
	445,024	(12,901)	432,123
	<u> </u>	<u> </u>	<u> </u>
Total	<u>445,024</u>	<u>(12,901)</u>	<u>432,123</u>

The notes form part of these financial statements

WELCOME

Notes to the Financial Statements for the Year Ended 31 March 2022

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 2022

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

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.

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.

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Donations	43	-	43	-
	<u>43</u>	<u>-</u>	<u>43</u>	<u>-</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Charity shop income	115,632	-	115,632	45,492
Covid grants	6,667	-	6,667	61,725
Furlough grants	-	-	-	16,728
	<u>122,299</u>	<u>-</u>	<u>122,299</u>	<u>123,945</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Solihull Integrated Addiction Service £	BBC Children in Need Grant £	Aquarius Grant £	2022 Total activities £	2021 Total activities £
Solihull Integrated Addiction Service	460,735	-	-	460,735	472,658
BBC Children in Need Grant	-	28,228	-	28,228	5,000
Active Citizens Award Grant	-	-	-	-	2,847
Aquarius Grant	-	-	22,500	22,500	27,908
Furlough grants	-	-	-	-	2,164
	<u>460,735</u>	<u>28,228</u>	<u>22,500</u>	<u>511,463</u>	<u>510,577</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

5. RAISING FUNDS

Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Staff costs	93,797	-	93,797	60,960
Other operating leases	44,859	-	44,859	32,425
Rates & water	955	-	955	1,150
Insurance	285	-	285	284
Light & Heat	10,206	-	10,206	4,327
Repairs & Renewals	3,071	-	3,071	3,734
Motor expenses	9,879	-	9,879	1,556
Professional fees	546	-	546	469
Telephone	1,217	-	1,217	1,756
Equipment rental	-	-	-	757
Post & stationery	223	-	223	401
Sundry expenses	2,635	-	2,635	321
Computer Costs	405	-	405	-
Bank Charges	784	-	784	-
	<u>168,862</u>	<u>-</u>	<u>168,862</u>	<u>108,140</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Solihull Integrated Addiction Service	450,874	83,878	534,752
BBC Children in Need Grant	21,202	-	21,202
Active Citizens Award Grant	720	-	720
Aquarius Grant	14,824	-	14,824
	<u>487,620</u>	<u>83,878</u>	<u>571,498</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. **SUPPORT COSTS**

	Management	Governance	Totals
	£	costs £	£
Solihull Integrated Addiction Service	64,520	19,358	83,878
	<u>64,520</u>	<u>19,358</u>	<u>83,878</u>

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

Management

	2022	2021
	Solihull Integrated Addiction Service £	Total activities £
Wages	34,783	89,614
Social security	7,100	6,459
Pensions	3,250	2,064
Insurance	2,629	1,453
Repairs and renewals	549	27
Travelling	1,558	56
Motor expenses	26	321
Legal and professional fees	711	-
Telephone	2,998	2,408
Computer costs	3,571	2,711
Equipment rental	311	430
Post and stationery	184	160
Subscriptions	1,653	1,211
Sundry expenses	640	1,051
Bank charges	177	117
Training	1,369	203
Depreciation of tangible assets	3,011	2,398
	<u>64,520</u>	<u>110,683</u>

Governance costs

	2022	2021
	Solihull Integrated Addiction Service £	Total activities £
Auditors' remuneration	10,480	8,762
Bookkeeping fees	8,878	18,411
Consultancy fees	-	1,400
	<u>19,358</u>	<u>28,573</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration	10,480	8,762
Depreciation - owned assets	11,445	11,097
Other operating leases	44,859	32,425
(Deficit)/surplus on disposal of fixed assets	191	(14,257)
	<u>10,480</u>	<u>8,762</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	469,392	456,993
Social security costs	34,724	26,420
Other pension costs	27,187	21,450
	<u>531,303</u>	<u>504,863</u>

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

	2022	2021
Counselling staff	14	14
Administrative staff	5	4
Charity Shops	7	5
	<u>26</u>	<u>23</u>

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

Total key management personnel remuneration in the year amounted to £51,350 (2021: £45,000).

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Solihull Integrated Addiction Service	472,658	-	472,658
BBC Children in Need Grant	-	5,000	5,000
Active Citizens Award Grant	-	2,847	2,847
Aquarius Grant	-	30,072	30,072
Other trading activities	123,945	-	123,945
Total	<u>596,603</u>	<u>37,919</u>	<u>634,522</u>
EXPENDITURE ON			
Raising funds	108,140	-	108,140
Charitable activities			
Solihull Integrated Addiction Service	524,406	-	524,406
BBC Children in Need Grant	-	21,182	21,182
Active Citizens Award Grant	-	960	960
Aquarius Grant	-	34,208	34,208
Total	<u>632,546</u>	<u>56,350</u>	<u>688,896</u>
NET INCOME/(EXPENDITURE)	<u>(35,943)</u>	<u>(18,431)</u>	<u>(54,374)</u>
Transfers between funds	<u>(13,382)</u>	<u>13,382</u>	<u>-</u>
Net movement in funds	<u>(49,325)</u>	<u>(5,049)</u>	<u>(54,374)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>570,102</u>	<u>10,774</u>	<u>580,876</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>520,777</u></u>	<u><u>5,725</u></u>	<u><u>526,502</u></u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Furniture and computer equipment £	Totals £
COST					
At 1 April 2021	31,905	9,418	12,625	89,481	143,429
Additions	-	-	9,360	-	9,360
Disposals	-	-	(3,400)	-	(3,400)
	<u>31,905</u>	<u>9,418</u>	<u>18,585</u>	<u>89,481</u>	<u>149,389</u>
DEPRECIATION					
At 1 April 2021	31,905	9,177	6,890	58,497	106,469
Charge for year	-	171	3,190	8,084	11,445
Eliminated on disposal	-	-	(3,209)	-	(3,209)
	<u>31,905</u>	<u>9,348</u>	<u>6,871</u>	<u>66,581</u>	<u>114,705</u>
NET BOOK VALUE					
At 31 March 2022	<u>-</u>	<u>70</u>	<u>11,714</u>	<u>22,900</u>	<u>34,684</u>
At 31 March 2021	<u>-</u>	<u>241</u>	<u>5,735</u>	<u>30,984</u>	<u>36,960</u>

Assets with a total carrying amount of £2,158 (2021: £5,725) have a restricted title.

13. 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 2022 are:

Profit and loss Account	2022 £	2021 £
Turnover	269,241	215,682
Expenditure	266,104	201,437
	<u>3,137</u>	<u>14,245</u>
Profit/(loss)	3,137	14,245
Donation to Charity	-	-
	<u>3,137</u>	<u>14,245</u>
Profit/(loss)	<u>3,137</u>	<u>14,245</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. FIXED ASSET INVESTMENTS - continued

Balance Sheet

	£	£
Fixed Assets	100,162	118,572
Current Assets	135,091	147,741
Creditors due within one year	(48,773)	(98,080)
Creditors due after one year	-	-
Deferred Income	(169,075)	(153,965)
	<u>17,405</u>	<u>14,268</u>
Net Assets/ Reserves	<u>17,405</u>	<u>14,268</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	-	5,408
Amounts owed by group undertakings	-	57,558
Other debtors	5,000	5,000
Prepayments	4,868	13,778
	<u>9,868</u>	<u>81,744</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	1,292	8,688
Amounts owed to group undertakings	18,902	-
Social security and other taxes	7,677	6,390
Other creditors	2,468	4,920
Accrued expenses	11,445	13,341
Deferred revenue grants	14,944	3,887
	<u>56,728</u>	<u>37,226</u>

16. LEASING AGREEMENTS

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

	2022 £	2021 £
Within one year	1,350	16,200
Between one and five years	-	1,350
	<u>1,350</u>	<u>17,550</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

17. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	520,777	(120,537)	400,240
Restricted funds			
BBC Children In Need Grant	-	7,026	7,026
Active Citizens Award Grant	5,725	(720)	5,005
Aquarius Grant	-	7,676	7,676
	<u>5,725</u>	<u>13,982</u>	<u>19,707</u>
TOTAL FUNDS	<u>526,502</u>	<u>(106,555)</u>	<u>419,947</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	583,077	(703,614)	(120,537)
Restricted funds			
BBC Children In Need Grant	28,228	(21,202)	7,026
Active Citizens Award Grant	-	(720)	(720)
Aquarius Grant	22,500	(14,824)	7,676
	<u>50,728</u>	<u>(36,746)</u>	<u>13,982</u>
TOTAL FUNDS	<u>633,805</u>	<u>(740,360)</u>	<u>(106,555)</u>

WELCOME

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

17. **MOVEMENT IN FUNDS - continued**

Comparatives for 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>

Comparative 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>

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.

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.

WELCOME

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

18. RELATED PARTY DISCLOSURES

During the year ended 31 March 2022 the Charity recharged expenses totalling £28,247 (2021: £13,994) to its subsidiary company, Welcome Change CIC.

As at 31 March 2022 the Charity owes £18,902 (2021: Owed to £57,558) to Welcome Change CIC.

19. POST BALANCE SHEET EVENTS

The trading activities contained in the Statement of Financial Activities represent the income and costs associated to two charity shops. The Charity's trading activities generated a surplus for the year ended 31 March 2021, however the trustees are aware that the two charity shops resulted in a deficit in respect of the year ended 31 March 2022. The deficit was caused by a combination of commercial reasons which prevented the shops from being open for the entire financial year whilst the lease commitment for each shop continued to accrue. In order to ensure the Charity is not exposed to any further future deficit the Board of Trustees took the strategic decision to close both charity shops during the year ending 31 March 2023. It is anticipated that the charity shops ongoing costs incurred together with the costs associated to the closure of both shops will exceed the income generated. Therefore, a final trading deficit associated to the shops for the year ended 31 March 2023 is anticipated.