

WELCOME CHURCHES

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

CHARITY NO: 1177344

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are pleased to present their annual Directors Report together with the financial statements of the charity for the year ended 31 March 2022.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association and 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 (FRS102).

CHAIR'S REPORT

This has been a year of unprecedented change and growth for Welcome Churches. In April 2021, Luke Goss stepped down from his role as CEO due to personal reasons, at which point Emily Holden and Sue Butler took over the role as joint CEOs. They have overseen the exponential growth of the Welcome Network to over 900 refugee-welcoming churches, alongside the development of our National Development Team to support churches across the UK. We have continued to provide support through the UKHK initiative welcoming BN(O) visa holders from Hong Kong. We have also responded to the catastrophic events in Afghanistan and Ukraine, launching multi-lingual, refugee-facing websites to provide direct practical support, as well as developing training and resources to ensure that churches are equipped and mobilised to provide a welcome. Across the year, we have seen over 5700 refugees and people seeking asylum receive a welcome from UK churches, with over 1100 people receiving training. Financially, the charity has seen a significant increase in funding, rising to more than £1.3m. This has included government funding towards UKHK from the Department for Levelling Up, Housing and Communities of £312,000 to develop a range of training, resources and events for people arriving from Hong Kong. We also saw incredible generosity from individuals, churches and organisations, raising over £500,000 in response to the needs of Afghan refugees arriving at such short notice. We are honoured and humbled by the trusting response and generosity of the UK public and the Church as we continue to develop innovative programmes that provide the best possible support to refugees, as they rebuild their lives.

Chair of Trustees

OUR PURPOSES AND ACTIVITIES

Our Objectives

The objects of the charity are:-

1. The promotion of social inclusion among people who are refugees and asylum seekers who are socially excluded on the grounds of their social and economic position.
2. The advancement of the Christian faith in such ways as the Charity Trustees may from time to time decide.

Welcome Churches carries out these objectives by:-

1. Developing and delivering a range of training and tools to enable churches to welcome and support newly arrived refugees and asylum seekers.
2. Helping refugees connect quickly to one of the churches in our network via the Welcome Network online platform.
3. Establishing and supporting Welcome Boxes projects in churches around the country, including running an online referral and feedback web platform.
4. Providing ongoing support, capacity building and training to churches working with refugees and asylum seekers to aid social inclusion.
5. Developing and providing training and resources to churches for refugees who want to explore the Christian faith.
6. Assist churches to include refugees in all aspects of church life.

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 - Continued

Strategy and Activities

Our activities included:

1. Educating churches and other parties about the need to welcome and support refugees and people seeking asylum arriving in their communities,
2. Providing training, resources and ongoing support to churches to effectively welcome and support the integration of refugees and people seeking asylum, and
3. Networking churches together across the UK who are welcoming refugees and enabling refugees to connect with them.

How was this achieved?

At the heart of our work is the **Welcome Network**, a growing nationwide network of refugee-welcoming churches. These are churches that are exploring refugee ministries, or are seeking ways to support refugees and people seeking asylum that are arriving in their communities. Churches are included on our interactive map that allows refugees, agencies, churches and individuals to find a welcoming, local church for any refugee or person seeking asylum moving into a new area.

Our flagship project is **Welcome Boxes**, which is offered by churches to refugees and people seeking asylum arriving in their area. This provides the churches with intentional ways to connect with the new neighbours. Through training, resources and ongoing support, churches are equipped to respond to the needs of refugees in their communities in a trauma-informed, cross-culturally aware way.

Our **UKHK Network** was launched to respond to the needs of Hong Kong BN(O) visa holders arriving in the UK. Hundreds of 'Hong Kong Ready' Churches across the UK are part of the Network, ensuring that no matter where in the UK people from Hong Kong are choosing to settle, they are able to find a welcoming church community.

Welcome Churches helped to establish **Afghan Welcome**, a coalition of charities aiming to provide wrap-around support to the thousands of people who were evacuated from Afghanistan after the fall of Kabul in Summer 2021. We provided practical, high-quality training to churches, and worked with the Home Office and local councils to facilitate connections with hotels accommodating Afghans. As a result, we have seen thousands of new arrivals welcomed and provided with immediate and longer-term care.

Following the invasion of Ukraine, our **Ukraine Welcome** project was launched to provide practical information for Ukrainians looking to travel to the UK and provide a way for them to connect with welcoming church communities. Trauma-aware, culturally-sensitive training was provided to hundreds of people as communities sought to open their homes and offer a welcome.

The **Hospitality Pledge** began as a partnership between Krish Kandiah and Welcome Churches with a vision to inspire the UK Church to offer welcome and hospitality to all those seeking refuge in the UK. It aims to inspire a passion for hospitality by encouraging the UK Church to speak up for asylum seekers, help persecuted Christians and mobilise Christian hospitality. This was achieved through the 'Radical Hospitality' Summit in November 2021 and a series of Lent devotionals broadcast on Radio 4.

Public Benefit

These activities extend the social inclusion of refugees and asylum seekers. Thus, the trustees confirm that they have complied with their duties under Section 17 of the Charities Act 2011 with regard to public benefit.

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 – Continued

Financial Review

The income for the year to 31 March 2022 was £1,332,721 (2021: £199,790). After costs, the charity generated a surplus for the period of £831,721 (2021: £66,186). Total funds carried forward at 31 March 2022 were £930,661 (2021: £98,940) of which £721,959 were restricted funds.

Reserves Policy

Brief Statement of the Charity's Policy on Reserves

The trustees of Welcome Churches recognise the importance of a reserves policy to help demonstrate good stewardship and financial management and to manage its reputation.

Our policy is to retain sufficient reserves:

- To ensure that the Welcome Churches has sufficient funds to meet its financial commitments;
- To demonstrate that the Welcome Churches is sustainable into the future;
- To ensure that the Welcome Churches is able to manage future unforeseen financial difficulties;
- To ensure that excessive funds are not held without any identifiable reason or for any identifiable purpose.

Welcome Churches aims to maintain a minimum of 3 months' free reserves for unrestricted expenditure at all times. This is reviewed by the trustees on a quarterly basis, and in accordance with our reserves policy.

Amount held in reserves

At the end of the reporting period the charity held £208,702 or approximately 7 months' worth of reserves taking a conservative view of outgoing expenditure in the event of no core costs being covered by restricted project funding. The trustees consider that this is a reasonable level of reserves given the plans for structural growth of the charity that started in the second half of the financial year and will continue in 2022-23.

Investment Policy

There is very little fixed investment in the charity at the current stage of the charity's growth. Depending on the success of programmes and the increase in refugee numbers in the UK, it may become desirable to own property to further meet the charity's objectives. The charity is currently reviewing options for spreading risk across different banks and generating higher interest on funds held.

Fundraising

Our fundraising plans are approved by trustees and monitored by the leadership team. The majority of our income is generated through charitable donations that we receive from individuals, churches and trusts.

We are committed to the highest standards of fundraising and follow the Code of Fundraising Practice. We are regulated by the Fundraising Regulator. There were no failures to comply with this Code of Practice. We do not sell, trade or swap data with other charities or organisations. We do not make cold telephone calls to the general public or use SMS as part of our fundraising portfolio. This year, we received no complaints related to our fundraising.

During this financial year Welcome Churches did not engage the services of professional fundraisers as defined by section 58 of the Charities Act 1992.

Funding Sources

We are incredibly grateful for the generous donations of all of our supporters and for the work that they do in bringing our shared vision to fruition.

Each of these individuals, churches and grant making trusts plays a valuable role in offering a welcome to refugees and people seeking asylum in the UK. Welcome Churches could not exist without their generosity.

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 – Continued

Future Plans - The Year Ahead

Developing nationwide support

Following a year of such tremendous growth across the **Welcome Network**, we plan to build on the momentum that we are seeing throughout the UK Church to offer a welcome to refugees.

We will continue to focus on engaging new churches to join the Welcome Network, aiming to see 1200 churches nationwide, as well as developing deeper relationships with existing churches to provide the best possible support. We will do this through the continued expansion of our **National Development Team** across the country who can provide localised, specialist support and training to churches.

As more and more churches join the Network and establish intentional outreach and support programmes to refugees and people seeking asylum, we are aiming for 5% of Welcome Network churches to run the **Welcome Boxes** project. This will provide a strong foundation for continued growth, ensuring a dedicated, responsive core of church communities can provide support should an emergency arise, and a caring welcome beyond the crisis.

UKHK

With the receipt of funding from the Department of Levelling Up, Housing and Communities (**DLUHC**), we are excited to be launching a range of **UKHK** projects run in partnership with **OMF** and **COCM** to help local churches to connect with new arrivals from Hong Kong and help them to feel welcome in their new home.

Social Integration projects will include **The Welcome Course**, a six-part course for churches welcoming people from Hong Kong, and a series of **Friendship Festivals** around the country. **Professional Integration** projects will include the hosting of an online job fair and a series of **Skills to Work** webinars helping people from Hong Kong to adapt to the UK job market.

Finally, our **Educational Integration** projects will produce and distribute a Welcome Magazine to primary school age children across the country as well as running an online **Every Child Welcome** event to help schools and families to better understand how to support Hong Kong children in the UK school system.

Beyond the Crisis - Supporting Afghan and Ukrainian refugees

With many thousands of Afghans still living in hotels, we will continue to train and equip churches throughout the UK as they provide direct support to councils, hotels and Afghan communities.

We will also continue to provide guidance for churches welcoming Afghan families as they move into more permanent housing.

Likewise, with thousands of Ukrainian refugees living with short-term hosts and potentially seeking longer-term homes, we will develop programmes that provide practical support to churches and meet the direct needs of refugee families. **Welcome Homes**, which has developed from the **Hospitality Pledge**, will work with the UK Church and socially-minded Christian landlords to identify and provide long-term housing solutions in their local area.

Funding and Sustainability

With a growing number of churches receiving support across the Welcome Network, an increasing number of refugee groups receiving direct support, and the resulting need for an expansion of the Welcome Churches team, we will continue to develop new and existing income streams including trust funding, government grants, and regular support from individuals and churches. This is vital to ensure that Welcome Churches continues to meet the growing needs of the 1000+ churches in the Welcome Network.

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 - Continued

REFERENCE AND ADMINISTRATIVE DETAILS:

Charity Number: 1177344

Registered Office: Bridge House
Riverside Court
Pride Park
Derby
DE24 8HY

Our Advisors

Senior Statutory Auditor: Mrs D J Lockwood FCCA/FCA/ATT (Fellow)
Haines Watts (East Midlands) Ltd
Chartered Accountants and Registered Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Bankers: The Co-operative Bank
Service Team
PO Box 250
Skelmersdale
WN8 6WT

TRUSTEES

The trustees who served during the year were as follows:-

Trustees: Mark Mumford
Marion Knell
Patrick Johnstone
Shna Oleszczuk (resigned 08.06.2021)
Alex Jones
Andrew Reed (appointed 8.12.2021)
Hendrika Cooke (appointed 8.12.2021)
Jonathan Dyson (appointed 8.12.2021)
George Haddad (appointed 8.12.2021)

Responsible for day to day running of the Charity: Emily Shepherd (nee Holden) and Sue Butler (Joint CEOs)

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 - Continued

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The Charity was set up by a Trust Deed as a charitable organisation registered with the Charity Commission on 27 February 2018.

Appointment of Trustees and Training

Four additional trustees were appointed during the year and one resigned. All trustees are given a clear role description upon appointment and we discussed the roles and responsibilities of a trustee as outlined on the charity commission website. We will ensure ongoing training for trustees is carried out during the year.

Organisation / Running of the Charity

The Board of Trustees convenes at least four times per year. At these meetings, the directors agree the strategy, policies and areas of activity and monitor performance and risk. The management of day to day activities is delegated to the joint Chief Executive Officers. The Trustees give their time voluntarily and receive no benefits.

Related Parties and Cooperation with Other Organisations

Coalitions:

Welcome Churches is grateful to the partnerships that have helped to shape and deliver key projects this year.

These include:

UKHK Coalition - OMF, COCM, Dr Krish Kandiah

Afghan Welcome Coalition - Baby Basics, Dr Krish Kandiah

Memberships:

Welcome Churches is a member of the following groups:

Evangelical Alliance,

NACCOM,

Global Connections

We are committed to working in partnership with others and have also been part of a number of working groups to respond to different issues such as the UK government's Nationality and Borders Bill and new refugee crises.

Risk Management

The trustees will periodically review important areas of financial risk. Other areas are regularly reviewed, such as skills and financial procedures.

Trustees' Responsibilities in relation to the Financial Statements

The Trustees are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

WELCOME CHURCHES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022 - Continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provision of the Trust Deed require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure of the Charity for the financial year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining the proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Account and Reporting by Charities.

Approved by the Board of Trustees on 13/11/2022 and signed on its behalf by

Chair Mr. Mumford
MARK MUMFORD

WELCOME CHURCHES

Report of Independent Auditors to the Trustees of Welcome Churches

Opinion

We have audited the financial statements of Welcome Churches for the year ended 31 March 2022 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Charities Act 2011

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities 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 charity'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 other information comprises the information included in the report and financial statements, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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.

WELCOME CHURCHES

Report of Independent Auditors to the Trustees of Welcome Churches

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the Trustees 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 charity'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 has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 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;

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically reviewing compliance with Charities SORP FRS102.
- Performing detailed testing of income receivable in the year and agreeing a sample to supporting documentation and gaining an understanding of any restrictions associated with the income.
- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls.
- Assessing material accounting estimates to determine if there are indications of management bias.

WELCOME CHURCHES

Report of Independent Auditors to the Trustees of Welcome Churches

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Despite, the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Auditors.

Use of Report

This report is made solely to the Company's Trustees 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 Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

P. J. Lockwood

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Mrs D J Lockwood, FCA, FCCA, ATT – Senior Statutory Auditor
For and on behalf of Haines Watts East Midlands Ltd - Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date: 16.11.2022

WELCOME CHURCHES

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income							
JRS Furlough Grant		-	-	-	6,614	-	6,614
Grants, Donations & Legacies	2	230,250	1,079,362	1,309,612	92,461	83,805	176,266
Income from charitable activities:	3	21,229	-	21,229	7,480	9,200	16,680
Fundraising		500	1,380	1,880	230	-	230
Total Incoming Resources		251,979	1,080,742	1,332,721	106,785	93,005	199,790
Expenditure							
Raising Funds		5,031	1,158	6,189	-	-	-
Charitable Activities	4	78,100	368,361	446,461	39,494	69,339	108,833
Support Costs	4	11,470	36,880	48,350	24,312	459	24,771
Total Expenditure		94,601	406,399	501,000	63,806	69,798	133,604
Net Income/Expenditure and Net Movement in Fund		157,378	674,343	831,721	42,979	23,207	66,186
Reconciliation of Funds							
Transfer between funds		(127)	127	-	499	(499)	-
Balance Brought Forward 1 April 2021		51,451	47,489	98,940	7,973	24,781	32,754
Total Fund Balances Carried Forward 31 March 2022	10	208,702	721,959	930,661	51,451	47,489	98,940

WELCOME CHURCHES

Balance Sheet as at 31 March 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Assets	8	3,394	1,635
Current Assets			
Debtors	18	22,782	6,675
Cash at bank and in hand		967,969	92,716
		<u>990,751</u>	<u>99,391</u>
Creditors: amounts falling due within one year	19	63,484	2,086
Net Current Assets (Liabilities)		927,267	97,305
Net Assets		<u>930,661</u>	<u>98,940</u>
Unrestricted funds			
General Funds - General Purposes		208,702	51,451
Restricted Funds	11	721,959	47,489
Total Charity Funds	10	<u>930,661</u>	<u>98,940</u>

Approved by the Board of Trustees on 13/11/22 and signed on its behalf by:

Trustee.....

Chair of Trustees.....

WELCOME CHURCHES

Cash Flow Statement as at 31 March 2022

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
Net Cash Flow from Operating Activities	20	878,497	61,743
Capital Expenditure and Financial Investments:			
Purchase of Tangible Fixed Assets		(3,244)	(1,507)
		<u>875,253</u>	<u>60,236</u>
Net Cash Inflow/(Outflow)		<u>875,253</u>	<u>60,236</u>
Increase/(Decrease) in Cash in the Year		875,253	60,236
Net Cash Resources at 1 April 2021		<u>92,716</u>	<u>32,480</u>
<u>Net Cash Resources at 31 March 2022</u>		<u>967,969</u>	<u>92,716</u>

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a) **Basis of Preparation**, in accordance with applicable charity law

The financial statements have been in accordance with the 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Welcome Churches meets the definition of a public benefit entity under FRS102.

GOING CONCERN

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The financial statements are presented in sterling (£).

Details regarding the legal form of the Charity, base of operation and other details are included on page 5 of the Trustees Report under Reference and Administrative Details.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services, goods and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Debtors are included to represent amounts recognised as outstanding to the charity at the year end date.
- Cash and bank balances are stated as the amounts held at the Charity year-end date.

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 – Continued

Resources expended

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

- Costs of generating funds comprise the costs associated with attracting grants income and donations.
- 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 & support costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the Independent Examination fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.
- Allocation of Support Costs – Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 4.

Tangible Fixed Assets

All fixed assets are capitalised at cost, where considered appropriate to capitalise. Those purchased by specific gifts and grants have been written off fully in the year of gift.

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

Office Equipment	-	25% on cost
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Fund Balances

Unrestricted Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor and are subjected to restrictions of their expenditure imposed by the donor or through the terms of an appeal.

Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Contributions payable for the year are shown in the statement of financial activities.

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year 31 March 2022 – Continued

Debtors

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

Creditors

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

Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgement and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. Grants, Donations and Legacies

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Government Grant	-	312,000	312,000	-
Consortium Funding	-	26,160	26,160	4,500
Grant Funding	27,712	230,118	257,830	133,805
Church Donations	28,868	-	28,868	250
General Donations	173,670	9,032	182,702	37,711
Emergency Appeals	-	502,052	502,052	-
	230,250	1,079,362	1,309,612	176,266

3. Income from Charitable Activities

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Other Income	507	-	507	-
Partner Churches	11,700	-	11,700	6,225
Events Income	9,022	-	9,022	10,455
	21,229	-	21,229	16,680

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year 31 March 2022- Continued

4. Expenditure

	Unrestricted Expenditure £	Restricted Expenditure £	2022 Total £	2021 Total £
Fundraising Costs				
Fundraising Activities	717	1,158	1,875	-
Staff Costs	4,314	-	4,314	-
	5,031	1,158	6,189	-
Costs directly allocated to activities				
Film, PR and Media	-	16,738	16,738	-
Staff Development and Recruitment Costs	7,392	-	7,392	-
Website and Systems Costs	2,000	24,745	26,745	687
Other Project Expenditure	41	95,360	95,401	6,008
Travel and Refreshments	7,229	6,954	14,183	1,025
Staff Costs	57,530	151,394	208,924	101,113
Contractor Costs	3,908	73,170	77,078	-
	78,100	368,361	446,461	108,833
Support costs				
Office Space (see note 12)	-	5,159	5,159	1,440
Design Costs	-	422	422	429
Phone and Office Costs	-	1,548	1,548	2,225
Insurance	108	152	260	977
Bank and Card Charges	2,437	3,333	5,770	754
Trustees' Expenses (meeting costs)	224	-	224	35
Staff Costs	-	23,062	23,062	15,837
IT and Software Costs	-	2,644	2,644	688
Payroll and Professional Fees	700	-	700	310
Audit and Accounting Fee	6,516	-	6,516	1,380
Miscellaneous Expenditure	-	560	560	25
Depreciation for the Period	1,485	-	1,485	671
	11,470	36,880	48,350	24,771
<u>Note</u>	Audit Fee		4,200	
	Accounts Preparation fee		2,316	
			<u>£6,516</u>	

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

5. Staff Costs and Numbers

	2022 £	2021 £
Salaries	213,419	106,459
Pension Costs	10,208	5,361
Employer's National Insurance	12,673	5,130
	<u>236,300</u>	<u>116,950</u>
 Average number of paid full and part time employees in the year	 10	 6.5
 Average number within pension scheme	 10	 5.5
 Total remuneration of key management personnel in the period	 <u>£78,636</u>	 <u>£68,434</u>

No employee received emoluments of more than £60,000 in the year.

6. Trustee Remuneration and Related Party Transactions

No emoluments were received by the Trustees either in their capacities as Trustees or as members of the Board of Trustees. There were expenses paid to Charity trustees from the funds of the Charity totalling £224 (2020: NIL). Gifts were paid to all trustees in the period totalling £50.50 (2021: £19). Trustee giving in the financial year totalled £530 (2021: £410). There are no other related party transactions.

7. Taxation

As a Charity, Welcome Churches is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

8. Tangible Fixed Assets

Cost	Office Equipment £
Balance Brought Forward at 1 April 2021	2,689
Additions	3,244
At 31 March 2022	<u>5,933</u>
 Depreciation	
Balance Brought Forward at 1 April 2021	1,054
Charge for the year	1,485
At 31 March 2022	<u>2,539</u>
 Net Book Value	
At 31 March 2021	<u>1,635</u>
At 31 March 2022	<u>3,394</u>

There were no tangible assets donated during the year that were capitalised and all assets are held for the furtherance of the Charity's objectives.

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

9. Negligence Insurance

The Charity hold Trustee Indemnity Insurance and paid a premium of £260 in the year. The insurance cover is included within the whole policy for the charity which provides cover of up to £250,000.

10. Analysis of Net Assets between funds

Year Ended 31 March 2022

	General Fund	Restricted Fund	Total Funds 2022	Total Funds 2021
	£	£	£	£
Fixed Assets	3,394	-	3,394	1,635
Current Assets	228,336	762,415	990,751	99,391
Current Liabilities	(23,028)	(40,456)	(63,484)	(2,086)
Net Assets at 31 March 2022	208,702	721,959	930,661	98,940

Year Ended 31 March 2021

	General Fund	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
Fixed Assets	1,635	-	1,635	799
Current Assets	51,902	47,489	99,391	33,727
Current Liabilities	(2,086)	-	(2,086)	(1,772)
Net Assets at 31 March 2021	51,451	47,489	98,940	32,754

11. Movements in Funds

Year Ended 31 March 2022

	Balance b/fwd 1.4.21	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2022
	£	£	£	£	£
<u>Restricted funds</u>					
DL UHC Government Grant	-	312,000	55,073	-	256,927
Hospitality Pledge	-	180,000	97,355	-	82,645
Afghan Emergency Appeal	-	512,465	144,725	-	367,740
Network Operations	3,600	4,500	8,227	(127)	-
Structural Growth	-	36,014	26,825	-	9,189
Trauma Training	1,858	-	1,858	-	-
Time to Shine	10,422	9,603	20,025	-	-
Communications	11,415	-	11,415	-	-
Welcome to Church	7,675	-	7,675	-	-
Refugees Online	8,435	-	8,435	-	-
UK HK Consortium	4,084	26,160	24,786	-	5,458
	47,489	1,080,742	406,399	127	721,959

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

11. Movements in Funds - continued

<u>Year Ended 31 March 2021</u>	Balance b/fwd 1.4.20 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2021 £
<u>Restricted funds</u>					
Online Refugee Referral System	1,655	-	1,655	-	-
Welcome Network	1,361	9,200	6,961	-	3,600
Discipleship Programme	14,643	-	14,643	-	-
Trauma Training	72	5,000	3,214	-	1,858
Time to Shine Project (Rank Foundation)	7,050	25,305	21,933	-	10,422
Communications	-	25,000	13,086	(499)	11,415
Welcome to Church	-	10,000	2,325	-	7,675
Refugees Online	-	14,000	5,565	-	8,435
UK HK	-	4,500	416	-	4,084
	<u>24,781</u>	<u>93,005</u>	<u>69,798</u>	<u>(499)</u>	<u>47,489</u>

DL UHC Government Grant – A Government grant totalling £312,000 was received during the year for helping new arrivals from Hong Kong to integrate, socially, educationally and into the workplace.

Hospitality Pledge – Donations totalling £180,000 were received during the year in order to promote and encourage radical hospitality across the UK church.

Structural Growth – Donations totalling £36,014 were received during the year for strengthening our core systems infrastructure, building our fundraising capacity and providing additional capacity for church engagement and support, in the light of the large increase in churches joining the Welcome Network.

Afghan Emergency Appeal – An Emergency Appeal for supporting Afghan refugees fleeing from Kabul following the Taliban takeover in 2021 raised £512,465. This included practical logistical support and the provision of wrap-around care for Afghans in hotels, promoting integration and social cohesion.

Network Operations – An amount brought forward of £3,600 and additional donations totalling £4,500 over the year were received for the ongoing development and operation of the Welcome Network. All monies spent during the year.

Time to Shine Project – An amount brought forward of £10,422 and additional donations totalling £9,603 over the year were donated for the ‘Time to Shine’ project funding an internship for a refugee leader as a Digital Champions Coordinator. All monies spent during the year.

Trauma Training:- An amount brought forward of £1,858 which was donated for the development of trauma training and the production of videos of this training for churches and refugees. All monies spent during the year.

Communications – An amount brought forward of £11,415 which was donated for the employment of a Communications Officer. All monies spent during the year.

Welcome to Church – An amount brought forward of £7,675 which was donated for the development of a Welcome to Church video and production of this in 5 languages. All spent in the year.

Refugees Online – An amount brought forward of £8,435 which was donated for the Refugees Online project. All monies spent during the year.

UKHK Consortium – An amount brought forward of £4,084 and additional donations totalling £26,160 were received during the year for the UKHK project for the employment of a UKHK Communications Officer and for the development of a website for welcoming new arrivals from Hong Kong. A balance of £5,458 is carried forward.

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

12. Donated Assets

East Midlands Christian Fellowship (a related party) – donated to Welcome Churches office space including services and utilities totalling £1,600 in the year (2021: £1,440). This is treated as a donation and expense in these accounts.

An individual provided the Afghan welcome website, without charge a total of £2,000 is treated as a donation and expenses in these accounts.

13. Related Party

M Mumford was a trustee of East Midlands Christian Fellowship (now Reach Derby) until 8 July 2021 and of this charity.

Reach Events Management, a linked company, rents to Welcome Churches office space (see note 17).

There are no other related party transactions.

14. Pension Commitments

The charity operates a defined contributions pension scheme. The assets are held separately from those of the charity in independently administered funds.

The pension cost charge represents contributions payable by the charity to the funds and amounts to £10,208 (2021: £5,361). At the year end date an amount of £2,061 (2021: £954) was outstanding, payable to the company scheme after the year end date.

15. Taxation

The charitable entity is exempt from Corporation Tax on its charitable activities. The Trustees have reviewed the charities activities and are confident that they fulfil charitable aims and as such are considered to be for primary purpose.

16. FRC Ethical Standard – Provisions Available for Small Entities

In common with many other entities of our size and nature, we use our auditors to assist with the preparation of the financial statement.

17. Rental Commitment

There is currently an agreement in place to rent office space from Reach Events Management at an annual fee of £6,048, the agreement was signed on 9 August 2021, and commenced on 6 September 2021 for a 12 month period.

WELCOME CHURCHES

Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

18. Debtors

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Trade debtors	8,884	-
Prepayments	2,636	-
Other debtors	11,262	6,675
	<u>22,782</u>	<u>6,675</u>

19. Creditors

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Trade creditors	43,758	109
Accruals	12,016	1,020
Other creditors	7,710	957
	<u>63,484</u>	<u>2,086</u>

20. Cash Flow Statement

Reconciliation of net movement in funds to net cash flows from operating activities:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Net incoming resources	831,721	66,186
Adjustments:		
Depreciation Charges	1,485	671
(Increase)/ Decrease in Debtors	(16,107)	(5,428)
Increase/ (Decrease) in Creditors	61,398	314
	<u>878,497</u>	<u>61,743</u>