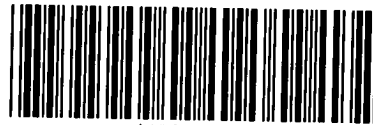


together for children

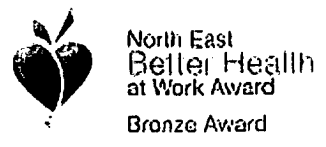
SUNDERLAND

Strategic Report, Report of the Directors
and Financial Statements
Year ended 31 March 2022
Together for Children Sunderland Limited

WEDNESDAY



A04 *AB94QS4Q* 27/07/2022 #86
COMPANIES HOUSE



"Care means catching me when I fall"



This striking piece was created by a care experienced person who worked with TfC as a modern apprentice then went on to earn a place at University.
(We are very grateful for Loren's permission to include her work in this Annual Report)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

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TOGETHER FOR CHILDREN SUNDERLAND LIMITED

COMPANY INFORMATION

Directors	Ms CE Auld Ms SD Carty Ms JP Colbert Ms DM Exley Mr DJ Gallagher Ms CM Heame Ms J Laverick Mr SP Mason Mr P Moffat Mr SG Renwick
Company number	10085290
Registered office	City Hall Floor 2 Plater Way Sunderland SR13AA Tyne and Wear England
Auditor	Robson Laidler Accountants Limited Statutory Auditor Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear NE2 1TJ

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Our Context

Together for Children Sunderland Limited (the Company), a Company limited by guarantee, delivers Children's Services on behalf of Sunderland City Council (the Council) by whom it is owned; it is controlled by an independent board to ensure operational independence.

The Company provides a range of services to meet the education, early help and social care needs of Sunderland's children, but it can't do this on its own, It can't do this alone and therefore works with statutory and community partners in everything it does. This includes the most fundamental responsibility for the safeguarding and protection of children, including cared for children and those children with special educational needs and disabilities.

In August 2021, the Company made the unprecedented progression from being judged as Inadequate by Ofsted to being Outstanding and, as a result, in November 2021, the formal Direction from the DfE was lifted taking the Council formally out of intervention.

Our Vision and Business Objectives

The Company has a vision to improve the lives of children, young people, and their families; The Company Business Plan 2022-25, builds on its journey of continuous improvement through a programme of transformation, optimising resources and keeping children central to all it does, that is:

Putting the child first!

The Company's Business Plan 2022-2025 is centered around the following aspirations and includes a roadmap of how they will be achieved:

- Empowering children and young people to use their voice and influence.
- Inspiring creative and innovate practice.
- Supporting our workforce and making the best use of resources.
- Leading and influencing future policy and direction.

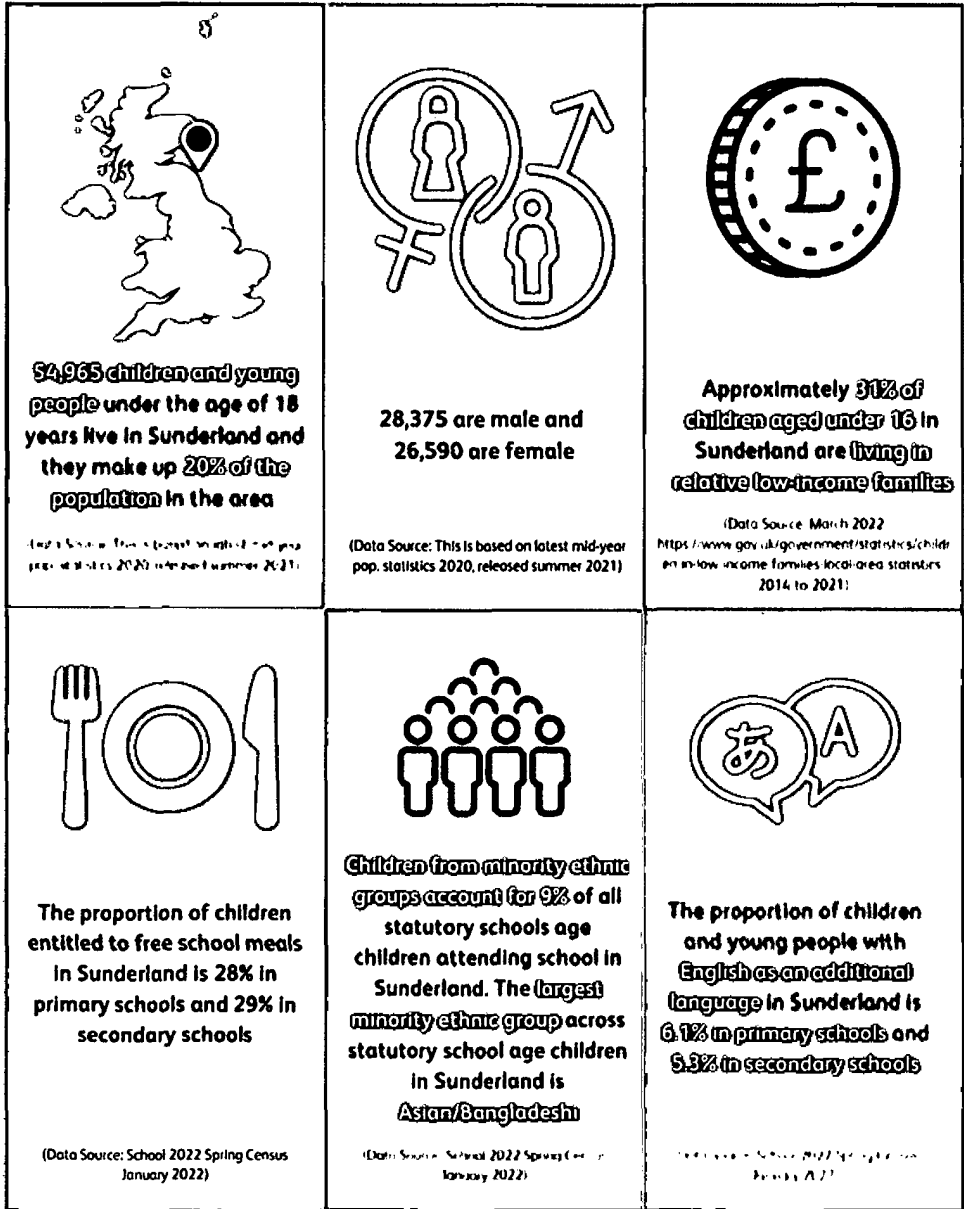
TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Our Demography

The following infographics capture the demography served by the Company:

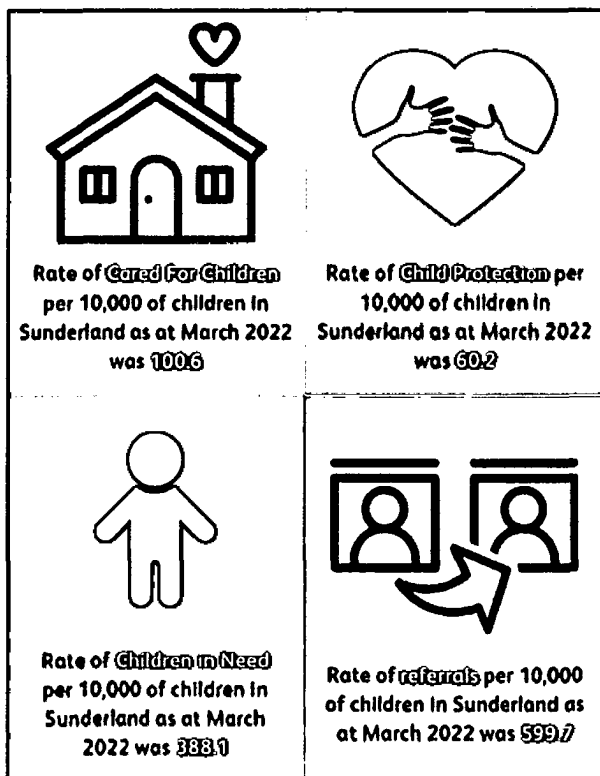


TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

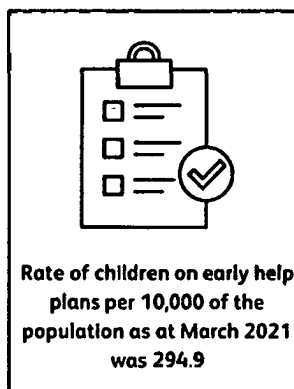
FOR THE YEAR ENDED 31 MARCH 2022

Cared For Children and Children in Need



(Data Source: Provisional TFC Social Care data as at 31 March 2022)

Early Help



(Data Source: Provisional TFC Social Care data as at 31 March 2022)

The data in the schematic is a snapshot as of March 2022 and shows an improvement compared to our 2021 output with a reduction in all areas, aside from the rate of referrals which has increased following high demand to the Front Door. Finally, at the time of writing this report, the Cared for Children, Child Protection and Children in Need rates are all below the North East average rates.

Our Progress this year

The year has shown exceptional progress with the announcement in August 2021 that, following a full Ofsted Inspection, the Company had made the unprecedented progression from "Inadequate" to "Outstanding", a huge achievement and credit to a stable, committed and professional workforce. Further, on 5 November 2021, in recognition of huge improvement, the Minister officially lifted the Intervention on the Council and its children's services.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Cared for Children, Fostering & Residential, Adoption & Leaving Care

The Company's children's homes have also been inspected by Ofsted during this year with the following outcomes:

- Nook Lodge – Full Inspection in September 2021 and was judged "good" for the overall experiences and progress of children and young people.
- Colombo Road – Full Inspection in December 2021 and was judged "outstanding" for the overall experiences and progress of children and young people.
- Revelstoke Road – Full Inspection in January 2022 and was judged "outstanding" for the overall experiences and progress of children and young people.
- Monument View – Full Inspection in May 2021 and was judged "requires improvement to be good" for the overall experiences and progress of young people. It then had an interim inspection in January 2022 and was judged to have "sustained effectiveness".
- Grasswell House – Full Inspection in June 2021 and was judged "good" for the overall experiences and progress of young people.

As part of a planned investment in local residential care, increased capacity from the Clinical Psychologist for cared for children was started in June 2021 and this is enabling the continued development of a therapeutic approach. The Next Steps (care leavers) service is also now receiving support from the Clinical Psychologist for cared for children who is providing training and consultation. This ensures consistency of approach across the various settings in which we engage with young people and in direct work with those who have experienced trauma. It also facilitates support pathways into adult mental health services where needed.

The local capacity of the internal supported accommodation service for care experienced young people was increased with the opening of Cliffe Park, a Support to Independence provision in spring 2021. Cliffe Parke has been fully occupied most of the year offering support to young people with the next phase of their plan for semi-independence.

Early Help

Early Help services, including the Youth Offending Service and all Targeted Youth Services, continued to support children and families from the outset of Covid restrictions. The service also picked up the ongoing support for all families whose Early Help Plan had previously been co-ordinated by a school, health visitor or other universal service provider. Early Help workers deployed to schools were fully utilised by these schools, supporting with a variety of issues and addressing issues identified from the vulnerable children still attending. Welfare visits to families of concern and those self-isolating were a feature of this work. The number of schools purchasing Early Help support directly from the Company rose from twelve to eighteen over the year with more expressions of interest submitted for 2022/23. Early Help services expanded, rather than contracted, during the pandemic and have attracted funding from partners to develop some innovative projects in response to emerging and unmet need.



TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Examples of this are:

- The mobile prevention provision ('the bus') in partnership with the NHS CCG, the Police and health services. This initiative was pump-prime funded by the DfE and is now fully funded for two years having attracted funds from the Violence Reduction Unit to begin to develop a core team of expert outreach staff.
- The use of this mobile provision to deliver Holiday Activity and Food provision to our most disadvantaged and often least accessible communities.
- The RAISE Attendance initiative, funded by the NHS CCG for 12 months to explore the use of Family Group Conferencing to support persistent school absence.

We have applied for funds to open a Family Hub in one of our most deprived wards and we are working actively on how a Family Hubs Network for Sunderland might be developed.

Education

Our vision to improve services for SEND for children, young people and their families in Sunderland.

Our SEND Strategy builds on the key principles of working together with a focus on what parents and practitioners have told us they need. The strategy is underpinned by; a personalised approach building on the strengths and resilience of families and their communities to find solutions through a person and family centred approach; working together with children and young people with SEND and their families from the earliest possible stage through joined up services and arrangements and by keeping it local – services and provision are delivered locally wherever appropriate.

We will achieve this through access to high quality local Early Years provision, schools, post 16/19 settings, work-based training, internships, employment and social and leisure opportunities. Children and young people with SEND will be offered access to high quality and appropriate health and care support in response to their diagnosed needs. This will be effectively co-ordinated, managed and focused on working together across education, health and care to achieve outstanding outcomes for the families and children of Sunderland. We are committed to the following key priorities in order to deliver our vision:

- Children and young people with SEND and their families, schools and partners have confidence and are effectively engaged through co-production in the systems, processes and support that they receive across education, health and care and are involved strategically and on an individual basis.
- Support early year's settings, mainstream schools and Post 16 establishments to improve inclusion, provide good or better provision and educational outcomes for children and young people with SEND thereby narrowing the achievement gap for all under achieving groups.
- Develop a continuum of high-quality local provision to meet the needs of children and young people with SEND (including autistic spectrum condition (ASC), social, emotional and mental health difficulties and speech and language needs).
- Enable children and young people with SEND to enjoy good physical and mental health wellbeing. Sunderland Written Statement of Action December 2021.
- Develop positive transitions and effective provision for children and young people with SEND to enable them to successfully prepare for adulthood such as employment and independent living.
- Improve integrated multi-disciplinary working, data sharing protocols, commissioning and co-ordination of services that will enhance choice, quality and ensure that Best Value is achieved from all our resources.

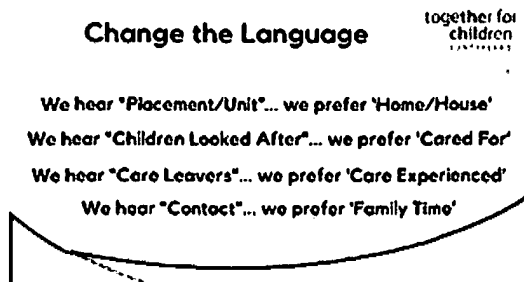
TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Hearing the voice of the young person

The Company continues to support the Change the Language Campaign, led by Cared for Children in Sunderland, and adopts the language preferred by children and young people as illustrated below:



Equity, Diversity and Inclusion

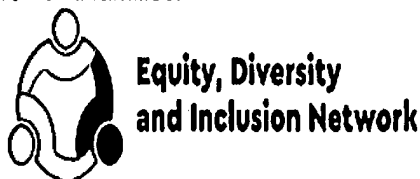
We believe that excellence will be achieved through recognising the value of every individual. We aim to create an environment that respects the diversity of staff and service users, enabling them to achieve their full potential, contribute fully and derive maximum benefit and enjoyment from their involvement in the Company.

To this end the Company will embed in all its activities the following basic rights for all:

- To receive a professional and appropriate service
- To be treated with respect and dignity
- To be treated fairly with regard to all procedures, assessments and choices
- To receive encouragement to reach their full potential

These rights carry with them responsibilities not just for the Company, but also all its staff, service users and those who supply services on our behalf. We must all recognise and uphold these rights and act in accordance with them in our dealings with others.

As a Company committed to making a difference for children and families in Sunderland, we hold close our duty to further the interests of those who use our services. To do this, we need a workforce made up of people from diverse backgrounds, who can ensure that we make sound decisions which are representative of all perspectives within society. We seek to build a workforce that champions fairness, kindness and inclusivity, and who can apply these values when working with children and families.



We take steps to ensure we are a great employer that values and celebrates the different ideas, skills, behaviours and experiences of our colleagues. We also foster a culture that promotes wellbeing and positive mental health and provides support to enable all our colleagues to thrive. As part of this achieving these goals, we convened an overarching Equity, Diversity and Inclusion Network with complementary Accessibility, LGBTQ+ and Racial Equality Networks.

Investment in Newly Qualified Social Workers

We have continued to invest and develop in the Assessed and Supported Year of Employment (ASYE) programme over 2021/22 which has supported social care capacity through ensuring that we have a steady stream of Social Workers into the Company. The now well-established Social Work Academy accounted for 24 new Social Care recruits in 2021/22.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

We recognise the importance of having new recruits and we have enhanced the offer to Newly Qualified Social Workers (NQSWS) by extending support as we are aware of the need to have support outside of the Assessor and Team Manager; this includes one-to-one support with the ASYE Co-ordinator and Principal Social Worker. There are 4-weekly group drop-in sessions and group supervisions which are well attended. We are proud of our continuous programme of NQSWs, there is a strong focus on ensuring that they have the practical skills and knowledge to be able to practice confidently with children and families in Sunderland.

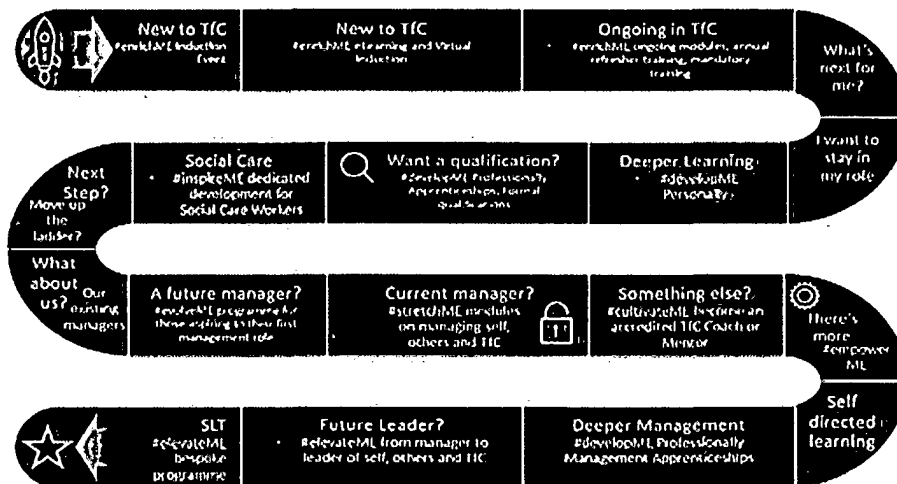
The ASYE programme runs alongside the established Student Social Work programme and our continued participation in the national Step-up to Social Work campaign and Social Work Apprenticeship.

On completion of the ASYE year, all year 2 practitioners are extended the opportunity to complete the Year 2 Practitioner award representing a continuing investment in their CPD and showing their commitment to remain with the Company.

Staff Progression and Development

The launch of the "me@tfc" (Learning and Development) Strategy has created access points for all Company staff into continued professional development.

- me@TfC is an inclusive approach to development aimed at creating the learning and development opportunities to enable staff to thrive in their career, whatever aspirations staff may have. Introducing and investing in approaches involving the use of a profiling tool, Insights Discovery™ has enabled the majority of the TfC leadership and management teams to benefit from higher levels of self-awareness, more effective ways of working and a greater understanding of others. This has been further embedded through tailored workshops for teams and through one-to-one coaching.



The Company offers a wide range of learning and development opportunities across the organisation and aims to have highly skilled practitioners to develop a workforce that delivers an excellent service to the children and families of Sunderland. Ofsted, in 2021, reported that staff receive high-quality training and support which includes ongoing post-qualification learning and development opportunities. We continue to build on our existing learning and development programme to ensure that our experienced social workers have the opportunity to undertake more specialised development opportunities.

There has been investment in our people management population, seeing all managers with staffing responsibilities go through a coaching programme partnered with the OCM (formerly the Oxford School of Coaching and Mentoring). Most members of the Extended Senior Leadership Team are now accredited with a coaching qualification recognised by the European Mentoring and Coaching Council, and all managers have received the OCM's Coaching Fundamental Programme. The programme gives greater confidence to managers and leaders in providing feedback on performance and identifying individual development opportunities to enable people to thrive.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Trauma informed practice was delivered to all social care practitioners during 2021 with positive feedback around the impact upon practice and we are able to see a direct link from training to practice. The Signs of Safety team has expanded and offers further learning opportunities for Social Care and Early Help staff, Managers and Leaders receiving additional modules to inform wider practice change.

There is now well established and proactive communication on learning and development promoting training courses to the social care workforce which staff can access freely in line with the development needs identified in supervision. A Learning and Development Forum has been established to bring together training partners across the Company and the Sunderland Safeguarding Children's Partnership so that learning and practice developments can be shared.

Our Principal Risks

The Board of the Company owns its risk architecture and risk appetite and has delegated oversight of the Strategic and Operational Risk Registers to its Audit and Assurance Committee. Material risks are escalated to the Board by the Committee as and when appropriate. All risks are actively managed by the Senior Leadership Team of the Company through a regular review of the Strategic and Operational Risk Registers.

At the end of March 2022, there were four strategic risks under surveillance all of which are considered as either quantitatively or qualitatively material. There is a risk that:

- The Company is unable to move towards financial sustainability given the extant Contract Sum, and also the Covid-related implications of increased demand and the impact that has on delivering the Transformation Programme cost reductions.
- The requirement for specialist external accommodation arrangements and costs will increase due to current limited capacity and potential increasing demand.
- The current property estate occupied by the company cannot meet the increasing and changing needs of TFC's service provision requirements.
- In relation to the national restructure of the NHS CCG, it is currently unclear how the company will be able to engage and negotiate future funding streams.

As referenced above, all the above noted material risks are actively scrutinised on a monthly basis by the Senior Leadership Team and at every Audit and Assurance Committee meeting. An inherent part of the discussion in both fora is the context of the risk locally, regionally and nationally and so, for example, mitigation of risk 1 above includes participation in Regional commissioning initiatives seeking a unified approach to the market and our participation in the Competition and Markets Authority review of the market.

Finally in this regard, the Audit and Assurance Committee actively seeks to align each year's Internal Audit Work Programme with the Risk Register to ensure all material risks are addressed.

Section 172(1) Statement

This reporting requirement relates to a directors' duty to promote the success of the Company, which is prescribed in Section 172 of the Companies Act 2006. This duty states that:

- A director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
 - the likely consequence of any decision in the long term
 - the interests of the Company's employees
 - the need to foster the Company's business relationships with suppliers, customers and others
 - the impact of the Company's operations on the community and the environment
 - the desirability of the Company maintaining a reputation for high standards of business conduct
 - the need to act fairly as between members of the Company

In regard to compliance in 2021/2022, the accompanying Annual Report demonstrates clearly the Company's operating context, employee considerations/engagement, partnership ethos and high standards as a corporate parent, business partner and neighbour.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

A brief summary under the headings of the Act include:

- the likely consequence of any decision in the long term:
 - Given the Company operated under a Services Contract with its Sole Member, Sunderland City Council, which is a maximum of ten years (7+3 year structure) starting from 1 April 2017 all long-term decision making is tightly regulated.
 - In addition, the Company's Articles of Association stipulate that any decisions with a longevity beyond the Services Contract are a Reserved Matter for the Council as sole member.

- the interests of the Company's employees:
 - Narrative elsewhere in this Annual Report demonstrates how the Company values and engages with its staff and embraces equality and diversity. The Company has significantly reduced reliance on Agency social work staff and to create a strong, engaged and stable workforce at all levels from management across the Company. As of 31 March 2022, the company had just one agency social worker.
 - The Company's Senior Leadership Team meets regularly with Trade Union colleagues to discuss key matters especially those relating to staff, terms and conditions (which mirror those of the Sunderland City Council per the Services Contract).

- the need to foster the Company's business relationships with suppliers, customers and others:
 - Again, the accompanying Report shows a keen desire to create and optimise key strategic partnerships in providing high quality services to all service users and unashamedly putting the child first.
 - In a practical sense, the Company's published Payment Terms reports demonstrate a desire to support the Company's supply chain by prompt settlement with >98% paid within 30 days and an average term of just 5 days.

- the impact of the Company's operations on the community and the environment:
 - The Company is very community engaged with regular liaison events designed, for example, to support and recruit Foster Carers and potential adoptive parents. The Company's Third Sector interface is strong with active support to the Cared for Children Christmas Luxury Hamper appeal by a local charity, Hopesprings, as but one example.
 - An ongoing review of the Company estate anticipates reducing the Company's carbon footprint and the planned installation of further electric charging points demonstrates commitment to lowering tailpipe emissions when travelling.
 - The Company is actively engaged with the Council on a city-wide Low Carbon Framework and is actively canvassing the views of children and young people to support and shape this agenda.

- the desirability of the Company maintaining a reputation for high standards of business conduct:
 - The Company strives to be utterly professional in its business conduct and adopts high standards of conduct in all operations.
 - As already alluded to above, payment terms are prompt and not exploitative, and any changes to contract terms and conditions are carefully articulated and discussed rather than being unilaterally introduced.
 - The Company has a Modern Slavery Policy which mirrors that of its sole member and applies to supply chain partners too.

- the need to act fairly as between members of the Company:
 - Sunderland City Council is the Sole Member therefore equity and fairness between members is not an issue.
 - The Company recognises staff and unions as key stakeholders in its success and, as explained elsewhere in this report seeks to proactively engage with both these important stakeholders in an equitable manner.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

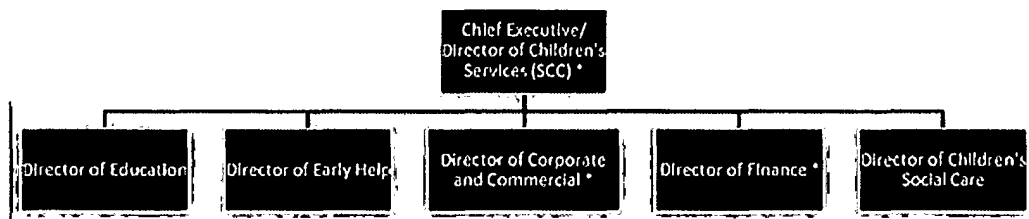
FOR THE YEAR ENDED 31 MARCH 2022

Our Governance Structure:

The Company is overseen by its independent Board of directors, it has an Audit and Assurance Committee. 2021/22 Board and Committee Attendance (Actual/Possible):

Board Member	Board Meetings/ Calls	Audit and Assurance Committee
Ms C E Auld	10/11	
Ms S D Carty	10/11	
Ms J P Colbert	10/11	
Ms D Exley	10/11	2/3
Mr D Gallagher	6/11	
Ms C M Hearne	11/11	3/3
Ms J Laverick	5/11 (Mat Leave)	
Mr S P Mason	10/11	3/3
Mr P Moffat	10/11	
Mr S G Renwick	10/11	3/3

The Senior Leadership Team structure shown below manages the business on an operational basis, directors meet regularly with their direct reports both individually and collectively as an Extended Senior Leadership Team.



(* = Company Board Members registered with Companies House)

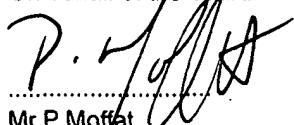
RESULT FOR THE YEAR

The turnover of the Company in the year to 31 March 2022 was £130,544,621, of which £123,107,484 was received from Sunderland City Council in the form of contract income and contributions. The main contract income from Sunderland City Council totalled £79.9m.

The Company spent £125m on cost of sales, providing services to children and £12.8m on administration expenses during the period. Pension costs totalled £12.3m and includes £7.4m of costs as a result of the required defined benefit pension scheme disclosures and £4.9m contributions paid during the year in relation to the 868 employees of the Company, not all of whom are in a Pension Scheme.

Overall income and expenditure in the next financial period is expected to grow as a number of services, primarily relating to Education, and retained by the Council at the inception of the Company are expected to transfer under the control of the Company. Sunderland City Council has agreed that it will continue to support the Company financially for the next 12-month period, to ensure the Company can continue to trade.

On behalf of the board


 Mr P Moffat
 Director

Date: 29/6/22

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

The company is limited by guarantee and has no share capital.

Principal activities

The principal activity of the company continued to be that of delivering Children's Services on behalf of Sunderland City Council.

Results and dividends

No dividends will be distributed for the year ended 31 March 2022.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms CE Auld
Ms SD Carty
Ms JP Colbert
Ms DM Exley
Mr DJ Gallagher
Ms CM Hearne
Ms J Laverick
Mr SP Mason
Mr P Moffat
Mr SG Renwick

Employees

The Company values its staff greatly and is an equal opportunities employer. It is the Company's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment. All employees are treated fairly and equally. Selection for employment, promotion, training, or other matters affecting their employment is on the basis of aptitude and ability.

It is the Company's policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the Company) and to comply with all current legislation.

The Company has a Modern Slavery Policy which covers practices within the Company and also its supply chain.

There were 857 employees working on the snapshot date of 5 April 2021. The gender pay gap analysis is based on headcount which showed 705 female employees and 152 male employees. The Company workforce is, as is typical in our service arena, predominantly female; even in the highest paid quartile 83% of employees are female.

Hourly pay gap: In this organisation, comparison of median pay in the Company shows a gap of 1.72% in favour of men. The percentage of women in each pay quarter: In this organisation, women occupy 83% of the highest paid jobs and 89% of the lowest paid jobs.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Streamlined energy and carbon reporting

The Company is committed to a lower carbon footprint and is working with Council and Sunderland Partnership colleagues to deliver against the city's Low Carbon Framework and the goal for Sunderland to be carbon neutral as a city by 2040.

The Company is also working with Council colleagues to develop its own Low Carbon Action Plan to reduce emissions and also to be able to comply more fully with this disclosure requirement in future accounting periods.

As a member of the city-wide leadership group on Low Carbon – the 2030 Shadow Board – the Company has played an important role alongside colleagues at the Council, College and University in supporting establishment of a young people's advisory group which has been named by the young people as the city's Environmental, Green and Sustainable (EGS) Group.

Integral to this work is involving children and young people and hearing their voice, see example below:



TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Data Reporting:

The undemoted initial data is provided as a baseline from which to map improvement in coming years, it is measured in tonnes of carbon dioxide equivalent (CO₂e). Scope 2 and 3 include emissions from two of our main sites, Stanfield and Bunnyhill, and our grey fleet mileage. Data for a third main site, Sandhill, is not yet available as it is a shared PFI site.

The Company's chosen intensity measure is emissions per employee. The report data has been collated internally and CO₂e have been calculated using actual prices per kwh and cost for car mileage taken from suppliers' invoices and staff car mileage claims. CO₂e has been calculated using the National Energy Foundation Carbon Calculator.

We have reported on the emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 apart from the exclusions noted. The reported sources fall within our financial statements and are emissions over which we have financial control. We do not have responsibility for any emissions sources that are not included in our statements.

Category	Unit of measurement	2021/22 Baseline
Scope 2 emissions (indirect: Stanfield & Bunnyhill)	tonnes CO ₂ e	232.69
Scope 3 emissions (other indirect: Grey Fleet)	tonnes CO ₂ e	85.67
Total Greenhouse Gas emissions	tonnes CO ₂ e	318.36
Greenhouse gas emissions per employee	tonnes CO ₂ e	0.37

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr P Moffat
Director

Date: 29/06/22

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOGETHER FOR CHILDREN SUNDERLAND LIMITED

Opinion

We have audited the financial statements of Together For Children Sunderland Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 directors' 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 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 directors 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 annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TOGETHER FOR CHILDREN SUNDERLAND LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TOGETHER FOR CHILDREN SUNDERLAND LIMITED

Audit procedures performed by the engagement team included:

Discussions with UK directors and key management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

Evaluation and testing of the operating effectiveness of managements controls designed to prevent and detect irregularities;

Reviewing relevant meeting minutes;

Reviewing reports and correspondence produced by Ofsted and the Care Quality Commission, with respect to our client;

Identifying and testing journal entries based on risk criteria;

Testing transactions entered into outside of the company's normal course of business.

There are inherent limitations in the audit procedures outlined above and there is no guarantee that our procedures would always detect a material misstatement exists. We also note that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Michael T Moran BA FCA (Senior Statutory Auditor)
For and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

Date: 19 July 2022

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	130,544,621	123,368,121
Cost of sales		(125,106,913)	(113,232,005)
Gross profit		5,437,708	10,136,116
Administrative expenses		(12,793,409)	(13,482,519)
Operating loss		(7,355,701)	(3,346,403)
Interest receivable and similar income		1,701	8,403
Interest payable and similar expenses		(1,410,000)	(931,000)
Loss before taxation		(8,764,000)	(4,269,000)
Tax on loss	8	2,191,000	-
Loss for the financial year		(6,573,000)	(4,269,000)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Loss for the year	<u>(6,573,000)</u>	<u>(4,269,000)</u>
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	17,308,000	(22,567,000)
Tax relating to other comprehensive income	3,260,000	4,287,730
Other comprehensive income for the year	<u>20,568,000</u>	<u>(18,279,270)</u>
Total comprehensive income for the year	<u>13,995,000</u>	<u>(22,548,270)</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

BALANCE SHEET

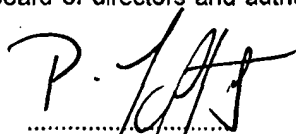
AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Current assets					
Debtors	9	24,018,197		14,281,111	
Cash at bank and in hand		2,599,105		3,729,371	
		<u>26,617,302</u>		<u>18,010,482</u>	
Creditors: amounts falling due within one year	10	<u>(11,400,302)</u>		<u>(8,244,482)</u>	
Net current assets			15,217,000		9,766,000
Provisions for liabilities					
Defined benefit pension liability	12	<u>60,868,000</u>		<u>69,412,000</u>	
			(60,868,000)		(69,412,000)
Net liabilities			<u>(45,651,000)</u>		<u>(59,646,000)</u>
Capital and reserves					
Profit and loss reserves	13		<u>(45,651,000)</u>		<u>(59,646,000)</u>
Total equity			<u>(45,651,000)</u>		<u>(59,646,000)</u>

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:



Ms JP Colbert
Director



Mr P Moffat
Director

Company Registration No. 10085290

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Profit and loss reserves £
Balance at 1 April 2020	(37,097,730)
Year ended 31 March 2021:	
Loss for the year	(4,269,000)
Other comprehensive income:	
Actuarial gains on defined benefit plans	(22,567,000)
Tax relating to other comprehensive income	4,287,730
Total comprehensive income for the year	(22,548,270)
Balance at 31 March 2021	(59,646,000)
Year ended 31 March 2022:	
Loss for the year	(6,573,000)
Other comprehensive income:	
Actuarial gains on defined benefit plans	17,308,000
Tax relating to other comprehensive income	3,260,000
Total comprehensive income for the year	13,995,000
Balance at 31 March 2022	(45,651,000)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(1,131,967)		1,441,464
Investing activities					
Interest received		1,701		8,403	
Net cash generated from investing activities			1,701		8,403
Net (decrease)/increase in cash and cash equivalents			(1,130,266)		1,449,867
Cash and cash equivalents at beginning of year			3,729,371		2,279,504
Cash and cash equivalents at end of year			<u>2,599,105</u>		<u>3,729,371</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Together For Children Sunderland Limited is a private company, limited by guarantee, incorporated in England and Wales. The registered office is City Hall, Plater Way, Sunderland, Tyne and Wear, England, SR1 3AA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Turnover consists of income from various grants and contracts and is recognised in accordance with the terms of those grants and contracts. Any unbilled work at the year-end is accrued and recognised as turnover and any income that should rightly be recognised in the following year is deferred at the year end.

1.4 Tangible fixed assets

The Company has been established with Service Level Agreements for all of its asset-based infrastructure requirements such as vehicles, premises, ICT systems and equipment. Accordingly, there is a pre-disposition against holding assets on the Company's Balance Sheet. Where specific needs and/or projects arise where an acquisition has a carrying value for more than one accounting period, the de-minimis capitalisation level applied will be £20,000 and beneath that value, transactions will be treated as revenue and written off fully in the year of acquisition. Should an asset be acquired above the de-minimis limit then the asset will be depreciated on a straight line basis as follows:

- Land Not depreciated
- Freehold buildings 50 years
- Long leasehold buildings 50 years
- Fixtures, fittings and equipment 10 years
- Plant, Vehicles and Machinery 5 years
- ICT equipment 5 years

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

Pension costs and other post-retirement benefits

The Company operates a defined benefit pension scheme for the benefit of certain of its employees, as a member of the Tyne & Wear Pension Fund. The assets of the scheme are held separately from those of the Company in an independently administered fund.

FRS102 requires the Company to disclose certain information in relation to the pension scheme, concerning assets, liabilities, income and expenditure related to the scheme. These disclosures have been prepared by AON Hewitt, the actuary for the Tyne & Wear Pension Fund.

The liabilities of the pension scheme attributable to the Company are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates and projected earnings for current employees.

Assets have been valued at bid value in accordance with FRS102.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The net pension liability is analysed into the following components:-

Current service costs

The increase in liabilities as a result of years of service earned this year, is allocated to the Statement of Comprehensive Income.

Past service costs

The increase in liabilities arising from current year decisions that affect years of service earned in previous years.

Interest costs

The expected increase in the present value of liabilities during the year as they move one year closer to being paid.

Expected return on assets

The annual investment return on the fund assets attributable to the Company based on an average of the expected long term return.

Actuarial gains and losses

Changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.

Contributions paid to the pension fund

Cash paid as employer's contributions to the pension fund.

Other pension schemes

Certain employees of the Company are members of the following pension schemes:

- Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education.
- The NHS Pension Scheme.

The arrangements for these two schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to Together for Children Sunderland Limited. These schemes are, however, accounted for as if they were defined contribution schemes but, no liability for future payments of benefits is recognised in the Company's Balance Sheet. Employer contributions into these schemes are charged to the Statement of Comprehensive Income.

1.8 Short-term debtors and creditors

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised immediately in profit and loss.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the disclosures in respect of the defined benefit scheme. The assumptions relating to the pension scheme are disclosed at note 12.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Contract income	79,930,481	75,952,632
Educational income	48,568,729	46,315,489
Other income	2,045,411	1,100,000
	<u>130,544,621</u>	<u>123,368,121</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	130,544,621	123,368,121
	<u>2022</u>	<u>2021</u>
	£	£
Other revenue		
Interest income	1,701	8,403

4 Exceptional item

	2022	2021
	£	£
Expenditure		
Exceptional item - Cost of sales	436,414	2,181,774

Exceptional items are the costs incurred by the company as a result of the COVID pandemic.

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,200	13,860

Auditors' remuneration charged for 2022 includes £650 charged in respect of the audit of the company's S14 grant.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Service delivery	715	732
Administration	153	100
Total	<u>868</u>	<u>832</u>

In 2022, business support functions were reclassified from Cost of Sales to Administration to more accurately reflect their vital role in supporting service delivery to Sunderland's children and families. In total 50 staff were reflected in this reclassification.

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	27,953,449	25,911,488
Social security costs	2,767,181	2,555,047
Pension costs	12,269,235	7,842,174
	<u>42,989,865</u>	<u>36,308,709</u>

During the year, key management personnel remuneration of £875,339 (2021: £850,390) was paid. Key management personnel encompasses the wider Company management team.

Pension costs

Employees of Together for Children Sunderland Limited are admitted to the Tyne & Wear Pension Fund, under the regulations governing the Local Government Pension Scheme. This is a defined benefit scheme, meaning that Together of Children Sunderland Limited and employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets.

In 2021/22 the Company paid £4,629,000 into the Tyne & Wear Pension Fund, which provides members with defined benefits relating to pay and services. The Fund Actuary determines the employer's contribution rate based upon triennial actuarial valuations, the last review being 1 April 2017. Under Pension Regulations, overall contribution rates are set to meet 100% of the overall liabilities of the Fund over the defined period.

The above pension costs include £7,354,000 as a result of adjustments relating to costs associated with the defined benefit scheme.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	372,768	358,547
Pension contributions to defined benefit schemes	62,662	62,348

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2021 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	116,621	112,035

8 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(2,191,000)	-

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(8,764,000)	(4,269,000)
Expected tax charge based on the standard rate of corporation tax in the UK of 0% (2021: 0%)	-	-
Deferred tax	(2,191,000)	-
Taxation credit for the year	(2,191,000)	-

In addition to the amount (credited)/charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(3,260,000)	(4,287,730)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Taxation (Continued)

Analysis of the tax charge

No Liability to UK corporation tax arose for the year ended 31 March 2022 nor for the year ended 31 March 2021.

9 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	3,335,434	1,550,621
Amounts owed by group undertakings	292,949	128,612
Other debtors	15,603	22,613
Prepayments and accrued income	5,157,211	2,813,265
	<u>8,801,197</u>	<u>4,515,111</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 11)	15,217,000	9,766,000
	<u>15,217,000</u>	<u>9,766,000</u>
Total debtors	<u>24,018,197</u>	<u>14,281,111</u>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,456,832	651,077
Taxation and social security	3,355,105	2,275,363
Accruals and deferred income	6,588,365	5,318,042
	<u>11,400,302</u>	<u>8,244,482</u>

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022	Assets 2021
	£	£
Balances:		
Other timing differences	<u>15,217,000</u>	<u>9,766,000</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11	Deferred taxation	(Continued)
		2022
		£
	Movements in the year:	
	Asset at 1 April 2021	(9,766,000)
	Credit to profit or loss	(2,191,000)
	Credit to other comprehensive income	(3,260,000)
	Asset at 31 March 2022	<u>(15,217,000)</u>

12	Retirement benefit schemes	2022	2021
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	<u>7,354,000</u>	<u>3,338,000</u>

Defined benefit schemes

The disclosures below relate to the funded liabilities within the Tyne & Wear Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme (the 'LGPS'). The funded nature of the LGPS requires Together for Children Sunderland Limited and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The latest actuarial valuation of Together for Children Sunderland Limited's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Employer's assets and liabilities for FRS102 purposes are shown below.

	2022	2021
<i>Key assumptions</i>	%	%
Discount rate	2.70	2.10
Expected rate of increase of pensions in payment	2.90	2.60
Expected rate of salary increases	4.40	4.10
CPI inflation	2.90	2.60
Pension accounts revaluation rates	<u>2.90</u>	<u>2.60</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Retirement benefit schemes	(Continued)	
<i>Mortality assumptions</i>	2022	2021
The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.	Years	Years
Retiring today		
- Males	21.8	21.9
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.5	23.6
- Females	26.7	26.9
	2022	2021
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	11,983,000	7,580,000
Net interest on net defined benefit liability/(asset)	1,410,000	931,000
The effect of any curtailment or settlement	-	17,000
Total costs	13,393,000	8,528,000
	2022	2021
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(4,548,000)	(13,556,000)
Less: calculated interest element	1,759,000	1,494,000
Return on scheme assets excluding interest income	(2,789,000)	(12,062,000)
Actuarial changes related to obligations	(14,519,000)	34,629,000
Total costs/(income)	(17,308,000)	22,567,000
The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:		
	2022	2021
	£	£
Present value of defined benefit obligations	151,760,000	150,570,000
Fair value of plan assets	(90,892,000)	(81,158,000)
Deficit in scheme	60,868,000	69,412,000

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Retirement benefit schemes	(Continued)
	2022
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2021	150,570,000
Current service cost	11,983,000
Benefits paid	(1,102,000)
Contributions from scheme members	1,659,000
Actuarial gains and losses	(14,519,000)
Interest cost	3,169,000
At 31 March 2022	<u>151,760,000</u>
	2022
	£
<i>The defined benefit obligations arise from plans funded as follows:</i>	
Wholly unfunded obligations	151,760,000
Wholly or partly funded obligations	-
	<u>151,760,000</u>
	2022
	£
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2021	81,158,000
Interest income	1,759,000
Return on plan assets (excluding amounts included in net interest)	2,789,000
Benefits paid	(1,102,000)
Contributions by the employer	4,629,000
Contributions by scheme members	1,659,000
At 31 March 2022	<u>90,892,000</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Retirement benefit schemes

(Continued)

The actual return on plan assets was £4,548,000 (2021 - £13,556,000).

Expected return on assets

The approximate split of assets for the fund as a whole is shown in the table above. Also shown are the assumed rates of return adopted by the employer for the purposes of FRS102.

In December 2018, the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement, which found that the transitional protection arrangements put in place when the firefighters' and judges' pensions schemes were reformed, were age discriminatory. The Government has announced that it accepts the judgement of the courts, however there is still significant uncertainty over the remedy that will apply. The ruling will have implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

In relation to the LGPS, all members of the 2008 scheme were moved into the new 2014 scheme, but members within 10 years of normal retirement were given an underpin promise, that their benefits would be at least as valuable in terms of amount and when they could be drawn, as they would if they had remained in the 2008 scheme.

For the purpose of reporting a contingent liability it would be prudent to assume the remedy would be equivalent to extending the underpin promise to all members.

The Company recognises that a liability may therefore arise as a result of the above proceedings, but at this stage, it is not practical or cost effective to estimate this liability, particularly at employer-level. This is because the calculations required are not straight forward, as they would require re-calculation of the benefits payable in the pre-formed schemes in relation to members who moved to the new scheme, and decisions would need to be made over what remedy should be assumed to apply in the circumstances and what approximations can be made to limit the cost of the exercise.

	2022	2021
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	51,808,000	45,044,000
Debt instruments	29,813,000	26,457,000
Property	7,635,000	6,411,000
Cash	1,636,000	3,246,000
	<u>90,892,000</u>	<u>81,158,000</u>

	2022	2021
	£	£
The major categories of scheme assets as a percentage of total scheme assets are as follows:		
Equities	57.00%	55.50%
Government Bonds	2.00%	2.20%
Corporate Bonds	18.80%	19.80%
Property	8.40%	7.90%
Cash	1.80%	4.00%
Other	12.00%	10.60%
	<u>100.00%</u>	<u>100.00%</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	(59,646,000)	(37,097,730)
Loss for the year	(6,573,000)	(4,269,000)
Actuarial differences recognised in other comprehensive income	17,308,000	(22,567,000)
Tax on actuarial differences	3,260,000	4,287,730
	<u> </u>	<u> </u>
At the end of the year	<u>(45,651,000)</u>	<u>(59,646,000)</u>

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	729,777	788,779
Between two and five years	2,565,807	2,674,815
In over five years	-	620,779
	<u> </u>	<u> </u>
	<u>3,295,584</u>	<u>4,084,373</u>

15 Related party transactions

Included in turnover is £79,930,481 (2021: £75,952,632) in contract income, which includes £8,235,676 (2021: £6,756,016) of grants received from Sunderland City Council, the sole member of the Company, and £43,177,003 (2021: £40,071,753) in contributions also received from Sunderland City Council.

Services contracted from Sunderland City Council include £2,206,672 (2021: £2,286,759) in administrative expenses and £881,827 (2021: £1,016,125) in cost of sales.

Partnership Agreement Funding received by Sunderland City Council of £2.933m (2021: £1.623m) was passed to the Company and the Company paid the Council £0.482m (2021: £0.490m) in relation to Partnership Agreement Funding.

As agreed under the terms of the contract, Sunderland City Council has met redundancy costs totalling £0 (2021: £0.026m).

At the year end, Together for Children Sunderland Limited owed Sunderland City Council £2,410,213 (2021: £1,655,947) and the Council owed the Company £7,535,007 (2021: £3,259,035).

16 Ultimate controlling party

The ultimate controlling party is Sunderland City Council.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Going Concern

The Company has recorded net liabilities at the year end, by virtue of having to include the pension deficit in the accounts in accordance with FRS102. The Company's pension deficit of £60.9m is recognised in full in the financial statements. The liability is being addressed on a going concern basis, with the Company having up to 27.6 years to address the pension fund projected deficit. If this liability had not been included in the accounts, the accounts would have recorded a break-even position, which is in line with the Company's expectations.

The use of the going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt over the ability of the Company to continue as a going concern. Sunderland City Council has confirmed that it will financially support the Company for a further 12 months from the date the financial statements are signed by the directors and the auditor. The directors have reviewed the Company's forecasts for the next financial year from the date of formally approving the financial statements and consider preparation of the financial statements on a going concern basis to be appropriate.

18 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Loss for the year after tax	(6,573,000)	(4,269,000)
Adjustments for:		
Taxation credited	(2,191,000)	-
Finance costs	1,410,000	931,000
Investment income	(1,701)	(8,403)
Pension scheme non-cash movement	7,354,000	3,338,000
Movements in working capital:		
(Increase)/decrease in debtors	(4,286,086)	1,855,232
Increase/(decrease) in creditors	3,155,820	(405,365)
Cash (absorbed by)/generated from operations	<u>(1,131,967)</u>	<u>1,441,464</u>

19 Analysis of changes in net funds

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	3,729,371	(1,130,266)	2,599,105