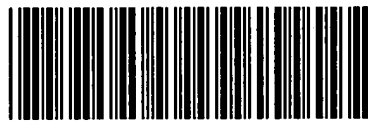

together for children

SUNDERLAND

Strategic Report, Report of the Directors
and Financial Statements
Year Ended 31 March 2025
Together for Children Sunderland Limited

WEDNESDAY



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21/05/2025

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COMPANIES HOUSE


Ofsted
Outstanding
Provider

The recent Ofsted inspection of Together for Children Sunderland Limited (TfC), which took place in January 2025, confirmed that children's services in Sunderland continue to be 'outstanding'.

The Ofsted report, published on 11 March 2025, highlights the exceptional work being done by TfC in supporting and protecting children and young people in families or those experiencing care.
[You can view the full report on the Ofsted website.](#)

Inspectors noted in their new report that there is an unstinting focus on doing what is right for children. Staff speak about young people with warmth and care, going the extra mile to ensure they feel cared for and valued.

The Ofsted inspection examined four main areas of our work to reach its outstanding rating:

- **The impact of leaders on social work practice with children and families: Outstanding**
- **The experiences and progress of children who need help and protection: Outstanding**
- **The experiences and progress of children in care: Outstanding**
- **The experiences and progress of care leavers: Good**
- **Overall effectiveness: Outstanding**

The Company is thrilled that Ofsted has recognised our continued excellence in practice and leadership, as well as our unwavering commitment to driving further progress and improvements since the last inspection with the report stating:

"Together for Children (TfC), have not only sustained the outstanding practice and leadership seen at the last inspection, but they have also been relentless in driving further progress and improvements. This is bringing about profound and positive changes for children, families and carers."

The report noted that children and young people receive highly effective and consistent help, support, protection, and care. They are also encouraged to share their views on services and on their own plans. The quality of assessment and plans, and the identification and responses to children experiencing neglect, have all been strengthened since the last inspection.

The Company is very proud that Ofsted recognises the positive change it continues to bring to so many children and young people in Sunderland and you can [read our press release on the TfC website.](#)



TOGETHER FOR CHILDREN SUNDERLAND LIMITED

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TOGETHER FOR CHILDREN SUNDERLAND LIMITED

COMPANY INFORMATION

Directors	Ms TL Banks Mr P Houghton Mr SJ Marshall	(Appointed 1 April 2024) (Appointed 23 September 2024)
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Company number	10085290
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Registered office	City Hall Plater Way Sunderland Tyne and Wear England SR1 3AA
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Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ
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FOR THE YEAR ENDED 31 MARCH 2025

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our Vision and Aspirations

The Company has a vision to improve the lives of children and their families, keep children safe from harm and ensure they have the opportunity to fulfil their potential. The Company's Business Plan 2022-2025 was centered around the following aspirations and included a roadmap for delivery:

- 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.

Each year, a summary of key achievements was collated and made available on the TfC Website to demonstrate our success in meeting our aspirations. Our Youth Voice groups also produced a video to show how they met their ambitions which were central to the Business Plan.

All the Company's current business plan documents and videos can be found on our [webpage](#).

As the 2022-2025 plan has now concluded, a new plan is being developed for 2025-2028. The new plan will be centred around several themes derived from an extensive programme of consultation with young people, management and the wider TfC workforce and will be published in the new financial year.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our Approach to Transformation

There has been continued transformation, innovation, and service improvement throughout the organisation during 2024/25, and continues to be strongly supported by the Transformation Management Office (TMO). The Company's transformation strategy has delivered against four headline themes: Strategic Purpose, Innovation, Building Relationships and Financial Stability.

The Company's Transformation Strategy in 2024/25:

2024/25 TMO Strategy: Supporting TfC to continually develop and innovate for its children and young people.

together for
children
TRANSFORMATION
MANAGEMENT
OFFICE



Strategic Purpose

WE WILL HELP THE ORGANISATION:
Maintain its Outstanding Ofsted and other inspection ratings.
Be auditable and accountable for its decisions.
Put its strategic vision and objectives into action through clear delivery plans.
Understand the impact of new legislation and policy.
Provide services of high standard for the children and their families in Sunderland.

BY:

Providing a consistent and robust project management practice.
Providing strong evidence of outcomes.
Continuing to support the organisation in managing key projects and enable the participation in DfE pilots / pathfinders and funding opportunities.



Innovation

WE WILL HELP THE ORGANISATION:
Stand out from the crowd.
Have the ability, confidence and support to try new approaches.
Support continuous improvement pushing innovation.
Join the dots across the organisation ensuring cross understanding of all activities.

BY:

Providing services with support to develop innovative practice.
Providing the service with ambitious and innovative solutions.
Supporting the implementation of appropriate AI practices across the organisation.
Continuing to trail blaze in the work that we do regionally and nationally.



Building Relationships

WE WILL HELP THE ORGANISATION:
Build strong and lasting internal and external relationships for the growth of the organisation and its services.

BY:

Continuing to create strong relationships with all directorates and key stakeholders across Sunderland.
Having positive working relationships with our leaders.
Having strong relationships across the team, supporting each other to develop and deliver.
Being consistent in how we support the business and communicate with our customers / clients.

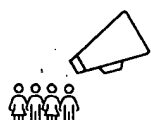


Financial Stability

WE WILL HELP THE ORGANISATION:
Deliver its required financial savings.
Develop forward plans for financial stability.
Increase efficiency and do more with less.
Seek income generation opportunities.

BY:

Supporting the delivery of projects associated with cost savings.
Supporting the organisation to meet its financial challenge.
Identifying further areas where we can support the business with savings and support new ways of working.



The Voice of The Child will flow strongly through everything that we do. We will ensure that we demonstrate how children have been consulted and their voice has been heard and responded to.

Many areas have been supported from inception through to completion, including the following examples:

- The continued regional development of the Northeast Fostering Pathfinder, another national first for the Company, has seen Sunderland be the lead LA for the new regional working approach to fostering recruitment, ensuring a collaborative partnership with the eleven other local authorities in the Northeast to collectively recruit much needed foster carers. Company colleagues are now providing learning to other regional rollouts on our experiences through webinars and talks to various national interest groups.
- The trial and implementation of innovative AI technology supporting our Children's Social Care social workers, enhancing staff efficiency, quality (commended by Ofsted) and improved staff mental health.
- The continued development and support of the Family Hub and Start to Life Model. This multi-agency approach providing an integrated wrap around service for the whole family is overseen through a multi-agency governance model.
- The Home to School Transport work has strengthened the key area of Independent Travel Training and also innovatively procured and placed within schools several minibuses which is replacing current costly travel routes.
- The Delivering Better Value in SEND programme of work, to identify and implement local and national opportunities to improve the outcomes for children and young people with SEND.
- Greenway Children's Home, 2024/25 has seen the successful set up and registration of this new home. This home has provided two beds to our available internal capacity.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

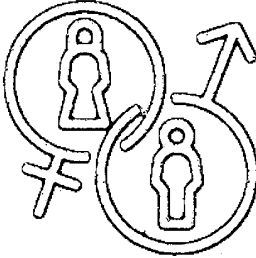
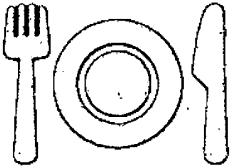
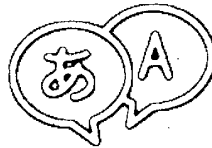
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our Demography

The following infographics capture the demography served by the Company. The data is, wherever possible, a snapshot as of 31 March 2025.

Our City: The Demographic of our Care General

 55,636 children and young people under the age of 18 years live in Sunderland and they make up 19.8% of the population in the area Data Source: This is based on the latest mid-year pop. statistics 2023 released July 2024	 28,499 are male and 27,137 are female Data Source: This is based on the latest mid-year pop. statistics 2023 released July 2024	 Approximately 29.1% of children aged under 16 in Sunderland are living in relative low-income families Data Source: https://www.gov.uk/government/statistics/children-in-low-income-families-local-area-statistics-2014-to-2024
 The proportion of children entitled to free school meals in Sunderland is 27.3% in primary schools and 35.3% in secondary schools Data Source: School Spring Census, January 2025	 Children from minority ethnic groups account for 15.4% of all statutory school age children attending school in Sunderland. The largest minority ethnic group across statutory school age children in Sunderland is Black - African Data Source: School Spring Census, January 2025	 The proportion of children and young people with English as an additional language in Sunderland is 8.5% in primary schools and 7.3% in secondary schools Data Source: School Spring Census, January 2025

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

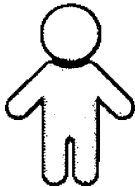
Cared for Children and Children in Need



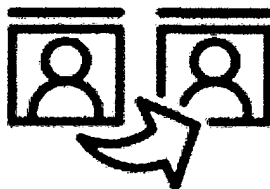
Rate of Cared For Children per 10,000 of children in Sunderland as of March 2025 was ~~92.0~~



Rate of Child Protection per 10,000 of children in Sunderland as of March 2025 was ~~65.07~~

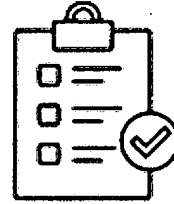


Rate of Children in Need per 10,000 of children in Sunderland as of March 2025 was ~~395.25~~



Rate of ~~referrals~~ per 10,000 of children in Sunderland as of March 2025 was ~~573.91~~

Early Help



Rate of children on early help plans per 10,000 of the population as of March 2025 was 128.87

Data Source: Provisional TfC Social Care data as at 31 March 2025

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our Achievements this year

Early Help



Early Help Plans reduced from 874 to 717 during the past 12 months As of 31/03/25	Only 8 families stepped up from Early Help to a Children's Social Care plan As of 31/03/25	Supporting Families Target missed* but performance exceeded previous 4 years As of 31/03/25
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9,262 children attended a Holiday & Food session As of 31/03/25	NEET & Unknown 6.1% 9th best in Region. 0.9% higher than national average of As of 31/03/25	1,468 Children missing from education tracked As of 31/03/25
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* 2024/25 we hit 566 claims, target was 854 (cumulative target was 736) so we were at 66% (77% for cumulative target). Overall claims were higher than the 445 average over the previous 4 years. Although we did not hit target this year we were able to claim for 62 more families than in 2023/24.

Offending by cared for children remains low at 2% (NE Average 3%) As of 31/03/25	Youth, Drug & Alcohol Project 100% of young people who worked with YDAP had positive outcomes As of 31/03/25	Prevention - YOS 90.5% of young people working with the YOS Prevention Service remained out of the youth justice system As of 31/03/25
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TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

A significant pressure on the Early Help budget in 2024/25 has been the cost of remand beds for young people under investigation for serious crimes. It is not possible to forecast how many remand beds may be needed in any one year. This year the required beds cost £455,000 against an income from the Ministry of Justice of £43,000. This shortfall is an ongoing issue which has been raised by Youth Offending Teams nationally.

Family Hubs

Five Family Hubs are established in Sunderland. They consist of:

1. Bunnyhill Family Hub – North
2. Coalfield Family Hub – Coalfield
3. Rainbow Family Hub – Washington
4. Thorney Close Family Hub – West
5. Winnibell Family Hub – East

The Family Hubs are community based multi-agency settings that families can access to receive both universal and targeted activities and support. Agencies delivering out of Sunderland Family Hubs include TfC staff, midwifery, 0-19 health services, welfare rights and children's social care.



Families, local Councillors, national representatives, and partner organisations joined with Sunderland Family Hub team members and volunteers in November last year to mark the city's first participation in National Baby Week, highlighting the importance of a baby's first 1,000 days.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Children's Social Care

Our Children's Services in Sunderland continues to be 'Outstanding' following the ILACS inspection that took place in January 2025. Central to our success is the voice and influence of our children, our partnership arrangements and our highly skilled and talented workforce who continue to innovate, lead, and perform despite a considerable and constant level of need, driven arguably by high rates of deprivation in Sunderland with an 8% increase in child poverty since 2014/15.

Below are some key achievements from 2024/25:

- Undertaken a proof-of-concept pilot to develop the use of Artificial Intelligence to support social workers in their practice which is now being fully implemented, supported by the TMO.
- Greenway Lodge Children's Home opened in 2024 and Marlow Drive in 2025 to further increase internal residential capacity.
- Embedded the learning from the Family Network Pilot and extended criteria to include children open as Child in Need and all children who have a Child Protection Plan.
- Successfully received £1m of DfE funding to continue to deliver our short breaks innovation programme ('Breathing Space') for children with SEND.
- Invested in specialist health practitioners embedded in social care, including a Speech, Language and Communication therapist and dedicated Psychologists.
- Clinical Psychologist has undertaken more than 1,000 consultations (to date), supporting a wide range of practitioners, foster carers and adopters.
- Introduced a fourth Mockingbird constellation to nurture relationships between children and their foster families.
- Appointed a new strategic management role who holds responsibility for Principal Social Worker, quality assurance and practice development across the service area.
- Introduced a revised quality assurance framework that embeds reflective learning conversations undertaken by team managers and assistant managers monthly across services.
- Provided managers at all levels with access to a suite of dashboards and data summary reports to maintain oversight of frontline practice, child impact and changes in demand.
- Achieved a 3-year contract to deliver the regional performance and intelligence analyst function to the North East Regional Improvement and Innovation Alliance (RIIA) to support the regional Sector Led Improvement programme for children's services.
- Received 273 compliments and saw a 20% reduction in social care complaints compared to the previous year as services continue to implement learning and see positive impacts.
- Created a steady stream of new expertise into the Company via our ASYE programme, investment in Practice Education and building Social Care capacity through 'grow your own' schemes.
- Two unqualified workers currently completing social work apprenticeships within TfC.
- Two candidates accepted onto the National Springboard programme, which is highly sought after and delivered through SOLACE.
- We are fully embracing the Contextual Safeguarding model of practice and looking to embed an ecological approach to reducing risk.

Education Services

Empowering children and young people to use their voice and influence

The Strategic Transition Lead has worked with young people attending a Careers and transition event to capture the views of young people with SEND on Transitions and the world of work at an event in January 2024 which was attended by a wide range of stakeholders in Sunderland, including the Parent Carer Forum.

The STARS group were active participants in our Delivering Better Value diagnostic activity. The views of the children and young people around their experiences of school transition processes have been incorporated into our successful bid for £1,000,000 which will be used to fund a SEND Transformation Programme across the local area. As part of this work there is an ongoing commitment to include the STARS group as key stakeholders to shape the direction of the transformation programme.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Supporting our workforce and making best use of resources

The statutory SEND service revised their way of working from September 2023 in order to make best use of the staffing resource amid a background of significantly rising demand for statutory assessment and a sharp increase in the number of EHCPs being issued. The team of 8.4 FTE Caseworkers split into assessment and review sub-teams to enable them to focus on an area of work with less competing demands. The impact of this reorganisation can be seen in our substantially improved timeliness measure for new 20 week assessments was reported at 79% in the SEN2 for the calendar year 2024. This is approximately 30% above national average.

Inspiring creative and innovative SEND practice

The Strategic Commissioning service has continued to work in partnership to develop the innovative Breathing Space short break programme and has plans in place to sustain this beyond the end of the DfE funding window of 31 March 2025. This intervention is for children with Autism or SEMH needs who are at risk of exclusion or suspension from school. The offer has included a variety of trips and visits, including a whole family residential weekend at Derwent Hill. The quote below from a parent of a child who has accessed the offer demonstrates the impact:

'Breathing Space has been imperative to my daughter's wellbeing, mixing with other children with similar issues and support from staff has been crucial in improving her wellbeing. It is literally what it says for her which is a 'breathing space'.

In September 2024 the Specialist Services Team launched a new offer from the Bespoke Education Team (BET). This team of specialist staff work with the most complex children in Sunderland who require a fully bespoke education offer via an EOTAS package. The team work with Alternative Providers and deliver some direct work to support children who would otherwise be without an education offer. The team is currently working with 12 children and young people, several of whom require staffing ratios of 3:1 or higher and most of whom have social care involvement. The work of the team helps to prevent children being accommodated in residential provision.

Leading and influencing future policy and direction

The Statutory SEND Team is working with DfE as members of an advisory steering group which is focused on the digitalisation of EHCPs as part of the work being undertaken in line with the SEND and AP Improvement plan. The SEND Team Manager has shared the practice we have currently developed in terms of developing our statutory processes through the Capita One system and we are nationally recognised as leaders for our work in this area. As digitalisation forms a key workstream in our Delivering Better Value Transformation work starting this April, we will continue to push ahead with this important work and share our experience nationally within the DfE Advisory Group. The SEND Team are also currently exploring the use of AI to develop EHCPs to create efficiency within the team and to enable us to spend more team working with families in a person-centred way.

Inspiring creative and innovative alternative provision practice

To continue to support the needs of CYP across the city by providing an innovative range of alternative options where mainstream education is not possible including:

- The development of an exclusive commissioning agreement and growth of Consilium Evolve, a SEMH provision for anxiety presentation, which has received national recognition in both the media and press in addition to the recognition by Ofsted at a recent inspection of the life changing impact of the provision for our young people.
- The development of an exclusive commissioning agreement and growth of Hopespring Sunderland, a therapeutic SEMH provision for some of our most vulnerable young people, providing exceptional outcomes in the most challenging of circumstances.
- The development of an early intervention programme provided by the Foundation of Light for Key Stage 1 and 2 children with emerging SEMH needs.
- The continued provision of a high-quality Link school providing intervention support and longer term placements for CYP in all Key Stages with SEMH presentation; including innovative solutions to meeting growth in both quantity and complexity of demand.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Supporting our education workforce and making best use of resources

- School Improvement and Early Years Service have delivered 217 professional development sessions to 3210 delegates.
- School Improvement and Early Years Service continues to be an accredited NCFE centre.
- 43 schools purchased a service level agreement (SLA) for support with their safeguarding.
- 30 schools purchased a service level agreement (SLA) for their school improvement consultancy.
- 21 schools purchased a service level agreement (SLA) for their governance support.
- The School Improvement Service is collaborating with five part-time senior leaders seconded from city schools to share best practices and enhance the school workforce's understanding of their responsibilities regarding SEND. This initiative aims to equip staff with the necessary skills to prioritise SEND effectively, while fostering the sharing and embedding of effective practices within their CPD and school improvement plans.

Elective Home Education (EHE) and Attendance Team

- TfC have successfully created an Elective Home Education (EHE) Team by appointing a new EHE coordinator, EHE advisor and business support officer. This has enabled us to increase the support we offer to children and families as well as develop work with partner agencies such as Children's Social Care, Early Help, careers team and the 0-19 service ensuring families can access appropriate support and guidance. This academic year we have supported 50 pupils back into education and 150 families in the development of their education plan.
- The Attendance Team are working across 113 schools supporting schools in addressing complex attendance issues. The team works with schools and partner agencies to identify needs and a 'support-first' approach to help pupils and their families to tackle barriers to attendance. The Attendance Team provides stakeholders with information, advice, and guidance. The Attendance Team have received 704 referrals from schools this academic year of which 303 have been closed.
- The Attendance team has processed 1368 Term Time- Penalty Notices so far this academic year. We have also issued 169 'Notices to Improve' for unauthorised absences to parents which has resulted in 89 Penalty Notices being processed for unauthorised absence. We are embedding the amended 'Working together to improve school attendance' statutory guidance to improve the opportunities for children and young people.

Virtual School

In the 2023-24 academic year, the Virtual School provided direct interventions through the Pupil Premium Plus Grant, the DfE Recovery Premium, and the School Led Tutoring Grants. We were able to:

- Provide 136 children and young people with 1:1 and small group tuition to improve English and maths, phonics, reading and writing, and English as a Second Language.
- Provide 11 teaching assistants to work in schools to reduce the risk of permanent exclusion for these children and to ensure individual students were able to access the curriculum whilst awaiting formal statutory assessment.
- Commission seven alternative education provisions for young people who were unable to manage within their mainstream school, to ensure they were able to re-engage with appropriate learning– this included the provision of both English and maths.
- Fund 6 young people to attend specialist schools or provisions was made available whilst they were awaiting an Education Health and Care Plan (EHCP), or the availability of a specialist school place.
- Work with the North East Raising Aspirations Programme to enable thirteen young people (Y7-Y11) to participate in activities provided by the five Northeast Universities, including mentoring, to encourage aspirations for higher education.
- Provide a full summer programme to assist those children and young people who are transitioning from their nursery provision into primary school, primary into secondary school and those going onto Post 16 provision.
- Strengthen relationships with all social care colleagues and teams, this includes the co-location of two staff from the Virtual School each week to provide an advice surgery at the social care base, Sandhill. Our Post 16 team also provided support in the Stanfield Centre one day per week to Next Steps team and Personal Advisors.
- Develop a range of training and awareness raising, including an annual conference for colleagues in schools and social care, parents/carers and external professionals. The focus this year has been on developing trauma informed practice.
- Provide immersive trauma training using our virtual reality technology headsets are to explore a child/young person's journey through adverse childhood experiences. This is receiving great feedback from schools, social workers and foster carers.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Participation and Direct Work with children and young people

Social workers undertake creative direct work with children so that they can express what life is like for them, and the changes that they feel are needed. This allows children's wishes and feelings to be well understood by their workers.

Social workers and Independent Reviewing Officers (IROs) have positive and stable relationships with our cared for children and see them regularly and in line with their needs. Social workers are supporting children to engage in life story work, providing them continuity of their life histories and preparing them for their future. Children are helped to understand their rights, entitlement and responsibilities including how to give feedback, request an advocate and how to complain.

Below are some examples of participation and direct work that has been undertaken in 2024/25:

- We have seen children themselves attend more Child Protection (CP) conferences than previous years and this is linked to the evolving practice within the Young Persons team.
- Since launching Mind of My Own, 7,381 statements have been sent by children and young people, of which 950 were in 2024/25.
- Our Change Council has expanded to include change council mini group (7-11 years); they meet once a month and has been working with the other Change Council age groups to promote the needs and shape the services for future cared for children in Sunderland.
- Our annual Sunderland Young Achievers Awards took place earlier this year to celebrate children and young people's contributions to life in Sunderland.
- Young Commissioners are currently reviewing online access to emotional wellbeing support.
- Young people groups have produced a video to show how they have been delivering their ambitions and contributing to TfC aspirations.
- Young Commissioners and Parent Carer Forum have been working with TfC to co-produce services, including reviewing existing arrangements and developing new models of support.
- Children and Young people continue to inform the priorities for Together for Children and have included their 'Young People Group Ambitions for the Future' in the new TfC Business Plan for 2025-28.
- Children and young people groups, VOKOL, FC Kids and Crafty Kidz are further opportunities for the voices of children and young people who live in foster care (VOKOL), live in a fostering household (FC Kids) and adopted children (Crafty Kidz) to be heard and influence services.
- Change Council have delivered workshops to NHS professionals, foster carers, Councillors, TfC workers and Sunderland University regarding Change the Language and delivered the Changeable Game. This raised awareness with partner organisations around language and the challenges young people who are cared for/ care experienced can face with a view to breaking down barriers for children and young people when working with professionals.
- The Let's Talk Change event, planned by the Regional Children in Care Council saw young people from our Change Council sharing their views at a regional level and contributing to the local offer for young people so that all young people receive the same support no matter where they live.
- The Fostering annual survey of carers and children was concluded in March 2024, receiving over 140 responses which have helped shape the ongoing service offer.
- Sunderland's Change Council have worked with the Regional Children in Care Council to improve the local offer for cared for and care experienced young people which is accessible and clear about the help and support that is available including to those with specific needs such as unaccompanied asylum-seeking children, young parents, young people in custody and young people with a disability.
- We are working with Education Partnership North East to act as a host employer for a Supported Internship programme and are supporting 6 young people this academic year to develop employability skills through substantive placements within Together for Children and partner organisations.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our People

Equity, Diversity and Inclusion (EDI)

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.

Work has been undertaken to deliver the ambitions of the EDI Strategy to ensure Equity, Diversity, and Inclusion is everybody's business and colleagues feel they can be themselves. Furthermore, TfC is a great place to work for all our staff, where there is no differential in opportunities for career progression, diversity is valued, and everyone feels they belong.

The EDI Lead has worked to set up a Community Forum and strives to ensure that we are an organisation recognised as committed to Diversity and Inclusion where the community it serves feels supported and sees safeguarding as a shared responsibility.

The Company has been recognised for our work with a Racial Equality Matters Bronze Trailblazer and we are working actively towards the Silver award.

The Company is proud to have signed the Menopause Workplace Pledge and has been awarded Menopause Inclusive Standard of Excellence.



Our Principal Risks

The Company actively manages risk with the Board overseeing the Risk Appetite and Strategic Risk management processes. Operational risks are overseen by the SLT and Programme risks by the Transformation Management Office.

Key risk themes under management as of 31 March 2025 concern:

- Affordability of services given funding pressures facing both the Council and Company and the cost of complex care arrangements especially in the private sector
- Immense pressure on school's high needs funding
- Increased cyber security risks prevalent in society
- Recruitment and, importantly, retention of a committed and stable workforce
- Maintaining our "outstanding" levels of care to Sunderland's Children and Families and
- Guarding our reputation as an employer of choice and a child-centred caring organisation.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Section 172(1) Statement

This statement relates to a directors' duty to promote the success of the Company, as prescribed in Section 172 of the Companies Act 2006. Regarding compliance in the year ended 31 March 2025, 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.

A brief summary under the headings of the Act includes the likely consequence of any decision in the long term:

- Given the Company operates under a Services Contract with its Sole Member, Sunderland City Council, which is for ten years starting from 1 April 2017 all long-term decision making is tightly regulated with certain Reserved Matters being articulated in the Articles of Association.
- In addition, the Company's Articles of Association also stipulates 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:
 - This Annual Report demonstrates how the Company values and engages with its staff and proactively embraces equity and diversity.
 - The Company continues to have a strong, engaged and stable workforce at all levels across the Company.
 - As of 31 March 2025, had only one agency social worker engaged caring for a young person living in the South of England.
 - 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).
 - In 2024, 38 individuals completed the TfC Leadership and Management Programme (Cultivate for the Aspiring Manager, Empower for the Existing Manager and Elevate for existing Leaders).
 - One TfC Leader has completed the SOLACE 'Springboard' Programme and a further Leader is currently on the programme. It is a highly sought after and extremely competitive route into Senior Leadership in the Public sector.
 - The Company continues to embed its CIPD award winning Coaching Programme, which has added 12 additional coaches, alongside other key organisational development initiatives such as Discovery Insights. 8 colleagues attended training to deliver Action Learning Sets to support learning and reflection.
 - In 2024 we were delighted to maintain the Gold 'Better Health at Work' Award in recognition of the supportive and innovative wellbeing programme alongside the Silver Armed Forces Covenant in recognition of the targeted work undertaken to support ex armed forces colleagues and relatives of serving armed forces.
 - The Company was also delighted to be shortlisted for a number of prestigious workforce awards recognising the innovation and excellence within the TfC workforce in 2024 and 2025.
- 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 99% paid within 30 days and an average term of just under 4 days (6 months to 31 March 2025).
- the impact of the company's operations on the community and the environment:
 - The Company continues to be 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, Hopespring, as but one example.
 - An ongoing review of the Company estate anticipates reducing the Company's carbon footprint and the installation of further electric charging points demonstrates commitment to lowering tailpipe emissions when travelling.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

- 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.

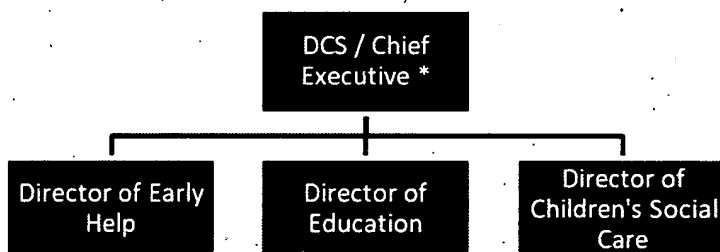
Our Governance Structure:

The Company is overseen by an independent Board of Directors to ensure continued operational independence. In 2024/25, a governance review resulted in a revised structure, with Board membership reduced from seven to three, reflecting a change in the Company's operational needs and oversight requirements. As part of this review, the Audit and Assurance Committee was formally disbanded, with its functions and responsibilities now undertaken directly by the Board.

2024/25 Board and Committee Attendance (Actual/Possible):

Board Member	Board Meetings	Audit and Assurance Committee
Ms T L Banks	4/4	0/1
Ms J P Colbert	2/2	1/1
Mr P Houghton	4/4	1/1
Mr S J Marshall	2/2	-

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 Director registered with Companies House)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

RESULT FOR THE YEAR

The turnover of the company in the year to 31 March 2025 was £184.3m, of which £174.0m was received from Sunderland City Council in the form of contract income and contributions. The main contract income from Sunderland City Council totalled £107.9m.

The Company spent £172.0m on cost of sales, providing services to children and £13.3m on administration expenses during the period. Pension costs totalled £5.9m and includes £0.3m of costs as a result of the required defined benefit pension scheme disclosures and £5.6m contributions paid during the year in relation to the 1,011 employees of the Company on 31 March 2025, not all of whom are in a Pension Scheme.

Sunderland City Council has agreed that it will continue to support the Company financially for the twelve-month period from the signing of these accounts, to ensure the Company can continue to operate.

On behalf of the Board



Ms TL Banks
Director

Date: 14/5/25^{TB}

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

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 2025.

Directors

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

Ms TL Banks

Ms JP Colbert

Mr P Houghton

Mr SJ Marshall

(Resigned 23 September 2024)

(Appointed 1 April 2024)

(Appointed 23 September 2024)

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.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Corporate governance

S54 Modern Slavery Act 2015

Together for Children Sunderland Limited (the Company) is committed to understanding and mitigating risks of slavery and human trafficking in its corporate activities and supply chains. This statement makes clear the Company's commitment to tackling modern slavery by setting out its actions to understand all potential modern slavery risks related to its business and the steps it has taken to aim to ensure that there is no slavery or human trafficking in its own business and its supply chains.

This statement is presented in compliance with the above-noted legislation and covers the following key elements:

- the organisation's structure, its business, and its supply chains

The Company is a private, limited by guarantee, company wholly owned by Sunderland City Council. It exists to provide high quality social care and education services and delivers these functions through a mixed economy of contracted and in-house services.

Key supply chain services relate to contracted out care services and the supply of back-office materials and functions. All formal procurement activity is undertaken on behalf of the Company by the Council under a Service Level Agreement.

- its policies in relation to slavery and human trafficking.

The Company adheres to procurement best practice by buying in a Procurement service from the City Council. This gives the Company access to the Council's diligent supply chain checks and balances including vis-à-vis Modern Slavery. The Company has adopted the Council's Modern Slavery Policy which can be accessed as follows:

Modern slavery and trafficking - Sunderland City Council

"This statement covers direct employees of the Council (and its wholly owned companies) and services delivered on behalf of the Council by third party organisations, and in the supply chains."

- its due diligence processes in relation to slavery and human trafficking in its business and supply chains. The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.
- its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.

The biggest risk to the Council, and hence the Company, in not being compliant with the Modern Slavery Act is recognised to be through the procurement of goods and services. The Council's Procurement Strategy (adopted by the Company) was updated to specifically refer to modern slavery and much activity in previous years has been focused on eliminating the procurement risks as much as possible. Procurement staff receive mandatory training and protocols have been subject to regular review.

- the training and capacity building about slavery and human trafficking available to its staff.

The Company will follow the Council which will continue to train and raise awareness with staff and elected members so that they:

- understand that modern slavery is an issue in the UK.
- are aware of some of the high-risk areas.
- can spot the signs of modern slavery.
- be clear about what to do and where to report it if they see something of concern.
- think about how the choices people make about what to buy may impact modern slavery.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

These regulations cover a reporting requirement for large companies, such as Together for Children Sunderland Limited, to include in its Director's Report a statement on Energy and Carbon utilisation.

The Company is atypical insofar as it owns no assets and leases premises from the Council; data below is from Council sources and covers the grey fleet and some of the main buildings occupied for which separate data can be identified.

Finally, the data capture for this report is maturing and the undernoted has been expanded further, when compared to 2023/24, with the inclusion of additional premises that the Company has occupied during 2024/25.

Category	Unit of Measurement	2023/24 Values	2024/25 Values
Scope 1 emissions	tonnes CO2e	284.67	286.71
Scope 2 emissions	tonnes CO2e	157.53	154.94
Scope 3 emissions	tonnes CO2e	119.37	44.29
Total Greenhouse Gas emissions	tonnes CO2e	561.58	485.94
Greenhouse Gas emissions per employee	tonnes CO2e	0.58	0.48

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; and
- 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 2025

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



Ms TL Banks
Director



Mr SJ Marshall
Director

Date: 14/5/25

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 2025 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 2025 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.

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.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TOGETHER FOR CHILDREN SUNDERLAND LIMITED

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.

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.

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TOGETHER FOR CHILDREN SUNDERLAND LIMITED

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.

M Moran

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

Statutory Auditor

Date: *20 May 2025*

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 2025

	Notes	2025 £	2024 £
Turnover	5	184,311,513	160,701,776
Cost of sales		(172,045,638)	(149,391,114)
Gross profit		12,265,875	11,310,662
Administrative expenses		(13,314,579)	(12,401,361)
Operating loss		(1,048,704)	(1,090,699)
Interest receivable and similar income		809,704	596,699
Interest payable and similar expenses		(35,000)	(199,000)
Loss before taxation		(274,000)	(693,000)
Tax on loss	9	68,500	173,250
Loss for the financial year		(205,500)	(519,750)

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 2025

	2025 £	2024 £
Loss for the year	(205,500)	(519,750)
Other comprehensive income		
Actuarial gain on defined benefit pension schemes	3,649,000	3,978,000
Tax relating to other comprehensive income	(912,250)	(994,500)
Total other comprehensive income for the year	2,736,750	2,983,500
Total comprehensive income for the year	2,531,250	2,463,750

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	10	9,546,649		19,092,848	
Cash at bank and in hand		5,955,732		2,231,490	
		<u>15,502,381</u>		<u>21,324,338</u>	
Creditors: amounts falling due within one year	11	(15,502,381)		(20,480,588)	
Net current assets			-		843,750
Provisions for liabilities					
Defined benefit pension liability	13	-		3,375,000	
		<u>-</u>	-	<u>3,375,000</u>	(3,375,000)
Net assets/(liabilities)			-		<u>(2,531,250)</u>
Capital and reserves					
Profit and loss reserves	14	-			(2,531,250)
		<u>-</u>	-	<u>-</u>	<u>(2,531,250)</u>
Total equity			-		<u>(2,531,250)</u>

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

14/5/25
Ms TL Banks
Director


Mr SJ Marshall
Director

Company Registration No. 10085290

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Profit and loss reserves £
Balance at 1 April 2023	(4,995,000)
Year ended 31 March 2024:	
Loss for the year	(519,750)
Other comprehensive income:	
Actuarial gains on defined benefit plans	3,978,000
Tax relating to other comprehensive income	(994,500)
Total comprehensive income for the year	2,463,750
Balance at 31 March 2024	(2,531,250)
Year ended 31 March 2025:	
Loss for the year	(205,500)
Other comprehensive income:	
Actuarial gains on defined benefit plans	3,649,000
Tax relating to other comprehensive income	(912,250)
Total comprehensive income for the year	2,531,250
Balance at 31 March 2025	-

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		2,914,538		(1,336,693)
Investing activities					
Interest received		809,704		596,699	
Net cash generated from investing activities			809,704		596,699
Net increase/(decrease) in cash and cash equivalents			3,724,242		(739,994)
Cash and cash equivalents at beginning of year			2,231,490		2,971,484
Cash and cash equivalents at end of year			5,955,732		2,231,490

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3 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.

3.1 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.

3.2 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.

3.3 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.

3.4 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

3.5 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 2025

3 Accounting policies

(Continued)

3.6 Financial instruments

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3.7 Taxation

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

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Accounting policies

(Continued)

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.

3.8 Employee benefits

Pension costs and other post-retirement benefits

The Company operates a defined benefit pension scheme for the benefit of certain 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 2025

3 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.

3.9 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.

4 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 2025

5 Turnover and other revenue

	2025 £	2024 £
Turnover analysed by class of business		
Contract income	107,914,363	95,827,532
Educational income	73,652,815	62,354,708
Other income	2,744,335	2,519,536
	<u>184,311,513</u>	<u>160,701,776</u>

	2025 £	2024 £
Turnover analysed by geographical market		
United Kingdom	<u>184,311,513</u>	<u>160,701,776</u>

	2025 £	2024 £
Other revenue		
Interest income	<u>809,704</u>	<u>596,699</u>

6 Auditor's remuneration

	2025 £	2024 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>19,000</u>	<u>18,500</u>

7 Employees

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

	2025 Number	2024 Number
Service delivery	852	810
Administration	159	153
Total	<u>1,011</u>	<u>963</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Employees

(Continued)

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	35,923,874	33,883,744
Social security costs	3,553,796	3,341,769
Pension costs	5,904,787	5,902,292
	<u>45,382,457</u>	<u>43,127,805</u>

During the year, key management personnel remuneration of £619,895 (2024: £737,773) 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 for Children Sunderland Limited and employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets.

In 2024/25 the Company paid £5,214,000 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 31 March 2022. 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 £239,000 as a result of adjustments relating to costs associated with the defined benefit scheme.

8 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	209,767	320,854
Pension contributions to defined benefit schemes	26,741	40,494
	<u>236,508</u>	<u>361,348</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2024 - 2).

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

	2025 £	2024 £
Remuneration for qualifying services	<u>60,021</u>	<u>121,814</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Taxation

	2025 £	2024 £
Deferred tax		
Origination and reversal of timing differences	(68,500)	(173,250)

The actual credit 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:

	2025 £	2024 £
Loss before taxation	(274,000)	(693,000)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(68,500)	(173,250)
Taxation credit in the financial statements	(68,500)	(173,250)

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

	2025 £	2024 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	912,250	994,500

Analysis of the tax charge

No Liability to UK corporation tax arose for the year ended 31 March 2025 nor for the year ended 31 March 2024.

10 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	1,700,821	8,816,102
Amounts owed by group undertakings	300,147	342,110
Other debtors	30,177	37,273
Prepayments and accrued income	7,502,889	9,040,762
	9,534,034	18,236,247

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Debtors (Continued)

	2025 £	2024 £
Amounts falling due after more than one year:		
Other debtors	12,615	12,851
Deferred tax asset (note 12)	-	843,750
	<u>12,615</u>	<u>856,601</u>
Total debtors	<u>9,546,649</u>	<u>19,092,848</u>

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	919,330	2,246,325
Taxation and social security	2,478,974	2,858,829
Other creditors	339,009	337,120
Accruals and deferred income	11,765,068	15,038,314
	<u>15,502,381</u>	<u>20,480,588</u>

Included in other creditors is £339,009 (2024:£334,556) for SSCP Funding.

Sunderland Safeguarding Children's Partnership (SSCP)

Sunderland Safeguarding Children's Partnership (SSCP) funding sat with the Council until August 2023, when the budget and staff on establishment were formally transferred to Together for Children Sunderland Limited. As part of that, the Company was sent the unspent reserves.

The funding is earmarked for the sole purpose of supporting the SSCP, more specifically the balance is set aside to fund independent Child Practice Safeguarding Reviews and supporting board/partnership activities.

12 Deferred taxation

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

	Assets 2025 £	Assets 2024 £
Balances:		
Other timing differences	-	843,750

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12	Deferred taxation	(Continued)
		2025
	Movements in the year:	£
	Asset at 1 April 2024	(843,750)
	Credit to profit or loss	(68,500)
	Charge to other comprehensive income	912,250
	Liability at 31 March 2025	-

13	Retirement benefit schemes	2025	2024
	Defined contribution schemes	£	£
	Charge to profit or loss in respect of defined contribution schemes	239,000	494,000

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 2022. 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.

Key assumptions	2025	2024
	%	%
Discount rate	5.80	4.70
Expected rate of increase of pensions in payment	2.50	2.60
Expected rate of salary increases	4.00	4.10
CPI inflation	2.50	2.60
Pension accounts revaluation rates	2.50	2.60

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

(Continued)

Mortality assumptions

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.

Retiring today

	2025 Years	2024 Years
- Males	20.9	21.0
- Females	24.1	24.2

Retiring in 20 years

- Males	21.8	22.3
- Females	25.2	25.6

Amounts recognised in the profit and loss account

	2025 £	2024 £
Current service cost	5,480,000	5,134,000
Net interest on net defined benefit liability/(asset)	35,000	199,000
Other costs and income	90,000	53,000
Total costs	5,605,000	5,386,000

Amounts taken to other comprehensive income

	2025 £	2024 £
Actual return on scheme assets	(6,035,000)	(6,206,000)
Less: calculated interest element	5,359,000	4,755,000
Return on scheme assets excluding interest income	(676,000)	(1,451,000)
Actuarial changes related to obligations	(28,502,000)	(2,527,000)
Effect of changes in the amount of surplus that is not recoverable	25,529,000	-
Total costs/(income)	(3,649,000)	(3,978,000)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2025 £	2024 £
Present value of defined benefit obligations	96,978,000	114,862,000
Fair value of plan assets	(122,507,000)	(111,487,000)
(Surplus)/deficit in scheme	(25,529,000)	3,375,000
Restriction on scheme assets	25,529,000	-
Total liability recognised	-	3,375,000

Movements in the present value of defined benefit obligations

	2025 £
Liabilities at 1 April 2024	114,862,000
Current service cost	5,480,000
Past service cost	90,000
Benefits paid	(2,397,000)
Contributions from scheme members	2,051,000
Actuarial gains and losses	(28,502,000)
Interest cost	5,394,000
At 31 March 2025	96,978,000

The defined benefit obligations arise from plans funded as follows:

	2025 £
Wholly unfunded obligations	-
Wholly or partly funded obligations	96,978,000
	96,978,000

Movements in the fair value of plan assets

	2025 £
Fair value of assets at 1 April 2024	111,487,000
Interest income	5,359,000
Return on plan assets (excluding amounts included in net interest)	676,000
Benefits paid	(2,397,000)
Contributions by the employer	5,331,000
Contributions by scheme members	2,051,000
At 31 March 2025	122,507,000

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

(Continued)

The actual return on plan assets was £6,035,000 (2024 - £6,206,000).

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.

	2025	2024
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	58,925,000	56,413,000
Debt instruments	47,779,000	42,699,000
Property	13,598,000	11,595,000
Cash	2,205,000	780,000
	<u>122,507,000</u>	<u>111,487,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
	£	£
Equities	48.10%	50.60%
Government Bonds	1.10%	1.30%
Corporate Bonds	18.10%	19.50%
Property	11.10%	10.40%
Cash	1.80%	0.70%
Other	19.80%	17.50%
	<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 2025

14 Profit and loss reserves

	2025 £	2024 £
At the beginning of the year	(2,531,250)	(4,995,000)
Adjusted balance	(2,531,250)	(4,995,000)
Loss for the year	(205,500)	(519,750)
Actuarial differences recognised in other comprehensive income	3,649,000	3,978,000
Tax on actuarial differences	(912,250)	(994,500)
At the end of the year	-	(2,531,250)

15 Financial commitments, guarantees and contingent liabilities

Contingent Liability regarding Equal Pay

The Company has received a small number of employment tribunal claims from staff who are seeking financial redress in relation to periods where unequal pay is alleged to have been applied. The Company is strenuously defending these claims. The outcome and the timing of any outcome of these claims is unknown and as such these claims cannot be assessed or quantified at this time and therefore have been disclosed as a contingent liability in the Company's accounts.

16 Operating lease commitments

As 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:

	2025 £	2024 £
Within 1 year	690,194	586,194
Years 2-5	790,059	1,064,222
After 5 years	-	1,391
	1,480,253	1,651,807

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Related party transactions

Included in turnover is £107.914m (2024: £95.828m) in contract income, which includes £21.892m (2024: £15.968m) of grants received from Sunderland City Council, the sole member of the Company, and £66.116m (2024: £55.146m) in contributions also received from Sunderland City Council.

Services contracted from Sunderland City Council include £3.405m (2024: £2.897m) in administrative expenses and £0.968m (2024: £0.873m) in cost of sales.

Partnership Agreement Funding received by Sunderland City Council of £2.729m (2024: £2.120m) was passed to the Company and the Company paid the Council £0m (2024: £0.525m) in relation to Partnership Agreement Funding.

At the year end, Together for Children Sunderland Limited owed Sunderland City Council £7.878m (2024: £16.472m) and the Council owed the Company £5.010m (2024: £8.512m).

18 Ultimate controlling party

The ultimate controlling party is Sunderland City Council.

19 Going Concern

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.

20 Cash generated from/(absorbed by) operations

	2025 £	2024 £
Loss after taxation	(205,500)	(519,750)
Adjustments for:		
Taxation credited	(68,500)	(173,250)
Finance costs	35,000	199,000
Investment income	(809,704)	(596,699)
Pension scheme non-cash movement	239,000	494,000
Movements in working capital:		
Decrease/(increase) in debtors	8,702,449	(8,958,938)
(Decrease)/increase in creditors	(4,978,207)	8,218,944
Cash generated from/(absorbed by) operations	2,914,538	(1,336,693)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Analysis of changes in net funds

	1 April 2024	Cash flows	31 March 2025
	£	£	£
Cash at bank and in hand	2,231,490	3,724,242	5,955,732

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Turnover		
SCC contract income	107,914,363	95,827,532
SCC contributions	66,116,123	55,146,155
Fees and charges	1,542,190	1,509,481
Other contributions	7,223,174	6,707,890
Other income	1,202,145	1,010,055
DFE grant	31,324	1,107
Other grants	282,194	499,556
	<u>184,311,513</u>	<u>160,701,776</u>
Cost of sales		
<i>Purchases and other direct costs</i>		
Children looked after	57,836,355	51,721,954
DSG high needs block	45,144,728	39,599,647
DSG early years	29,502,257	20,121,879
Children in need of protection	10,455,472	9,942,178
Locality services	4,476,337	6,330,282
Special educational needs	6,623,716	5,272,656
Children with disabilities	3,617,461	2,996,976
Education	2,969,133	3,167,291
Independent reviewing officers	1,120,112	1,469,445
DSG schools	1,395,402	1,300,288
School improvement	1,204,821	942,018
Child and adolescent MHS	-	365,315
Prevention activities	3,053,451	3,907,166
Family hubs	2,270,599	-
CoS Defined benefit cost	200,493	411,725
Youth justice	2,008,956	1,646,136
Supporting Families	166,345	196,158
	<u>172,045,638</u>	<u>149,391,114</u>
Total purchases and other direct costs		
	<u>172,045,638</u>	<u>149,391,114</u>
Total cost of sales	(172,045,638)	(149,391,114)
Gross profit	<u>12,265,875</u>	<u>11,310,662</u>

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

	£	2025 £	£	2024 £
Administrative expenses				
Wages and salaries	5,262,200		4,878,783	
Social security costs	494,367		473,623	
Pensions	823,067		780,976	
Communication & computing	157,354		91,942	
Other employee costs	206,844		326,801	
Staff pension costs defined contribution	38,507		82,275	
Directors' remuneration	209,767		320,854	
Directors' social security costs	23,526		34,815	
Directors' defined benefit scheme	26,741		40,494	
Rents	862,388		480,942	
Rates	39,186		34,697	
Cleaning & domestic	32,420		34,916	
Energy	44,440		54,532	
Equipment, furniture & materials	-		1,633	
Fixtures & fittings	4,700		8,567	
Vehicle lease & hire	12,435		37,711	
Car allowances	2,680		3,224	
Public transport	3,729		3,593	
Audit fees	19,000		18,500	
Bank charges	13,297		12,616	
Bad and doubtful debts	1,744		(22,499)	
Printing and stationery	8,338		7,214	
Grants & subscriptions	40,937		36,454	
Third party payments	800,103		838,809	
Services	4,175,028		3,801,830	
General expenses	2,742		2,895	
Sundry expenses	9,039		15,164	
		(13,314,579)		(12,401,361)
Operating loss		(1,048,704)		(1,090,699)
Interest receivable and similar income				
Bank interest received	809,704		596,699	
		809,704		596,699
Interest payable and similar expenses				
Net interest on defined benefit liability		(35,000)		(199,000)
Loss before taxation		(274,000)		(693,000)