together for
children
SUNDERLAND

Strategic Report, Report of the Directors and Financial Statements

Year Ended 31 March 2026

Together for Children Sunderland Limited

Ofsted
Outstanding Provider

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
Company number	10085290
Registered office	City Hall Plater Way Sunderland Tyne and Wear England SR1 3AA
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

CHAIRPERSON'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

I am pleased to present the financial statements for Together for Children Sunderland Limited for the year ended 31 March 2026.

This year has continued to bring significant demand and pressure across Children's Services, both locally and nationally. Despite this, Together for Children has remained focused on what matters most: improving outcomes for children, young people and families across Sunderland, particularly those facing the greatest challenges.

I continue to be incredibly proud of the commitment, professionalism and care shown by colleagues across the organisation. Every day, staff are supporting children and families through complex situations, often at times when services are under increasing pressure and expectations continue to grow.

During the year, the organisation also continued to build on strengths recognised through external inspection and review, including the positive impact of services supporting children and young people across Sunderland.

Against this backdrop, the organisation has maintained a stable financial position. Careful financial management and strong operational oversight have enabled us to continue delivering high quality services while managing resources responsibly and ensuring funding is used where it has the greatest impact.

Partnership working remains central to our approach. Collaboration with Sunderland City Council, schools, health partners, police, voluntary sector organisations and wider stakeholders remains essential in providing joined up and effective support for children, young people and families.

The Board has remained focused on strong governance, accountability and oversight throughout the year. This includes continued attention to financial controls, risk management, safeguarding and service performance, ensuring the organisation remains transparent, responsible and focused on continuous improvement.

Looking ahead, we know the challenges facing the sector are unlikely to reduce in the short term. Demand for support remains high and the financial landscape continues to be difficult. However, Together for Children remains well placed to respond to these challenges through the strength of its workforce, strong partnerships and a continued focus on delivering positive outcomes for children and young people.

On behalf of the Board, I would like to thank all staff for their hard work, resilience and continued commitment throughout the year, alongside our partners and stakeholders for their ongoing support and collaboration.

....

Ms TL Banks
Chair

Date: 19.05.26

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2026

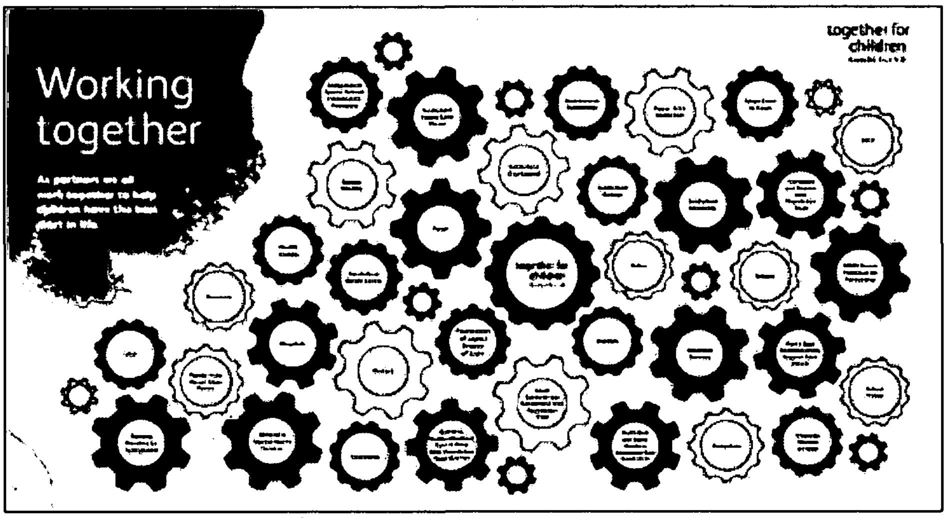
The directors present the strategic report for the year ended 31 March 2026.

Our Context

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

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

As partners we all work together to help children have the best start in life.

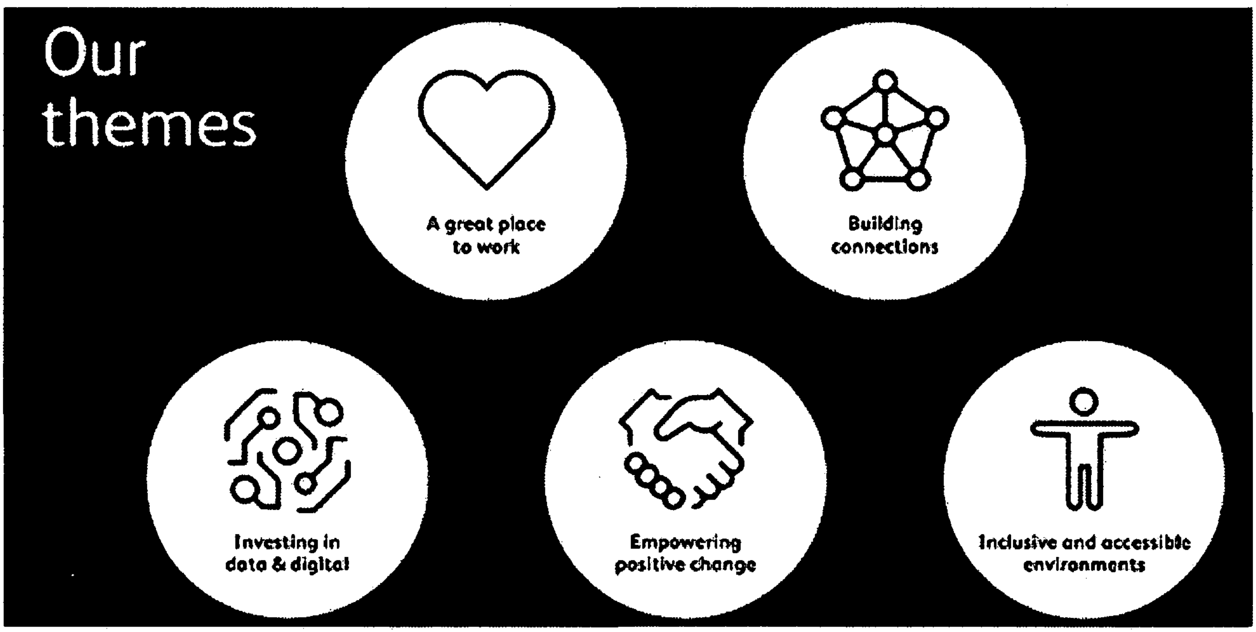


Our Vision and Aspirations

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 2025-2028 is centered around the following aspirations:

- We want TfC to be a great place to work with a culture that drives inclusivity, togetherness and well-being and that attracts top talent and retains a thriving workforce.
- We want to build stronger connections that challenges ourselves and partners to think differently, encourage joint problem solving and create solutions to inspire creative practice and innovation.
- We want to invest in the integration and accessibility of data across TfC and explore emerging digital technologies to enable continuous innovation, keeping TfC competitive and positioned for future opportunities.
- We want to create environments where children and their families can fully participate, feel valued and be empowered to make positive changes that will matter to them.
- We want to increase inclusivity and accessibility so that every child and young person has equal opportunities to access spaces, services, support and information and we want to address gaps in services for young people.

The above aspirations have been captured in five main themes that are underpinned by a delivery roadmap:



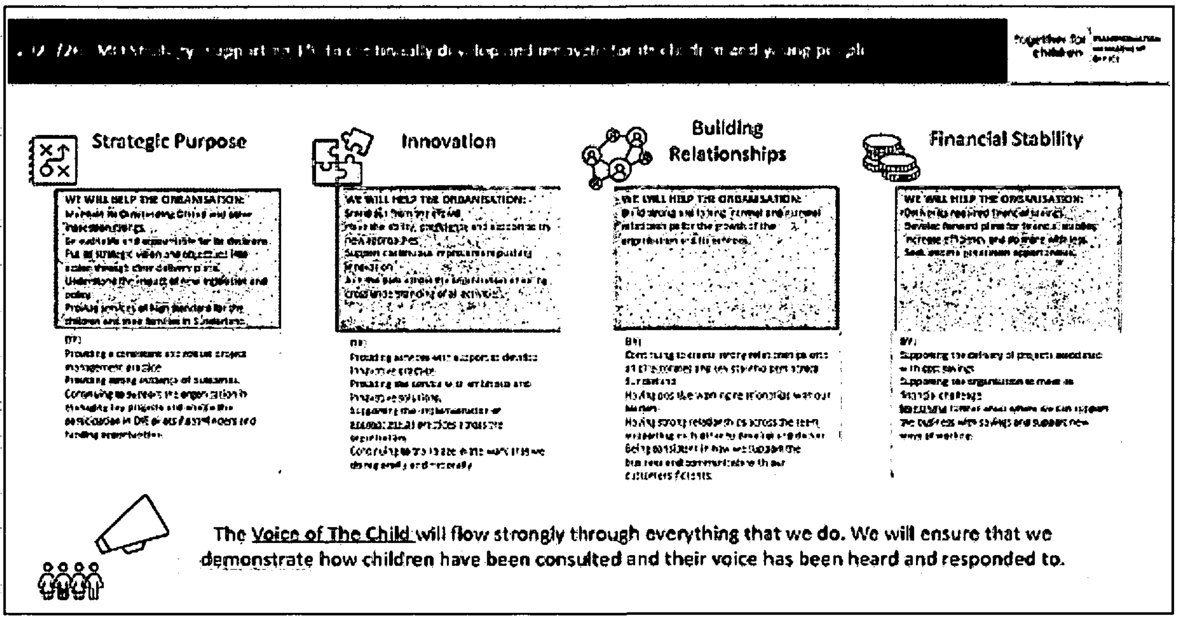
The above themes were informed by extensive consultation with young people, management, and the wider workforce. Guided by young people's views, TfC has undertaken further engagement with partners, parents, and carers to develop a Child and Family Plan focused on delivering the changes that matter most to young people. This plan will be launched in June 2026, and we will check our progress and success using our Meaningful Measures Framework.

Each year, a summary of key achievements is collated and made available on the TfC Website to demonstrate our success in meeting our aspirations. The Company's current business plan documents, achievements and videos can be found on our website.

Our Approach to Transformation

To support the delivery of the Company Business Plan, the Transformation Management Office (TMO) continue to help services to transform, innovate and deliver service improvements. The Company's transformation strategy is centered around four headline themes: Strategic Purpose, Innovation, Building Relationships and Financial Stability.

The Company's Transformation Strategy in 2025/26:



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

- The organisation undertook preparatory activity to support the implementation of the DfE Families First approach, a pilot has been undertaken in the Coalfields area which will guide the further City-wide roll-out.
- Throughout the year we have continued to develop our internal accommodation capacity, work has been undertaken on the development of our new Short Breaks accommodation Red Gables and a complex care accommodation Whitehouse (both will go live in 2026/27).
- Support has been provided for the acquisition, amendment and implementation of a new Support to Independence accommodation, which not only replaced one of our current accommodations but provided increased capacity, including a number of single occupancy flats.
- The Home to School Transport work has continued throughout this year with a further two minibuses purchased, placed within schools and the VCS, reducing costly travel routes.
- The improvement of recruitment processes has been a key project, working alongside HR colleagues, new and enhanced processes have been implemented which utilise better the available technology.
- The auto-enrolment for free school meals has been successfully supported and implemented.
- The AI technology supporting our Children's Social Care social workers, enhancing staff efficiency, quality (commended by Ofsted) and improved staff mental health, has been further rolled out to more areas across the Company.

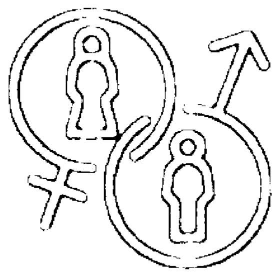
Our Demography

The following infographics capture the demography served by the Company. The data is, wherever possible, a snapshot as of 31 March 2026.

Our City: The Demographic of our Care General

56,770 children and young people under the age of 18 years live in Sunderland and they make up 19.7% of the population in the area

Data Source: This is based on the latest mid-year pop. statistics 2024 released July 2025

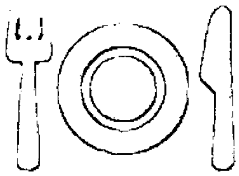


29,150 are male and 27,670 are female

Data Source: This is based on the latest mid-year pop. statistics 2024 released July 2025

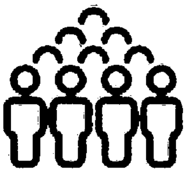
Approximately 29.7% [illegible] in Sunderland are [illegible]

Data Source: Children in low income families, local area statistics 2022 to 2025 - GOV.UK



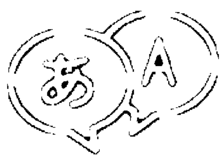
The proportion of children entitled to free school meals in Sunderland is 28.2% in primary schools and 35.7% in secondary schools

Data Source: *Provisional* Spring School Census, January 2026



[illegible] of all statutory school age children attending school in Sunderland. The [illegible] across statutory school age children in Sunderland is [illegible]

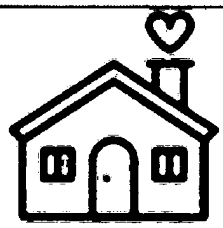
Data Source: *Provisional* Spring School Census, January 2026



The proportion of children and young people with English as an additional language in Sunderland is 9.5% in primary schools and 7.6% in secondary schools

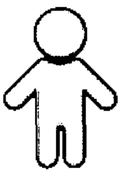
Data Source: *Provisional* Spring School Census, January 2026

Cared for Children and Children in Need

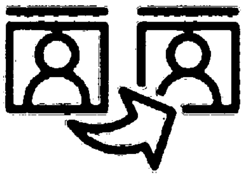


Rate of Cared For Children per 10,000 of children in Sunderland as of March 2026 was 96.5

Rate of Child Protection per 10,000 of children in Sunderland as of March 2026 was 62.0

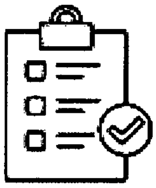


Rate of Children in Need per 10,000 of children in Sunderland as of March 2026 was 367.10



Rate of referrals per 10,000 of children in Sunderland as of March 2026 was 487.05

Early Help



Rate of children on early help plans per 10,000 of the population as of March 2026 was 103.50

Data Source: Provisional TfC Social Care data as at 31 March 2026

Achievement Highlights

Below is a summary of the 2025/26 achievements for all services across Together for Children, aligned to our Business Plan themes:

A Great Place to Work – Workforce, Leadership & Culture

- Sustained Better Health at Work – Excellence level, reinforcing wellbeing and healthy workplace culture.
- Launched trauma support interventions with March on Stress, improving employee wellbeing.
- Redesigned and relaunched leadership development programmes (Cultivate, Empower, Elevate), strengthening leadership capability at all levels.
- Improved workforce development, reward and retention as 14 social workers progressed to senior social workers roles.
- Relaunched Manager Induction and expanded coaching provision, supporting consistent and confident leadership.
- Introduced Active Learning Sets and workforce EDI drop-in sessions, embedding inclusive learning and reflective practice.
- Achieved Gold Armed Forces Award, recognising support to the armed forces community.
- Delivered a HR training programme for schools, strengthening support and compliance.
- Maintained strong organisational learning through SSCP Learning Week, with demonstrable practice improvement.
- TfC achieved Disability Confident leader status – actively championing inclusion by removing barriers.
- Invested in two Anti-Racist Practitioners who completed the North East Anti-Racist Champion Train the Trainer programme.
- Secured £0.6m+ investment interest, strengthening the organisation's financial resilience.

Building Strong Connections – Partnerships, Communities & Prevention

- Expanded volunteer networks, including Parent Carer Voice, with some volunteers progressing into employment.
- Delivered and supported 30+ community events, strengthening relationships and local engagement.
- Family Hubs allocated 283 baby boxes to families in Sunderland.
- Launched Families First pilot in Coalfields September 2025, including early implementation of a MACPT.
- Successfully mobilised and aligned business support functions to underpin the launch of the first Families First pilot.
- Strengthened front door safeguarding through MASH expansion, including Probation integration.
- Creation of specialist roles in locality services – Planning for Permanence Social Worker; Private Law and Private Fostering Practitioner.
- Revised and refreshed Strategic Plan for Joint Strategic Exploitation Group (All age).
- Rolled out direct work toolkits across all teams, with clinical psychologist support.
- Strengthened multi-agency safeguarding and education partnerships, including recruitment of a dedicated Education and Safeguarding Strategy Advisor.
- Recruited two grant funded Education Safeguarding posts to work across education and social care and support schools with safeguarding duties and referrals.

- Co-produced child and parent-led transition toolkits, improving transitions across all education stages.
- Further roll out to three schools of in-school mentoring programme for children at risk of suspension or exclusion.
- Introduced a TISP support model, enabling schools to access high quality, tailored school improvement support.
- Reintroduction of cross-system Heads Together meeting focusing on the City's priorities and improve communication with Headteachers.
- Successfully registered Marlow Drive Children's Home and expanded supported accommodation capacity through the move to Lyndore.
- Developed and recruited to a UASC specialism within the Next Steps service and increased Personal Adviser capacity.
- Commissioned and launched the Kinship Connected project and delivered a successful multi-agency Kinship Carers celebration event.
- Sustained high participation at Fostering and Adoption engagement events.
- Contributed to pan regional projects (Early Permanence, MDASS, Peer Mentoring) supported by Adoption England.
- Delivered reductions to ASB by 39% and Serious Youth Violence by 17% through SAIL and Focused Deterrence.
- Engaged 252 victims of youth crime via Restorative Justice, improving victim support and recovery.
- Collaborative working to design and secure approval of plan for Red Gables Children's Home.
- Led and coordinated work to launch a SEND Co-Production Charter.
- TfC Community Engagement event at RCCG Living Faith Church - Engaged over 500 congregation members mostly migrant families and children to explore safeguarding threshold of needs and support available to the Global Majority background members of the community.
- TfC Community Inclusion Forum – Engaged eleven Global Majority Community partners and groups in quarterly meetings - exploring ways of working better together.

Investing in Data & Digital – Insight, Automation & Intelligence

- Automated Free School Meals eligibility pilot identified and supported 600 additional children.
- Launched Sunderland Communicates Together – a multiagency partnership approach and online platform bringing together speech, language and communication support.
- Introduced single system for families to sign up for Holiday Activity and Food programme sessions.
- Delivered region-leading data standards and dashboards for NE ADCS and RIIA, strengthening collective oversight of performance and demand across the region.
- Launched Jarvis intranet, digital recruitment processes and designed Thrive online forms.
- Introduced VR-based attachment responsiveness training, reaching 550 participants across 66 settings.
- Improved EDI data completeness, supporting better equality monitoring.
- Embedded AI and digital tools (e.g. Magic Notes, Synthesia) to reduce administrative burden.
- Developed interactive operational dashboards, providing real-time visibility of performance, demand and risk across key service areas.
- Increased the use of QR codes to make it easier for people to give feedback, report issues and access information or support quickly and independently.

- Targeted system developments to improve functionality and support operational workflows and compliance with statutory and organisational recording standards.
- Early identification and planning of the case management developments required for the Families First implementation.
- Introduced clearer governance to support services in procuring new systems and software solutions to ensure adherence to corporate standards.
- Enhanced collaboration between operational services and ICT so new systems developments are implemented efficiently and with appropriate oversight.
- Upskilling business support teams by introducing new tools and techniques, including the use of AI, enabling staff to work more efficiently and improve data quality.
- Development of the company's first data platform product, demonstrating the potential to integrate data sources and provide enhanced strategic insight.
- Commissioned and launched a Virtual Memory Box, a digital version of a traditional life story or memory box for children.
- Improved SSCP communications through a new podcast series and quarterly newsletters.

Empowering Positive Change – Quality, Outcomes & Innovation

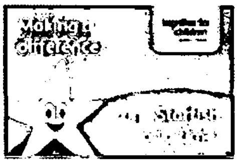
- National recognition for Breathing Space (Children & Young People Now Awards finalist).
- Sustained and improved educational outcomes for cared for children, including primary attendance above national (97%), KS2 attainment for above national and regional (39.3%) and 50% reduction in suspensions and zero permanent exclusions.
- Annual Safeguarding Training programme delivered to over 50 schools ensuring schools have the latest quality training and advice.
- New process for post 16 which has been highly successful in supporting several young people to return to their families.
- Exceeded DfE wraparound childcare targets (1,744 places vs 1,034 ambition).
- Enhanced governor capability through expanded curriculum and data focused CPD, improving strategic oversight and challenge.
- Sustained exceptional Early Years quality, with 98% of PVIs, 97% of childminders, and 100% of maintained nursery schools judged Good or Outstanding.
- Sustained Good or Outstanding judgments across all children's homes with Columbo Road achieving its eighth consecutive rating of Outstanding.
- Strengthened inspection readiness through an improved Self-Assessment framework, performance reporting, and evidence of impact collation processes.
- Mobilised in-house Independent Visitor service for cared for children.
- Business case approved to recruit youth voice apprentice to work across SCCP partnership to consider the voice of the child in SSCP activities.
- Undertook a peer review of the corporate parenting function to identify development areas.
- Development of YOS/YDAP pilot recognised by Youth Justice Board as best practice and delivered 42 YDAP targeted groupwork and training for 132 professionals.
- Exceeded target numbers of young people to work with via delivery of the MoJ Turnaround programme.
- Initiated Young Futures Pilot programme December 2025.
- Recruited a Young Person's Ambassador and started the recruitment for a second who will focus on the work of the partnership.

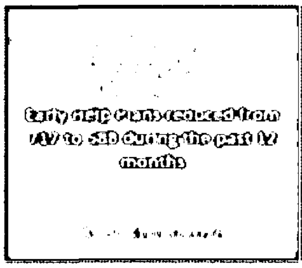
- Training and strengthened quality assurance processes increased referrals to Children's Continuing Care, enabling more jointly funded care packages.
- Enabled children's homes to deliver the Duke of Edinburgh Award.
- Achieved an Outstanding judgment for the Independent Fostering Agency.
- Contribution to evaluation of regional fostering hubs (working with DfE and mutual ventures) and influenced national fostering and adoption practice guidance.
- Partnered with The Fostering Network to deliver a regional fee harmonisation project.
- Secured agreement to increase the Staying Put Allowance from April.
- Targeted early contact resolution preventing complaint escalation, improved stage two complaint timeliness and strengthened positive feedback capture.

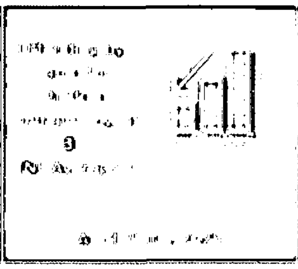
Inclusive & Accessible Environments – Equity, SEND & Places

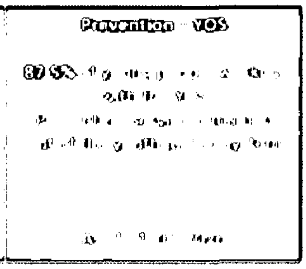
- Secured capital funding to develop a Complex Needs Children's Home and began construction and recruitment for Red Gables, a short breaks home for children with disabilities.
- Embedded Whole Education SEND in 53 schools, strengthening inclusive pedagogy.
- Achieved strong early communication outcomes, with 400+ children closing gaps.
- Bespoke Education Team (BET): Established a new team delivering bespoke EOTAS support to 34 complex learners, with several successful transitions back into mainstream education.
- Maintained top-tier SEN Transport cost efficiency nationally despite pressures.
- Quality Assurance Team: Created within Delivering Better Value, delivering EHCP training, leading the Ordinarily Available Offer, and completing 100+ support and challenge visits.
- New quality assurance framework for Independent Special Schools and Alternative Provision providers to ensure quality and value for money.
- Developed "Good for Every Child" programme to test with HAF providers an enhanced delivery model for children with SEND.
- Expanded Family Hub network (including opening of Thorney Close) and inclusive community activities and events.
- Facilitated 7,198 children and young people to attend 58,641 Holiday Activity and Food (HAF) places and secured funding for Community Allotment.
- Secured and delivered Better Youth Spaces funding, creating accessible youth hub, sensory spaces and inclusive facilities across the city.
- Innovate to Include Grant has supported 43 settings to create more inclusive environments, including sensory spaces, outdoor provision, and inclusive technology for children with additional needs.
- Expanded buggy walks, water sessions, colour fun runs, access to affordable food and free events focussed on awareness of support and early intervention.

Early Help









Data Source: Latest published data: (Children looked after in England including adoption: 2024 to 2025 - GOV.UK)

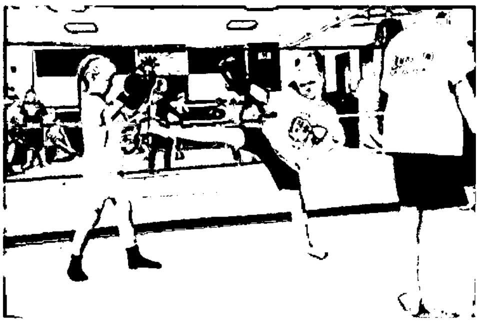
Wear Here 4 the Holidays – 2025/26

Wear Here 4 the Holidays is Sunderland's comprehensive school holiday programme for children and young people, providing food, activities and safe provision during school holidays through the nationally funded Holiday Activities and Food (HAF) programme. Funding is provided through a combination of Department for Education and Public Health funding, the Household Support Fund and smaller additional funding sources.

In 2025/26, the programme supported 10,206 children and young people, who attended a total of 61,867 sessions across the year. Many children engaged across multiple holiday periods, demonstrating sustained impact. The programme played an important preventative role, reducing risks associated with school holidays such as isolation, food insecurity and limited access to positive activities. Analysis in Autumn 2025 also evidenced reduced school absence of children and young people who attended the holiday programme when compared to peers who did not attend.

Total programme spend was £1.9 million. 93% of this funding was invested in citywide delivery of school holiday programmes, the remaining 7% was used to cover costs such as administration, communications, quality assurance and systems.

Quality assurance activity was integral to delivery. Forty-five quality assurance visits were completed, identifying strengths in the quality and range of enriching activities, supported by improved partnerships and provider training when compared to previous years. Nutritional education was less consistent, indicating a need for further targeted support and refreshed guidance.

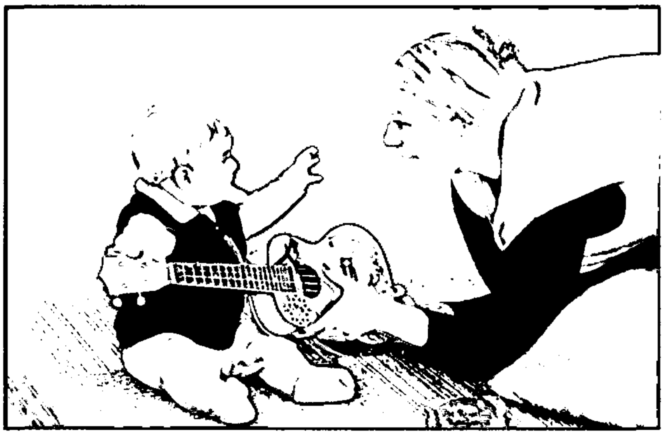


Feedback from children and parents highlighted positive experiences, reduced isolation and the programme's value in providing enjoyable, meaningful holiday opportunities and respite for families:

- *Young Person 1 - "I have had lunch provided by the staff, it is the best food ever, its different from what I eat at home. I have tried meatballs with my pasta, if we don't like something there is always something else. I learned that vegetables can be added to healthy meals."*
- *Young person 2 - "I enjoyed the creative activities I have done some arts and crafts. I did new activities by making plant pots and decorating them. Creative activities are good as they make you happy and are good for your brain."*
- *Parent 1 - "Without this programme she would have no interaction throughout the holidays, this also gives me some much-needed respite. If she wasn't here, she would be isolated at home. The things she has really enjoyed is the relationships she has built here, and she is learning some new art skills."*
- Parent 2 - *"If the HAF programme wasn't available, it would just be a lot more of an expensive holiday or the children will be spending more time on their computers. It gives them something to do. They have told me that they enjoy coming here and seeing their friends and also making new ones."*

Best Start Family Hubs

Sunderland continues to operate five Best Start Family Hubs. Bringing together universal and targeted support for families from conception to age 19 (or 25 with SEND). For 2025/26, the Department for Education issued new Section 31 grant determinations for Best Start Family Hubs, confirming continued national investment into the programme. Sunderland received £1.2m for delivery which included early education, mental health support, parenting classes, infant feeding advice and support, ensuring better access to support services and improved family relationships.



There are now over 50 services and activities delivered by a range of partners across the Sunderland Best Start Family Hub network. Each hub now has a designated health room where families can access midwifery and 0-19 services.

There are 65 active volunteers supporting delivery and five Parent Carer Panels, one attached to each Family Hub, who ensure local parents/carers play a key role in designing and continuously improving family services. They enable the voice of local parents/carers including those whose voices are seldom heard to ensure that families are at the centre of service design and delivery across Sunderland. 2,467 new families registered for Family Hubs in 2025/26.

Children's Social Care

Inspection Outcomes

Together for Children Sunderland Limited (TfC) has continued to demonstrate strong performance, with inspection outcomes reflecting sustained quality, effective leadership, and positive impact for children, young people, and families.

In January 2025, Ofsted inspected Sunderland's Children's Services under the ILACS framework and judged services to be Outstanding overall. Inspectors highlighted the strength of leadership, highly effective social work practice, and consistently positive experiences and outcomes for children in need of help and protection and children in care.

Key strengths

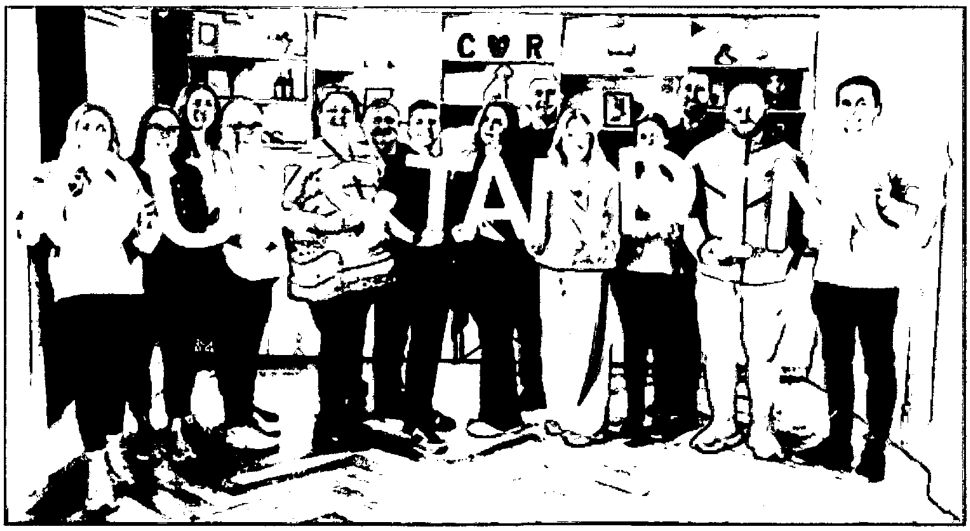
- Strong, values-led leadership with a relentless focus on doing what is right for children.
- Highly effective early help and social work practice, leading to consistently positive outcomes.
- Children in care are thriving, with stable placements and high-quality support.
- Children's voices are central to decision-making and care planning.

TfC's Fostering Service was inspected in April 2025 and received an Outstanding judgment. Inspectors noted the exceptional progress made by children and young people, the high levels of commitment demonstrated by foster carers, and the strength of therapeutic, child-centred practice and support. The Adoption Service was inspected in March 2026, and we await the final inspection report.

In November 2025, a joint Ofsted and Care Quality Commission inspection of Area SEND arrangements recognised important strengths across the Sunderland local area partnership, which includes TfC. Inspectors recognised clear strengths, including the visibility and voice of children and young people, investment in specialist provision, and effective early help and family support, alongside a clear set of priority actions to improve consistency and outcomes.

Together for Children's residential homes continue to demonstrate consistently high inspection outcomes, with several homes achieving repeated Outstanding ratings, including Colombo Road, judged Outstanding in February 2026, the eighth consecutive rating for the home. Inspectors repeatedly praise the culture of care, stability, and ambition for children's futures

Overall, inspection outcomes during the year confirm TfC's strong delivery of Children's Services, with outstanding practice in key statutory areas and a clear focus on continuous improvement where further development is required.



Education Services

Empowering children and young people to use their voice and influence

Inclusion Ambassadors have been established as part of the ongoing Inclusion work which forms part of the Whole Education project. The Ambassadors designed the logo for our Ordinarily Available Offer. The Young Commissioners group have also worked with a Bright Impact to produce a report capturing the voice of Young People who are currently NEET to explore barriers to employment and training.

Inspiring creative and innovative SEND practice

The Local Area Partnership has come together to create Sunderland Communicates Together, an integrated Speech, Language and Communication offer in Sunderland which has been nominated for a Council for Disabled Children's Inclusion Award. The offer includes jointly commissioned Talk Boost packages for all age ranges and integrated working between education professionals, Speech and Language Therapists and Family Hubs.

Leading and influencing future policy and direction

We continue to work closely with other regional authorities on workstreams to support Inclusion, workforce planning and transition. As we prepare for the forthcoming SEND reforms we continue to proactively develop high quality Additional Resource Provisions, which will align to the new proposed SEND reforms and enable specialist packages of support to be delivered locally. There are plans to open a new Cognition and Learning provision and a new SEMH provision in Autumn 2026. 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.

Supporting our education workforce and making best use of resources

- The School Improvement Service delivers a balanced model of traded, targeted and universal support through a strong Service Level Agreement (SLA) offer spanning safeguarding, school improvement consultancy and governance. Sector confidence is evidenced by 38 schools purchasing safeguarding SLAs, 28 schools commissioning school improvement consultancy (with additional schools accessing support outside formal agreements), and 21 schools procuring governance SLAs to strengthen leadership, accountability and statutory compliance.
- Bespoke intervention is delivered by School Improvement Officers, with support aligned to each school's specific context, priorities and areas of risk.
- Targeted support has been prioritised for the most vulnerable schools. This includes several schools receiving a combination of SLA-funded and targeted intervention, alongside other schools benefiting from focused support in Maths, English, and Early Years.
- System leadership capacity is being strengthened through collaboration with five seconded senior leaders from city schools, with a particular focus on embedding effective SEND practice within CPD programmes and school improvement planning.
- The School Improvement Service has an established and growing regional footprint, providing improvement support, moderation and professional development to schools beyond the local authority, including academy trusts operating across Tees Valley, North Yorkshire and County Durham.

Virtual School

- During the 2024/25 academic year, support was provided to 762 cared-for children and young people, with 651 actively participating in education from nursery through post-16. Each child is assigned a caseworker who oversees educational planning, advocates on their behalf, and liaises with both schools and social care services.
- Specialist educators implemented targeted interventions to bridge learning gaps, including personalised tuition focused on phonics, SATs, and GCSE preparation.
- More than 131 children benefitted from additional resources such as dedicated teaching assistant hours, commissioned alternative provision, and academic tutoring financed by the Pupil Premium Grant.
- Summer programmes offered organised activities that promoted social interaction, emotional wellbeing, and supported transitions within education.

- Training and awareness initiatives covered trauma-informed practices, emotional school-based avoidance, SEND, and safeguarding. A significant element utilised virtual reality, allowing participants to gain insights into the experiences of cared-for children. Over 543 individuals from 61 different organisations attended these sessions, with 92.5% reporting increased understanding of childhood trauma. Additional topics included Foetal Alcohol Spectrum Disorder and Raising Aspirations.
- The Virtual School participated in every personal education planning meeting for cared-for children and young people. Personal Education Plans (PEPs) are mandatory for cared-for children aged two to eighteen, ensuring continual monitoring and improvement of educational progress. Compliance exceeded 99%, with 1,495 PEPs completed during the year. Of these, 94.2% were rated 'good,' supported by ongoing quality assurance and caseworker involvement to enhance plans rated lower.
- Overall attendance among cared-for children reached 92.2%, surpassing both national rates for cared-for children and local averages, though still below the national average for all children. Attendance in primary education was particularly strong at 97.6%, while secondary attendance remained a challenge at 87.5%.
- In 2024/25, 163 young people received care post-16; 80% were engaged in education, employment, or training (EET), while 20% were not in education, employment, or training (NEET). Support offered included mentoring, tuition, and work experience opportunities.
- The summer school programme was highly successful, highlighted by a parent/carer who shared.
  "Thank you so much for inviting us today. As a family we have had a great day at the farm," and, *"This is a great way for foster families and children who are in similar situations to mix in a relaxed place and be a family."*
- Academic Outcomes for cared-for children:
  - Early Years: 33% reached a Good Level of Development, exceeding national figures for cared-for children.
    - KS2 SATs: 39% met the expected standard in combined Reading, Writing, and Maths, outperforming regional and national results.
    - KS4 GCSE: 24% achieved Level 2, Grade 4 or above in English and Maths; 66% gained one or more GCSEs at Grade 4+, and 92% reached Level 1.
- The Virtual School received positive recognition during the recent SEND inspection, described as "ambitious for children in care with send", and praised for providing targeted support during transition points and effective monitoring of progress via frequent Personal Education Plan (PEP) reviews, resulting in notable achievements for many children in care with SEND.

Attendance and Elective Home Education

- Sunderland's absence rates remain above national averages, but overall absence is steadily decreasing, with fewer pupils persistently absent (over 10%).
- The change in statutory thresholds led to 3,062 Fixed Penalty Notices (FPNs) issued, a 1,109% increase compared to last year; 2,946 were for unauthorised family holidays and 116 for ongoing unauthorised absences despite intervention.
- TfC formed an Elective Home Education (EHE) Team, boosting support for children and families and strengthening collaboration with partner agencies. This year, 76 pupils returned to education and over 200 families received help developing education plans.

Access and Inclusion

- Enhancing sufficiency in alternative provision by proactively addressing the increasing demand and evolving needs of children and young people. This includes extending Emotional Based School Avoidance (EBSA) services to Key Stage 2 and expanding the capacity for permanently excluded students by an additional 16 places.
- During our recent SEND inspection, Ofsted commented we have effective commissioning and quality assurance processes for alternative provision (AP) and that we ensure AP is safe and effective.
- We have successfully piloted and sourced continuation funding for 'Commando Joes' to deliver a character education programme in 5 schools with the aims of increasing attendance and reducing suspensions and exclusions.

Participation 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 2025/26:

- The service has employed 2 care experienced youth voice ambassadors with an ambition to build upon the success of the participation and engagement of our young people in Sunderland to shape support and partnership services moving forward.
- Young people continue to have access to Mind of My Own to share their views directly with workers.
- Our annual Sunderland Young Achievers Awards took place earlier this year to celebrate children and young people's contributions to life in Sunderland.
- Change Council alongside Blue Cabin have been involved in creating their own film in relation to young people's experiences of being a young person in Sunderland. This was a creative project facilitated by Blue Cabin and utilising their expertise with artists and film makers within their organisation.
- There is now a youth voice "spotify" channel which our young people are developing in relation to podcasts with important messages about the work they are doing in the city.
- Young Commissioners have led and shaped key SEND and wider youth initiatives, including co-designing the SEND Outcomes framework contributing to a policy report for June and the SEND Board, researching barriers to education, employment and training for 16–25-year-olds, developing engagement tools and surveys, co-creating wellbeing resources, designing confidence and employability training for young people, and establishing Sunderland Youth Voice through new digital and podcasting platforms.
- STARS are shaping real change, with young people influencing the city's SEND Outcomes Framework, highlighting barriers to work, education and training, creating more accessible tools and information, building confidence and independence, strengthening community connections, informing how services recruit, train and work with young people, and widening participation through outreach in schools, colleges and community settings so more SEND young people can get involved and be heard.
- 2 members of STARS/Young Commissioners attended the Youth Voice Matters Conference in Birmingham in February and were able to feed back into continuing research around the new SEND review and talk to the Minister for School Standards, Georgia Gould and the Director Council for Disabled Children, Amanda Allard.
- New ways are being developed to engage more SEND voices within Social Care, through attending SEND cafes and transition, careers, and information events at Grace House, Bede College, Portland Academy, and several primary schools to raise awareness and encourage participation.
- Change Council have been co-creating and embedding a Guide to Care across fostering, kinship and children's homes, developing a practical housing guide for older young people. Shaping and strengthening Change the Language training has continued to tackle stigma and they have also contributed directly to the recruitment of social workers and senior leaders, and helping lead positive Care Day campaigns that celebrate achievements and raise awareness.
- We are widening how we hear from young people, using WhatsApp channels for cared-for and SEND young people, regular drop-ins at children's homes, links with groups such as Next Steps and UASC, and shared events and gatherings, alongside planning regional activities like Children's Homes Fortnight 2026, so more young people can stay informed, get involved and share their views in ways that work for them.
- There has been a training package designed and delivered by a care experienced young person supporting practitioner knowledge of LGBTQ+.

Our People

Inclusion Community and Engagement

The Company is committed to creating an inclusive environment that respects and values the diversity of both staff and our service users.

The Inclusion and Community Engagement Lead role has evolved, providing dedicated and experienced capacity to develop, implement and lead delivery of the Company's EDI Strategy. This has supported the Company to further empower staff with protected characteristics to have a voice and to embed inclusive practices across all areas of the business.

The role has worked with community partners and has had an active part in delivering regional training on behalf of the Association of Directors of Children's Services to social care staff in the North East. Two officers from TfC attended Black and Asian Leadership Initiative (BALI) that focuses on social care leadership, particularly children's and adults social care in the UK.

Significant progress has been made in delivering the ambitions of the EDI Strategy, reinforcing the principle that Equity, Diversity and Inclusion is everybody's responsibility. The Company has received external recognition for its inclusive practices and commitment, including:

- Recognition as a Disability Confident Leader
- Award of the Armed Forces Covenant Gold Award

ARMED FORCES COVENANT

EMPLOYER RECOGNITION SCHEME

GOLD AWARD 2025

Proudly supporting those who serve.

MENOPAUSE INCLUSIVE WORKPLACE

STANDARD OF EXCELLENCE

disability confident

LEADER

In 2025/26, the Company received 251 compliments from children and young people, parents and other family members, foster carers, external professionals, and staff within TfC. Below are some examples of the compliments received:

Fostering – "I just wanted to say a huge thankyou to everyone in fostering who absolutely pulled it out the bag yesterday. We had three children come into our care after an incident at the weekend, part way through the day it looked like we would need to separate the children however the team worked amazingly to keep the kids together and achieved that. It's really appreciated and shows the tenacity of your team."

Pre-Birth Team – "I really just want to thank you from the bottom of my heart for everything you have done for my girl the last few weeks. She's coming on leaps and bounds and you have actually managed to sort quite a bit out that has been ongoing for ages so just thank you so much."

Our Principal Risks

The Company actively manages risk with the Board overseeing the Risk Appetite and Strategic Risk management processes. The Senior Leadership Team (SLT) input into the Strategic Risk Register of the Council, and own and report upon the TfC Strategic Risk Register. Material risks are escalated to the Board as and when appropriate. All risks are actively managed by the Senior Leadership Team of the Company through a regular review of the Strategic Risk Register.

At the end of March 2026, there were eighteen strategic risks being regularly monitored (summarised in the tables below):

	Leadership and Staffing
LS1	The current stable CSC workforce is undermined by national workforce pressures
LS2	The living cost presures forces staff to leave to work closer to home
LS3	Senior staff leaving TfC and SCC may destabilise progress and momentum.
LS4	SEND staff are overstretched leading to sickness absence and failure to achieve EHCP deadlines
LS5	Families First programme implementatioin causes concem to staff of job security and staff leave to work at another LA.

	Values and Culture/ Reputation
VCR1	Future Ofsted ILACS inspection outcome may be less than outstanding
VCR2	Recent grievance / disciplinary cases affect the company reputation leading to risk that we are unable to attract staff.

	Stewardship of Resources
R1	Living within the Contract sum is challenging given the inflationary and market factors affecting home to school transport and cared for children.
R2	Digital maturity – systems are insufficiently robust to give the strong evidence base to support further bids for funds and show efficacy of interventions especially in EH.
R3	Ability to sustain the Family Hub model beyond 2025/26 in line with Govemment expectations.
R4	There is a considerable risk to the security of resources and data caused by cyber-attacks including phishing and denial of service.
R5	ICT SLA Review significantly increases costs outside of the current contract bracket and contract sum does not increase alongside.
R6	Residential Care costs continue to rise even with the Children's WellBeing and Schools Bill recommendations ie risk that profit limit does not have the result which it seeks.

	Continuous Improvement
CI1	Maintaining "Outstanding": in the face of rising demand, cost of living crisis and senior management changes
CI2	Locally developed residential care accommodation is occupied on a longer term basis than the short lengths of stay originally envisaged.
CI3	Delivery of Transformation programme with associated savings targets not just cost avoidance
CI4	Young people in unregistered/unregulated homes due to a lack of available capacity or unwillingness from the market to care for some young people's needs.
CI5	Digital Capabilities leave people behind - risk that we do not ensure that as we improve digital technology we also have a clear digital skills strategy that relates.

As referenced above, all the above noted risks are actively scrutinised by the Senior Leadership Team. As part of that scrutiny is the context of the risk locally, regionally and nationally and what mitigations are required to be put in place.

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 2026, 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:

- The Company operates under a Services Contract with its Sole Member, Sunderland City Council. The Council's Cabinet, at its meeting in March 2026, agreed to extend the Services Contract for an initial period of seven years (up to 31st March 2034), with an option for the Council (at its discretion) to thereafter extend the contract period for up to a further three years (up to 31st March 2037). 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 stipulate that any decisions with a longevity beyond the Services Contract are a Reserved Matter for the Council as sole member.

- the interests of the company's employees:
  - 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.
  - 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 2025, 37 individuals completed the TfC Leadership and Management Programme (Cultivate for the Aspiring Manager, Empower for the Existing Manager and Elevate for existing Leaders).
  - Two TfC Leaders recently completed the SOLACE 'Springboard' Programme. It is a highly sought after and extremely competitive route into Senior Leadership in the Public Sector. Both these colleagues have been successful in moving into Senior Leadership positions at the Company.
  - A number of Senior Leadership colleagues are to be part of the DfE Aspirant DCS Programme in 2026/27, again this is an extremely competitive opportunity.
  - The Company continues to drive forward its CIPD award winning Coaching Programme which has numerous coaches supporting the workforce. Colleagues who attended facilitator training to deliver Action Learning Sets are now delivering such support to the workforce with several action learning sets being managed.
  - During 2025 we have been delighted to achieve the award of Disability Confident Leader in recognition of how the organisation has gone beyond inclusive intent and practice and actively leads, champions, and influences others on disability inclusion; to receive the MoD Employer Recognition Scheme (ERS) Gold Award in recognition of the targeted work undertaken to support ex-armed forced colleagues and relatives of serving armed forced; and to maintain excellence standard in the Better Health at Work Award in recognition for the incredibly highly supportive and innovative wellbeing programme.
  - The Company was also delighted to be shortlisted for a number of other prestigious awards recognising the innovation and excellence within the TfC workforce, including Breathing Space, which was selected as a Finalist in the Learning Award category of the Children and Young People Now Awards 2025. The awards recognise initiatives that have made the greatest contribution to improving educational achievement, with particular focus on work that has helped children with special educational needs and disabilities.
  - Sunderland Communicates Together has been shortlisted for the Council for Disabled Children SEND Awards 2026, under the 'Accessible and Inclusive Communications Strategy for SEND' category which recognises excellence in clear, inclusive, and co-produced communication across the SEND system.

- 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 of invoices with over 99% paid within 30 days and an average term of just under 4 days (6 months to 31 March 2026), displaying continued strong performance.

- 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 continuing 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.

- 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.

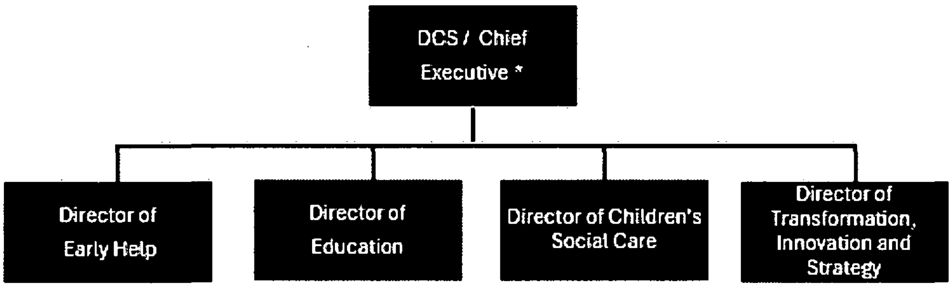
Our Governance Structure

The Company is overseen by a Board of Directors to ensure continued operational independence. During 2025/26, the Board comprised three Directors. The Board retained full responsibility for governance, risk, financial oversight and strategic direction, supported by a forward assurance plan to ensure effective oversight of all areas previously covered by sub-committees.

2025/26 Board Attendance (Actual/Possible):

Board Member	TfC Board meeting
Ms T L Banks	6/6
Mr P Houghton	6/6
Mr S J Marshall	6/6

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.



The new Director of Transformation, Innovation and Strategy, will drive innovation and transformational change across the Company, and has responsibility for ensuring all resources across TfC represent best value for money, are integrated and utilised effectively. The role provides strategic leadership and management of the following services within the Company, Legal Services, People Services, Transformation Management Office, Accounting and Finance, and Commissioning Services.

(* = Company Director registered with Companies House.)

RESULT FOR THE YEAR
The turnover of the company in the year to 31 March 2026 was £212.9m, of which £199.8m was received from Sunderland City Council in the form of contract income and contributions. The main contract income from Sunderland City Council totalled £120.6m.

The Company spent £198.8m on cost of sales, providing services to children and £13.1m on administration expenses during the period. Pension costs totalled £4.2m and includes an adjustment of £1.7m as a result of the required defined benefit pension scheme disclosures and £5.9m contributions paid during the year in relation to the 1,034 employees of the Company on 31 March 2026, 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: 19.05.26

The directors present their annual report and financial statements for the year ended 31 March 2026.

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 2026.

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
Mr P Houghton
Mr SJ Marshall

Disabled persons
The Company is committed to promoting equality of opportunity for all employees and applicants. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Company is committed to making reasonable adjustments to the workplace and working arrangements to ensure that disabled employees are not placed at a substantial disadvantage compared with non-disabled employees. TfC has received the Disability Confident Leader Award in recognition of the commitment to promoting equality of opportunity.

Employees involvement
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.

TfC is a supportive employer with culture and leadership at its core. The organisation's People Strategy is underpinned by four core pillars:

- Leadership and driving our culture.
- Protecting our wellbeing and engagement.
- Growing and developing our people.
- Valuing and retaining our talent.

Equality, Diversity and Inclusion are embedded across all four pillars to ensure it is integral to workforce policies, people practices and service delivery.

To support our ambitions, TfC is undertaking an engagement survey to better understand colleague experience and engagement across the Company. The insight gathered will directly inform the development of a new People Strategy for the Company, ensuring it is evidence-led, responsive to workforce needs and aligned to TfC's values and future Company priorities. TfC aims to build a skilled, innovative, resilient and inclusive workforce, capable of delivering the best outcomes for children, young people and families within Sunderland.

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.

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 2024/25, with the inclusion of additional premises that the Company has occupied during 2025/26.

Category	Unit of Measurement	2024/25 Values	2025/26 Values
Scope 1 emissions	tonnes CO2e	286.71	271.75
Scope 2 emissions	tonnes CO2e	154.94	167.24
Scope 3 emissions	tonnes CO2e	44.29	161.33
Total Greenhouse Gas emissions	tonnes CO2e	485.94	600.31
Greenhouse Gas emissions per employee	tonnes CO2e	0.48	0.58

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.

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: 19 · 5 · 26

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 2026 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 2026 and of its profit 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the company operates and how the company complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Moran

Michael T Moran BA FCA (Senior Statutory Auditor)
For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor
Accountants
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ
England
Date: 2 July 2026

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	**4**	212,866,458	184,311,513
Cost of sales		(198,795,332)	(172,045,638)
Gross profit		14,071,126	12,265,875
Administrative expenses		(13,123,215)	(13,314,579)
Operating profit/(loss)		947,911	(1,048,704)
Interest receivable and similar income	**8**	637,089	809,704
Interest payable and similar expenses	**9**	160,000	(35,000)
Profit/(loss) before taxation		1,745,000	(274,000)
Tax on profit/(loss)	**10**	(436,250)	68,500
Profit/(loss) for the financial year		1,308,750	(205,500)

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 2026

	2026	2025
	£	£
Profit/(loss) for the year	1,308,750	(205,500)
Other comprehensive income		
Actuarial (loss)/gain on defined benefit pension schemes	(1,745,000)	3,649,000
Tax relating to other comprehensive income	436,250	(912,250)
Total other comprehensive income for the year	(1,308,750)	2,736,750
Total comprehensive income for the year	-	2,531,250

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2026

		2026		2025	
	Notes	£	£	£	£
Current assets					
Debtors	**11**	8,228,003		9,546,650	
Cash at bank and in hand		4,657,200		5,955,731	
		12,885,203		15,502,381	
Creditors: amounts falling due within one year	**12**	(12,885,203)		(15,502,381)	
Net current assets			-		-
Net assets excluding pension liability			-		-
Defined benefit pension liability	**13**		-		-
Net assets			-		-
Capital and reserves					
Called up share capital			-		-

The financial statements were approved by the board of directors and authorised for issue on 19.05.26 and are signed on its behalf by:

Ms TL Banks
Director

Mr SJ Marshall
Director

Company registration number 10085290 (England and Wales)

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Profit and loss reserves £
Balance at 1 April 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	-
Year ended 31 March 2026:	
Profit for the year	1,308,750
Other comprehensive income:	
Actuarial gains on defined benefit plans	(1,745,000)
Tax relating to other comprehensive income	436,250
Total comprehensive income for the year	-
Balance at 31 March 2026	-

TOGETHER FOR CHILDREN SUNDERLAND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**20**		(1,935,620)		2,914,537
Investing activities					
Interest received		637,089		809,704	
Net cash generated from investing activities			637,089		809,704
Net (decrease)/increase in cash and cash equivalents			(1,298,531)		3,724,241
Cash and cash equivalents at beginning of year			5,955,731		2,231,490
Cash and cash equivalents at end of year			4,657,200		5,955,731

2 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.

2.1 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.

2.2 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.

2.3 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.

2.4 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

2.5 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.

2 Accounting policies **(Continued)**

2.6 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.

2 Accounting policies **(Continued)**

2.7 Taxation

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

Current tax

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

Deferred tax

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

2.8 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, 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.

2 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.

2.9 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.

3 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.

4 Turnover and other revenue

	2026	2025
	£	£
Turnover analysed by class of business		
Contract income	120,553,854	107,914,363
Educational income	89,328,538	73,652,815
Other income	2,984,066	2,744,335
	212,866,458	184,311,513

	2026	2025
	£	£
Turnover analysed by geographical market		
United Kingdom	212,866,458	184,311,513

	2026	2025
	£	£
Other revenue		
Interest income	637,089	809,704

5 Auditor's remuneration

	2026	2025
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	19,570	19,000

6 Employees

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

	2026	2025
	Number	Number
Service delivery	877	852
Administration	157	159
Total	1,034	1,011

6 Employees (Continued)

Their aggregate remuneration comprised:

	2026 £	2025 £
Wages and salaries	37,550,719	32,923,874
Social security costs	4,662,707	3,553,796
Pension costs	4,180,493	5,904,787
	46,393,919	42,382,457

During the year, key management personnel remuneration of £593,056 (2025: £619,895) was paid. Key management personnel encompasses the wider Company management team.

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

In 2025/26 the Company paid £5,599,000 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 2025. 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 £212,000 as a result of adjustments relating to costs associated with the defined benefit scheme.

7 Directors' remuneration

	2026 £	2025 £
Remuneration for qualifying services	159,014	209,767
Pension contributions to defined benefit schemes	22,758	40,494

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2025 - 3).

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

	2026 £	2025 £
Remuneration for qualifying services	123,014	60,021

8 Interest receivable and similar income

	2026	2025
	£	£
Interest income		
Interest on bank deposits	637,089	809,704

	2026	2025
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	637,089	809,704

9 Interest payable and similar expenses

	2026	2025
	£	£
Other finance costs		
Net interest on the net defined benefit liability	(160,000)	35,000

10 Taxation

	2026	2025
	£	£
Deferred tax		
Origination and reversal of timing differences	436,250	(68,500)

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

	2026	2025
	£	£
Profit/(loss) before taxation	1,745,000	(274,000)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25% (2025: 25%)	436,250	(68,500)
Effects of:		
Taxation charge/(credit) per the financial statements	436,250	(68,500)

10 Taxation (Continued)

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

	2026	2025
	£	£
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(436,250)	912,250

Analysis of the tax charge
No Liability to UK corporation tax arose for the year ended 31 March 2026 nor for the year ended 31 March 2025.

11 Debtors

	2026	2025
Amounts falling due within one year:	£	£
Trade debtors	2,385,132	1,700,822
Amounts owed by group undertakings	581,834	300,147
Other debtors	65,791	30,177
Prepayments and accrued income	5,184,104	7,502,889
	8,216,861	9,534,035

	2026	2025
Amounts falling due after more than one year:	£	£
Other debtors	11,142	12,615
Total debtors	8,228,003	9,546,650

12 Creditors: amounts falling due within one year

	2026	2025
	£	£
Trade creditors	2,431,447	919,330
Taxation and social security	2,979,022	2,478,974
Other creditors	351,689	339,009
Accruals and deferred income	7,123,045	11,765,068
	12,885,203	15,502,381

12 Creditors: amounts falling due within one year **(Continued)**

Included in other creditors is £351,689 (2025: £339,009) for Sunderland Safeguarding Children's Partnership funding.

Sunderland Safeguarding Children's Partnership (SSCP)
Sunderland Safeguarding Children's Partnership 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.

13 Retirement benefit schemes

Defined contribution schemes	**2026** £	**2025** £
Charge to profit or loss in respect of defined contribution schemes	(240,865)	38,507

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 2025. 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	**2026** %	**2025** %
Discount rate	6.20	5.80
Expected rate of increase of pensions in payment	2.80	2.50
Expected rate of salary increases	4.30	4.00
CPI inflation	2.80	2.50
Pension accounts revaluation rates	2.80	2.50

13 Retirement benefit schemes **(Continued)**

Mortality assumptions	**2026**	**2025**
The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.	**Years**	**Years**
Retiring today		
- Males	21.9	20.9
- Females	24.4	24.1
Retiring in 20 years		
- Males	22.4	21.8
- Females	25.1	25.2

Amounts recognised in the profit and loss account	**2026**	**2025**
Costs/(income):	**£**	**£**
Current service cost	3,882,000	5,480,000
Net interest on net defined benefit liability/(asset)	(1,641,000)	35,000
Other costs and income	132,000	90,000
Total costs	2,373,000	5,605,000

Amounts recognised in other comprehensive income	**2026**	**2025**
Costs/(income):	**£**	**£**
Actual return on scheme assets	(10,551,000)	(6,035,000)
Less: calculated interest element	7,254,000	5,359,000
Return on scheme assets excluding interest income	(3,297,000)	(676,000)
Actuarial changes related to obligations	989,000	(28,502,000)
Effect of changes in the amount of surplus that is not recoverable	5,534,000	25,529,000
Total costs/(income)	3,226,000	(3,649,000)

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:

Liabilities/(assets):	2026 £	2025 £
Present value of defined benefit obligations	106,979,000	96,978,000
Fair value of plan assets	(138,042,000)	(122,507,000)
Surplus in scheme	(31,063,000)	(25,529,000)
Restriction on scheme assets	31,063,000	25,529,000
Total liability recognised	-	-

Movements in the present value of defined benefit obligations	2026 £
Liabilities at 1 April 2025	96,978,000
Current service cost	3,882,000
Past service cost	132,000
Benefits paid	(2,811,000)
Contributions from scheme members	2,196,000
Actuarial gains and losses	989,000
Interest cost	5,613,000
At 31 March 2026	106,979,000

The defined benefit obligations arise from plans funded as follows:	2026 £
Wholly unfunded obligations	-
Wholly or partly funded obligations	(106,979,000)
	106,979,000

Movements in the fair value of plan assets	2026 £
Fair value of assets at 1 April 2025	122,507,000
Interest income	7,254,000
Return on plan assets (excluding amounts included in net interest)	3,297,000
Benefits paid	(2,811,000)
Contributions by the employer	5,599,000
Contributions by scheme members	2,196,000
At 31 March 2026	138,042,000

13 Retirement benefit schemes **(Continued)**

The actual return on plan assets was £10,551,000 (2025 - £6,035,000).

Expected return on assets
In respect of the pension liabilities reported by the actuary there are certain issues arising from legal cases or changes in government policy that have affected the reported liabilities of the scheme. The issues and how they have been dealt with by the actuary of the scheme are as follows: -

McCloud
In December 2018, the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement, which found that the transitional protection arrangements when public sector pensions were reformed were age discriminatory. The administrating authority of the pension scheme was not able to supply McCloud data for the 2025 actuarial valuation. Therefore the actuary used an employer specific percentage to uplift the active and deferred liabilities for eligible members, based on the average age of those members for each employer. The actuary has reported that that they do not expect the approach taken to have any additional impact on the scheme liabilities.

Guaranteed Minimum Pensions (GMPs): indexation and equalisation
Following legislative change in 2021, the LGPS is now required to pay full CPI increases on GMPs for members whose State Pension Age is after April 2016. Separately to this, the High Court ruled in two Lloyds Banking Group cases (2018 and 2020) that schemes are required to equalise male and female benefits for the effect of unequal GMPs, and these requirements extend to members who have died and transferred out. In relation to public service schemes the Government believes payment of full indexation of GMPs as set out above will equalise payment terms for the vast majority of members, but some uncertainty remains for a small minority of members (e.g. historic deaths and transfers). Pension increases have been valued in line with the indexation requirements. However, the actuary has not estimated a potential cost of equalising payment terms for members whose benefits remain unequal after full indexation, nor for historic deaths or transfers. The actuary does not expect any additional impact on the scheme liabilities.

Goodwin
An Employment Tribunal ruling relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. A ministerial statement on 20 July 2020 announced that changes would be required to other public service pension schemes with similar arrangements. In the LGPS this will create an additional liability for post-2005 widowers where the original member had pre-1988 service. Regulations have been laid to effect the changes to equalise survivor benefits in the LGPS and these will come into force on 1 April 2026. The approach taken has led to an increase in the liabilities, with the actuary uplifting liabilities using an estimated value for different categories of member.

State Pension Age
The Government's second periodic review of the State Pension Age (SPA) was concluded in March 2023. The review confirmed the legislated increase in SPA from 66 to 67 between 2026 and 2028 and made no changes at this stage to the planned increase to 68 between 2044 and 2046. Future SPA reviews (such as the third periodic review, launched in July 2025) could lead to changes in the age at which LGPS benefits earned after 1 April 2014, which are linked to SPA, are payable without actuarial reduction, with a corresponding impact on past service liabilities and future cost management valuations. No allowance has been made in the 2025 valuation for potential changes to the State Pension Age.

13 Retirement benefit schemes (Continued)

Fair value of plan assets	2026 £	2025 £
Equity instruments	66,949,000	58,925,000
Debt instruments	55,080,000	47,779,000
Property	15,461,000	13,598,000
Cash	552,000	2,205,000
	138,042,000	122,507,000

14 Profit and loss reserves

	2026 £	2025 £
At the beginning of the year	-	(2,531,250)
Profit/(loss) for the year	1,308,750	(205,500)
Actuarial differences recognised in other comprehensive income	(1,745,000)	3,649,000
Tax on actuarial differences	436,250	(912,250)
At the end of the year	-	-

15 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 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:

	2026 £	2025 £
Within 1 year	690,194	690,194
Years 2-5	158,941	790,059
	849,135	1,480,253

17 Related party transactions

Included in turnover is £120.554m (2025: £107.914m) in contract income, which includes £27.511m (2025: £21.892m) of grants received from Sunderland City Council, the sole member of the Company, and £79.254m (2025: £66.116m) in contributions also received from Sunderland City Council.

Services contracted from Sunderland City Council include £3.302m (2025: £3.405m) in administrative expenses and £0.812m (2025: £0.968m) in cost of sales.

Partnership Agreement Funding received by Sunderland City Council of £3.216m (2025: £2.729m) was passed to the Company and the Company paid the Council £Nil (2025: £Nil) in relation to Partnership Agreement Funding.

At the year end, Together for Children Sunderland Limited owed Sunderland City Council £6.464m (2025: £7.878m) and the Council owed the Company £4.390m (2025: £5.010m).

During the year, the company received training services for 3 members of staff from a party connected to a director. The services had an estimated fair value of £7,485 and were provided at no cost to the company. The director had no involvement in the selection, application or assessment of the training.

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 (absorbed by)/generated from operations

	2026 £	2025 £
Profit/(loss) after taxation	1,308,750	(205,500)
Adjustments for:		
Taxation charged/(credited)	436,250	(68,500)
Finance costs	(160,000)	35,000
Investment income	(637,089)	(809,704)
Pension scheme non-cash movement	(1,585,000)	239,000
Movements in working capital:		
Decrease in debtors	1,318,647	8,702,448
Decrease in creditors	(2,617,178)	(4,978,207)
Cash (absorbed by)/generated from operations	(1,935,620)	2,914,537

21 Analysis of changes in net funds

	1 April 2025	Cash flows	31 March 2026
	£	£	£
Cash at bank and in hand	5,955,731	(1,298,531)	4,657,200

Glossary

Accruals
Amounts recognised in the financial statements for income earned or expenditure incurred during the accounting period, for which cash has not yet been received or paid by the reporting date.

Accounting Policies
The principles, bases, conventions, rules and practices applied by the Company in preparing and presenting its financial statements. Accounting policies determine how transactions and events are recognised, measured and presented.

Actuarial Gains and Losses (Pensions)
Changes in the present value of a defined benefit pension obligation arising from differences between previous actuarial assumptions and actual experience, or from revised actuarial assumptions. These amounts are recognised in Other Comprehensive Income.

Administrative Expenses
Costs incurred in running the Company that are not directly attributable to the delivery of services or the generation of income. These include corporate and governance costs, finance, human resources, ICT, premises and other central support functions.

Assets
Resources controlled by the Company as a result of past events from which future economic benefits are expected to flow to the Company. Assets are classified as current or non-current.

Balance Sheet
A primary financial statement showing the Company's assets, liabilities and reserves at the reporting date. Also referred to as the Statement of Financial Position.

Cash at Bank and in Hand
Amounts held by the Company in bank accounts and as physical cash at the reporting date. These balances are available on demand and are presented as current assets in the Balance Sheet.

Contingent Liability
A possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control, or a present obligation that is not recognised because it is not probable or cannot be measured reliably.

Cost of Sales
Direct costs incurred in delivering services and activities from which turnover is generated. Cost of sales includes expenditure that is directly attributable to front-line service provision and delivery.

Creditors
Amounts owed by the Company at the reporting date for goods and services received but not yet paid for. Creditors include trade creditors, accruals and deferred income.

Current Assets
Assets that are expected to be realised, consumed or settled in the Company's normal operating cycle, or within twelve months of the reporting date. Current assets include debtors and cash at bank and in hand.

Current Liabilities
Obligations expected to be settled within twelve months of the reporting date or within the Company's normal operating cycle.

Debtors
Amounts owed to the Company for goods supplied or services rendered for which payment has not been received at the reporting date. Debtors include trade debtors, prepayments and accrued income.

Deferred Income
Income received in advance of the delivery of services or satisfaction of contractual conditions. Deferred income is recognised as a liability until the relevant performance obligations have been fulfilled.

Depreciation
The systematic allocation of the depreciable amount of a tangible non-current asset over its estimated useful economic life.

Defined Benefit Pension Scheme
A pension scheme in which the benefits payable to members are determined by reference to factors such as salary and length of service, rather than by reference to contributions paid into the scheme.

Fair Value
The estimated price at which an asset could be sold, or a liability transferred, between informed and willing parties in an arm's-length transaction.

Financial Instruments
Contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Going Concern
The assumption that the Company will continue in operational existence for the foreseeable future, having regard to confirmed funding and support arrangements with Sunderland City Council.

Grant Income
Financial assistance received from government or other bodies, including Sunderland City Council, in the form of cash or asset transfers subject to specified conditions. Grant income is recognised as the related services are delivered and conditions are met.

Gross Profit
The excess of turnover over cost of sales for the financial year. Gross profit represents the surplus generated from service delivery before administrative and financing costs are taken into account.

Income
Economic benefits recognised during the accounting period that result in an increase in equity, other than those relating to contributions from members.

Investments
Assets held for the purpose of earning income or capital appreciation rather than for use in the Company's service delivery activities.

Liabilities
Present obligations of the Company arising from past events, the settlement of which is expected to result in an outflow of economic benefits.

Net Current Assets
The excess of current assets over current liabilities at the reporting date. Where current liabilities exceed current assets, the balance is referred to as net current liabilities.

Non-Current Assets
Assets intended for use on a continuing basis in the Company's activities and expected to provide economic benefits for more than one year.

Operating Profit / (Loss)
The surplus or deficit arising from the Company's ordinary activities after deducting cost of sales and administrative expenses, but before investment income, finance costs and taxation.

Other Comprehensive Income
Income and expenditure that is not included within the profit or loss for the year but is reported separately to show significant movements in long-term obligations. For the Company, this primarily relates to pension-related actuarial gains and losses.

Person of Significant Control (PSC)
The legal entity with significant control or influence over the Company, as defined by company law. Sunderland City Council is the Company's PSC.

Provisions
Liabilities of uncertain timing or amount that are recognised where the Company has a present obligation, settlement is probable and the amount can be estimated reliably.

Related Parties
Persons or entities that have control, joint control or significant influence over the Company, or are subject to common control. Related parties include Sunderland City Council, Directors and senior management.

Related Party Transactions
Transfers of resources, services or obligations between the Company and a related party, whether or not a charge is made.

Reserves
The cumulative retained surplus or deficit of the Company, comprising the profit and loss reserve after taking account of pension-related actuarial movements.

Revenue Expenditure
Expenditure incurred in the day-to-day operation of the Company, including employee costs, supplies and services, and administrative expenses.

Statement of Cash Flows
A primary financial statement showing movements in cash during the accounting period, analysed between operating and investing activities. Cash balances reconcile to cash at bank and in hand shown in the Balance Sheet.

Statement of Comprehensive Income
The financial statement that reports the Company's financial performance for the period, including the annual surplus or deficit and other significant long-term movements.

Turnover
Revenue recognised in the accounting period from the provision of services and other ordinary activities of the Company, including contract income, grants and contributions. Turnover is recognised in line with contractual and funding arrangements and is stated net of VAT.

Ultimate Controlling Party
The organisation that ultimately exercises control over the Company. The Company's ultimate controlling party is Sunderland City Council.

Useful Economic Life
The period over which a non-current asset is expected to be available for use by the Company.

Together for Children Sunderland Limited - Acronyms and Definitions

Acronym	Definition
AI	Artificial Intelligence
AP	Alternative Provision (education outside mainstream schools)
ASB	Anti-Social Behaviour
BALI	Black and Asian Leadership Initiative
BET	Bespoke Education Team
CIPD	Chartered Institute of Personnel and Development
CPD	Continuing Professional Development
DCS	Director of Children's Services
DfE	Department for Education
DSG	Dedicated Schools Grant
EBSA	Emotional Based School Avoidance
EDI	Equality, Diversity and Inclusion
EET	Education, Employment or Training
EHCP	Education, Health and Care Plan
EHE	Elective Home Education
EOTAS	Education Otherwise Than At School
ERS	Employer Recognition Scheme
FPN	Fixed Penalty Notice
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
GCSE	General Certificate of Secondary Education
HAF	Holiday Activities and Food programme
HR	Human Resources
ICT	Information and Communication Technology
ILACS	Inspection of Local Authority Children's Services
IRO	Independent Reviewing Officer
KS2	Key Stage 2
KS4	Key Stage 4
LGPS	Local Government Pension Scheme
MACPT	Multi-Agency Child Protection Team
MASH	Multi-Agency Safeguarding Hub
MDASS	Multi-Disciplinary Assessment Support Service
MoD	Ministry of Defence
MoJ	Ministry of Justice
NE ADCS	North East Association of Directors of Children's Services
NEET	Not in Education, Employment or Training
NHS	National Health Service
PEP	Personal Education Plan
PVI	Private, Voluntary and Independent
QR	Quick Response
RCCG	Redeemed Christian Church of God
RIIA	Regional Information and Improvement Agency
SAIL	Sunderland Altogether Improving Lives
SCC	Sunderland City Council
SEND	Special Educational Needs and Disabilities
SEMH	Social, Emotional and Mental Health

SLA	Service Level Agreement
SLT	Senior Leadership Team
SOLACE	Society of Local Authority Chief Executives
SSCP	Sunderland Safeguarding Children Partnership
TISP	Targeted Intervention and School Partnership
TfC	Together for Children Sunderland Limited
TMO	Transformation Management Office
UASC	Unaccompanied Asylum-Seeking Children
VAT	Value Added Tax
VCS	Voluntary and Community Sector
VR	Virtual Reality
YDAP	Youth Drug and Alcohol Project
YOS	Youth Offending Service