

Company Registration No. 09487106 (England and Wales)

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



SLOUGH CHILDREN'S SERVICES TRUST LIMITED

COMPANY INFORMATION

Directors	R W Tapsfield M J Marsden P McDonald D S Parmar E Ioannides	(Appointed 12 September 2019) (Appointed 20 November 2020)
------------------	---	---

Company number	09487106
-----------------------	----------

Registered office	Ground Floor St Martin's Place 51 Bath Road Slough Berkshire SL1 3UF
--------------------------	---

Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
----------------	---

Business address	Ground Floor St Martin's Place 51 Bath Road Slough Berkshire SL1 3UF
-------------------------	---

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

CONTENTS

	Page
Strategic report	1 - 6
Directors' report	7 - 9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Statement of income and retained earnings	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 24

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are pleased to present the Strategic Report highlighting the progress made by the Trust over the year while we continue our improvement journey.

The Trust was created to improve services and outcomes for children and young people in Slough through improving practice and greater collaborative working with partner organisations and the community.

Fair review of the business

The Trust is working towards its vision that children and young people in Slough are safe, secure and successful.

The Trust's services can be described as the provision of children's services including specialist support and social care services, children's homes, youth offending services, family placement services, Independent Fostering Agency and Voluntary Adoption Agency for children and families in Slough.

The Trust works with Slough Borough Council and local partners to provide the best possible quality support for children, young people and families who need support in their daily lives. This includes work with our local partners in health, education, police and community organisations in Slough.

The business of the Trust is directed by the Board which met formally on eight occasions through the financial year, developing and progressing clear strategies, ensuring policies are implemented and adhered to, and managing risks appropriately.

The Trust Board continued to be supported by the Audit and Risk Committee and the Quality and Practice Improvement Committee, meeting through the year and reporting back to the Board on key issues and strategic developments. The Board created a focussed group to steer the transformation programme in 2019/20, recognised as a key deliverable needing Board scrutiny and support.

Principal risks and uncertainties

Effective risk management is an essential part of the Trust's operation. Our risk management strategy focuses on intervention processes rather than being incident reactive. Our aim is to influence behaviour and develop a culture where risks are recognised and addressed. Risk management has been developed further through the year, responding to further recommendations from the internal audit review.

The Trust's risk register is reviewed and reported monthly through Executive Leadership Team meetings, and is presented to the Audit and Risk Committee along with Board meetings as a standing item.

The Board of Directors is responsible for ensuring that the Trust's approach to risk management is robust and appropriate.

Key risks that the Trust faces

The key risks are as follows;

- Workforce sufficiency
- Working within the funding envelope
- The service delivery of IT
- Delivering improvements in quality of services to children and families.

The Trust is actively working to manage and mitigate the above risks and continually develops strategies to minimise their impact.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Workforce Sufficiency

Developing a stable permanent workforce is a key strategic aim for the Trust and vital for the success of delivery of sustainable Good services for the future. At present the Trust is heavily reliant on agency staff which brings with it additional costs and impacts in service delivery. There is a national shortage of quality, qualified social workers and with rising demands on service, this only adds to the pressures on the supply.

The Trust have developed a workforce strategy, looking to address recruitment and retention issues. One key aspect is the development of an in-house academy for students looking to progress a career in social care. This seeks to address high case loads and improve on the reputation of working in Slough. Developing the behaviours framework to ensure Slough is a great place to work, and considering the benefits package, maximising opportunity where possible. This will prove a very challenging objective with the pressures faced from the outbreak of Covid-19 and will take time to be fully realised.

Working within the funding envelope

The Trust ended the financial year with a break even position. During the year the Trust was in receipt of additional in year funding to meet increases in statutory demands on services it is by law required to provide. This was in line with the increased demand for children's services seen across the UK.

2019/20 saw increased demand on services outstrip the growth in baseline funding received for the year. This, alongside increased placement costs arising from highly complex cases, gave rise to pressures against the budget. The Trust worked closely with the Council and DfE to resolve in-year funding issues, recognising the growth in demand. Growth in demand made it difficult to maintain manageable caseloads for workers which impacted on recruitment, with turnover levels remaining higher than forecast. This has led to a continued reliance on agency staff at higher costs than permanent staff.

The outbreak of Covid-19 has had a significant bearing on demands for service and projected spend for 2020/21. However, an increase in base funding, additional funding for Covid-19 specific costs and the introduction of an in-year mechanism have all set the Trust in a much better place than in previous years to deal with these fluctuations.

Monthly financial forecasts enable the Trust to monitor continuing fluctuations in demand which are reported as part of the management accounts to the Executive Leadership Team. These are scrutinised carefully by the Board, testing assumptions being applied based on evidential data, where this is available, and allowing for timely decisions to be taken. Where possible, mitigating action is taken to reduce the likelihood and scale of losses, but as the Trust exists to provide statutory services, changes in demand, legislation and other external factors sometimes mean this is unavoidable.

The Trust continues to deliver saving programmes to help mitigate against the pressures in the system achieving £1.7m savings in the year.

Service delivery of IT

The IT platforms in the Trust are old and coming to an end of life, meaning significant investment is required to update the infrastructure. This is out of the control of the Trust with IT provision and support managed on the Trust's behalf by Slough Borough Council. The Council have a programme in place to address the issues, but this will take time to roll out. The instability in infrastructure has led to the occasional downtime of systems; systems which are essential to the running of quality safeguarding services. The reliability of IT poses a significant risk to the Trust being able to deliver timely and effective services to the children and families of Slough. IT services, including the monitoring and maintenance of the network infrastructure, in addition to the support desk, have recently been brought back in-house to the Council with the aim of driving through the change requirements more effectively.

The Trust work closely with the Council, ensuring issues are escalated on a timely basis, with support being provided to ensure normal service is back up and running in a timely manner where possible. The Trust recognises a significant programme of investment in IT infrastructure is planned, but the risk exists in the intervening period.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Ability to deliver improvements in quality of services to children and families in Slough

The Trust has demonstrated that it can improve the quality of services it delivers to children and families in Slough. However significant demands on service and high caseloads have led to progress being slow. High turnover in staff and reliance on agency staff do not assist in developing a workforce for the future which can drive stability in practice and improve on outcomes. The Trust with the help of the Council has temporarily introduced more qualified social workers along with management and support post year end to reduce caseloads for staff. Caseloads will be closely monitored to determine the right level of resourcing.

Development and performance

The Trust has managed to conclude on negotiations against the net liability position reported in prior years. Agreement has been reached to fund historic losses which has led to the offsetting the net liability position, resulting in the Trust being a going concern and able to meet its liabilities as they fall due.

This is major milestone and allows the Trust a fresh start going forward and with the plans to become a wholly owned subsidiary of the council in 2021.

The Trust started 2019 full of optimism and with expectations of being able to build on the successful outcome of the Ofsted Inspection in January 2019 when children's services were deemed to be 'Requires Improvement' and no longer 'Inadequate'. We were looking forward to continuing to improve our services and did succeed in many areas, but we also faced significant and unanticipated challenges which have had and continue to have an impact on our performance. This included unexpected increased and sustained levels of demand which challenged how we maintained services and responded to the impacts on children and families in Slough.

Despite these challenges, we continued to make improvements and below are some of our key achievements and our priority areas going forward:

Key achievements:

- The voice of children looked after and care leavers growing in influence through the work of Reach Out!
- Timely performance in the court arena to help children achieve permanence
- Successfully addressing the timeliness of Initial Health Assessments, working in partnership with health colleagues (Ofsted area for improvement)
- A transformed Virtual School providing positive educational outcomes for children looked after and which has extended its remit to vulnerable children at risk of missing out on education
- Breakaway maintaining its 'Good' performance and is due to undergo a refurbishment which will assist in its quest to be 'Outstanding'
- Encouraging innovation by introducing a new child protection model to address an identified need to make the conferences shorter, more participatory and increase the quality of plans
- The positive impact of the Mockingbird model, noted by Ofsted in April 2019 as "a positive difference to both the children and foster carers involved"
- Leaders in Slough embarking on a transformation programme which resulted in improved services for our care leavers (as recognised by the DfE) and an alignment of social care functions to enable teams and services to work closely to meet the needs of children and families.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Development and performance (continued)

Priorities for improvement:

- Focusing on the quality of work, especially children's plans (Ofsted area for improvement), and moving beyond compliance
- Sufficiency of local placements, especially to meet the needs of older children looked after and care leavers
- Planning and provision for support for homeless 16 and 17 year olds (Ofsted area for improvement)
- Increasing the number of foster carers to help meet sufficiency of placements
- Independent Fostering Agency, Continuing improvement of the IRA and securing an Ofsted rating of good or better.
- Assessment and support for privately fostered children (Ofsted area for improvement)
- Stability and quality of the workforce, retaining staff whilst continuing to grow our own
- Working in partnership on a range of contextual safeguarding issues such as neglect and child exploitation (latter an Ofsted area for improvement)
- Managing increased levels of demand so it doesn't adversely impact on the workforce.
- Reducing caseloads

The Trust continues to take all steps necessary to improve children's services in Slough and has reached out for assistance to enable this. We are proud of all we have achieved during 2019/2020 despite a difficult backdrop for the last six months of the financial year. The Trust has completed its transformation programme which puts it in a good position to be a sustainable organisation delivering value for money services. Staff are vitally important to the success of the Trust and we have recognised the need to support them by addressing issues such as workloads, working practices and benefits which, although come at a financial cost, will help achieve good outcomes for children and young people.

Key performance indicators

Referrals into social care increased by 28.2% in the year with a total of 2,545

Single assessments completed in 45 days fell slightly from the previous year, standing at 74.9% compared to 79.7%. Given the increase in the numbers of referrals into social care above, maintaining levels of assessment in timescale is seen as a positive measure.

While the number of Child in Need (CIN) plans fell to 447 from 490, the number of Child Protection (CP) plans increased substantially from 218 to 304. Numbers on CP plans have continued to rise and show Slough as an outlier with neighbours per 10,000 population. The position as of 31 March was 71.2 CP plans per 10,000 compared to 43.7 across England.

The increase in CP plans has led to additional resources to meet demands and an increase in the cost base.

CP visits within timescale have remained flat against 2018/19 and, given the increase in the number of plans, this is seen as a positive outcome.

The ILACS Ofsted inspection in January 2019 confirmed that all children in care were appropriately brought into care in accordance with thresholds. The number of children looked after has fallen through the year from 213 to 198 as of 31 March 2020.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Key performance indicators (continued)

The increase in overall placements, has led to the reduction in % of in-house placements and has increased the overall average rates paid for placements. The implementation of the new recruitment strategy has started to have an impact after the year end and the Trust is confident of continued progression in the recruitment of in-house carers, seen as a key strategic driver to improve on the cost base of the Trust.

The number of care leavers 19+ continues to increase year-on-year, with 85 as of 31 March 2020, reflecting the changes in legislation of LAs having responsibility to the age of 25 for care leavers, from 1 April 2018 and more young people staying put with their carers.

The percentage of care leavers in education, employment or training has dipped slightly from the previous year, falling from 60.8% to 57.6%. Personal advisors now engage with young people approaching 18 at an earlier age to help plan for their future with the aim of attaining more young people in education, employment or training. This has been set back slightly with the emergence of Covid-19 and the impacts on employment.

Position at the year end

Increased demands highlighted in the last quarter of 2018/19 have remained throughout 2019/20. It is not just the volume of activity, but the complexity of the demands which have led to ongoing financial pressures against the original budget, offset by additional in year funding to reach a break even position.

The Trust was successful in obtaining one-off funding from the Council and DfE during the year to invest in improving services. Other income from adoption fees outperformed budget and contributions from Health for continuing care have helped offset the increase in costs. The Trust has also been successful in negotiating an additional £2m in baseline funding for 2020/21 recognising the continued growth and complexities in demand on services.

Plans to reduce staffing costs, specifically agency costs did not materialise as expected although agency costs did fall from £3.9m to £3.8m in year. Throughout the year the Trust engaged in discussions with the Council and DfE about the future arrangements for the delivery of children's services in Slough. This process took longer than expected and together with the increasing volume of work, high caseloads, and the need to delay the planned transformation programme led to some uncertainties about future arrangements. As the year ended the uncertainty about the future delivery arrangements for children services in Slough was being resolved. The expectation is that the Trust will become a wholly owned company of the Council on 1 April 2021, and significant planning has taken place to prepare for this.

Placements costs have increased significantly year-on-year, with numbers of staying put arrangements in external foster placements increasing, a fall in the number of in-house placements, in addition to increasing complexity of need, with a greater awareness and identification of exploitation of children leading to greater support requirements at higher rates. A line by line review of all high cost external placements is now built into regular business scrutiny, and is reported to executive leadership team.

The Directors have successfully reached a conclusion on the historic liabilities of the Trust with both the council and DfE. This has resulted in a prior year adjustment reflecting the historic nature of the transactions and being of material in value.

Having considered the latest financial position of the Trust and the requirement for a prior year adjustment to reflect the conclusion of the negotiation on historic trading losses, The Directors have prepared the account on a going concern basis.

The Trust has net assets of £0.0m at 31 March 2020. The main asset of the Trust being the cash at bank balance of £1.1m.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Employee matters

The Trust continues to develop staff through a wide and varied training programme, ensuring our staff have the right skills to perform their roles and develop their careers. The Trust has developed a workforce strategy to help address recruitment and retention issues, the implementation is in train and will be supported through additional investment through 2021/22. The Trust remains an equal opportunities employer, giving full and fair consideration to disabled persons applying for positions within the company, and implements rigorous health and safety management processes.

Environmental matters

The Trust is committed to minimising the impact of its activities on the environment and to continually improve its environmental performance through initiatives such as the use of electric cars for local business travel and the use of tablet technology to reduce reliance on paper.

Statement of internal control

The Trust has an ultimate responsibility to ensure financial information is accurate, as are accounting records, and that there are mechanisms in place to mitigate identified risk. The Trust uses internal and external auditors to advise on operational control matters to develop greater internal controls and risk management protocols.

The Trust continues to develop and embed systems of internal control. These include:

- Policies and procedures regarding key systems – finance, payroll and children in care payment services.
- Development and recruitment of experienced and suitably qualified staff. Regular supervision along with annual appraisals to identify development needs will be used to maintain standards of performance

On behalf of the board



.....
R W Tapsfield

Director

25 March 2021

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of providing support and social care services for children, young people and families in Slough.

Directors

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

R W Tapsfield	
M J Marsden	
J D Petitt	(Resigned 12 September 2019)
E F De Mello	(Resigned 12 September 2019)
K Usmani	(Resigned 1 May 2019)
K M Morris	(Resigned 3 July 2020)
P McDonald	
L Lyons	(Resigned 31 October 2020)
D S Parmar	(Appointed 12 September 2019)
E Ioannides	(Appointed 20 November 2020)

Results and dividends

The results for the year are set out on page 14.

Disabled persons

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 within the company continues and that the 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.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Future developments

The Trust, the Council and DfE have agreed that the Trust will become a wholly owned company by 1st April 2021. This change will lead to a closer working relationship between the Council and Trust which will assist the Council and the Trust in working together to improve the quality of children social care in Slough.

One measure already introduced is that the roles of chief executive (executive director) of the Trust, director of children's services in the Council and statutory Director of Children's Services in Slough will be held by a single person. The intention is to ensure a closer alignment of all children's services in Slough.

The directors of the Trust maintain their focus on securing an Ofsted judgement of 'Good' in the coming years following the 'Requires Improvement to be Good' rating achieved last year. The Trust continues to work to its business strategy through its business plan, working to five key strategic aims:

1. Being a child and family centred service, which will deliver the right outcomes for children.
2. Having a stable and effective workforce – with a focus on recruitment and retention, building on behaviours and culture within the Trust to maintain a focus on improving quality, learning, information and workforce.
3. Modelling effective leadership throughout the organisation – ensuring we are focused as an organisation and delivering against plans.
4. Effective partnerships – ensuring close working relationships with key partners including Slough Borough Council, police, health, schools, and a focus on community groups to deliver on the early intervention model.
5. Being sustainable – by developing a business model that allows the Trust to continue to operate into the future within the funding available.

Auditor

Mercer & Hole were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

Going concern

Having reviewed the company's financial forecasts, their current and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2020.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Employees

The Trust has an establishment of 331 full-time equivalents or 344 posts, and employed 251 permanent staff and 74 agency workers as at 31 March 2020. 21.8% of the workforce are qualified front line practitioners.

The Trust is an equal opportunities employer, 83.3% of the workforce is female and 16.7% male. The mean gender pay gap reported stands at 3.7% and remains below the national average.

On behalf of the board



.....
R W Tapsfield
Director

Date: 25 March 2021

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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 surplus or deficit 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;
- 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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SLOUGH CHILDREN'S SERVICES TRUST LIMITED

Opinion

We have audited the financial statements of Slough Children's Services Trust Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 and of its surplus 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.
-

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLOUGH CHILDREN'S SERVICES TRUST LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

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

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLOUGH CHILDREN'S SERVICES TRUST LIMITED

Use of our report

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



Steve Robinson FCA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole

25 March 2021

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	as restated £
Income	3	35,616,128	33,543,691
Administrative expenses		(35,621,175)	(33,338,366)
Operating (deficit)/surplus	4	(5,047)	205,325
Interest receivable and similar income	7	25,932	18,316
Surplus before taxation		20,885	223,641
Tax on surplus	8	-	-
Surplus for the financial year		20,885	223,641
Retained earnings brought forward		(20,532)	(244,173)
Retained earnings carried forward		353	(20,532)

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019 as restated	
		£	£	£	£
Current assets					
Debtors	9	20,514,634		17,638,921	
Cash at bank and in hand		1,154,435		2,444,975	
		<u>21,669,069</u>		<u>20,083,896</u>	
Creditors: amounts falling due within one year	10	<u>(17,643,160)</u>		<u>(16,078,872)</u>	
Net current assets			4,025,909		4,005,024
Creditors: amounts falling due after more than one year	11		<u>(4,025,556)</u>		<u>(4,025,556)</u>
Net assets/(liabilities)			<u>353</u>		<u>(20,532)</u>
Reserves					
Income and expenditure account	14		<u>353</u>		<u>(20,532)</u>
Members' funds			<u>353</u>		<u>(20,532)</u>

The financial statements were approved by the board of directors and authorised for issue on 25 March 2021 and are signed on its behalf by:



R W Tapsfield
Director

Company Registration No. 09487106

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	15		(1,316,472)		(1,386,962)
Investing activities					
Interest received		25,932		18,316	
Net cash generated from investing activities			25,932		18,316
Net decrease in cash and cash equivalents			(1,290,540)		(1,368,646)
Cash and cash equivalents at beginning of year			2,444,975		3,813,621
Cash and cash equivalents at end of year			1,154,435		2,444,975

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Slough Children's Services Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Ground Floor, St Martin's Place, 51 Bath Road, Slough, Berkshire, SL1 3UF.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

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

In recent weeks COVID-19 has been dominating the world social and economic climate. The company continues to operate in an environment of uncertainty associated with the current situation. The directors have assessed the impact of the current governmental measures to combat COVID-19 on the company's ability to continue trading for the foreseeable future. They have concluded that with a new five year contract to deliver statutory children's services to Slough Borough Council which will come into force from 1 April 2021, under a new Statutory Direction in force from this date, that the company is able to continue as a going concern for the foreseeable future. The directors are continuously monitoring the situation and recognise that uncertainties exist that may impact significantly on future performance and challenge the applicability of the going concern basis.

1.3 Income and expenditure

The Trust's income relates principally to revenues receivable from Slough Borough Council for provision of Children's Services within the borough, but also includes grant income from the Department of Education and other smaller bodies.

Contract and grant income is recognised on an accrual accounting basis. Grant income is recognised only when there are reassurances that the Trust has complied with the conditions attached to the grant and that the grant will be received. In addition grant income is recognised as income over the period necessary to match them with related costs for which they are intended to compensate.

1.4 Cash and cash equivalents

Cash at bank and in hand 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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 surplus or deficit, 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 surplus and deficit, 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 surplus or deficit.

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 surplus or deficit.

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 surplus or deficit 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.

1.6 Taxation

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from net surplus 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.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The company has received admitted body status into the Royal County of Berkshire pension fund. As part of this agreement Slough Borough Council ("SBC") retain the liability for employer transferring into Slough Children's Services Trust Limited ("SCST") and in the event that the services provided by SCST are transferred back to SBC, all assets and liabilities are also transferred back to SBC. The directors therefore believe their participation in the scheme is more fairly presented as a defined contribution scheme with payments being charged as an expense as they fall due.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

No management judgements in applying the accounting policies of the Company were made that have a significant effect on the financial statements.

3 Income

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in England and Wales.

4 Operating (deficit)/surplus

	2020	2019
	£	£
Operating (deficit)/surplus for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	20,085	19,500

5 Employees

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

	2020	2019
	Number	Number
Senior management team	26	21
Corporate services	16	30
Operations staff	220	240
Total	262	291

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	10,990,853	10,966,000
Pension costs	1,317,777	1,151,688
	<u>12,308,630</u>	<u>12,117,688</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	422,742	430,729
Company pension contributions to defined contribution schemes	46,341	39,339
	<u>469,083</u>	<u>470,068</u>

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

	2020	2019
	£	£
Remuneration for qualifying services	132,600	103,020
Company pension contributions to defined contribution schemes	20,553	14,114
	<u>153,153</u>	<u>117,134</u>

Key management personnel are considered to consist of only the directors mentioned on the company information page.

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	<u>25,932</u>	<u>18,316</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	<u>25,932</u>	<u>18,316</u>
--	---------------	---------------

8 Taxation

No liability to UK corporation tax arose on ordinary activities for the period.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

9 Debtors

	2020	2019
		as restated
Amounts falling due within one year:	£	£
Trade debtors	19,155,884	16,791,397
Prepayments and accrued income	1,358,750	847,524
	<u>20,514,634</u>	<u>17,638,921</u>

10 Creditors: amounts falling due within one year

	2020	2019
		as restated
	£	£
Trade creditors	1,671,675	1,798,094
Taxation and social security	11,325,487	10,978,689
Deferred income	565,521	258,812
Other creditors	53,989	51,601
Accruals	4,026,488	2,991,676
	<u>17,643,160</u>	<u>16,078,872</u>

11 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Deferred income	<u>4,025,556</u>	<u>4,025,556</u>

12 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>1,317,777</u>	<u>1,151,688</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions of £154,823 (2019 - £149,378) were outstanding at the balance sheet date.

The company has received admitted body status into the Royal County of Berkshire pension fund. As part of this agreement Slough Borough Council ("SBC") retain the liability for employer transferring into Slough Children's Services Trust Limited ("SCST") and in the event that the services provided by SCST are transferred back to SBC, all assets and liabilities are also transferred back to SBC. The directors therefore believe their participation in the scheme is more fairly presented as a defined contribution scheme with payments being charged as an expense as they fall due.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

14 Income and expenditure account

Income and expenditure account represents cumulative profits and losses.

15 Cash absorbed by operations

	2020 £	2019 as restated £
Surplus for the year after tax	20,885	223,641
Adjustments for:		
Investment income	(25,932)	(18,316)
Movements in working capital:		
Increase in debtors	(2,875,713)	(12,883,121)
Increase in creditors	1,257,579	11,477,938
Increase/(decrease) in deferred income	306,709	(187,104)
Cash absorbed by operations	<u>(1,316,472)</u>	<u>(1,386,962)</u>

16 Analysis of changes in net funds

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	<u>2,444,975</u>	<u>(1,290,540)</u>	<u>1,154,435</u>

17 Prior period adjustment

Subsequent to the year end, a detailed VAT review was carried out in respect of charges made by the Trust to the Council focusing on VAT recovered on inputs from prior years. This followed clarity provided by HMRC on the application of VAT for social care charges in 2018/19 and an instruction from HMRC to restate VAT for prior periods going back 4 years. After detailed discussion with the HMRC the VAT status of those charges and costs has been changed. This has resulted in amended VAT returns being submitted to HMRC to account for this VAT. The net impact was to increase the assets of the Trust to 31 March 2019. This correction has been reflected in an adjustment to opening reserves for the year ended 31 March 2019 and changes to the result for that year.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Prior period adjustment

Changes to the balance sheet

	As previously reported £	Adjustment at 1 Apr 2018 £	Adjustment at 31 Mar 2019 £	As restated at 31 Mar 2019 £
Current assets				
Debtors due within one year	3,621,628	3,959,776	10,057,517	17,638,921
Creditors due within one year				
Other taxes	(1,269,237)		(9,709,452)	(10,978,689)
Net assets	<u>(4,328,373)</u>	<u>3,959,776</u>	<u>348,065</u>	<u>(20,532)</u>
Capital and reserves				
Profit and loss	<u>(4,328,373)</u>	<u>3,959,776</u>	<u>348,065</u>	<u>(20,532)</u>

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 March 2019			
Administrative expenses	(33,686,431)	348,065	(33,338,366)
(Loss)/profit for the financial period	<u>(124,424)</u>	<u>348,065</u>	<u>223,641</u>