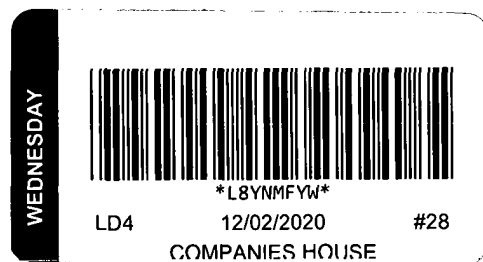


Company Registration No. 09487106 (England and Wales)

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



SLOUGH CHILDREN'S SERVICES TRUST LIMITED

COMPANY INFORMATION

Directors	R W Tapsfield M J Marsden K M Morris P McDonald L Lyons D S Parmar	 (Appointed 1 July 2018) (Appointed 1 July 2018) (Appointed 17 August 2018) (Appointed 12 September 2019)
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Company number	09487106
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Registered office	Ground Floor St Martin's Place 51 Bath Road Slough Berkshire SL1 3UF
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Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
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Business address	Ground Floor St Martin's Place 51 Bath Road Slough Berkshire SL1 3UF
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SLOUGH CHILDREN'S SERVICES TRUST LIMITED

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SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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 by operating in a systemic way to drive a preventative model for the longer term - and fundamentally ensure the children and young people of Slough are safe, secure and successful.

The Trust's services can be described as the provision of children's services including early intervention, 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 five occasions through the financial year, developing and progressing clear strategies, ensuring policies are implemented and adhered to, and managing risks appropriately.

The Trust Board was supported by sub committees through the year, a review of which was undertaken in February 2019 following recommendations from an Internal Audit report. The recommendation was to introduce an Audit and Risk Committee specifically designed to address assurance for the Board of governance process through the Trust. The outcome of the review was to disband both the Finance and Resources and Workforce Development Committees, introduce an Audit and Risk Committee and rename the Quality and Innovations Committee to the Quality and Practice Improvement Committee. New terms of reference were created to govern the committees. The review also recommended the Board meet more frequently, with finances to be presented to the Board direct to ensure complete ownership across Board members. The Board has created a focussed group to steer the transformation programme in 2019/20, other such groups may be created as and when for key strategic programmes.

Principal risks and uncertainties

Effective risk management is an essential part of the Trust's operation. Our risk management strategy approach 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.

The Trust's risk register is reported monthly through the 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 are responsible for ensuring that the Trust's approach to risk management is robust and appropriate.

Key risks that the Trust faces

- Working within the funding envelope
- The Trust's ability to continue as a going concern
- 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 2019

Working within the funding envelope;

The Trust has ended the financial year reporting a loss of £0.1m.

Increasing demands on services and unprecedented rates for placements, along with delays in achieving permanent staffing levels have led to additional financial pressures.

The Trust produces financial projections on a regular basis which are scrutinised carefully by the Board, testing assumptions being applied based on evidential data where this is available. Regular monthly monitoring of the financial position is carried out by the executive with the management accounts and accompanying supporting reports also sent monthly to the Board. 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 is working with Slough Borough Council to develop a clear mechanism for recognising fluctuations in demands to provide sufficient funding in year.

Developing robust business and service plans along with close monitoring of the accompanying financial plans will help ensure targets are being met and costs are kept within budget as far as is possible.

The Trust's ability to continue as a going concern;

Following a review of the financial position of the Trust, the demands on services and having benchmarked with other children's services, the council is making a recommendation for additional baseline funding along with a number of saving plans to be implemented by the Trust. The Trust is looking to drive further efficiencies and savings to help improve the cost base, which includes a review of the structure and staffing within the Trust. Efficiencies and improvements in service quality will be delivered through a transformation programme due to conclude in the first quarter of 2020/21. Strategies are also being developed to improve upon the rates paid for placements including the recruitment of additional in-house foster carers.

The combination of additional funding and savings will provide the Trust sufficient resources to meet the expected growth in demands budgeted in 2020/21. The Trust is working with the council to develop a mechanism to address changes in demand in year should they exceed or fall short of the assumptions applied in the budget.

The directors are confident the Trust can continue to operate to the end of the contract period in October 2021. However, a material uncertainty exists at the end of the contract period on going concern, with no clear plan in place currently on how to address the net liabilities that exist on the balance sheet. The net liabilities are expected to be £5.5m at 31 March 2020.

It is the opinion of the directors, having carefully considered the financial projections for the medium term in conjunction with an assessment of risks to the Trust following the proposals being highlighted above, and an assessment of the bank position at 3 February 2020 of £1.2m (31 March 2019 of £2.4m), that sufficient working capital exists to meet the ongoing operational activity of the Trust for the coming 12 months. Accordingly, the financial statements are prepared on the basis of a going concern.

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. 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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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. Additional capacity and closer monitoring of the network has seen a reduction in the number of downtime incidents. The Trust recognises the solutions are planned, but the risk exists in the intervening period.

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. A transformation programme is currently underway to deliver an improved and sustainable operating model which protects frontline capacity. The new structure will assist the Trust to continue to improve the quality of social work practice. However, demand is increasing and ensuring the Trust has the capacity to meet this increased demand is a factor contributing to the Trust's financial pressures and our capability to respond to demand. The Trust and the council are both committed to improving children's services and are working together to ensure that our improvement journey is not constrained by insufficient funding.

Development and performance

The year has seen significant progress with a continued focus on developing and improving our services for children and families. The Trust ended the year on a milestone achievement – after eight years of Slough's children's services being judged as 'inadequate', Ofsted improved our rating to 'requires improvement' following a successful ILACS inspection.

The report highlighted a number of areas for praise, leadership, partnership working with the council, an increasing culture of 'challenge, support and learning' and the quality of social work including assessments. Recommendations for improvement were also made, many of which were already being actioned, following the Trust's self-assessment.

The year has been shaped by a drive to continue our improvement journey and below are some of our key achievements and priority areas going forward:

Key achievements:

- Stronger partnership with the council has led to improvements at the Front Door and coordination of early help services.
- A growing focus on targeted programmes such as Pause, Inspiring Families and the work of the YOT to prevent re-offending.
- Improvements around compliance in all areas.
- Improved effectiveness of interventions which are improving re-referral rates.
- The voice of children looked after and care leavers growing in influence through the work of Reach Out!
- The increasingly positive impact of services on care leavers.
- Better outcomes for children looked after through stronger permanency planning.
- A transformed Virtual School.
- Improved services for our care leavers.
- Strengthened quality assurance and performance management.

Priorities for improvement:

- Continuing improvement in the quality of work, not just compliance.
- The impact of working in partnership on a range of contextual safeguarding issues such as neglect and child exploitation.
- Further improvement in articulating the progress of children and young people.
- Enabling all service users' voices to be heard.
- Stability and quality of the workforce
- Embedding management oversight and increasing its impact on outcomes for children and young people.
- Sufficiency of local placements.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Both the leadership and wider Trust staff recognise there is still much work to do to achieve our vision of becoming a sustainable organisation delivering excellent value-for-money services that will ensure children are safe, secure and successful. We are proud of how far we have come and are confident we are moving in the right direction, as evidenced in this report.

Key performance indicators

The Trust has seen an improving position regarding repeat referrals, with rates of 14.8% for 2018/19 compared to 20.3% in the prior year. Programmes such as Inspiring Families have evidenced reductions. This is also undoubtedly due to more timely and effective social work practice which aims to resolve cases through the first intervention.

Performance against the number of decisions taken within 24 hours has dropped from 86.6% the previous year to 79.1%. This is partly due to the increasing number of contacts received following the summer break.

Single assessments completed in 45 days have improved substantially over the year from 58.1% to 71.4%, but are still behind statistical neighbours and the England average which needs to improve.

The number on child in need (CIN) plans increased sharply at the end of the year and was 36% higher than the same point last year. This is a reflection of the increase in referrals reported above.

The number of CIN plans open for more than two years has fallen by 36% over the year. This is a result of focused efforts on reviews undertaken on plans and solution-focused social work. The creation of a more streamlined step-down process has led to a decrease in the drift of CIN plans where no further formal statutory intervention is required but there was not a formalised exit plan.

The number of children subject to a child protection (CP) plan has increased by 33% (52), taking the Trust closer to statistical neighbours and England averages per 10,000. This has resulted in increased pressures on the workforce, where, in order to maintain reasonable caseloads, additional staffing has been required over established budgeted posts. CP plans can only be held by experienced social workers and, therefore with a relatively inexperienced workforce, we have to buy-in greater expertise.

CP visits within timescale are at 90% for the year. This is still behind our ideal target, but is good performance and reflects well against other benchmarking for statistical neighbours and the England average. All visits outside timescales are monitored and we have knowledge of why this occurs.

The number of children looked after has been increasing steadily since October, a fall out of the increase in activity following the summer break. The number at the end of March was 213 compared to 180 in September, growth of 18% in six months. This has led to pressures on the placement budget and accounts for part of the reported loss at the end of the year. The ILACS Ofsted inspection in January 2019 concluded that all children in care were appropriately brought into care in accordance with thresholds. The majority of children in care are the subject of legal orders.

The percentage of children with three or more placements has fallen from 14.1% in year to 10.3%, bringing the Trust in line with statistical neighbours and the England average. A focus on support packages around placements in crisis and greater focus on matching of needs has led to improvement in placement stability.

The percentage of children placed in-house has decreased year-on-year. The level of new recruited carers stagnated through the year together with the increase in overall placements has led to the reduction of in-house rates. A refresh of the recruitment strategy is expected to improve this measure in the coming year.

The number of care leavers 19+ has increased by 18% to 79, reflecting the changes in legislation of LAs having responsibility to the age of 25 for care leavers, from 1 April 2018.

The percentage of care leavers in education, employment or training has improved through the year to 60.8% from 47.8% - a reflection of an increased focus by the Virtual School and the additional work on this by personal advisors.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Position at the year end

The Trust delivered a loss for the year to 31 March 2019 of £0.1m. This is £1.8m improvement on performance from prior years.

The improving position year on year is largely down to additional one off income received, offsetting sustained pressures on staffing budgets and placements costs, with an increase of £2.0m income on the prior year in comparison to an increase in the cost base of £0.2m.

The Trust was successful in obtaining additional one-off funding from the council and DfE during the year to provide for investments made to improve services leading up to the Ofsted inspection in January 2019. 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 £1.4m in baseline funding for 2019/20 recognising the growth in demand on service.

Plans to reduce staffing costs, specifically agency costs, did not materialise as expected although agency costs did fall by 14% to £3.9m in year. Recruitment of permanent posts slowed with the levels of turnover in staffing remaining constant. This is in part a result of the pressures leading up to the Ofsted inspection in January 2019 and where additional resources were required to help sustain caseloads and at the same time make the necessary improvements to meet Ofsted requirements.

Placements costs have increased year on year, having seen improvements in the cost base in the early part of the year, this was offset by increased volumes following the summer break and a significant increase in the rates being paid for the more complex of cases.

The directors have considered the position regarding going concern which is articulated further under principal risks and uncertainties.

The Trust has net liabilities of £4.3m at 31 March 2019, taking account of the losses for the year in addition to the brought forward losses as at 31 March 2018 of £4.2m. The main asset of the Trust being the cash at bank balance of £2.8m.

Slough Borough Council made a payment in advance on the contract to provide sufficient working capital to the Trust to operate on a daily basis. The advance payment is repayable at the end of the six year contract with Slough Borough Council and therefore the liability of £4.0m shows as falling due after one year.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Other information and explanations

Employee matters

The company 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 company 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 company 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.

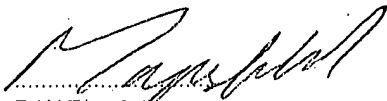
Statement of internal control

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

10.10.2020

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

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	
N J Clemo	(Resigned 27 April 2018)
M J Marsden	
J D Petitt	(Resigned 12 September 2019)
E Railton	(Resigned 31 March 2019)
E F De Mello	(Resigned 12 September 2019)
K Usmani	(Resigned 1 May 2019)
K M Morris	(Appointed 1 July 2018)
P McDonald	(Appointed 1 July 2018)
L Lyons	(Appointed 17 August 2018)
D S Parmar	(Appointed 12 September 2019)
A Bunyan	(Appointed 30 April 2018 and resigned 14 September 2019)

Results and dividends

The results for the year are set out on page 13.

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 2019

Future developments

The directors of the Trust maintain their focus on securing an Ofsted judgement of 'Good' in the coming years following the requires improvement rating achieved earlier this year. The Trust continues to work to its business strategy, working to six key strategic aims;

1. Developing a child and family centred service which will deliver the right outcomes for children and meet Ofsted's requirements.
2. Being an employer of choice – excellent staff deliver excellent services – making the Trust a great place to work, building on behaviours and culture within the Trust to maintain a focus on improving quality, learning, information and workforce.
3. Modelling strong and inspiring leadership throughout the organisation – ensuring we are focused as an organisation and delivering against plans.
4. Encouraging innovation in our workforce to think differently to get the right solutions for our children and families
5. 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
6. Sustainable – by developing a business model that allows the Trust to continue to operate into the future within the funding available.

There has been further growth in demands exceeding growth funding provided by the council in 2019/20, as such the Trust are expecting to report further losses and an increase in the net liabilities of the Trust. The net liabilities equate to long term liabilities due to the council. The council are recommending further growth in funding for 2020/21 and both parties are committed to developing a more robust in year mechanism for addressing demands on service leading to changes in the cost base.

The Trust is developing a new business plan for the medium term to underpin the business strategy and deliver a more sustainable model for the future. The plan will drive accountability and ownership of targets and deliverables through the organisation to continue on its improvement journey and provide quality services to children and families in Slough.

The Trust are going through a transformation programme to address a number of the key issues identified in the Ofsted report, looking to reduce the number of transfer points in cases, increase management oversight on cases. The programme has been delayed and is now expected to deliver in the first quarter of the 2020/21 financial year, delivering a more efficient effective model of service delivery.

The Trust has developed a social work academy to develop our own workforce to address some of the recruitment issues. The assessed and supported year in employment (ASYE) scheme has been successful in the past couple of years, developing talent within the Trust. The academy is looking to expand this programme, with 16 ASYE students in the programme as of 3 Feb 2020, an increase of 75% on prior years.

Following the successful launch of the early help hub in the council at the end of 2018, work continues to develop the practice and the linkages between the council and Trust to ensure we are working in partnership for the best outcomes for children and families.

The Trust is developing its commissioning function, to develop markets to meet the demands on services within the Trust. Ensuring there is sufficient supply now and in the future to meet projected demands in a cost effective manner. The Trust and council are working on proposals for the future delivery of improvements in children's services in Slough which will require a review of contracts, work has already commenced on the activity, with a number of options for consideration, and this is expected to take effect in 2021/22.

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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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 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.

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

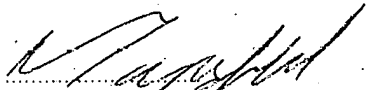
Having reviewed the company's financial forecasts, their current and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2019.

Employees

The Trust has an establishment of 320 full-time equivalents or 344 posts, and employed 293 permanent staff and 63 agency workers as at 31 March 2019. 24% of the workforce are qualified front line practitioners.

The Trust is an equal opportunities employer, 82% of the workforce is female and 18% male. The mean gender pay gap reported stands at 3.7% a fall from 2017/18 of 7.2% and remains below the national average.

On behalf of the board



R W Tapsfield

Director

Date: 10/02/2020

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 2019 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).

Material uncertainty related to going concern:

We draw attention to note 1.2 in the financial statements, which refers the reader to the Strategic Report and in addition the fact that the company incurred a net loss of £124,424 during the year ended 31 March 2019 and, as of that date, the company's net current liabilities were £302,817 and total liabilities exceeded its total assets by £4,328,373. As stated in the Strategic Report section entitled Principal Risks and Uncertainties and a further section entitled The Trust's ability to continue as a going concern, these disclosures, whilst confirming that the company can continue to operate for the next 12 months with existing cash resources, also indicate that soon after that 12 month period the significant long term loan of £4,025,556 will fall due and currently the company does not have an agreed plan to allow for repayment of this loan and therefore, because of this, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its deficit 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 authorised for issue.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLOUGH CHILDREN'S SERVICES TRUST LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SLOUGH CHILDREN'S SERVICES TRUST LIMITED

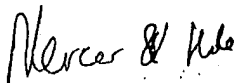
Auditor's responsibilities for the audit of the financial statements

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: <http://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.



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

11 February 2020

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 2019

	Notes	2019 £	2018 £
Income	3	33,543,691	31,853,796
Administrative expenses		(33,686,431)	(33,776,413)
Operating deficit	4	(142,740)	(1,922,617)
Interest receivable and similar income	7	18,316	4,537
Deficit before taxation		(124,424)	(1,918,080)
Tax on deficit	8	-	-
Deficit for the financial year		(124,424)	(1,918,080)
Retained earnings brought forward as previously reported		(4,203,949)	(2,285,869)
Retained earnings carried forward		(4,328,373)	(4,203,949)

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

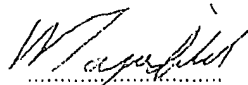
SLOUGH CHILDREN'S SERVICES TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	10	3,621,628		796,024	
Cash at bank and in hand		2,444,975		3,813,621	
		<u>6,066,603</u>		<u>4,609,645</u>	
Creditors: amounts falling due within one year	11	<u>(6,369,420)</u>		<u>(4,788,038)</u>	
Net current liabilities			(302,817)		(178,393)
Creditors: amounts falling due after more than one year	12		(4,025,556)		(4,025,556)
Net liabilities			<u>(4,328,373)</u>		<u>(4,203,949)</u>
Reserves					
Income and expenditure account	15		<u>(4,328,373)</u>		<u>(4,203,949)</u>

The financial statements were approved by the board of directors and authorised for issue on 10/02/2020 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 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	16	(1,386,962)		(1,539,088)	
Investing activities					
Interest received		18,316		4,537	
Net cash generated from investing activities		18,316		4,537	
Net decrease in cash and cash equivalents		(1,368,646)		(1,534,551)	
Cash and cash equivalents at beginning of year		3,813,621		5,348,172	
Cash and cash equivalents at end of year		<u>2,444,975</u>		<u>3,813,621</u>	

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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.

This matter is further detailed in the principal risks and uncertainties section of the strategic report.

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 at bank and in hand

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.

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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

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.

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.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Operating deficit

	2019	2018
	£	£
Operating deficit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	19,500	18,503
	<u>19,500</u>	<u>18,503</u>

5 Employees

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

	2019 Number	2018 Number
Senior management team	21	21
Corporate services	30	32
Operations staff	240	225
	<u>291</u>	<u>278</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	10,966,000	10,754,260
Pension costs	1,151,688	989,476
	<u>12,117,688</u>	<u>11,743,736</u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	430,729	492,826
Company pension contributions to defined contribution schemes	39,339	41,442
	<u>470,068</u>	<u>534,268</u>

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

	2019 £	2018 £
Remuneration for qualifying services	103,020	138,613
Company pension contributions to defined contribution schemes	14,114	16,634
	<u>117,134</u>	<u>155,247</u>

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Directors' remuneration

(Continued)

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

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	18,316	4,537
	<u>18,316</u>	<u>4,537</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through surplus or deficit	18,316	4,537
	<u>18,316</u>	<u>4,537</u>

8 Taxation

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

9 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,774,104	325,114
	<u>2,774,104</u>	<u>325,114</u>
Carrying amount of financial liabilities		
Measured at amortised cost	4,841,371	4,058,245
	<u>4,841,371</u>	<u>4,058,245</u>

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,774,104	325,114
Prepayments and accrued income	847,524	470,910
	<u>3,621,628</u>	<u>796,024</u>

SLOUGH CHILDREN'S SERVICES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Trade creditors		1,798,094	478,136
Taxation and social security		1,269,237	283,877
Deferred income		258,812	445,916
Other creditors		51,601	32,550
Accruals		2,991,676	3,547,559
		<u>6,369,420</u>	<u>4,788,038</u>

12 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Deferred income		<u>4,025,556</u>	<u>4,025,556</u>

13 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	<u>1,151,688</u>	<u>989,476</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 £149,377 (2018 - £138,933) 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.

14 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.

15 Income and expenditure account

Income and expenditure account represents cumulative profits and losses.

SLOUGH CHILDREN'S SERVICES TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

16 Cash generated from operations

	2019	2018
	£	£
Deficit for the year after tax	(124,424)	(1,918,080)
Adjustments for:		
Investment income	(18,316)	(4,537)
Movements in working capital:		
(Increase)/decrease in debtors	(2,825,604)	1,112,239
Increase/(decrease) in creditors	1,768,486	(1,174,626)
(Decrease)/increase in deferred income	(187,104)	445,916
Cash absorbed by operations	(1,386,962)	(1,539,088)