achieving for children

Registration Number 08878185

Achieving for Children
Community Interest Company

Annual Report and Statement of Accounts

2019-20

1st April 2019 – 31st MARCH 2020

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This Annual Report summarises the performance of Achieving for Children for the period between 1 April 2019 and 31 March 2020 and has been authorised by the Board of Directors.

L. Kourpas

Lucy Kourpas
Interim Chief Operating Officer and Director of Finance

COMPANY INFORMATION

REGISTRATION:

Achieving for Children Community Interest Company

Registered in England and Wales as a Private Limited Company

Registration Number 08878185

OWNERSHIP DETAILS:

The company is jointly owned by the Royal Borough of Kingston upon Thames, the London Borough of Richmond upon Thames, and the Royal Borough of Windsor and Maidenhead. The company is limited by guarantee.

REGISTERED OFFICE:

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COMPANY DIRECTORS and OFFICERS:

See page 38 of the Annual Report

WEBSITE:

achievingforchildren.org.uk

Statement by the Interim Executive Chair of the Board of Directors

This is an unusual and unprecedented time to be presenting Achieving for Children's annual report and accounts for 2019/20. What had been a challenging yet rewarding year turned on its head in early March 2020 as COVID-19 became a global pandemic. Our response to this crisis has undoubtedly been our focus as 2019/20 has drawn to a close and it will inevitably be a focus over the coming year whilst delivering and developing our core business.

I want to pay a huge tribute to our workforce who have responded in the best possible way to the situation, the likes of which we have never faced before. In partnership with our owning councils, we have worked hard to support our most vulnerable children, young people and families to ensure they remain safe. Our employees have quickly and efficiently adapted to new working arrangements and it is testament to their commitment and effort that we have continued to deliver the majority of our services, albeit in different and innovative ways.

Although Covid 19 has dominated our work in the latter part of the year, 2019-20 has been a successful year for us. Early in the year we embarked on a wide scale engagement exercise with our key stakeholders, including children, young people, and families; our workforce; our partners; and the three owning councils, to develop our new business plan for 2020 to 2024 which we will launch in early 2020/21. We have titled it 'Achieving more for Children' in recognition of our determination for further improvement. Our new business plan sets out our vision for the company for the next four years. It builds on our strengths and achievements, but also demonstrates our learning from where we have not achieved as well as we would like. We want to use our key strengths as a foundation for progressing the company further. This includes our effective early help and children's social care services which have been recognised as high performing in a number of inspections throughout the year; the support we provide to schools and education providers which has enabled pupils to progress and achieve above their peers in their early years and at all Key Stages in schools; and our nationally recognised family and adolescent resilience services which are successfully keeping families with complex needs together, thereby avoiding children coming into care.

Our owning councils in Kingston and Richmond have demonstrated their confidence in us by agreeing to recommission Achieving for Children to deliver children's services for a further five years. This means that we now have a contract to deliver children's services in

Kingston and Richmond until 31 March 2026, and in Windsor and Maidenhead until 31 July 2024 (with the option of extending for a further five years). This is excellent news and allows us to plan knowing our immediate future is secure.

It is worth noting that it has been a year of change among our senior leadership. We were delighted that our previous Managing Director, Ian Dodds, was appointed to the role of Joint Director of Children's Services across Kingston and Richmond in January 2020. Ian replaces the two Interim Directors of Children's Services: Pauline Maddison in Kingston and James Thomas in Richmond. Both Pauline and James had an extremely positive impact on our company and left us in a strong position going forward. I want to thank Pauline and James for all their hard work and wish them well in their future endeavours. To replace Ian, Lucy Kourpas, our Director of Finance is now acting up as our Chief Operating Officer. Lucy has worked for Achieving for Children for many years and we are extremely confident that she will, along with Ian and Kevin McDaniel, the Director of Children's Services in Windsor and Maidenhead, lead the company into the next phase of our development using their extensive knowledge, skills and experience.

Our Board of Directors has not been immune to change either. David Archibald, who chaired the Board for two years, stepped down in early 2020, at the end of his term. In addition, we said farewell to a number of our Non-Executive Independent Directors: Chris Symons and Nina Hingorani - I would like to thank them all for their knowledge and experience and their many contributions and wish them well in their new endeavours. A governance review of the Board, commissioned by the owning councils, is currently underway and this is likely to lead to further changes in the future. The intention of the review is to ensure we are effectively harnessing the skills and experience of our Board members. In the interim period, I have replaced David Archibald as Interim Executive Chair moving from my position as an Independent Non-Executive Director. I am passionate about integrated children's services and with my membership of the SEND Transformation Board, attendance at the SEND Conference, my In Touch days with our health teams across Achieving for Children and through my experience, both in AfC and in other roles, have an in depth understanding of the services offered, the achievements and the challenges.

Although it has been an unexpected and challenging end to the 12 months, I am proud to present an annual report that clearly demonstrates the significant achievements we have made in 2019-20 and I know we will continue to provide children, young people and families with the support and services they need in the next year and beyond. For the next few months, at least, we will do this against a backdrop of COVID-19. This will require us to be more agile, resilient and creative than we have ever been before and I have complete confidence in our workforce to do just that. Looking further ahead, the picture regarding funding for the public sector is unknown but we have to assume we will continue to be required to deliver with less. Achieving financial sustainability, while continuing to deliver high quality services to our children and young people, is the central component of our new business plan which will guide our work over the coming years.

Based on the progress we have made in 2019/20, I am confident about the future for Achieving for Children and our ambition to reach every child and young person out there who needs us, so that they are able to live safe, happy, healthier and successful lives.

Sian Wicks
Interim Executive Chair of the Board of Directors

STRATEGIC REPORT

1. Introduction by the Chief Operating Officer and Director of Finance

I was delighted to be appointed as Interim Chief Operating Officer, in addition to my substantive post as Director of Finance, following the successful appointment of our previous Managing Director, Ian Dodds, as the Director of Children's Services in Kingston and Richmond in January 2020. Along with Ian and Kevin, I am looking forward to driving Achieving for Children forward to achieve even more for our children and young people.

2019/20 has been a good year for the company. Our services have been subject to a number of inspections, not least the four day inspections of children's social care in Kingston and in Windsor and Maidenhead. We are very proud that we have improved our Ofsted judgements in both boroughs, moving from 'good' to 'outstanding' in Kingston and 'requires improvement' to 'good' in Windsor and Maidenhead. This is a fantastic achievement and is testament to the hard work and effort of our dedicated workforce who regularly go above and beyond their roles to deliver high quality services to our children, young people and families.

Our service offer in Kingston, Richmond and Windsor and Maidenhead remains strong. Early intervention and prevention remains at the heart of our work with families so that we are able to meet the needs of children and young people at the first opportunity and well before statutory services are required. Our early help service is highly effective and our annual report demonstrates the positive impact we have made on the lives of families with complex issues and adolescents on the edge of care.

Our support for children and young people in care is constantly developing and improving. We are moving forward with our ambitious plans for our Independent Fostering Agency, so we can offer more children and young people opportunities to benefit from family-based care. We are extremely excited that our first residential children's home and our first short break care centre for children with disabilities are both due to open later in 2020. These will provide high quality and local accommodation enabling more children and young people to stay close to their families and support networks.

We do recognise that there are areas for improvement in the company, particularly in terms of the support we provide to children and young people with special educational needs and disabilities (SEND). The report published in January 2020 by the Local Government and Social Care Ombudsman, highlighting failings by Richmond Council and Achieving for Children in relation to historic support provided to three young people with SEND and their families, shows that we have not always got it right and we recognise that we still have work to do to be confident that all families are receiving the quality provision that they deserve. The findings have reinforced the importance of the transformation work that we began two years ago and has already and will continue to improve the experience of the young people we support. Implementing the SEND reforms introduced by the Children and Families Act 2014 has been a challenge for all local authorities and our partners, particularly in the context of the increasing need for support without adequate funding from the government to meet those needs. We know that we must make improvements to SEND provision, not just in Achieving for Children, but also in our schools, colleges and health services. This is a partnership issue and we are working collectively (including with parents, carers and young people) to improve our local offer and the quality of services. To do this, we have put in place transformation plans, committed considerable resources, and we are working with parents to better learn from their experiences. Continuing to develop and improve provision in this area will continue to be a priority in the coming year.

It goes without saying that the final months of 2019/20 have required us to focus on our response to the COVID-19 pandemic. Once again, our employees have demonstrated their adaptability, their flexibility and their determination to deliver the best possible services, whatever the circumstances. We have embraced technology to enable us to maintain our critical service offer. This has included over 90% of our employees working from home, hosting children's centre sessions on Facebook, delivering training virtually and via webinars, and communicating with our care leavers via regular video calls, which have proved extremely popular. We have worked closely and collaboratively across operational areas to support colleagues where necessary. For example, when issues emerged relating to diverting the telephones of our Multi-Agency Safeguarding Hub in Windsor and Maidenhead, our Single Point of Access in Kingston and Richmond stepped in and fielded the calls. We have worked in partnership with our owning councils to develop detailed and effective business continuity plans, including mitigating activity, which should ensure we can continue to protect our most vulnerable children and young people from harm despite the ongoing situation.

2020/21 will undoubtedly bring us significant challenges. We are excited to be launching our new business plan - Achieving more for Children - which will put us in the best position possible to deliver excellent services, meet growing and changing local needs, operate our business more efficiently, and secure our long-term financial sustainability. At the same time, we are aware that we will be implementing the plan against the backdrop of COVID-19 and, at this stage, it is not clear what the longer term impact will be. This will undoubtedly mean we will face challenges and considerable uncertainty; however, what I do know is that we have a brilliant workforce who will work extremely hard to ensure that our children, young people and families receive high quality services that effectively meet their needs.

Whatever the circumstances, we will continue to strive to support our young people to meet their full potential.

Lucy Kourpas
Interim Chief Operating Officer and Director of Finance

2. Progress against our 2019/20 objectives

In 2019/20 we supported over 30,000 children and young people. Our business plan set out our priorities and commitment to providing this support based on four strategic pillars: building family resilience; creating local provision; achieving inclusion; and promoting independence. We now report on the progress we have made in 2019/20 in achieving our objectives.

Building family resilience
Our early help services provide crucial support to vulnerable families to prevent issues escalating to the point at which statutory intervention is necessary. A survey of the families we support indicates the positive impact we are having, with 89% stating they were satisfied or very satisfied with the services they have received and 86% stating they had been enabled to better meet their children's needs as a result of the intervention. In Kingston and Richmond, to drive further improvement, we completed an early help review with the aim of understanding how a range of organisations across both boroughs can work together, within existing resources, to better meet the needs of children, young people and families at the earliest opportunity. During the coming year, we will be working to implement the recommendations from the review to ensure our early help services remain effective but also sustainable given the financial climate.

As a crucial part of our early help offer, our children's centres continue to be well used and highly regarded with over 12,000 families attending sessions. Our centres offer a range of services for families, from midwifery, health visiting, and speech and language, to nursery advice and school readiness, delivered alongside over 40 partner agencies.

To ensure we are able to better meet the needs of the most vulnerable families in Kingston, we have implemented our new children's centre strategy which involves a more targeted approach for those most in need and greater use of outreach provision to ensure hard to reach families are able to access services. The strategy was developed following an extensive public consultation exercise which attracted over 740 responses and which highlighted that 98% of users felt that children's centre services have had a positive impact on their wellbeing and that of their children.

In Windsor and Maidenhead, we have just completed public consultation about our transformation programme that aims to turn our early help services into an Integrated Family Hub model through a remodelling of our children's centres, youth centres, parenting service and our family resilience service. The new hubs are proposed to be largely focussed on a targeted and specialist offer to enable us to focus our provision on the families that need the support the most. The consultation received 501 responses, and of those who declared a preference, 53% agreed with the proposals. Elected members will make a decision how to proceed later in 2020.

We continue to be creative to ensure our early help services are targeted at those most in need. For example, we have just introduced new chat and play sessions in children's centres to improve the support provided to parents with concerns relating to educational psychology, speech and language therapy, sensory impairment, portage, occupational therapy and physiotherapy. We have held eight sessions so far with 41 families attending with 100% reporting they felt more confident supporting their children's needs as a result of attending. Our one-off events remain popular with our National Play Day bringing together 755 families and 1,067 children to enjoy fun activities and to learn more about our children's centre offer.

Our Strengthening Families Plus service, which during 2019-20 supported 139 families facing multiple issues including mental health needs, domestic abuse, drug and alcohol abuse, and unemployment, has been recognised as one of the best both in London and nationally. Our approach is underpinned by the belief that families, with the support of local services and communities, can be supported to improve their circumstances and find solutions to problems by building on their strengths. 91% of the parents in the families we have supported have reported they have improved the care they provide to their children as result of the intensive support we have provided.

In Windsor and Maidenhead we have expanded the support for vulnerable families through the embedding of family coaches and domestic abuse workers. Feedback and evaluation data indicates the positive impact of the family coaches, with four successful family reunifications in the final two months of 2019-20 and avoidance of a number of potential placement breakdowns. The domestic abuse workers have already reported evidence of reducing risk in individual families and the funding has been secured to ensure the work can continue. In the four day Ofsted inspection report, inspectors highlighted the strong interventions available to all family members where domestic abuse is a concern.

A focused inspection of services to protect vulnerable adolescents in Kingston highlighted the success of our multi-disciplinary Youth Resilience Service (YRS) which has provided support to over 200 young people who were on the edge of care and who have been involved in offending, substance misuse, going missing from home, or were at risk of being exploited. Each young person was provided with bespoke interventions from a range of specialists, including family therapists, youth workers, nurses, and substance misuse workers to prevent their needs escalating. The inspectors highlighted that young people benefit from strong relationships with skilled social workers and from specialist, accessible and well-resourced help, and identified our innovative YRS as a real strength. They were particularly impressed by the energy of social workers across our teams and their commitment to our young people. To further support the work of the YRS, in collaboration with Kingston and Richmond Community Safety Partnerships, we have successfully secured funding from the newly-formed Violence Reduction Unit for Project X to deliver detached and outreach youth work to reduce serious youth violence and knife related crime.

Signs of Safety, is now well established as the model of practice across services in Achieving for Children and particularly in direct work with children and families, as evidenced through our regular casework audits. Over 1,400 practitioners in Achieving for Children and our partner organisations have been trained in the principles of Signs of Safety and report their increasing confidence in using it to work collaboratively with children and their parents to build on strengths and reduce risks within the family where there are child protection concerns. To ensure the model remains sustainable, we have trained over 80 staff as Signs of Safety practice leads who will deliver in-house training and provide ongoing support for colleagues. The positive impact of the model was referenced and praised in the inspections in Kingston and in Windsor and Maidenhead. Our ongoing evaluation of the model consistently demonstrates its benefits, with staff reporting it has helped them improve their practice and 100% of parent and carer respondents to our recent survey stating they feel listened to, are able to offer ideas or solutions that might improve their situation or relationships, and that the model allows us to work to their strengths.

Creating local provision

Our Independent Fostering Agency (IFA) has now been operating effectively for almost two years. Our fostering service offer, which was developed in partnership with foster carers while the IFA was being set up, has been well-received. Feedback has suggested our new offer is fairer and more transparent to carers; it is also competitive with other fostering agencies and supports our strategic aim to recruit more local foster carers, including those who are able to support those children and young people with complex needs who are best supported through family-based care. To support our recruitment of new foster carers, we are running skills to foster courses for prospective cases every two months and have invested in new promotional material. As a result, during 2019-20 we have had 136 fostering enquiries; we have made 41 home visits to potential foster carers; have 17 foster carers currently being assessed, with 5 more awaiting allocation to a worker for assessment; and we have approved 7 new foster carers. An inspection of our fostering services in Kingston and Richmond in September 2019 judged our services to be good in all areas.

Construction is almost complete on a new purpose-built short break centre for children and young people with disabilities. With more than 1,000 children with disabilities receiving short break care, including overnight respite care, the new centre will help us to meet the demand and provide a high quality and local service. The eight-bed centre will provide overnight respite care for children and young people aged from eight to 18 years who may have multiple disabilities, complex medical needs or challenging behaviours. The design and planning for the centre, which is due to open in the summer of 2020, has been heavily informed by the views and experiences of children, young people and families. We have also been successful in bidding for over £30,000 of grant-funding to develop an internal sensory room and a sensory garden, both of which will be an important part of the activity programme children and young people will be able to enjoy whilst staying at the centre. Currently, 96% of parents and carers rate the short break care and activities that their children receive as good or better and we are confident the new centre will help us maintain, or even improve, on this.

Our new residential children's home in Teddington is now built and is due to open in April 2020. The registered manager for the home was appointed in 2019 and has been working with children and young people currently in our care to develop the model of care. We have cultivated strong relationships with the immediate neighbours in the area so we can ensure that children and young people living there have the opportunity to play an active part in their local community.

The creation of additional school places to meet rising demand continues to be a priority across all operational areas. In September 2019, an additional 71 SEND places were established in Kingston and Richmond, including the new special school, Capella House, and four new specialist resource provisions, at King Athelstan Primary, Richmond Park Academy, The Hollyfield and Tolworth Girls'. Work has continued on developing the designs for the two special schools - one in Richmond and one in Kington - which are expected to open in the next three years, and the education providers for them have been selected following a rigorous process. In January 2020, Kingston Council ratified a decision to expand Burlington Junior from four to five forms of entry in September 2025 and, in April 2020, the Department for Education announced that the Diocese of Southwark's application for a new 11-16 Church of England secondary school in Kingston had been approved, subject to full feasibility and the voluntary-aided statutory proposal process.

Achieving inclusion

We are working hard to improve the inclusive services we provide to children and young people with SEND, applying learning from the local area inspections in Kingston and Windsor and Maidenhead completed by Ofsted and the Care Quality Commission and the findings from the Local Government Association and Ombudsman reports in Richmond.

In Kingston and Richmond we now have established multi-agency SEND Partnerships, which include representation from children, young people, parents and carers. The Boards direct improvement work through agreed transformation plans and by responding to evidence provided through a quarterly dataset. We have also put in place new ways of working with the parents and carers of children and young people with SEND through Kingston's Parent Consortium and Richmond's Parent Panel. Through the groups, parents and carers were involved in a range of system improvement initiatives, including improvements to the Education, Health and Care Plan (EHCP) annual review process, resulting in over 95% of EHCPs being issued within 20 weeks, significantly higher than the national average of 61%, and implementing a new approach to collecting parent and carer feedback to inform our service delivery.

In October 2019, Ofsted revisited our SEND services in Windsor and Maidenhead and confirmed that we were making good progress against six of the eight areas identified as requiring improvement. Inspectors praised strengthened leadership and oversight, the improved timeliness and production of EHCPs, better communication with parents and carers and children and young people, and the newly introduced inclusion charter. We are fully focused on delivering improvements to the remaining two areas that relate to consistency and commissioning.

Parents and carers also contributed to the review of therapy provision in Kingston and Richmond carried out jointly by Achieving for Children and the Clinical Commissioning Groups. Covering speech and language therapy, occupational therapy and physiotherapy, the review provided clarity on existing and emerging therapy needs and confirmed that therapies are a significant and valued element of the support package provided to children and young people with SEND. It quantified the increasing level of need for therapies to meet children's needs and the amount of increased investment needed. The review outlined a new proposed model which will be implemented in 2020/21 which offers a whole-system, outcome-based framework that can be used to understand, plan and evaluate services to support children and young people.

We have held successful SEND conferences in both Kingston and Richmond and in Windsor and Maidenhead. In June 2019, 325 children and young people, families and stakeholders from 105 organisations from health, education and social care from Kingston and Richmond attended the SEND Futures Conference. Over 75 parents attended in person and were able to contribute to the discussions using their own experiences. They were joined by voluntary organisations working in the boroughs with children, young people and parents of children with SEND. The conference, which was co-produced and delivered by young people, parents, carers and professionals, was an opportunity for the SEND community and service providers to come together, share learning, deepen their understanding and work together to ensure high quality services continue to be delivered. The feedback was extremely positive with 82% of attendees stating they were satisfied or very satisfied with the event.

We held our Windsor and Maidenhead Inclusion Summit in September 2019. The event provided an opportunity for professionals in education, health and the voluntary sector to come together with parents and carers to discuss how to work together to make Windsor and Maidenhead a positive beacon of inclusion for children and young people with SEND. The Summit was co-produced with Parents and Carers in Partnership (PaCiP), East Berkshire Clinical Commissioning Group and local SEND organisations. Over 180 people were in attendance, representing parents and carers, educators from early years, schools and colleges, services from health, the local authority, and the voluntary sectors. The feedback captured as part of the Summit has been crucial in helping us shape our services going forward.

The Early Years SEND Team in Windsor and Maidenhead also organised a highly successful conference in June 2019 for 50 early years' practitioners from private, voluntary and independent settings and maintained nursery classes across Ascot, Windsor and Maidenhead. The event focused on thinking more creatively and flexibly about how inclusion feels to children, parents, staff and the whole school community. A range of workshops were on offer, including working with parents, smooth transitions for children with autistic spectrum conditions and meditation. Feedback was wholly positive, with evaluations commenting on how planning first for children with SEND will benefit the provision for all children; and how they feel more confident in managing challenging behaviours.

We have supported over 500 children and young people through our emotional health services, with 89% reporting improved mental health and emotional wellbeing. Our services include art therapy, clinical psychology and systemic family therapy. We are part of a national trailblazer in Kingston and Richmond to deliver a whole-school approach to mental health which aims to establish an emotional wellbeing programme in all schools including wellbeing support, training, and information to pupils, parents and staff. The principle is to intervene early using evidence based direct work to prevent issues escalating. As part of the trailblazer we have delivered sessions and workshops to 11 schools; held 12 sessions for 80 pupils; held 14 sessions for 315 parents; and held 5 whole school training sessions and six targeted training sessions for 118 staff. We are hoping to be successful with a bid to deliver the programme to more schools in the next wave starting in 2021 in collaboration with neighbouring local authorities. In Windsor and Maidenhead, alongside East Berkshire Clinical Commissioning Group and the Council, we are introducing an enhanced early intervention service with the aim of ensuring that all children and young people's early intervention mental health services are fully integrated, offered through a seamless, quality and timely support, and use the innovative Restorative Practice and IThrive principles. The new service is being developed in response to increasing demand for emotional and mental health services, to address rising waiting times for initial appointments, and to ensure that low level needs are met at the earliest possible opportunity.

We were successful in our bid to the Youth Endowment Fund, for funding to set up Transition Hubs, in partnership with St Mary's University in Twickenham and Barnet Council. The Transition Hubs support future students in care aged 11-14 years old, including unaccompanied asylum seeking children, to improve their long-term outcomes. They offer an evidence-informed and tailored programme of support to the student, their carer and the receiving school, prior to the student starting school. Each Transition Hub offers students: a six-week personalised programme of support, as well as weekly and monthly visits based on four stages of transition; a Learning Mentor who provides relational stability across the four transition stages; and a detailed assessment to allow for more targeted and effective provision. The Transition Hubs also offer training to schools and foster carers around the interconnectedness of child, family, school and community factors in supporting better outcomes for children in care.

Promoting independence

Having secured £105,000 in grant funding during 2018-19 from the Careers and Enterprise Company to develop innovative new approaches to careers advice for young people with SEND, over the past 12 months we have worked across 13 mainstream and special schools providing 'next steps' personal guidance interviews to students with SEND in Years 10 and 13 in Kingston and Richmond. We have held over 190 interviews with pupils with SEND. The interviews are designed to provide information on post-16 training and employment options and help young people to explore their longer-term aspirations. In Windsor and Maidenhead we have held two successful 'preparing for adulthood' events with almost 100 young adults and their families attending sessions to help plan their education and employment in the future. Feedback on the events was extremely positive.

In Windsor and Maidenhead we held a number of Preparing for Adulthood information events in January 2020 in recognition of the need to ensure that young people and their parents and carers are aware of the Preparing for Adulthood agenda and have knowledge of services and support available to them. There were 169 attendees, of which 87 were young people and their parents and carers, and 22 organisations exhibited information. Feedback was extremely positive with young people and parents and carers praising the breadth of knowledge and information available and the helpfulness of the organisations in attendance.

Our Education Business Partnership has supported 53 young people with SEND into post-16 vocational pathways. 18 young people are in apprenticeships; 13 are in supported internships; 10 are in employment; four are in traineeships; and eight are undertaking other vocational destinations. This represents an increase of over 25% from 2018-19.

3,326 young people from Kingston and Richmond started a Duke of Edinburgh Award in 2019-20, with 271 young people starting a Gold Award, an increase from the previous year. We achieved our highest ever number of young people achieving their Award with 1,759 fully completing the programme. In total, these young people contributed 47,892 hours of volunteering in the last 12 months to charities, schools and community groups, which represents a social value of £505,261. In Windsor and Maidenhead, we provided support to schools across the borough to enable them to directly run the Award with their own pupils.

More than 10,000 young people regularly use our youth services to take part in positive activities that develop their interests and talents. In 2019-20, 30% of those taking part received an accreditation for the activity they took part in. The service offers a wide range of affordable activities for young people from parkour to cookery, skateboarding to gym workouts. Our youth workers conduct issue-based work with young people covering topics such as sexual health, substance misuse and emotional wellbeing. Our teams work with young people in schools, undertake street-based work engaging young people where they hang out, and offer an extensive holiday provision. For example, our school education workshops in Windsor and Maidenhead which covered topics including gangs, criminal exploitation, and online safety, were attended by 4,214 young people with 91% of attendees stating they had learnt from the sessions. We also held workshops for 321 parents and carers or professionals identifying how best to support young people in relation to those topic areas, with 94% of attendees stating the sessions met their needs. In Kingston and Richmond, we have secured funding for a new youth bus which will allow the service to undertake detached work across both boroughs and establish a presence in known hot-spots. We have also established two new youth clubs, with each attracting over 50 young people per session.

We held the inaugural Achieving for Children Youth Awards in November 2019 with over 400 young people and families attending to celebrate the achievements of the young people that attend our youth centres. The awards, which were hosted by two young people and interspersed with various performances, saw a number of young people nominated across various categories, including achievements in art and sport, outstanding contribution to the local community, personal achievement, and young person of the year.

Kickback, our Children in Care Council in Windsor and Maidenhead, has delivered Total Respect training to all our elected members. The session, which is delivered by young people, uses real life case studies, workshops and a range of different activities to encourage debate and develop a better understanding of what it is like to be in care. The training was extremely well received and will support members in their role as corporate parent to children in care. Also during the year, our Children in Care Councils in Kingston and Richmond co-produced the new interactive leaving care local offer information on the AfCInfo web pages. The webpages are now easy to navigate and contain a wider range of support, advice and guidance. This includes budgeting, health and wellbeing, and educational, employment and training.

Growing the company

Recruitment and retention remains a key focus for the company. During 2019-20, we have put in place a new recruitment strategy which clearly sets out how we will attract new talent into the company. We are pleased that as a result of our activity, we have reduced our social worker turnover rate to 16% and our agency rate to 25%, both of which compare favourably to statistical neighbours. In response to feedback from staff about support for managers, in February 2020, we held our first leadership summit for managers across the company. The summit took place over a week and consisted of a briefing from senior leaders, mandatory training in people management, and a range of e-learning courses. Over 90% of managers took part and feedback was extremely positive.

Our staff councils continue to ensure that the voices of employees inform prioritisation and decision-making within the company; in 2019/20 this has included supporting the development of our new four-year business plan through a series of Big Conversations with key stakeholders, arranging social events for staff, and encouraging new and innovative approaches to innovation through company-wide i-Hub challenges. The challenge winner in 2019 was a pilot scheme to help understand and evidence whether having a friendly dog present during visits can help make a positive difference to families and children who find social interaction difficult. The funding has been used to train and accredit dogs and complete an evaluation pilot. The staff councils have also supported the introduction of the new staff benefits package that was commissioned and rolled out in October 2019 as well as the development of an improved employee wellbeing offer.

Consultation and engagement has been a focus for the company during 2019-20. We are currently reviewing and updating our Engagement Strategy and have just completed a public consultation exercise with parents and carers and children and young people to gather their views on what it should include. Based on this feedback, we will be strengthening the strategy and ensuring that it effectively sets out how we work together so that children, young people, parents and carers have opportunities to influence the design, commissioning, delivery and evaluation of our services.

During the year we have completed a number of public consultations, including SEND provision and children's centre services. A wide range of consultation methodologies have been used, including online surveys, workshops and events. There has been a specific focus on engaging children and young people's views in consultation, including the development of accessible and easy read materials for young people with disabilities and learning difficulties. The responses to consultation have informed the design and delivery of services, most notably our approach to the transformation of services to support children and young people with SEND. We are also currently developing our own MySay product which will be a platform for service user engagement across the company. It will initially be used for looked after children but the expectation is that it will be expanded to become the portal for all engagement, providing greater consistency and high quality consultation opportunities. To accurately and consistently capture feedback from families we have developed one single feedback form which will be used by all social workers to gather the views of families they have supported.

Our new ICT and Digital Strategy is driving innovation and creativity within the company. We are working with Windsor & Maidenhead council to roll out new laptop devices to employees in Windsor and Maidenhead and have already successfully issued them to all employees in Kingston and Richmond. We have recently piloted new telephony with the intention of enabling our employees to be more agile through the use of mobile phones. Our digital approach has expanded significantly during 2019-20 with a number of digital innovations that have improved our efficiency and effectiveness and the establishment of the companywide Digital Board. This includes audio recording of child protection conferences which has been so successful that we have developed a digitisation offer that has been sold to three other local authorities; and the creation of an online booking system for our emotional health services which has reduced administration time and improved accessibility for families. We recently successfully won £15,000 in funding from the Local Government Association to implement a 12-month chatbot pilot for our AfCInfo website. The chatbot will work as a digital website assistant to support navigation. Our 12-month pilot will assist children, young people and families to have access to 24/7 website navigation support.

We have continued to deliver improvement consultancy work funded by the government's Partners in Practice initiative. Our main focus for support during 2019-20 has been to children's services at Reading Borough Council and we were pleased to contribute to the recent improvement in their Ofsted judgement from 'inadequate' to 'requires improvement.' We continue to deliver a full range of support services to schools which brings in over £2.3 million in income and which has seen an increase in demand for services relating to educational psychology, education welfare, emotional health, school improvement and continuing professional development.

During the year we have progressed our plans to take on responsibility for the Berkshire Sensory Consortium Service from 2020/21. The service works with children and young people up to the age of 19 attending school and resident in the Berkshire local authorities who have educational needs arising from a diagnosed hearing, visual or multi-sensory impairment. Specialist teachers, paediatric habilitation specialists, educational audiologists and specialist teaching assistants provide a key worker service for pre-school children, pre-school groups, parent workshops and provide advice, teaching and training for pupils, parents and schools. In April 2020, the service will join with us and an additional 40 employees will be welcomed into the company.

3. Risks and risk management

Our risk management framework helps to ensure we identify and manage those risks that could affect our ability to deliver the company's objectives. The management of risk is embedded in our day-to-day business activities, and well-established processes and policies are in place. All of our employees have a role in reducing risk through our internal control framework. Our principal risks are recorded in our Board Assurance Framework which is regularly reviewed by the Senior Leadership Team and reported to the Audit and Risk Committee of the Board of Directors. Strategic risks are the direct responsibility of the Senior Leadership Team and concern the overall direction of the company and its sustainability. Operational risks concern day-to-day activities which need to be managed in order for services to be delivered. They are managed by individual service managers and are regularly reported to service directors and captured in our risk register.

Details of the Company's financial instrument risks are set out in Note 23 of our accounts. These are not regarded as material to an understanding of the assets, liabilities, financial position and profit or loss of the Company. The following table details the risks that are not related to financial instruments:

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Potential failure to comply with corporate statutory duties as outlined by legislation and statutory reporting requirements	The organisation could be subject to fines and legal disputes and a lack of arrangements and controls could lead to a failure to safeguard staff, service users or AfCs corporate interests, financial position or infrastructure	The AfC Board has oversight of the organisation's corporate duties and periodically receives an updated Board Assurance Framework which identifies the responsibilities, arrangements in place and level of assurance that can be provided. The organisation maintains a detailed statutory duty register which is used as an operational tool to assess level of compliance and take associated action. AfC has employed suitably qualified staff to manage corporate operations and where there is inadequate expertise within the organisation this advice and guidance is accessed via contracts with the three councils who own AfC.
Potential failure to provide sufficient, appropriate and timely support to children and young people with SEND and their parents.	Children and young people with SEND do not receive a coherent service that meets their assessed needs leading to poor quality outcomes. The company fails to meet its statutory responsibilities to children with SEND leading to adverse Tribunal judgements and increased costs. There is a poor working relationship with local parents and reputational damage to the company.	SEND reviews have been completed and have led to the establishment of plans to improve provision for children with SEND and support for those working with them. The plans are monitored by partnership groups in both operational areas. Performance snapshots include key performance indicators to give early warning if service quality and reliability starts to reduce. In Richmond and Kingston additional staffing resources have been agreed to manage the increased demand for Education, Health and Care Plans. A dedicated Programme Director is employed to provide capacity to continue the SEND improvement work whilst continuing to deliver services. The SEN service is led and managed by suitably qualified staff for all three boroughs.

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Potential failure to identify children and young people in need of help and protection, and a failure to provide the appropriate support to ensure these children are appropriately safeguarded.	Children and young people suffer neglect and abuse as a result of the company's actions or inactions. There is a failure to trust in the company's ability to protect and promote the welfare of children and young people. This may lead to significant reputational damage to the company. Additional management and financial resources are required to improve services.	Clear mechanisms are in place for reporting concerns about a child through the SPA/MASH which is staffed by experienced social workers and managers. A clear threshold framework is in place to guide decisions on the threshold for harm and significant harm. Social workers assess children's needs in a timely manner and ensure child protection processes are used where appropriate. Clear policies and operating procedures are in place and casework is appropriately recorded on an electronic case recording system. There is good supervision and management oversight of all casework. Social work caseloads are manageable. Regular performance management and quality assurance mechanisms are in place to test the quality of threshold application, decision-making and interventions with families.

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Potential failure to apply an appropriate threshold for bringing children into care; failure to ensure that effective multi-agency support and permanency is provided to children in care; and failure to ensure appropriate support plans are in place for children and young people leaving care.	Children and young people are brought into care unnecessarily. Permanency plans do not lead to safe, stable and appropriate long-term or permanent care placements. Care plans do not identify or provide the care, education and health support that children need to achieve good or better outcomes. There is a failure to trust in the company's ability to support children in care. This may lead to significant reputational damage to the company. Additional management and financial resources are required to improve services.	There are clear thresholds for bringing children into care with appropriate management oversight and approval. Permanency Planning Meetings are held to ensure timely decision-making about the permanency plans for children and young people. Social workers develop and implement clear care plans with appropriate multi-agency involvement. Plans are reviewed regularly by an allocated Independent Reviewing Officer. Packages of support for children in care and young people leaving care are delivered in-house or commissioned based on a clear assessment of needs. Clear policies and operating procedures are in place and casework is appropriately recorded on an electronic case management system. There is good supervision and management oversight of all casework. Social work caseloads are manageable. Regular performance management and quality assurance mechanisms are in place to test the quality and impact of services for children in care and leaving care.

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Potential failure to meet children's and young people's health needs due to a lack of capacity in nursing, therapy and health visiting services.	Children and young people's health and care needs are not met causing them distress or harm. There is a failure to trust in the company's ability to meet children's health and care needs. This may lead to significant reputational damage to the company. Additional management and financial resources are required to improve services.	Management has been strengthened through the appointment of a Head of Health Services and Team Leaders. Permanent recruitment of experienced children's nurses remains challenging; however, where needed agency workers are in place to cover vacant posts in the children's nursing service. Alternative approaches (including a grow-your-own approach) have been put in place to manage vacancies in the health visiting service in W&M. There are currently capacity issues in the therapy service particularly in relation to children's occupational therapy and physiotherapy. A joint therapies review for the Richmond and Kingston Service has improved relationships with the CCG and led to additional investment being made available.
Risk that working relationships with key partner agencies deteriorate or fail completely.	Children, young people and families do not receive coherent and coordinated responses and services from all partner agencies which places them at additional risk of harm. Conflictual relationships lead to the inability to develop services in the best interests of families and do not enable the company to work in the most efficient and cost-effective way.	Partnership boards are in place for key service areas where multi-agency approaches are required with key agencies. This includes strategic partnerships, such as the Local Safeguarding Partnership, and operational partnerships, such as the Multi-Agency Safeguarding Hub (MASH) Board and the Multi-Agency Risk, Vulnerability and Exploitation (MARVE) Panel. There are regular officer meetings and communication with partners including schools and voluntary sector organisations.

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Risk that the company is unable to operate within the contract price agreed with the Councils due to the non achievement of financial savings required by the councils or due to increasing levels of demand.	Financial savings are not achieved and lead to increased budget pressures and the need to reduce employee and service budgets without effective planning and impact analysis. Reductions in financial resources lead to service reductions and poor quality services leaving children and young people without effective support.	A project management approach has been implemented to ensure clear financial planning is in place to deliver council-requested financial efficiencies. This includes early identification and engagement with partners. Regular monitoring and reporting is in place to assess financial performance against in year budgets. There is an escalation process to the Councils to unblock delays in decision-making. A risk and issue log is in place for all savings plans. Processes are in place with the Councils to agree all invest to save proposals. There is regular reporting and scrutiny of the financial position by council commissioners, AfC leadership team and the AfC Board.
Potential failure to adequately recruit and retain staff in key service areas such as social care and health. The workforce does not have the necessary competencies, skills and abilities to provide the support and services required by children and young people.	The company is unable to effectively support children, young people and families because it does not have a stable and motivated workforce. There is inconsistent service delivery due to high employee turnover. There is low employee morale due to higher caseloads for permanent workers. The company has higher staffing costs than planned due to the need to recruit additional locum workers. Children and young people do not receive the support or services they need in an effective and timely manner from skilled and competent practitioners, meaning that outcomes for them do not improve. The organisation is unable to develop new services and innovative ways of working and cannot respond to new business opportunities.	Advice on people management is provided through service level agreements with the Kingston and Sutton Shared HR Service and RBWM HR Service. The Workforce Development Board has oversight of all recruitment and retention issues for the company, and there is a task and finish group dedicated to recruitment and retention issues. Terms and conditions of employment, pay scales and discretionary HR policies have been revised to ensure Achieving for Children is an employer of choice. Learning and development pathways have been enhanced and development opportunities, such as the talent management programmes, have been established. A workforce development strategy is in place based on the current competencies of employees and their future needs.

The Covid 19 pandemic has necessitated a change in how services are delivered and how the organisation operates. AfC has successfully focused on the continued delivery of critical services since the start of the Covid 19 response and associated restrictions. The following table summarises the top five Covid 19 related risks and how the organisation has adapted to manage these risks:

POTENTIAL RISK	MITIGATION
Potential failure to safeguard children	Services continue to operate and support children and young people. Risk assessments are being undertaken for all children to assess what level of support is needed. Where needed visits are still being undertaken in person. The risk framework and threshold for visits is being regularly reviewed by the social care and health leaders. Thresholds to access services remain aligned with pre Covid policy even though the method of delivery has changed.
Potential failure to protect staff wellbeing	The majority of staff are working from home and where staff undertake work with young people appropriate guidance and equipment is available. Where staff attend offices social distancing and increased hygiene arrangements are in place. Testing is now available for eligible staff and their families. Wellbeing resources and support have been developed and AfC buys in a specialist 24 hour staff counselling / support service.
Risk that we are unable to deliver core services due to high levels of staff absence	New processes have been introduced to reduce the risk of staff becoming ill including homeworking arrangements and limiting contact with families. Where teams can not undertake their role remotely staff will be dual grouped to safeguard team resilience. The workforce development team have collated a register of staff skills and qualifications to ensure that where needed staff can be re-deployed to support critical service continuity. The workforce team are monitoring sickness levels to identify areas of concern early.
Risk that business as usual statutory duties are not met (e.g. admissions, statutory data returns etc)	All critical activities have been mapped and built in to team business continuity plans. Arrangements have been made to ensure that duties are not reliant on any one individual staff member and that technology facilitates remote working. Resource planning is being undertaken at a head of service level with significant concerns escalated through the appropriate senior leadership team member.
Risk that the financial cost of Covid	Detailed monitoring is being undertaken on the financial

POTENTIAL RISK	MITIGATION
19 is not identified / affordable for the commissioning councils Risk that main suppliers do not survive the emergency and so normal delivery can not resume when lockdown measures are lifted.	impact of Covid 19 and a weekly update is submitted to the Director of Finance and to each council. The AfC supplier support group meets each week to establish a clear recommendation where payment may be needed for services not delivered / additional Covid 19 costs and these are being signed off by the relevant commissioning council. AfC are following the Cabinet Office procurement guidance for 'At Risk' suppliers. All suppliers who may be at risk have received a letter outlining the AfC approach and requesting that they contact us if they are in difficulty. The impact on the business plan and savings plans is being carefully monitored by the relevant leadership team and progress reported through contract monitoring arrangements. The relevant DCS is working closely with the councils to agree how / whether to progress projects where there may be sensitivities.

4. Our Finances

The Company was incorporated on 5 February 2014 and commenced trading on 1 April 2014. The majority of its revenue comes from its contract with the three owning Councils for the provision of children's services. This income totalled £156 million in 2019/20 (£150m in 2018/19) which represents 91% (93% in 2018/19) of total income (on a management accounts rather than financial accounts basis).

Management Accounts Position

The Company has spent £171 million (£163 million in 2018/19) in the delivery of services. Needs led budgets remain the biggest financial pressure for the Company and have been the subject of significant contract price adjustment during the year. The Commissioning Councils agreed all requests for contract price change controls during the year. The increased contract funding relates to Social Care staff and placements, SEN Transport, SEN legal costs, redundancy costs, Covid 19 specific costs and high needs education services (funded by the ringfenced Dedicated Schools Grant) as follows:

	General Fund	Dedicated Schools Grant Fund	Total
	£000	£000	£000
Richmond Contract	1,238	4,402	**5,640**
Kingston Contract	1,499	5,705	**7,204**
Windsor and Maidenhead Contract	1,808	517	**2,325**
Total	**4,545**	**10,624**	**15,169**

The final outturn after change controls was as follows:

	Expenditure £000	Income £000	Overspend / (Underspend) after EOY change controls £000
Operational Strategic Management	548	565	**(17)**
Social Care and Early Help	63,071	62,864	**207**
Education	7,434	7,143	**291**
Special Educational Needs and Children with Disabilities	77,546	77,533	**13**
Public Health	1,784	1,787	**(3)**
Business Services	19,654	20,096	**(442)**
Partners in Practice	1,424	1,473	**(49)**
Grand Total	**171,461**	**171,461**	**0**

Financial Statements

For the reporting period the Company made a trading loss of £10.151m (2018/19 loss £6.747m) and reported a total comprehensive income of £2.099m (2018/19 expense £15.413m) which is attributable to its parent Councils in accordance with their share of ownership (Richmond 40%, Kingston 40%, Windsor & Maidenhead 20%). The profit comprises:

	2019/20 £000	2018/19 £000
Trading Profit / (loss)	(10,151)	(6,747)
Other comprehensive income/expense (re-measure of net defined benefit liability)	12,250	(8,666)

Total comprehensive (expense)/income	**2,099**	**(15,413)**

For the reporting period, the main differences between the Company's outturn in its management accounts report and its trading loss reported in the Statement of Comprehensive Income are related to pension adjustments under IAS 19. The difference between the loss from continuing operations and the position for total comprehensive expense of £12.250 million is due to re-measurement of the pension liability under IAS 19. A full reconciliation between the management accounts position and the financial accounts position is detailed in Note 9 to the Accounts.

The Statement of Financial Position, or Balance Sheet, includes a net pension liability of £50.765 million (£53.105 million at 31 March 2019). The majority of the Company's employees are members of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme. When the Company started trading on 1 April 2014, the majority of its staff transferred their employment from the Councils into the Company under TUPE, which included transferring their membership of the LGPS to the Company. The Company is an employer in the LGPS scheme, within the two pension funds administered by Wandsworth (Richmond) and Kingston Councils.

The net pension liability at 31 March 2020 is calculated under the provisions of IAS 19 whereas the employer's pension contributions that the Company actually makes to the pension funds are based on an actuarial valuation undertaken under the rules of the LGPS. The Company's contributions are re-assessed at each triennial valuation for pension funds in the LGPS. The most recent valuation was carried out as at 31 March 2019 and has resulted in an increase in employer contribution rates from 16% to 19% (effective April 2020).

The Company holds assets (trade and other receivables, cash and cash equivalents, non-current assets) totalling £58.051 million at 31 March 2020 (£36.055 million at 31 March 2019). The assets relate to Trade and Other Receivables, Cash and Cash Equivalents and Non current assets. A significant value of 'Right of Use' assets have been written on to the Balance Sheet in 2019/20 to reflect new lease accounting requirements. The majority of assets are leased from the company's three owning councils and relate to buildings and vehicles used in the delivery of contractual services.

Financial Support from the Company's Owners

The Councils are contracted with the Company for a minimum period of seven years from 1st April 2014 (Richmond and Kingston) and 1st August 2017 (Windsor and Maidenhead). Richmond and Kingston have agreed to utilise the option to extend the contract period by another five years to the end of March 2026. The contract prices are agreed annually to take into account changes in service requirements, inflationary and other cost pressures on the Company, and the need for cost reductions to be identified so that the Company can deliver value for money and contribute to the Councils' overall financial targets.

In addition to the annual review of the contract prices, the Company can request additional funding under a 'change control' provision in the contract when the Company is faced with additional costs, for example from increases in the number of children requiring services.

In terms of its liquidity, the Company can borrow from the Councils under the Revolving Credit Facility of £45 million. This provides funding to the Company to cover cash flow, losses and any investment requirements.

Future Financial Plans

The Company has prepared a Medium Term Financial Plan (MTFP) which forecasts its income and expenditure and financial risks over the next three years. The emphasis of the 2020/21 MTFP is on financial sustainability given the challenging funding context for children's and education services nationally. The Plan includes details of how the Company intends to meet the Councils' cost reduction targets in the medium term and links directly to the Business Plan.

Going Concern

Achieving for Children CIC has been assessed as a Going Concern. Despite the significant accounting losses reported in these Accounts, the Board and Senior Leadership Team have made significant progress in identifying how these financial challenges will be met and continues to develop these plans. The Board's Medium Term Financial Plan outlines these financial plans in more detail and addresses what actions are being taken to reduce the Company's cost base to accommodate proposed reductions in the owners' contract prices over the next three years. As with the parent Councils, the Company will revise pension contributions in line with the most up to date actuarial assessment and guidance. An assessment was carried out as at 31st March 2016 and the increased employer contribution rate (16% from 15.5%) was applied from 1st April 2017. A further increase to 19% will be applied and funded from 1 April 2020 following the most recent triennial valuation. The increased cost is fully funded under the contracts with the Councils. The Company is wholly owned by three Councils who are determined to be Going Concerns. The Company is able to borrow from the Councils under a Revolving Credit Facility to ensure short term cash flow and the Councils are contractually committed to procuring children's services from AfC for seven years from April 2014 (Richmond and Kingston) and seven years from August 2017 (Windsor and Maidenhead). Richmond and Kingston have recently agreed to use the contract extension to commission services until 31 March 2026.

The Covid 19 pandemic has not changed the overall going concern assessment. The need for children's and social care services is expected to rise as a result of the Covid 19 emergency and so if anything there will be more demand for services offered by AfC. The contracts with the three owning councils represent over 91% of revenue, whilst the remaining income is generated through work with schools and other Local Authorities. Due to the funding nature of local authorities and schools, the risk of permanent default of payment for current and future commitments is low. Covid 19 specific costs incurred in the 2019/20 financial year have been recognised as part of expenditure. Future one-off or increased costs associated with COVID-19 and interim operational delivery arrangements (including staff sickness and cover) is being agreed with the relevant commissioning councils and additional funding provided where needed.

5. Looking Forward

Our new business plan for 2020-24 - Achieving more for Children - launched in April 2020. The plan sets out how we will deliver excellent services, meet growing and changing local needs, operate our business more efficiently and commercially, and secure our long-term financial sustainability.

The priorities in our business plan are based on a sound understanding of the local needs in each of the three local authority areas. We have developed a strong evidence-base for our plan using demographic trends, performance data and the needs analyses produced by the councils in their Joint Strategic Needs Assessments to better understand local needs, alongside more qualitative feedback about the effectiveness and impact of our services. To make sense of all of this information we held a Big Conversation in 2019. This involved a series of listening events with children, young people, parents, carers, partner organisations in the statutory and voluntary sectors, the councils and our own employees. These conversations enabled us to hear about those issues that are most pressing and that should be our highest priority, as well as identifying creative solutions and potential areas for innovation. The Big Conversations also enabled us to ensure that our plan is aligned with the strategic priorities of our owning councils in their corporate plans and with our strategic partners, including the local health and care plans developed by the clinical commissioning groups.

Our focus over the coming years will be on continuing the delivery of safe and high quality services for children, young people and families. We will ensure our early help and health services remain strong, our children's social care services effectively safeguard and care for children and young people, and we meet the needs of those with special educational needs and disabilities. We will maintain our reputation as an excellent provider of educational support services, including working with our commissioning Councils to provide sufficient school places.

Based on our vision and ambitions, we have identified six strategic priorities for our business plan for the next four years.

Strategic priority	What we will achieve for children and young people?	Why is this important?
STRONGER FAMILIES	We will have a relentless focus on safeguarding children and young people across all our services. The services we deliver will be high-quality and will protect and promote the wellbeing of children and young people by promoting family resilience.	*"Ensuring children and young people are safe from harm is our core business. We want to build resilience in our families and communities so that they are better able to help, support and protect children without the need for statutory intervention".*
POSITIVE FUTURES	We will invest and work collaboratively to improve our local education, health and care offer to children and young people so that they have access to high quality services, are able to stay close to their families and friends, achieve well, and develop their skills for independence.	*"It is crucial that we provide the right support at the right time, this will enable us to help children and young people to develop their independence and prepare for adulthood. Putting in place local provision means children and young people can stay close to their families and essential support networks and they can benefit from our integrated services giving them the best chance for a positive future".*
EXCELLENT WORKFORCE	Our workforce will be experienced, talented, empowered and motivated to deliver the best possible services and outcomes for children and young people; we will invest in the recruitment, retention and development of our workforce and reward their achievements.	*"Feedback from children, young people and families always emphasises the importance of a consistent, skilled and motivated workforce. We want to make AfC a place where people want to come and work and a company that they are proud to tell their family and friends that they work for."*
FINANCIAL STABILITY	The services we deliver will provide excellent value for money and we are trusted by our commissioning Councils to deliver the best possible services within the agreed contract price, including the efficient delivery of our financial savings plans.	*"Given the financial context, both nationally and locally, it is essential that we are focused on delivering efficient, cost-effective and financially sustainable services so we are able to support those most in need."*

Strategic priority	What we will achieve for children and young people?	Why is this important?
COMMERCIAL SUCCESS	We will secure the sustainability of the community interest company through contract renewal, business development, fundraising and good growth, so that we are able to reinvest in the services we deliver directly to children and their families.	*"Greater commercial success will enable us to generate a profit to reinvest in our services thereby benefiting the children and young people that we support."*
SMARTER WORKING	Our business processes will be efficient, cost-effective and supportive to frontline practitioners so that they are able to spend as much time as possible working directly with children, young people and their families to improve outcomes for them.	*"Better business processes, and effective use of new digital technologies, will allow our workforce to reduce the amount of time they spend on unnecessary paperwork and bureaucracy, freeing them up to spend more time with the children, young people and families we support."*

Signed on behalf of the Board:

Sian Wicks
Interim Executive Chair of the Board of Directors

DIRECTORS' REPORT

6. Our governance arrangements

6.1 Achieving for Children as a Company

We deliver education and children's services to children and families in Kingston and Richmond upon Thames and the Royal Borough of Windsor and Maidenhead. Our services fall into five areas shown in the diagram below. Taken together, these services describe how we will deliver our ambition to ensure that all children and young people live safe, happy and successful lives.

Early Help and Health • Childcare • Early years education • Children's centres • Family support • Targeted youth support • School attendance • Education welfare • Youth services • Substance misuse services • Health visiting • School nursing	**Social Care** • Statutory assessments and care planning • Services for looked-after children • Services for care leavers • Fostering • Adoption • Placement commissioning and procurement
Education • School place planning • School admissions • Student services • School improvement • School leadership development • Alternative education provision • Governor support • Apprenticeships and access to employment • School nurses (in Windsor and Maidenhead)	**Special Educational Needs, Disabilities and Health Services** • Educational psychology • Special educational needs • Integrated services for children with disabilities • Emotional health and wellbeing
Business Services • ICT and business systems • Performance and business intelligence • Quality assurance • Strategy and policy development • Service improvement • Workforce development • Marketing and communications • Business development • Financial planning and monitoring • Accountancy services • Schools' finance	

Our workforce

In 2019-20, we employed 1,375 employees in total including those in full-time, part-time and casual roles (992 full time equivalent employees). Our employees come from a broad range of professional disciplines including social work, teaching, health services and public sector management. We work hard to ensure that our workforce represents the diversity of the children and young people we work with. We are also committed to the recruitment, training, development and promotion of people with disabilities. In 2019-20, of those who declared their protected characteristics:

- 82.5% of our employees were female. It is worth noting that this figure differs slightly from the information reported as part of the gender pay gap data below as the time period that it relates to is not aligned due to different reporting timescales.
- 21.9% of our employees were from a Black, Asian or Minority Ethnic (BAME) background.
- 5.3% of our employees reported that they had a disability.
- The largest faith group within our workforce is Christian (53.8%). Employees with no faith or religion or who did not declare their religion account for 35.7% of the workforce.
- The majority of employees are aged between 30 and 50: 25.5% are aged 50 to 59; 25.1% are aged 30 to 39); 22.6% are aged 40 to 49; 15.5% are aged 20 to 29; 10.1% are aged 60 and over; and 1.4% are aged 16 to 19.
- 49.0% of our employees are married or in a civil partnership; 27.5% are single; and 11.4% have a partner.
- 3.9% of our employees are gay, lesbian, bi-sexual or other.
- 83.5% of our employees who earn over £50,000 are female; 2.7% of these employees have a disability; and 14.5% of these employees are BAME.

To ensure our employees are kept informed, consulted and involved in the development of the company we have established a number of regular communication channels. E-mail briefings are sent out to all employees weekly and there is a regular blog by the Director of Children's Services in both operational areas and other senior leaders. Senior leaders also hold regular drop-in sessions with employees to provide them with an opportunity to raise issues and concerns. There is an annual leadership conference and regular management meetings with representation from across the company. Managers are responsible for feeding back information to employees through regular team meetings and supervision. Company-wide briefings are held when required. The work of the Board of Directors is shared with employees through meeting summaries which are produced after each Board meeting. The Non-Executive Directors visit services to meet and speak with employees so that they have a rounded understanding of the services provided to children and their families.

Our staff councils are well-established across the company and continue to collect the views of colleagues and represent these to senior leaders in order to shape the effective operation of services in each operational area and the future direction of the company.

Gender Pay Gap

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, public sector employers with 250 or more employees are required to publish a snapshot of their workforce data.

Our data, which has been published on the government's website, shows that:

- 81.3% of our workforce are women;
- 80.0% of the top quartile of earners are women;
- The average hourly pay for women is 2.1% lower than for men; and
- The median hourly pay for women is 2.3% lower than for men.

The gender pay gap is not about equal pay for men and women. It is the difference between the average and median pay of men and women. It does not measure equal pay, which relates to what women and men are paid for the same jobs or work of equal value. In Achieving for Children equal pay is addressed through our job evaluation scheme.

The data required by government is a fairly simplistic indicator of a complex set of issues. Our ambition is to ensure equality of opportunity for women. We will seek to achieve this by:

- Refining and developing our recruitment processes.
- Championing our talent and leadership programmes.
- Reviewing and developing our learning and development offer.
- Growing and promoting our mentoring and coaching offer.
- Supporting women to remain in work through flexible working arrangements.

Our partners

We know that excellent children's services cannot be delivered in isolation. We have worked with health services, the police, schools and organisations in the voluntary sector to make sure our services are relevant and responsive to the needs of local children and families. Senior leaders from the company represent the interests of children's services on a number of statutory partnership bodies, including the Health and Wellbeing Boards, Community Safety Partnerships and the Children's Safeguarding Partnerships.

Our commitment to partnership working is evident in the way in which we engage with children and young people. We know that children and young people are best supported if they are able to shape and determine the services they and their families receive. As noted in our achievements in 2019-20, we are currently reviewing and updating our Engagement Strategy and strengthening the leadership and oversight of the engagement function.

6.2 Governance

Ownership

The Royal Borough of Kingston upon Thames (40%), London Borough of Richmond upon Thames (40%) and Royal Borough of Windsor and Maidenhead (20%) are the joint owners of Achieving for Children, which is a community interest company limited by guarantee. Their responsibilities and the ownership decisions they must make are set out in an inter-authority agreement. The Councils fulfil their ownership role through an Ownership Committee and Joint Committee. The Committees are responsible for ensuring that the Company operates and develops in accordance with the wishes of all Councils. To ensure the role of company owners in the governance of the company is explicit and there is a clear scheme of delegated authority, the Reserved Matters are structured according to bands as set out below along with the associated decision making arrangements:

- Band 1 decisions - reserved to the founding members and require both Kingston and Richmond to unanimously agree to pass. These are matters that relate to the company size and form.
- Band 2 decisions - matters that require 75% of the votes of all members (special resolution) to be cast in favour to pass. These are matters that are required in law to be a special resolution.
- Band 3 decisions - matters require the majority of votes by the members to be cast in favour to pass.

A full description of the Governance Arrangements and Scheme of Delegation are available at the following link:

https://cabnet.richmond.gov.uk/documents/s66532/Joint%20Committee%2020.03.17%20Goverance%20Report.pdf

These arrangements have recently been reviewed and updated as follows:

https://rbwm.moderngov.co.uk/ieListDocuments.aspx?CId=578&MId=7625

Operational commissioning decisions and performance review are delegated to a number of specialised officer boards that meet regularly throughout the year with membership including Chief Executives of the Councils and AfC, Directors of Finance of the Councils and AfC, the Director of Children's Services, Lead Commissioners of the three Councils as well as other relevant officers.

Financial Governance Arrangements

The Council owners exert a degree of financial control over the Company. In particular the owners have to approve:

- The Company's business plan, including its budget
- The Company's financial plan and any borrowing, credit facility or investment arrangements
- Any contract for revenue expenditure that has a total value of more than £10 million or any capital investment of more than £10,000

The Councils provide funding to the Company through a Revolving Credit Facility. This is a short-term loan facility that provides working capital, investment finance and funds any losses for the Company. The Councils closely monitor the Company's financial performance through the Operational Commissioning Group.

In addition to the requirements of the Companies Act 2006, as a community interest company Achieving for Children is governed by the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005. The Company is established as a not-for-profit organisation and seeks to provide value for money services to the Councils – any surplus that is made is earmarked for investment in children's services. The Company trades primarily with its parent Councils and other entities involved in providing children's services within the UK. The company is domiciled in the UK for tax purposes. The Company does not make any donations or provide any support to political parties.

Board of Directors

The AfC Board of Directors is the body appointed by the Council's to oversee the activity of the Company. The Councils, as owners of the company, reserve the power to appoint all directors.

The composition of the Board when there are no director vacancies is as follows:

Board Composition
2 x Executive Directors (max)
6 x Council Appointed Directors (max 2 x per member)
3 x Non-Executive Independent Directors (6 until 3rd March 2020)
11 TOTAL

The governance arrangements for the company are set out in its Articles of Association. Board Directors are appointed for the skills and experience that they bring, and have responsibility for overseeing the management of the company and for providing advice to the owners on its future direction and strategy. Each of the Non-Executive Independent Directors leads on a particular service area or priority and regularly visits services to meet with employees and service-users in order to maintain an overview of performance.

Directors of the Company in 2019/20 were:

DIRECTOR	MEMBERSHIP OF BOARD	
	From	To
Executive Directors		
Ian Dodds	06/10/2016	31/01/2020
Lucy Kourpas	01/01/2020	
Council Appointed Directors		
Kevin McDaniel	20/08/2018	-
Nicola Craig	20/08/2018	-
Elizabeth Bruce	12/06/2017	-
Charlotte Rohan	01/04/2019	-
Matthew Maher	22/06/2020	-
Non Executive Independent Directors		
David Archibald	26/01/2016	31/01/2020
Jane Spencer (left 04/03/20, returned 21/04/20)	01/04/2016	-
Catherine Jervis	11/09/2017	-
Sian Wicks	11/09/2017	-
Nina Hingorani-Crain	11/09/2017	03/03/2020
Chris Symons	11/09/2017	01/03/2020

Board Committee Meetings and Attendance

The Board has established an Audit and Risk Committee to liaise with the company's internal and external auditors and advise the Board on audit and risk matters. The Committee has reviewed risk management and assurance and the company's risk register and has received regular updates on progress of the internal audit plan that provides assurance against any significant control weaknesses.

Meetings of the Board and Committees were held during 2019/20 as follows:

BOARD OF DIRECTORS	AUDIT AND RISK COMMITTEE
9 May 2019	
9 July 2019	23 June 2019
23 August 2019	
17 October 2019	
16 December 2019	3 December 2019
11 February 2020	23 January 2020

The following table shows the attendance at meetings in 2019/20:

DIRECTOR	ATTENDANCE AT BOARD OF DIRECTORS		ATTENDANCE AT AUDIT AND RISK COMMITTEE		MEMBERSHIP OF BOARD (IN YEAR)	
	POTENTIAL	ACTUAL	POTENTIAL	ACTUAL	From	To
David Archibald	5	5	3	1	01/04/2018	31/01/2020
Jane Spencer	6	6	3	3	01/04/2018	31/03/2020
Catherine Jervis	6	5	3	3	01/04/2018	31/03/2020
Sian Wicks	6	5	3	3	01/04/2018	31/03/2020
Nina Hingorani-Crain	6	5	3	3	01/04/2018	03/03/2020
Chris Symons	6	5	3	0	01/04/2018	01/03/2020
Ian Dodds	5	5	-	-	01/04/2018	31/01/2020
Lucy Kourpas	1	1	-	-	01/01/2020	31/03/2020
Kevin McDaniel	6	6	-	-	20/08/2018	31/03/2020
Nikki Craig	6	5	-	-	20/08/2018	31/03/2020
Liz Bruce	6	4	-	-	01/04/2018	31/03/2020

* Executive Directors are not members of the Audit and Risk Committee and attend by invitation to advise the Committee
** Nominated substitutes can attend for Council Appointed Directors

Remuneration of Directors
There are different arrangements for setting the remuneration of Board Directors:

a) Executive Directors employed by AfC have their terms and conditions determined by the Company.
b) Council Appointed Directors are employed by the three Councils and have substantive roles within their employing council. Their terms of employment are determined by the employing Council and relate to their service to the Council. Their service on the Board of Achieving for Children is not remunerated and no costs are charged to the company for their services.
c) Non-Executive Independent Directors are part time directors of Achieving for Children and their remuneration is based on a daily rate that includes attendance at Board and Committee meetings and associated work. Their appointment and terms are determined by the Councils.

Non-Executive Independent Directors (NEID) are appointed, and their remuneration agreed, by the Councils acting as the owners of the Company in a general meeting. Their remuneration is based on a daily rate of £495 and covers all meetings and preparation work.

The remuneration for Directors of the Company is set out below:

			SALARY £	NATIONAL INSURANCE £	PENSION BENEFITS £	OTHER EXPENSES £	TOTAL £
David Archibald	NEID	**1 Apr 19 - 31 Jan 20**	**9,653**	**1,034**	**0**	**0**	**10,687**
		2018/19	14,405	1,600	0	0	**16,005**
Jane Spencer	NEID	**2019/20**	**6,089**	**443**	**0**	**0**	**6,532**
		2018/19	6,287	509	0	0	**6,796**
Catherine Jervis	NEID	**2019/20**	**9,960**	**556**	**990**	**0**	**11,506**
		2018/19	7,178	603	1,148	0	**8,929**
Sian Wicks	NEID	**2019/20**	**4,055**	**696**	**1,267**	**0**	**6,018**
		2018/19	7,064	684	1,130	0	**8,878**
Nina Hingorani-Crain	NEID	**1 Apr 19 - 3 Mar 20**	**7,723**	**587**	**0**	**0**	**8,310**
		2018/19	5,940	392	0	0	**6,332**

Chris Symons	NEID	**1 Apr 19 - 1 Mar 20**	**3,119**	**242**	**0**	**0**	**3,361**
		2018/19	5,772	438	238	0	**6,448**
Ian Dodds	Exec Director	**1 Apr 19 - 31 Jan 20**	**114,862**	**14,805**	**18,627**	**0**	**148,294**
		2018/19	135,501	17,537	21,680	0	**174,718**
Nick Whitfield	Exec Director	**2019/20**	-	-	-	-	-
		1 Apr 18 - 30 Aug 19	54,297	6,718	0	287	**61,302**
Lucy Kourpas	Exec Director	**1 Jan 19 - 31 Mar 20**	**25,745**	**3,255**	**4,119**	**0**	**33,119**
		2018/19	-	-	-	-	-
TOTAL		**2019/20**	**181,204**	**21,619**	**25,003**	**0**	**227,826**
		2018/19	236,444	28,481	24,196	287	**289,408**

Remuneration of Council appointed directors

Council appointed directors serve as part of their duties to their Councils, and they receive no additional remuneration in respect of these appointments. They are not remunerated by Achieving for Children nor does the Company bear any charge for their services as directors. Their remuneration is published in the accounts of their respective Councils and is available on their websites:

https://www.kingston.gov.uk/info/200285/financial_information/738/accounts
http://www.richmond.gov.uk/budgets_and_spending
https://www3.rbwm.gov.uk/downloads/download/208/annual_statement_of_accounts_reports

Remuneration of Senior Management of the Company

The Board of Directors has delegated the responsibility for the day to day running of Achieving for Children to the Chief Executive and Directors who make decisions on the Senior Leadership Team (SLT). These delegations are detailed in a Scheme of Delegation. The organisation's directors are responsible for ensuring the company achieves the ambitions and strategy set by the Board of Directors, and delivers the best possible services for children and their families in line with our contract with the commissioning Councils.

The following table provides details of the 2019/20 Company Senior Leadership Team membership. Officers with the word 'Director' in their title are only members of the Board of Directors if they appear in the table summarising Board membership above.

Company Senior Leadership Team (extended)		Start date	End Date
Lucy Kourpas	Interim Chief Operating Officer and Director of Finance (all contracts)	January 2020	-
	Director of Finance and Resources (Business Services - all contracts)	October 2016	January 2020
Deborah Glassbrook	Director of Improvement (Business Services - all contracts)	October 2016	November 2019
Ian Dodds	Director of Children's Services (Richmond and Kingston contract)	January 2020	
	Managing Director (all contracts)	August 2018	December 2019
Kevin McDaniel	Director of Children's Services (Windsor and Maidenhead contract)	August 2017	-
James Thomas	Interim Director of Children's Services (Richmond contract)	January 2019	December 2019
Pauline Maddison	Interim Director of Children's Services (Kingston contract)	November 2018	December 2019
Alison Twynam	Director of Social Care (Richmond and Kingston contract)	April 2014	-
Lin Ferguson	Director of Social Care (Windsor and Maidenhead contract)	August 2017	-
Alison Crossick	Principal Educational Psychologist (Windsor and Maidenhead contract)	August 2017	-
Charis Penfold	Director of Education Services (Richmond and Kingston contract)	April 2014	-
Jessica Thom	Director of Commissioning (all contracts)	March 2020	-

The remuneration of each member of the Company Senior Leadership Team in 2019/20 was:

		SALARY £	NATIONAL INSURANCE £	PENSION BENEFITS £	OTHER EXPENSES £	AGENCY £	TOTAL £
Kevin McDaniel	**2019/20**	**114,000**	**14,546**	**16,302**	**202**	**0**	**145,050**
	2018/19	105,500	13,397	15,087	332	0	134,316
Pauline Maddison	**2019/20 (1 April - 30 Dec 19)**	**0**	**0**	**0**	**0**	**173,393**	**173,393**
	2018/19 (part year)	0	0	0	0	71,786	71,786
James Thomas	**2019/20 (1 April - 30 Dec 19)**	**0**	**0**	**0**	**0**	**190,995**	**190,995**
	2018/19 (part year)	0	0	0	0	65,450	65,450
Ian Dodds	**2019/20**	**139,027**	**17,942**	**22,977**	**0**	**0**	**179,946**
	2018/19	135,501	1,7537	21,680			174,718
Robert Henderson	**2019/20**	-	-	-	-	-	**0**
	2018/19 (part year)	104,900	13,608	18,807	253	0	137,568
Nick Whitfield	**2019/20**	-	-	-	-	-	**0**
	2018/19 (Apr –0 Aug 18)	54,297	6,718	0	287	0	61,302
Alison Twynam	**2019/20**	**114,650**	**14,631**	**20,637**	**327**	**0**	**150,245**
	2018/19	114,650	14,659	20,637	182	0	150,128
Lin Ferguson	**2019/20**	**99,858**	**12,633**	**14,279**	**135**		**126,905**
	2018/19	97,349	12,284	13,921	312	0	123,866
Charis Penfold	**2019/20**	**105,315**	**13,342**	**16,850**	**1,229**		**136,736**
	2018/19	103,248	13,086	16,520	1,301	0	134,155
Alison Crossick	**2019/20**	**79,416**	**9,672**	**12,707**	**0**	**0**	**101,795**
	2018/19	74,016	9,053	11,843	162	0	95,074
Lucy Kourpas	**2019/20**	**102,978**	**13,020**	**16,476**	**0**	**0**	**132,474**
	2018/19	99,809	12,516	15,969	0	0	128,294
Deborah Glassbrook	**2019/20 (Apr - Nov 19)**	**64,359**	**8,088**	**10,297**	**1,673**	**0**	**84,417**
	2018/19	101,960	12,908	16,314	2,665	0	133,847
Andrew Thorne	**2019/20**	-	-	-	-	-	**0**
	2018/19	91,779	11,365	14,685	468		118,297
Jessica Thom	**2019/20 (Mar 20)**	**7,927**	**995**	**1,268**	**0**	**0**	**10,190**
	2018/19	-	-	-	-	-	0

Review of Governance and Internal Control
The Audit and Risk Committee is responsible for advising the Board on the adequacy and effectiveness of the Company's governance, risk management, internal control, treasury management and value for money systems and frameworks.

The governance review arrangements require that each Director of Children Services carries out a review of the effectiveness of internal control for their respective areas of responsibility and this has been reviewed by the Chief Operating Officer. They have reported their findings to the Audit and Risk Committee which agreed a Statement of Internal Control at its meeting in June 2020 and advised the Board that the Company had adequate and effective arrangements in place in relation to Company's governance, risk management, internal control, treasury management and value for money systems and frameworks.

6.3 Directors' Responsibilities

The directors are responsible for preparing the Annual Report that includes the Strategic Report and Directors' 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. Accordingly, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Stansards/IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Group and Parent Company Financial Statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider that the annual report and financial statements, when taken as a whole, is fair, balanced and understandable.

Each of the Directors is responsible for preparing the annual report and financial statements. In particular, each of the Directors confirms that to the best of my/our knowledge:

- The statement of accounts, which have been prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The Strategic Report, contained in pages 7 to 32 and the Directors' Report, contained in pages 33 to 45, together set out a fair review of the development and performance of the business and position of the Company and describe the principal risks that it faces;

The Director's confirm that:

- So far as each Director is aware, there is no relevant audit information of which Grant Thornton UK LLP, as the Company's auditors, are unaware; and
- The Director's have taken all steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that Grant Thornton UK LLP are aware of that information.

Signed on behalf of the Board:

Sian Wicks
Interim Executive Chair of the Board of Directors
15th May 2020

Introduction to the Financial Accounts and Audit Fees

These accounts have been compiled in line with International Financial Reporting Standards (IFRSs) and cover the period from 1 April 2019 to 31 March 2020. The accounts have been audited by Grant Thornton UK LLP. For transparency purposes the following table details the fees payable to Grant Thornton.

Description	2019/20 £000	2018/19 £000
Annual audit fee	40	28
Total estimated fees payable to the auditor for the audit of the Company's annual accounts	**40**	**28**
Certification of Teachers Pension Return	4	4
Total fees payable to the auditor for other services	**4**	**4**

Grant Thornton UK LLP is constituted as a limited liability partnership in accordance with the Limited Liability Partnership Act 2000.

The financial accounts and disclosures are set out in the Company's Statement of Accounts that follows the Auditor's Report.

GrantThornton

Independent auditor's report to the members of Achieving for Children Community Interest Company

Opinion
We have audited the financial statements of Achieving for Children Community Interest Company (the 'company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the Statement of Cashflows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.
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 profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

The impact of macro-economic uncertainties on our audit
Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 the 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.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement set out on pages 44 and 45, 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: 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.

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

achieving for children

COMMUNITY INTEREST COMPANY

STATEMENT OF ACCOUNTS

1st April 2019 – 31st MARCH 2020

Audited June 2020

http://www.achievingforchildren.org.uk/

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THE CORE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

This statement measures the Company's performance for the period and shows the accounting profit or loss in accordance with International Financial Reporting Standards (IFRS).

	NOTES	Trading 2019/20 £000	Trading 2018/19 £000
Revenue	7	161,660	154,026
Other income	7	8,582	6,232
Employee benefits	5	(54,313)	(50,575)
Depreciation	10	(3,293)	(148)
Other expenses	8	(120,946)	(114,993)
One off set up costs		0	0
Operating Profit / (Loss)		**(8,310)**	**(5,458)**
Finance income	18	13	12
Finance costs	18	(1,852)	(1,302)
Profit / (Loss) before tax		**(10,149)**	**(6,748)**
Tax expense	19	(2)	1
Profit / (Loss) from continuing operations		**(10,151)**	**(6,747)**
Other comprehensive income:			
Items that will not be re-classified subsequently to profit or loss			
- Re-measurement of net defined benefit liability	5	12,250	(8,666)
Items that will be reclassified subsequently to profit of loss		0	0
Other comprehensive income for the period net of tax		**12,250**	**(8,666)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**2,099**	**(15,413)**
Profit/loss for the year attributable to parent companies:			
LB Richmond upon Thames (40%)		840	(6,165)
RB Kingston upon Thames (40%)		840	(6,165)
RB Windsor and Maidenhead (20%)		420	(3,083)
Total		**2,099**	**(15,413)**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

This statement shows the movement or change in value of net equity from the beginning of the reporting period to the 31st March. The Company's net worth or equity is currently showing as a significant negative balance. The opening balance at 1 April 2019 was adjusted for the mandatory adoption of IFRS 16 (Leases). Further detail on the adoption of this new standard is included in Note 4 as well as the accounting policies.

The Board and owning Councils have committed to offering the Local Government Pension Scheme to ensure compliance with the offer of equivalent terms and conditions for TUPE staff and it is a key part of the Company's recruitment and retention strategy. The LGPS is a funded defined benefit scheme and as a result AfC is reporting a significant pension deficit on the Statement of Financial Position. This deficit represents the shortfall in money set aside to pay for pension rights earned to date. This money will not be paid out until the current members retire and does not represent an immediate cashflow issue. The fund is subject to a triennial valuation and employer contribution rates will be adjusted to ensure that the fund is adequately resourced to pay out retirement benefits due, when they are due. The combination of these two factors means that AfC's Equity is likely to remain in a negative position for the foreseeable future but does not mean that the Company is not a Going Concern. The reasons for a positive Going Concern assessment are detailed in Note 2 to these Accounts.

	Notes	Pensions Reserve £000	Retained Earnings £000	Total Attributable to Owners £000
Balance at 31 March 2018		**(3,697)**	**(35,492)**	**(39,189)**
Profit/(Loss) for the year	SCI		(6,747)	(6,747)
Other Comprehensive Income				
- Re-measurement of net defined benefit liability	5	(8,666)		(8,666)
Total comprehensive income for the year		(8,666)	(6,747)	(15,413)
Balance at 31 March 2019		**(12,363)**	**(42,239)**	**(54,602)**
IFRS 16 - modified lease adjustment	4		(338)	(338)
Profit/(Loss) for the year	SCI		(10,151)	(10,151)
Other Comprehensive Income				
- Re-measurement of net defined benefit liability	5	12,250		12,250
Total comprehensive income for the year		12,250	(10,489)	1,761
Balance at 31 March 2020		**(113)**	**(52,728)**	**(52,841)**

The annual balance will be carried forward within the Company's Statement of Financial Position

There were no non-controlling entities for the 2018/19 and 2019/20 periods.

Pensions Reserve – This reserve represents the cumulative amount that has been recognised via Other Comprehensive Income in relation to re-measurement of the net defined benefit liability due to changes in actuarial assumptions. Examples include changes in demographic assumptions, changes in financial assumptions, changes in the asset ceiling and return on assets that are not included in net interest.

Retained Earnings – This represents the net cumulative carrying amount of the Profit / (Loss) from continuing operations. The opening balance of the retained earnings was adjusted for the modified retrospective adoption of IFRS 16 'Leases'. Further detail on this adjustment is provided in Note 4 – New or Revised Standards.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

The Statement of Financial Position or Balance Sheet shows the net worth of the Company as at the 31st March in accordance with IFRS. It shows what the Company owes and owns and the equity within the Company that is attributable to Achieving for Children's (AfC) parent Councils.

Company Registration Number 08878185	**Notes**	**31 March 2020 £000**	**31 March 2019 £000**
ASSETS			
Property, Plant and Equipment	10	14,640	384
Payment in Advance	10	30	31
Non-Current Assets		**14,670**	**415**
Trade and Other Receivables	13	36,251	33,235
Cash and Cash Equivalents	14	7,130	2,405
Current Assets		**43,381**	**35,640**
TOTAL ASSETS		**58,051**	**36,055**
EQUITY AND LIABILITIES			
Equity		**(52,841)**	**(54,602)**
Liabilities:			
Finance Lease Liabilities	11	11,780	0
Pension and other employee obligations	5	50,765	53,105
Non-current liabilities		**62,545**	**53,105**
Finance Lease Liabilities	11	2,932	0
Borrowings	17	31,400	23,400
Trade and other payables	15	14,005	14,142
Provisions	16	10	10
Current liabilities		**48,347**	**37,552**
Total Liabilities		**110,892**	**90,657**
TOTAL EQUITY AND LIABILITIES		**58,051**	**36,055**

SBWicks

Sian Wicks, Interim Executive Chair of the Board

15 May 2020

STATEMENT OF CASHFLOWS FOR THE PERIOD ENDING 31 MARCH 2020

The Statement of Cashflows shows the changes in cash and cash equivalents of the Company during the reporting period and how cash movements relate to the profit and loss for the period.

	Notes	2019/20 £000	2018/19 £000
<u>Operating Activities</u>			
Loss before tax	SCI	(10,151)	(6,747)
Non cash flow adjustments	20	15,136	12,247
Contributions to defined benefit plans	5	(5,057)	(5,378)
Net changes in working capital	20	(3,153)	(9,878)
Net cash from operating activities		**(3,225)**	**(9,756)**
<u>Investing Activities</u>			
Net cash used in investing activities	10	(50)	(32)
<u>Financing Activities</u>			
Proceeds from borrowings		25,000	22,500
Repayment of borrowings		(17,000)	(17,600)
Net cash from / used in financing activities		**8,000**	**4,900**
Net movement in cash and cash equivalents		**4,725**	**(4,888)**
Cash and cash equivalents at the beginning of the year		2,405	**7,293**
Cash and cash equivalents at the end of the year	14	**7,130**	**2,405**

AfC borrows money from its parent Councils via a revolving credit facility for ongoing operations. The amount owed to the Councils under this arrangement is detailed in Note 17 to the accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

Achieving for Children (AfC) was registered as a Community Interest Company on 5th February 2014. The Company is jointly owned by the LB Richmond upon Thames (40%), RB Kingston upon Thames (40%) and RB Windsor and Maidenhead (20%). The Company began trading on 1st April 2014. This statement of accounts reports on the fifth year of trading and covers the period from 1st April 2019 to 31st March 2020.

AfC was established to provide children's social care and education services to children, families and young people across the boroughs of Richmond and Kingston as well as other areas. In August 2017 Windsor and Maidenhead joined the Company and services now extend to this third borough. The main contracts during the accounting period to which this statement relates are with the LB Richmond, RB Kingston and RB Windsor and Maidenhead. The Company also supports other local authorities and public sector partners through the provision of services and advice. This has included continuing work as a Department for Education 'Partner in Practice' during 2019/20.

This Statement of Accounts has been prepared in accordance with International Financial Reporting Standards as required by the Companies Act 2006. The Accounts summarise the Company's financial performance (Statement of Comprehensive Income), equity (Statement of Equity), financial position (Statement of Financial Position) and cash flow (Statement of Cashflows) for the period. The financial statements have been prepared under the historical cost convention. Pension assets and liabilities are measured in line with the requirements of IAS19, further details are included in Note 5.

A new requirement, IFRS 16 leases, has been adopted from 1 April 2019. AfC has assessed all leases against this new standard as part of the preparation and completion of the 2019/20 Statement of Accounts process. The application of this new standard has led to the writing on of £14.4m in 'right of use' assets and related £14.7m of liabilities as at 31 March 2020. This has increased the assets and liabilities on the Balance Sheet by a net £0.3m (liability) due to the profile of principal and interest payments over the lifetime of the leases. This has reduced the amount of lease rental payments recognised through the Statement of Comprehensive Income. The majority of right of use assets relate to properties that AfC leases from its three commissioning councils, vehicles and miscellaneous ICT equipment and software.

In preparing this Statement the Company has considered the impact that exit from the European Union (BREXIT) may have. No material financial impact is expected but the organisation may be affected by resulting changes to the law, including those relating to education and children's services, employment, procurement regulations and statutory reporting. In addition, changes in the cost of goods and services due to changes in the cost of import or changes to exchange rates could impact on the cost of running services and require negotiations with Commissioners with regard to contract prices.

The Company has also considered the impact of Covid 19 on the organisation's going concern assessment and has taken steps to ensure that all material impacts are reflected in these accounts. The most significant impact is on the pension fund valuation where the economic fluctuations caused by the pandemic have influenced the value of pension scheme assets and the net liability. The pension liability reflects the most up to date actuarial valuation of the pension fund assets and liabilities as at 31st March 2020. The organisation has assessed that the pandemic does not compromise the organisation as a going concern as it is likely to lead to an increase in demand for services and the organisation has been able to adapt service delivery models to ensure service delivery continues. The contracts with the councils, which makes up over 91% of income, will continue and additional funding for Covid 19 specific activity will be agreed with each council as required.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The Company has followed a detailed set of IFRS compliant accounting policies in the production of these accounts. The full policies are contained in Note 28 to these Accounts. The Accounting policies are revised annually to ensure they remain appropriate and relevant. The most significant policies to note are:

- **Recognition of Income and Expenditure**
  Activity is accounted for in the period that it takes place, not simply when cash payments are made or received. In particular:

  Income – Revenue from the sale of goods and services is recognised when (or as) the Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled, and all obligations have been fulfilled in relation to the revenue and/or contract. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer.

  Expenditure - Supplies are recorded as expenditure when they are consumed. Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

  The de-minimis limit for adjusting the accounts for income and expenditure not physically received or paid (accruals) but relating to the reporting year is £5,000.

- **Post-Employment Benefits**
  The following pension schemes are available to employees of AfC:

  - Teachers' Pension Scheme is available to teachers
  - National Health Service Pension Scheme is available to staff carrying out health functions
  - Local Government Pensions Scheme (LB Wandsworth (formerly Richmond) and RB Kingston schemes) are available to all staff

  These are all Defined Benefit Schemes, but the first two are accounted for as Defined Contribution Schemes due to their nature. For Defined Contributions Schemes, the payments are accounted for on an accruals basis with no adjustment under IAS 19. Further details are provided on page 93.

  The LGPS is accounted for as required by IAS 19 to show the cost of benefits earned in the period of account against the relevant service. This uses figures provided by the Actuary in assessing the current value of benefits earned during the period, the impact of decisions or changes made during the period, interest and re-measurement costs. Further details are provided in Note 5.

  The value (on an IAS19 basis) of the net liability associated with staff transferring in from the RB Windsor and Maidenhead has been estimated at a mid-point between the two actuarial estimates that are available at the time of producing these accounts. The amount has been recognised through the Comprehensive Income and Expenditure Account. The Councils pension teams are currently in negotiation about the exact value of the transfer and therefore the mid-point is the most materially correct value to recognise given the information known at the time of producing these accounts.

- **Recognition of Lease Assets**
  For any new contracts entered into on or after 1 April 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys

the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. If there is a right to direct 'how and for what purpose' the asset is used throughout the period of use then a 'right of use' asset and lease liability is recognised on the Balance Sheet. Leases are not recognised where they are for less than 12 months and where they have a value of less than £5,000 (de-minimis).

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. The liability is reduced for payments made each year.

The following Critical Judgements and assumptions have been made in applying Accounting Policies:

- Agency relationship – It has been assessed that the passporting of some transactions in the Dedicated Schools Grant on behalf of the parent Councils to various education establishments is an agency relationship and has therefore been excluded from AfC's Accounts. Further details are available in Note 6.

- Going Concern – Achieving for Children CIC has been assessed by the Directors as a Going Concern. Despite the significant accounting losses reported in these Accounts the Board and Senior Leadership Team have made significant progress in identifying how these financial challenges will be met and continues to develop these plans. The Board's Medium Term Financial Plan outlines these financial plans in more detail and addresses what actions are being taken to reduce the Company's cost base to accommodate proposed reductions in the owners' contract prices over the next three years. As with the parent Councils, the Company will revise pension contributions in line with the most up to date actuarial assessment and guidance. An assessment was carried out as at 31st March 2019 and an increased employer contribution rate (16% to 19%) will be applied from 1st April 2020. The fund is reviewed every three years to determine an appropriate employer contribution rate to ensure that funding is available to meet pension obligations as they become due. The Company is wholly owned by three Councils who are determined to be Going Concerns. The Company is able to borrow from the Councils under a contractual Revolving Credit Facility to ensure short term cash flow and the Councils are contractually committed to procuring children's services from AfC until March 2026 (Richmond and Kingston) and August 2024 (Windsor and Maidenhead).

- Deferred Tax Asset – The Company has assessed that the deferred tax asset should be recognised as a contingent asset rather than as an asset within the Statement of Financial Position. It is not probable that the Company will make significant taxable profits in the short to medium term. If the Company does make taxable profits in the coming years it will be able to reduce its initial tax liability by offsetting taxable losses incurred.

- Leases – In assessing the substance of lease arrangements the organisation has determined that the leases with the councils for the rental of buildings amount to a 'right of use' because the company is able to substantially direct 'how and for what use' the buildings are used. This has resulted in the significant recognition of these properties as 'right of use' assets and liabilities in the company Balance Sheet and has led to a reduction in lease payments recognised through the Comprehensive Income Statement.

The Statement of Accounts contains estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. Estimates are made taking into account historic experience, current trends and other relevant factors. The items in the accounts that have a more significant associated estimation risk are:

- Recognition of income and expenditure – The identification and calculation of accrued income and expenditure is done using the best information available. Where actual amounts have not yet been agreed, adjustments for anticipated income and expenditure have been based on estimations.

- Actuarial valuation of pension liabilities and assets – Pension assets and liabilities and associated costs have been presented based upon an actuarial estimate that has been calculated in line with methodologies prescribed in IAS19. The actuary makes assumptions based on indicators of future trends. Full details and a sensitivity analysis is provided in note 5 to the accounts.

- Valuation of 'right of use assets' and lease liabilities – The value of these assets has been estimated based on the present value of the lease payments unpaid at the Balance Sheet date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

NOTE 3 MATERIAL AND EXCEPTIONAL ITEMS OF INCOME AND EXPENSE

Exceptional Items:
Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the reporting entity and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

No transactions have been classed as exceptional for the 2019/20 financial year.

Material Items:
A material item is an item of expenditure or income that is unusual in scale and non-recurring. The following material items are reported as part of the accounts:

Change Controls – The contract prices for the Councils changed throughout the reporting year. Under the contracts, AfC can bid for more contract income if it is needed to ensure that service standards are maintained or if there are significant fluctuations in demand for services (e.g. more children requiring care). The Company was granted additional income as follows:

	General Fund £000	**Dedicated Schools Grant Fund £000**	**Total £000**
Richmond Contract	1,238	4,402	**5,640**
Kingston Contract	1,499	5,705	**7,204**
Windsor and Maidenhead Contract	1,808	517	**2,325**
Total	**4,545**	**10,624**	**15,169**

This additional income is included in the Statement of Comprehensive Income under Revenue.

NOTE 4 NEW OR REVISED STANDARDS

The Company has adopted the new accounting standard IFRS 16 'Leases' in full for the reporting period 1 April 2019 to 31 March 2020.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. The transition from IAS 17 to IFRS 16 had the following impact on equity (retained earnings):

	£000
Reversal of lease payments prior to 1 April 2019 assessed as right-of-use asset under IFRS 16	(12,715)
IFRS 16 Depreciation Charge prior to 1 April 2019 on leases assessed as right-of-use asset	12,052
Interest payments prior to 1 April 2019 under IFRS 16	1,000
Total impact on equity (retained earnings)	**337**

All contracts in place at the date of initial application have been assessed. The Company did not previously recognise any finance lease assets or liabilities under the criteria of IAS 17. The change in standard and assessment criteria from IAS 17 to IFRS 16 has led to a significant increase in assets and related liabilities.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 April 2019. At this date, the Company elected to measure the right-of-use assets at an amount equal to the total lease liability. This is known as the Cost Model.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There were no leases previous classed as Finance Leases.

On the transition to IFRS 16 the Company applied an incremental borrowing rate of 0.5% plus BOE base rate at the time of entering into the lease arrangement. The 0.5% borrowing rate is in line with its Revolving Credit Facility arrangement with the owning councils, and represents the interest the Company is likely to have paid to purchase the leased asset outright. Further details of lease arrangements are given in Note 11.

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at 1 April 2019:

	IAS 17 carrying amount at 31 March 2019 £000	**Re-measurement under IFRS 16 £000**	**IFRS 16 carrying amount at 1 April 2019 £000**
Property Plant and Equipment	0	29,550	29,550
Lease Liabilities	0	(29,550)	(29,550)
Total	**0**	**0**	**0**

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

	Amount £000	Amount £000
Total operating lease commitments disclosed at 31 March 2019		**31,319**
Leases of low value	(23)	
Leases with remaining lease term of less than 12 months	(129)	
Total Exemptions		**(152)**
Operating lease liabilities before discounting		31,167
Discounted using		(1,617)
Total lease liabilities recognised under IFRS 16 at 1 April 2019		**29,550**

The following future standard have been considered:

- IFRS 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Conceptual Framework for Financial Reporting

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

NOTE 5 EMPLOYEE BENEFITS

Expenses recognised within Statement of Comprehensive Income as employee benefits are analysed below:

	Trading 2019/20 £000	Trading 2018/19 £000
Salaries	(36,440)	(35,675)
Employee absence liability	(107)	111
National Insurance	(3,634)	(3,562)
Pension Fund Contributions - LGPS	(13,551)	(10,518)
Pension Fund Contributions - Other schemes	(376)	(326)
Other (redundancy, compensation etc.)	(205)	(605)
	(54,313)	**(50,575)**

Salaries

In March 2020 the Company paid 960 FTE staff across LB Richmond, RB Kingston and RB Windsor and Maidenhead. The Company has undergone service redesigns that has reduced the overall staff establishment on a like for like basis compared to 2018/19. There was, however, a small net increase from last financial year (16 fte) due to bringing the previously externally delivered SEN Transport service in RB Kingston in-house. The level of salary spend has increased due to this change as well as the staff pay award, incremental drift and other factors. Details of staffing across services in 2019/20 are:

Service	FTE's
Business Services	177
Education Services, SEN and Children with Disabilities	268
Public Health	37
Social Care and Early Help	470
Strategic Management	8
Total	**960**

Defined Benefit Pension Plans (LGPS)

As part of the terms and conditions of employment of its officers, the Company makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, AfC has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

Staff can be members of either the LB Wandsworth (Richmond) or RB Kingston upon Thames funds. Staff that transferred into the Company in the first period remain on their original plan and new employees, including RBWM staff, are admitted to the plans on an alternate basis to ensure that membership numbers between the two funds remain relatively equal.

The Company participates in the following post-employment arrangements:

- The Local Government Pension Scheme, administered by the LB Wandsworth and the Local Government Pension Scheme, administered by the RB Kingston – this is a funded defined benefit salary scheme, meaning that the Company and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The Company is responsible for any deficit on its share of the Fund.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The principal risks to the Company are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These risks are managed by the Fund over the long term, via the independent actuarial valuation process setting appropriate contribution rates.

Transactions Relating to Post-employment Benefits

The Company recognises the cost of retirement benefits in the Statement of Comprehensive Income when they are earned by employees, rather than when the benefits are eventually paid as pensions.

The following table shows the impact of LGPS post-employment benefits on Statement of Comprehensive Income:

	2019/20	2018/19
	£000	£000
Past service costs (adjustment for McLoud judgement)*	**(766)**	**0**
Current service costs	(12,785)	(10,886)
Past service costs	0	(131)
Total recognised in operating profit / (loss)	**(12,785)**	**(11,017)**
Finance costs	(3,839)	(3,430)
Finance income	2,423	2,336
Total post-employment benefit charged to the profit / (loss) from continuing operations	**(14,201)**	**(12,111)**
Re-measurement of the Net defined Benefit Liability :		
Change in demographic assumptions	6,442	0
Change in financial assumptions	18,250	(12,603)
Other experience	7,177	0
Return on plan assets (excluding amounts already included in the net interest expense)	(19,619)	3,937
Total recognised in Other Income	**12,250**	**(8,666)**
Total recognised in Total Comprehensive Income for the period	**(1,951)**	**(20,777)**
Total recognised in Total Comprehensive Income for the period including adjustment for McLoud judgement*	**(2,717)**	

*The past service cost relating to the McLoud judgement was an opening balance adjustment.

An opening balance adjustment has been recognised to account for the past service cost implications of the McLoud judgement. This adjustment accounts for the unsuccessful tribunal appeal of the Government In July 2019 and the subsequent estimated impact on future pension liabilities for employees in the LGPS. There were no liabilities in relation to unfunded liabilities.

Pensions Assets and Liabilities Recognised in the Statement of Financial Position

The amount included in the Statement of Financial Position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	2019/20	2018/19
	£000	£000
Present Value of the Defined Benefit Obligation	(135,299)	(149,111)
Fair Value of Plan Assets	84,533	96,006
Net Liability arising from Defined Benefit Obligations	**(50,766)**	**(53,105)**

Reconciliation of Present Value of the Scheme Assets and Liabilities

		2019/20			2018/19	
	Assets £000	Liabilities £000	Total £000	Assets £000	Liabilities £000	Total £000
Opening Present Value of Scheme Liabilities	**96,006**	**(149,111)**	**(53,105)**	83,441	(121,148)	(37,707)
Adjustment to opening balance (past service cost - McLoud judgement)	***0***	*(766)*	*(766)*	n/a	n/a	n/a
Current Service Cost	0	(12,785)	**(12,785)**	0	(10,886)	**(10,886)**
Past Service Cost	0	0	**0**	0	(131)	**(131)**
Interest (Cost) / Income	2,423	(3,839)	**(1,416)**	2,336	(3,430)	**(1,094)**
Contributions from the employer	5,057	0	**5,057**	5,378	0	**5,378**
Contributions from employees	2,176	(2,176)	**0**	2,090	(2,090)	**0**
Gains / (Losses) on Curtailment	0	0	**0**	0	0	**0**
Benefits paid	(1,509)	1,509	**0**	(1,177)	1,177	**0**
Re-measurement Gains / (Losses) :						
- Actuarial Gains / (Losses) arising from change in demographic assumptions	0	6,442	**6,442**	0	0	**0**
- Actuarial Gains / (Losses) arising from changes in financial assumptions	0	18,250	**18,250**	0	(12,603)	**(12,603)**
- Other experience	0	7,177	**7,177**	0	0	**0**
- Return on assets (excluding the amount included in the net interest expense)	(19,619)	0	**(19,619)**	3,938	0	**3,938**
Closing Fair Value of Scheme Assets at 31 March	**84,533**	**(135,299)**	**(50,766)**	**96,006**	**(149,111)**	**(53,105)**

The Company estimates that it will pay £5.06m in employer contributions in 2019/20. The contribution rate increased from 16% to 19% for 2020/21 to 2022/23 in line with the most recent triennial valuation.

The fund accounts include asset valuations at 31 March 2020. The annual actuarial assessment of the value of assets and liabilities involves a number of complex assumptions and estimation uncertainty. The majority of the fund investments have retained liquidity and price transparency, however, there is increased uncertainty on the valuation of investments in pooled property and private assets and infrastructure. Due to the current market conditions caused by COVID-19, there is an industry-wide material valuation uncertainty, with independent valuers unable to rely on previous market experience to form an opinion on valuation. Valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA-10 of the RICS Red Book Global. Consequently, less certainty, and a higher degree of caution, should be attached to our valuation than would normally be the case.

All disclosures and certificates have been reviewed by the fund managers to ensure valuations included in the accounts have, in the opinion of the fund managers, been prepared and issued on a reasonable basis. No adjustment has been made to figures provided by fund managers. The sensitivity analysis below shows a potential impact of £0.277m if property and infrastructure assets were to reduce by 5%, or £0.544m in the event of a 10% reduction in value.

Asset Sensitivity Analysis as at 31 March 20	Value as at 31 Mar 2020	5% reduction in value	10% reduction in value
	£000	£000	£000
LBW Property Assets	1,672	-83.5	-167
LBW Private Debt and Infrastructure	1,769	-88.5	-177
RBK Property Assets	2,100	-105	-210

Local Government Pension Scheme assets comprised:

	31-Mar-20				31-Mar-19			
	£000	%	£000	%	£000	%	£000	%
	LB WANDSWORTH (RICHMOND)		RB KINGSTON		LB WANDSWORTH (RICHMOND)		RB KINGSTON	
Equity Securities								
- Consumer	0	0%	2,272	5%	0	0%	1,979	4%
- Manufacturing	0	0%	1,070	2%	0	0%	1,034	2%
- Energy and Utilities	0	0%	889	2%	0	0%	920	2%
- Financial Institutions	0	0%	1,700	4%	0	0%	1,790	3%
- Health Care	0	0%	1,517	3%	0	0%	1,551	3%
- Information Technology	0	0%	2,360	5%	0	0%	1,969	4%
- Other	22,694	60%	967	2%	0	0%	1,656	3%
Bonds								
- Corporate Bonds (investment grade)	4,059	11%	0	0%	4,628	10%	0	
- Corporate Bonds (non-investment grade)	4,628	12%	0	0%				
- UK Government	1,408	3%	0	0%	1,236	3%	0	
Property (UK)	1,672	4%	2,100	5%	1,750	4%	2905	6%
Investment Funds and Trusts								
- Equities	0	0%	19,559	42%	29,196	66%	19,461	38%
- Bonds	0	0%	3,820	8%	0	0%	6,353	12%
- Infrastructure	1,769	5%	0	0%				
- Other	1,169	3%	9,708	21%	6,255	14%	11,375	22%
Cash and Cash Equivalents	590	2%	582	1%	1,183	3%	764	1%
	37,989	**100%**	**46,544**	**100%**	**44,248**	**100%**	**51,757**	**100%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hymans Robertson LLP and Barnett Waddingham LLP, independent firms of actuaries. Estimates for Statements of the Fund are being based on the latest full valuation of the schemes available at the time of producing the calculations.

The significant assumptions used by the actuary have been:

	2019/20		2018/19	
	LB WANDSWORTH (RICHMOND)	**RB KINGSTON**	**LB WANDSWORTH (RICHMOND)**	**RB KINGSTON**
Long term expected rate of return on assets in the scheme	1.25%	1.25%	1.50%	1.25%
Mortality assumptions				
Longevity at 65 for current pensioners:				
Men	24.3 years	23.9 years	24.3 years	22.5 years
Women	25.8 years	25.8 years	25.9 years	24.8 years
Longevity at 65 for future pensioners:				
Men	23.1 years	22.6 years	26.5 years	24.2 years
Women	25.8 years	25.5 years	28.2 years	26.7 years

Take up option to convert annual position into retirement lump sum	**2019/20 LB WANDSWORTH (RICHMOND)**	**2019/20 RB KINGSTON**	**2018/19 LB WANDSWORTH (RICHMOND)**	**2018/19 RB KINGSTON**
- Pre April 2008 Service	50%	50%	50%	50%
- Post April 2008 Service	50%	75%	50%	75%

Financial Assumptions	**31-Mar-20**	**31-Mar-19**
	% pa	**% pa**
Rate of inflation	2.30%	2.50%
Rate of increase in pensions - Wandsworth (Richmond)	1.80%	2.40%
Rate of increase in pensions - Kingston	1.80%	2.50%
Rate of increase in salaries - Wandsworth (Richmond)	2.20%	2.80%
Rate of increase in salaries - Kingston	2.20%	2.90%
Discount Rate - Wandsworth	2.30%	2.50%
Discount Rate - Kingston	2.30%	2.40%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that only the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Change in Assumptions at 31 March	31-Mar-20 Approximate monetary amount £000	31-Mar-20 Approximate % increase to employer	31-Mar-19 Approximate monetary amount £000	31-Mar-19 Approximate % increase to employer
0.5% decrease in Real Discount Rate	18,198	13%	19,933	13%
1 year increase in member life expectancy	5,412	3-5%	5,964	3-5%
0.5% increase in the salary increase rate	2,013	1%	5,023	3%
0.5% increase in the pension increase rate	16,045	12%	14,458	10%

<u>Defined benefit pension schemes accounted for as defined contribution schemes</u>

The Company participates in two defined benefit pension schemes which are accounted for as defined contribution schemes:

Teacher's Pension Scheme (TPS)

Staff employed by the Company on teachers terms and conditions are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The Scheme provides teachers with specified benefits upon their retirement, and the Company contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. The scheme is a multi-employer defined benefit scheme. The scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years. The Company is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes and it is therefore accounted for on the same basis as a defined contribution scheme. AfC is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. There were no such costs in 2019/20. The Company is not liable to the scheme for any other entities obligations under the plan.

National Health Service (NHS) Pension Scheme

The Company employs some staff who undertake medical procedures and therefore qualify for membership to the NHS Pension Scheme. The NHS pension scheme is an unfunded, multi-employer, defined benefit scheme that covers NHS employers. In the NHS, the scheme is accounted for as if it were a defined contribution scheme: "NHS bodies shall account for the NHS Superannuation Scheme as a defined contribution plan" (NHS Manual full reference). The Company is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of these Accounts, it is therefore accounted for on the same basis as a defined contribution scheme. The Company is not liable to the scheme for any other entities obligations under the plan.

	Teachers' Pension Scheme 2019/20 £000	NHS Pension Scheme 2019/20 £000	Teachers' Pension Scheme 2018/19 £000	NHS Pension Scheme 2018/19 £000
Total Contributions	(207)	(169)	(166)	(160)
Employer's Contribution Rate	23.7%	20.68%	16.4%	20.6%
Anticipated Employer's Contributions next year *rates applicable from 1st September each year	23.7%	20.68%	23.7%	20.6%

NOTE 6 AGENCY TRANSACTIONS

During the period, AfC acted as agent for the LB Richmond upon Thames and RB of Kingston upon Thames with regard to a number of payments of Dedicated School Grant to schools and other educational organisations. AfC calculates the grant allocations in line with prescribed methodologies and arranges payment of the money to the relevant organisations. The agency calculations disclosed are formulaic and therefore the Company does not directly control the value of the transactions. The Company is fully reimbursed by the Councils for all payments made. These agency transactions have been excluded from the Accounts and will instead be reported within the Council's Accounts. The net impact of the difference in cash received and amounts paid out on behalf of the Councils is recognised as a net debtor on the Statement of Financial Position.

There were no agency transaction in RBWM for 2019/20. The key figures and impact on the primary statements are summarised below:

	Income 2019/20 £000	Expenditure 2019/20 £000	Total 2019/20 £000	Income 2018/19 £000	Expenditure 2018/19 £000	Total 2018/19 £000
Net impact on Statement of Comprehensive Income:						
Contract Income:						
- LB Richmond upon Thames	(788)	0	**(788)**	(1,290)	0	**(1,290)**
- RB Kingston upon Thames	(283)	0	**(283)**	(1,030)	0	**(1,030)**
	(1,071)	**0**	**(1,071)**	**(2,320)**	**0**	**(2,320)**
Transactions with schools / nurseries:						
- LB Richmond upon Thames	(82)	870	788	(346)	1,636	1,290
- RB Kingston upon Thames	(54)	337	283	(16)	1,046	1,030
	(136)	**1,207**	**1,071**	**(362)**	**2,682**	**2,320**
Impact on Profit and Loss Account	**(1,207)**	**1,207**	**0**	**(2,682)**	**2,682**	**0**

Net impact on Statement of Financial Position:						
	Debtors	Creditors	Total	Debtors	Creditors	Total
Contract Income:						
- LB Richmond upon Thames	(65)	0	(65)	0	0	**0**
- RB Kingston upon Thames	(99)	0	(99)	(382)	0	**(382)**
	(164)	**0**	**(164)**	**(382)**	**0**	**(382)**
Transactions with schools / nurseries:						
- LB Richmond upon Thames	0	0	0	0	17	**17**
- RB Kingston upon Thames	0	0	0	0	0	**0**
	0	**0**	**0**	**0**	**17**	**17**
Total	**(164)**	**0**	**(164)**	**(382)**	**17**	**(365)**
Net Debtor	164	0	164	382	(17)	365
Impact on Statement of Financial Position	**0**	**0**	**0**	**0**	**0**	**0**

NOTE 7 REVENUE AND OTHER INCOME

Since 2018/19, a new requirement, IFRS 15 Recognition of Revenue from Contracts with Customers, has been adopted. An entity must recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue will only be recognised when all obligations have been fulfilled.

The following tables show the Company's revenue streams by type and service area. All material contract performance obligations have been fulfilled in year.

	2019/20	2018/19
	£000	£000
Contract income LB Richmond Upon Thames	60,429	57,893
Contract income RB of Kingston Upon Thames	56,344	53,694
Contract income RB of Windsor and Maidenhead	38,288	36,343
Fees & charges for services	5,829	5,428
Lettings	169	175
Client contributions	117	114
Income from local authorities	485	379
Turnover reported within operating loss	**161,661**	**154,026**
Government Grants	527	301
Grants and contributions	8,044	5,928
Donations	5	0
Other	5	3
Other income reported within operating loss	**8,581**	**6,232**
Total income reported in operating loss	**170,242**	**160,258**

The revenue by service area is shown in note 9 – segmental reporting.

The Company derives 91% of its revenue from two contracts with the owning Councils. There is one contract with both Kingston and Richmond Councils and one with Windsor and Maidenhead Council and there are separate contract prices for all three Councils. The contractual terms are the same for each contract and Council with minor differences in the specification of services provided. Under these contracts the Company provides a comprehensive range of children's services to each Council including both statutory and discretionary services.

The principal commercial risks are the same for each contract and are mainly associated with changes in demand for services both in terms of volume and complexity of services required that lead to increased costs. These risks are mitigated through contractual provisions for changes in the contract price through a change control process, which are subject to agreement by the relevant Council. The Councils are invoiced monthly for services provided as one-twelfth of that year's contract price and invoices settled within 30 days. Given the nature of the services provided the Company has determined that the performance obligations in the contracts should be combined to a single performance obligation for each contract and these obligations are satisfied over time. Progress towards satisfaction of the obligations is measured quarterly, which matches the period that the Councils measure. Whilst the contracts with the Councils provide for reductions in the contract price in respect of poor performance (both quality and quantity) through a default notification process, no such default notices have been served during the life of the contracts including the year to which these accounts relate.

NOTE 8 OTHER EXPENSES

The following table provides a breakdown of other expenses reported in the Statement of Comprehensive Income:

	2019/20 £000	2018/19 £000
Indirect employee costs	(6,968)	(5,634)
Premises	(2,010)	(4,537)
Transport	(8,094)	(9,259)
Supplies and services	(9,153)	(7,902)
Third party (contract) payments and transfer payments	(89,916)	(82,545)
Support services	(4,805)	(5,116)
Other expenses	**(120,946)**	**(114,993)**

NOTE 9 RECONCILIATION TO MANAGEMENT ACCOUNTS

Management reports on nine key segments or divisions throughout the period. Each division is managed by a member of the Senior Leadership Team and there are regular finance updates to the Board and parent Councils during the period. The following tables show the outturn position that was reported to management.

Management Outturn 2019/20	Operational Strategic Management	Social Care and Early Help	Special Educational Needs and Children with Disabilities	Education	Public Health	Business Services	Partners in Practice	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
LB Richmond Contract	0	0	0	0	0	61,217	0	**61,217**
RB Kingston Contract	0	0	0	0	0	56,626	0	**56,626**
RB Windsor & Maidenhead	0	0	0	0	0	38,288	0	**38,288**
Customer and Client Receipts	0	2,041	801	2,520	0	894	0	**6,256**
Other Grants and Contributions	0	1,786	6,380	215	56	96	0	**8,533**
Government Grants	0	45	0	0	0	483	0	**528**
Interest Receivable	0	0	0	0	0	13	0	**13**
	0	**3,872**	**7,181**	**2,735**	**56**	**157,617**	**0**	**171,461**
Expenditure								
Employees	471	25,988	9,752	4,491	1,718	8,958	1,301	**52,679**
Premises	1	554	3	5	0	3,980	0	**4,543**
Transport	3	712	6,993	657	28	75	8	**8,476**
Supplies and Services	73	2,644	2,495	1,963	38	2,235	115	**9,563**
Third Party Payments	0	28,962	38,271	97	0	112	0	**67,442**
Transfer Payments	0	2,752	19,793	208	0	927	0	**23,680**
Support Services	0	1,460	240	12	0	3,095	0	**4,807**
Interest Paid	0	0	0	0	0	269	0	**269**
Tax	0	0	0	0	0	2	0	**2**
	548	**63,072**	**77,547**	**7,433**	**1,784**	**19,653**	**1,424**	**171,461**
Outturn	**(548)**	**(59,201)**	**(70,366)**	**(4,698)**	**(1,728)**	**137,964**	**(1,424)**	**0**
Re-Allocate contract price	565	58,994	70,353	4,407	1,731	(137,523)	1,473	**0**
Underspend/ (overspend)	**17**	**(207)**	**(13)**	**(291)**	**3**	**441**	**49**	**0**

Management Outturn 2018/19	Operational Strategic Management	Social Care and Early Help	Special Educational Needs and Children with Disabilities	Education	Public Health	Business Services	Partners in Practice	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
LB Richmond Contract	0	0	0	0	0	59,183	0	**59,183**
RB Kingston Contract	0	0	0	0	0	54,724	0	**54,724**
RB Windsor & Maidenhead	0	0	0	0	0	36,343	0	**36,343**
Customer and Client Receipts	1	2,159	684	2,496	2	741	0	**6,083**
Other Grants and Contributions	0	1,078	4,286	77	19	847	0	**6,307**
Government Grants	0	271	0	30	0	0	0	**301**
Interest Receivable	0	0	0	0	0	12	0	**12**
	1	**3,508**	**4,970**	**2,603**	**21**	**151,850**	**0**	**162,953**
Expenditure								
Employees	760	24,704	8,336	4,763	1,564	8,848	1,516	**50,491**
Premises	0	552	1	5	0	3,979	0	**4,537**
Transport	2	698	7,722	737	27	65	8	**9,259**
Supplies and Services	96	2,351	1,395	1,754	62	2,115	164	**7,937**
Third Party Payments	0	25,283	39,095	107	0	98	0	**64,583**
Transfer Payments	0	2,265	15,567	539	0	2,450	0	**20,821**
Support Services	0	1,490	285	2	0	3,338	1	**5,116**
Interest Paid	0	0	0	0	0	208	0	**208**
Tax	0	0	0	0	0	1	0	**1**
	858	**57,343**	**72,401**	**7,907**	**1,653**	**21,102**	**1,689**	**162,953**
Outturn	**(857)**	**(53,835)**	**(67,431)**	**(5,304)**	**(1,632)**	**130,748**	**(1,689)**	**0**
Re-Allocate contract price	167	54,176	67,231	5,620	1,819	(130,955)	1,942	**0**
Underspend/ (overspend)	**(690)**	**341**	**(200)**	**316**	**187**	**(207)**	**253**	**0**

**Contract payments to third parties e.g. payments for independent child placements, payments for SEN placements, general contract payments etc.

The basis on which the Company reports during the period is different to the IFRS compliant reporting required for this Statement of Accounts. The following table provides a reconciliation between the outturn reported to management and the Statement of Comprehensive Income:

	2019/20			2018/19		
	Reallocated in SOCI	Amounts not reported to management for decision making (IFRS adjustments)	Cumulative total including management accounts	Reallocated in SOCI	Amounts not reported to management for decision making (IFRS adjustments)	Cumulative total including management accounts
	£000	£000	£000	£000	£000	£000
Management Outturn			**0**			**0**
Interest Receivable	(13)			(12)		
Interest Payable	269			208		
Tax expense	2					
Recognition of annual leave owing to employees		(107)			111	
Pension Adjustments:						
Recognition of TUPE liability transfer					0	
Employer contributions		(8,494)			(5,639)	
Recognition of non-current assets		51			32	
Recognition of lease principal		3,290			0	
Recognition of provisions		(15)			(9)	
Depreciation		(3,293)	**(8,310)**		(148)	**(5,457)**
Operating loss			**(8,310)**			**(5,457)**
Tax expense	(2)					
Interest Receivable	13			12		
Interest Payable	(269)	(167)		(208)		
Pension Adjustments:						
Net Interest Payable		(1,416)	**(1,841)**		(1,094)	**(1,290)**
Profit / (Loss) from continuing operations			**(10,151)**			**(6,747)**
Pension Adjustments:						
Re-measurements		12,250	**12,250**		(8,666)	**(8,666)**
Total comprehensive income / (expenditure) for the year			**2,099**			**(15,413)**

NOTE 10 NON CURRENT ASSETS

Details of movement in non-current assets are included in the table below:

	2019/20				
	Buildings	Vehicles	Tangible ICT Equipment	Other ICT (Systems and Software)	Total 2019/20
	£000	£000	£000	£000	£000
Gross carrying amount:					
Opening balance	**0**	**0**	**713**	**87**	**800**
Adjustment on Transition to IFRS 16	24,570	1,873	0	3,107	**29,550**
Additions	0	0	50	0	50
Balance 31 March	**24,570**	**1,873**	**763**	**3,194**	**30,400**
Depreciation, Amortisation and impairment:					
Opening balance	**0**	**0**	**(329)**	**(87)**	**(416)**
Adjustment on Transition to IFRS 16	(10,146)	(1,260)	0	(646)	(12,052)
Depreciation / Amortisation in year	(2,375)	(378)	(159)	(381)	(3,293)
Balance 31 March	**(12,521)**	**(1,638)**	**(488)**	**(1,114)**	**(15,761)**
Carrying amount 31 March	**12,049**	**235**	**275**	**2,080**	**14,639**
Payment in advance - software licenses					**30**

	2018/19				
	Buildings	Vehicles	Tangible ICT Equipment	Other ICT (Systems and Software)	Total
	£000	£000	£000	£000	£000
Gross carrying amount:					
Opening balance	**0**	**0**	**681**	**87**	**768**
Additions	0	0	32	0	32
Balance 31 March	**0**	**0**	**713**	**87**	**800**
Depreciation, Amortisation and impairment:					
Opening balance	**0**	**0**	**(181)**	**(87)**	**(268)**
Depreciation / Amortisation in year	0	0	(148)	0	(148)
Balance 31 March	**0**	**0**	**(329)**	**(87)**	**(416)**
Carrying amount 31 March	**0**	**0**	**384**	**0**	**384**
Payment in advance - software licenses					**31**

The adoption of IFRS 16 'Leases' has resulted in the Company recognising right-of-use assets, and related lease liabilities, that would previously have been classed as operating leases under IAS 17. The only exemptions being those that are classed as low-value or having a remaining lease term of less than 12 months for the date of application. These arrangements will continue to be treated on a straight line basis over the remaining lease term. The Company has elected to measure the right-of-use assets at an amount equal to the lease liability and has been adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On the transition to IFRS 16 the Company applied an incremental borrowing rate of 0.5% plus bank rate at the time of entering into the lease arrangement. The 0.5% borrowing rate is in line with its Revolving Credit Facility arrangement with the owning councils, and represents the interest the Company is likely to have paid to purchase the leased asset outright. Further details of lease arrangements are given in Note 11.

The Company owns ICT equipment comprising Chromebooks, iPads and mobile phones which are depreciated over five, four and three years respectively. Additional purchases of Chromebooks (£23,300) and mobile phones (£27,200) were made in 2019/20 and iPads were fully written down in 2018/19.

The Company paid a one off charge in 2016/17 for the use of accounting software over a 25 year period from January 2017. Ownership of the software has not transferred to AfC and this transaction has been treated as a Payment in Advance.

The following table summarises the Right-of-Use Assets included in the Property, Plant and Equipment figures:

	Gross Amount £000	Depreciation £000	Carrying Amount £000
Buildings	24,570	(12,521)	12,049
Vehicles	1,873	(1,638)	235
Other ICT (Systems and Software)	3,107	(1,027)	2,080
Total right-of-use assets	**29,550**	**(15,186)**	**14,364**

NOTE 11 LEASES

Lease liabilities are presented in the statement of financial position as follows:

	31 Mar 2019	31 Mar 2020
Current Lease Liabilities	0	2,932
Non-Current Lease Liabilities	0	11,780
Total lease liabilities recognised under IFRS 16	0	**14,712**

The Company has leases for the property (office and operations buildings), vehicles and ICT systems. The Company leases offices and operational buildings from RB Kingston, LB Richmond and RB Windsor and Maidenhead which, with one exception, can be terminated on 12 months' notice. However, in line with IFRS 16 guidance, the property leases have been assumed until the end of the owners respective contract arrangements due to the likelihood that these lease arrangements will be continued. With the exception of short-term leases and leases of low-value, each lease is reflected on the balance sheet as a right-of-use asset and a relational lease liability. The lease arrangements were fully assessed under the new IFRS 16 Standard, with likely extensions and potential terminations or retendering taken into consideration. The right-of-use assets can only be used by the Company and are not sub-let.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the balance sheet:

Right-of-use-asset	No of right-of-use assets leased	Range of remaining terms	Average remaining terms	Number of leases with extension options	Number of leases with option to purchase
	£000	£000	£000	£000	£000
Property	62	1-6 years	5 years	62	0
Vehicles	31	4 - 16 months	1 year	31	0
ICT (Systems and Software)	12	1-6 years	5 years	12	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as 31 March 2020 are as follows:

Right-of-use-asset	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
	£000	£000	£000	£000	£000	£000	£000
31 March 2020							
Lease Payments	3,071	2,780	2,572	2,571	2,184	1,992	15,170
Finance Charges	(139)	(111)	(86)	(63)	(40)	(19)	(458)
Net Present Value	**2,932**	**2,669**	**2,486**	**2,508**	**2,144**	**1,973**	**14,712**

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value (less than £5,000 total cost). Payments under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

	31 Mar 2020 £000
Leases of low value	(23)
Leases with remaining lease term of less than 12 months	(129)
Payments not included in lease liability	**(152)**

Finance and operating leases as lessor

The Company has no leases as lessor.

NOTE 12 FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and financial liabilities are as follows:

	31 Mar 2020 £000	31 Mar 2019 £000
Financial assets / Loans and Receivables		
Trade and other receivables categorised as Financial Instruments	34,367	31,871
Trade and other receivables not categorised as Financial Instruments	1,915	1,395
Cash and cash equivalents categorised as a Financial Instrument	7,130	2,405
	43,412	**35,671**

	31 Mar 2020 £000	31 Mar 2019 £000
Financial liabilities at amortised cost		
Current borrowings	31,400	23,400
Short term lease liabilities (IFRS 16)	2,932	0
Trade and other payables categorised as Financial Instruments	7,869	8,160
Trade and other payables not categorised as Financial Instruments	6,136	5,982
Provisions not categorised as a Financial Instrument	0	10
Total Current Financial Liabilities	**48,337**	**37,552**
Non-current lease liabilities (IFRS 16)	11,780	0
TOTAL Financial Liabilities	**60,117**	**37,552**

A description of the Company's financial instrument risk, including risk management objectives and policies is given in Note 23.

NOTE 13 TRADE AND OTHER RECEIVABLES

Trade and other receivables are made up as follows:

	31-Mar-20 £000	31-Mar-19 £000
Trade receivables, gross	34,367	31,871
Allowance for credit losses	(71)	(71)
Trade receivables	**34,296**	**31,800**
Employee leave	235	258
Prepayments	1,721	1,177
Total current trade and other receivables	**36,252**	**33,235**
Non-current prepayments	**30**	**31**
Total trade and other receivables	**36,282**	**33,266**

The net carrying value of trade receivables is considered a reasonable approximation of fair value. All of the Company's trade and other receivables have been reviewed for indicators of impairment.

The Company has made allowances against specific balances for impairment of receivables. The movement in allowance for credit losses and write offs are presented below:

	31-Mar-20	31-Mar-19
	£000	£000
Balance 1 April	**(71)**	**(107)**
Amounts written off (uncollectable)	15	34
Impairment loss/gain	(15)	2
Balance 31 March	**(71)**	**(71)**

NOTE 14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	31-Mar-20	31-Mar-19
	£000	£000
Current Account (includes impact of transactions in transit)	1,095	369
Instant Access Deposit Account	6,019	2,021
Imprest Accounts (cash in hand and in bank)	16	15
	7,130	**2,405**

NOTE 15 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	31-Mar-20	31-Mar-19
	£000	£000
Current		
Trade payables	7,869	8,160
Employee leave	624	540
Receipts in advance	996	863
Taxes (e.g. VAT, National Insurance)	4,516	4,579
	14,005	**14,142**

NOTE 16 PROVISIONS

Short term provisions consist of the following:

	Redundancy	Total
	£000	£000
Balance at 1st April 2018	**22**	**22**
Additional provisions made in 2018/19	10	10
Amounts used in 2018/19	(22)	(22)
Unused amounts reversed in 2018/19	0	0
Balance at 1st April 2019	**10**	**10**
Additional provisions made in 2019/20	0	0
Amounts used in 2019/20	0	0
Unused amounts reversed in 2019/20	0	0
Balance at 31 March 2020	**10**	**10**

NOTE 17 OTHER LIABILITIES

The following table contains a breakdown of other current and non-current liabilities (excluding trade receivables and payables):

	31-Mar-20	31-Mar-19
	£000	£000
Lease liabilities	2,932	0
Short term loans from parent councils	31,400	23,400
Provisions	10	10
Other liabilities - current	**34,342**	**23,410**
Lease liabilities	11,780	-
Pension fund defined benefit liability (see note 5)	50,765	53,105
Other liabilities - non-current	**62,545**	**53,105**

Details of the terms of the short term loans are set out in Note 24.

NOTE 18 FINANCE COSTS AND FINANCE INCOME

Finance costs for the reporting period consist of the following:

	2019/20	2018/19
	£000	£000
Interest receivable on short term cash deposits	13	12
Total interest receivable	**13**	**12**
Interest on short term borrowings from parent councils	(269)	(208)
Finance lease interest	(167)	0
Net interest expense on defined benefit liability	(1,416)	(1,094)
Total interest payable	**(1,852)**	**(1,302)**

NOTE 19 CORPORATION TAX

The following table shows the tax reconciliation based on IAS12.

	2019/20 Accounts £000	%	2018/19 Accounts £000	%
Profit / (Loss) on ordinary activities before tax	**(10,149)**		**(6,747)**	
Tax on loss on ordinary activities at standard CT rate of 19.00% (PY 19.00%)	(1,928)	19.00%	(1,282)	19.00%
Effects of:				
Expenses not deductible for tax purposes	(13)	0.13%	0	0.00%
Adjustments to brought forward values	0	0.00%	0	0.00%
Amounts charged directly to equity or otherwise transferred`	2,327	-22.92%	(1,647)	24.41%
Capital allowances in excess of depreciation	0	0.00%	0	0.00%
Other short term timing differences	0	0.00%	0	0.00%
Defined benefit scheme timing differences	0	0.00%	0	0.00%
Adjust closing deferred tax to average rate 20.00%	0	0.00%	0	0.00%
Utilisation of tax losses and other deductions	0	0.00%	4	-0.06%
Deferred tax not recognised	(386)	3.80%	2,927	-43.38%
Unexplained difference	0	0.00%	0	-0.00%
Tax charge/credit for the period	0		2	

Deferred Tax Asset

As a Community Interest Company AfC must pay Corporation Tax on all taxable profits at the domestic effective tax rate. The Company has reported a loss before tax for the 2019/20 and 2018/19 financial period of £10m and £7m respectively. There is no corporation tax amount that is payable for the 2019/20 (£2,280 in 2018/19) financial year. It is not probable that the Company will make significant taxable profits in the short to medium term and therefore it has not recognised a deferred tax asset in the Accounts. If the Company does make taxable profits in the coming years it will be able to reduce its initial tax liability by offsetting taxable losses incurred. The amount recognised as a contingent asset at 31 March 2020 is £9.892m (£9.243m at 31 March 2019).

NOTE 20 NON CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following tables provide a breakdown of the non-cash transactions recognised in the Statement of Comprehensive Income and Statement of Financial Position.

	2019/20 £000	2018/19 £000
Net changes in working capital:		
Change in trade and other receivables (increase)	(3,016)	(6,907)
Change in trade and other payables (decrease)	(137)	(2,971)
Total changes in working capital	**(3,153)**	**(9,878)**

	2019/20	2018/19
	£000	£000
Non Cash Flow Adjustments:		
Business Combinations (pension liability transferred with TUPE)	0	0
Current and past service costs	13,551	11,017
Net interest on defined benefit liability	1,416	1,094
Accounts payable and receivable transactions paid out by parent companies	0	0
Capitalisation and lease principal	(3,124)	0
Depreciation	3,293	148
Provisions in-year	0	(12)
	15,136	**12,247**

AfC borrows money from the parent Councils via a revolving credit facility for ongoing operations. The amount still owed to the Councils under this arrangement is detailed in note 17 to the accounts.

NOTE 21 RELATED PARTY TRANSACTIONS

The Company's related parties include its owners (LB Richmond, RB Kingston and RB Windsor), company directors, senior managers with strategic decision making powers, post-employment benefit plans and others as stated below.

Transactions with the Company's owners

Achieving for Children is jointly owned by the London Borough of Richmond upon Thames, the Royal Borough of Kingston upon Thames and the Royal Borough of Windsor and Maidenhead (RBWM). The boroughs have influence over major policy decisions and funding. The Company is contracted jointly by the three Councils to provide their children's services. The Councils also provide support services and accommodation to the Company and a loan facility of up to £45m. The table below summarises the key transactions:

	LB Richmond 2019/20	RB Kingston 2019/20	RB Windsor 2019/20	LB Richmond 2018/19	RB Kingston 2018/19	RB Windsor 2018/19
	£000	£000	£000	£000	£000	£000
Receipts	73,332	63,649	50,182	66,151	68,220	39,275
Accrued income	11,653	11,489	6,001	10,966	7,672	9,024
Payments	2,289	5,839	2,132	3,983	6,742	3,781
Accrued expenditure	509	358	515	861	457	20
Total Value	**87,783**	**81,335**	**58,830**	**81,961**	**83,091**	**52,100**
Other balances:						
Borrowing	11,963	11,273	8,164	9,360	7,956	6,084

Transactions with schools maintained by the Councils have been excluded as the contract price captures the value of these transactions. Individual schools are not deemed to have control over the Company.

Transactions with directors and senior management

Directors (including non-executive) and senior management have direct control over the Company's finance and operating policies. The table below summarises the remuneration received by these individuals. As a result of legislative requirements relating to the employment of statutory officers, some members of the Senior Leadership Team are employed by the parent Councils and seconded to Achieving for Children. The total remuneration paid has been captured in the table below and includes total remuneration paid by AfC and the parent Councils. Further details on the remuneration of individual Directors are included in the Director's Report.

	2019/20 £	2018/19 £
Short Term Benefits:		
Salary	868,127	1,129,655
National Insurance	108,428	141,357
Expenses	3,566	5,962
Agency	364,388	137,236
Post-Employment Benefits:		
Defined benefit pension plans	134,050	167,979
Total Remuneration	**1,478,559**	**1,582,189**

During the period directors, senior management or members of their immediate families had relationships / influence over the organisations detailed in the table overleaf. Organisations have been detailed regardless of whether transactions occurred with AfC. Where transactions have occurred, the relevant officer or director was not involved in decision making.

	Transactions in the period		Amounts owed at period-end		Total value of transactions	Transactions in the period		Amounts owed at period-end		Total value of transactions
	Payments	Receipts	Owed to	Owed by		Payments	Receipts	Owed to	Owed by	
	2019/20 £000	2019/20 £000	2019/20 £000	2019/20 £000	2019/20 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000
Richmond upon Thames School Trust	130	19	0	2	**151**	91	22	39	2	**154**
Darell Primary and Nursery School	73	63	1	7	**144**	79	33	1	10	**122**
The Huntercombe Group	10	0	0	0	**10**	0	0	0	0	**0**
Dedworth Primary and Nursery School	0	3	0	0	**3**	0	4	0	0	**4**
Ashley Hill Multi Academy Trust	1	3	0	0	**4**	-	-	-	-	**-**
Barnet, Enfield and Haringey NHS Mental Health Trust	0	0	0	0	**0**	0	0	0	0	**0**
Cartref Property Ltd	0	0	0	0	**0**	0	0	0	0	**0**
Dartington Service Design Lab	0	0	0	0	**0**	0	0	0	0	**0**
David Archibald Consulting Ltd	0	0	0	0	**0**	0	0	0	0	**0**
First Community Healthcare	0	0	0	0	**0**	0	0	0	0	**0**
Greenwich Leisure Limited	0	0	0	0	**0**	0	0	0	0	**0**
Hillingdon NHS Foundation Trust	-	-	-	-	**-**	-	-	-	-	**-**
Independent Office for Police Conduct	0	0	0	0	**0**	0	0	0	0	**0**
Innovation Unit	0	0	0	0	**0**	-	-	-	-	**-**
Integrated Governance Solutions Ltd	0	0	0	0	**0**	0	0	0	0	**0**
Mayberry Cottages	0	0	0	0	**0**	0	0	0	0	**0**
Me 2 Club	0	0	0	0	**0**	0	0	0	0	**0**
Meridian Link Ltd	0	0	0	0	**0**	0	0	0	0	**0**
Richmond Theatre Trust	0	0	0	0	**0**	1	0	0	0	**1**

	Transactions in the period		Amounts owed at period-end		Total value of transactions	Transactions in the period		Amounts owed at period-end		Total value of transactions
	Payments	Receipts	Owed to	Owed by		Payments	Receipts	Owed to	Owed by	
	2019/20	2019/20	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19	2018/19	2018/19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Royal Society of Arts	0	0	0	0	**0**	-	-	-	-	**-**
Thurrock LSCB	0	0	0	0	**0**	-	-	-	-	**-**
West London Family Court	0	0	0	0	**0**	0	0	0	0	**0**
Every Child, Every Day Multi Academy Trust	-	-	-	-	**-**	420	74	13	8	**516**
Access Medical Services	-	-	-	-	**-**	0	0	0	0	**0**
Bevan Britten	-	-	-	-	**-**	0	0	0	0	**0**
Blackheath Cator Estate Residents Ltd	-	-	-	-	**-**	0	0	0	0	**0**
European Medicines Agency	-	-	-	-	**-**	0	0	0	0	**0**
Hingorani-Crain Ltd	-	-	-	-	**-**	0	0	0	0	**0**
Orleans House Trust	-	-	-	-	**-**	0	0	0	0	**0**
Seldoc Healthcare	-	-	-	-	**-**	0	0	0	0	**0**
Social Care Institute for Excellence	-	-	-	-	**-**	0	0	0	0	**0**
South East London Doctors Cooperative	-	-	-	-	**-**	0	0	0	0	**0**
Woking and Sam Beare Hospice	-	-	-	-	**-**	0	0	0	0	**0**

0 means there are nil transactions with the related party
- means no related party has been declared for financial year

All transactions include VAT

The Interim Chair of the Board (Sian Wicks) was contracted with The Huntercombe Group during 2019/20. She is also a director of Integrated Governance Solution LTD and Cartref Properties Ltd. There were transactions totalling £10k between AfC and Huntercombe Group during 2019/20. This was in relation to hospital school fees for one young person in RB Windsor and Maidenhead.

A Non Executive Independent Director (Catherine Jervis) was working with The Hillingston Hospitals NHS Foundation Trust, as well acting as a Non Executive Director at both Barnet, Enfield and Harringey NHS Trust and the Independent Office for Police Conduct. There were no transactions between AfC and these organisations during 2018/19 or 2019/20.

One of the Company's Non Executive Independent Directors (Jane Spencer) is a Governor for Darell Primary School. The transactions between AfC and these schools relate to the provision of education services and grant allocations. Other work includes being a Trustee for Richmond upon Thames School Trust and a Magistrate in the London Family Court. The transactions with Richmond upon Thames School relates to Special Educational Needs provision.

The Director of Children's Service for LB Richmond and RB Kingston (Ian Dodds) has been Chair of the Richmond Theatre Trust Board from 2015/16. Richmond Theatre Trust occasionally works on grant-funded theatre education initiatives with services in AfC. He is also a member of the Richmond Upon Thames School Trust, where expenditure transactions are related to Special Educational Needs provision and income transactions relate to Service Level Agreements for school support as well as attendance at learning and development programmes.

One of the Company's Non Executive Independent Directors (Nicki Craig) is a School Governor at Dedworth Green First School in Windsor. The transactions relate to income from the school for attendance at training and assessment sessions throughout the financial year.

Transactions with post-employment benefit plans

Employees of AfC are members of a number of pension plans. The defined benefit plans (the LGPS) are separately administered by the LB Wandsworth (Richmond) and RB Kingston who are also owners of the Company. The pension funds are treated as separate financial entities and the terms of the benefit plans are prescribed by regulation. Note 5 to these accounts contains further details of the specific plans and associated figures.

NOTE 22 CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

Contingent liabilities relate to possible expenditure arising from a past event that has not been recognised in the Statement of Accounts due to the probability that a transfer of economic benefits will not arise, or cannot be reliably estimated. The possible liability is dependent on the outcome of something happening in the future. A review is undertaken annually to identify any potential liabilities.

- **Legal Cases / Tribunals / Insurance Claims**

As at the 31st March there were a number of tribunals and claims outstanding against the Company. None of these claims are expected to materially impact the accounts but some could lead to non-trivial damages / costs in future years should the tribunal rule against AfC. If claims do arise then these will be met by the Company's insurance policy (£50k excess) or via in year budgets.

- **Termination Benefits**

The Company must make significant reductions in its cost base over the next three years to achieve contract price reduction targets set by the contracting Councils. Plans continue to be developed to address these cost pressures and it is probable that some termination benefits will be paid out to staff as part of these plans. The Company is not able to estimate these at present but any future liabilities will be met through in year budgets, contract change control mechanisms and the phasing of reductions in the Company's cost base.

Contingent Assets

Contingent assets relate to possible income arising from a past event that has not been recognised in the Statement of Accounts due to the probability that a transfer of economic benefits will not arise, or cannot be reliably estimated. The right to the potential asset is dependent on something happening in the future. A review is undertaken annually to identify potential contingent assets.

Deferred Tax Asset

As a Community Interest Company AfC must pay Corporation Tax on all taxable profits at the domestic effective tax rate. The Company has reported a loss before tax for the 2019/20 and 2018/19 financial period of £10m and £7m. No corporation tax amount is payable for the 2019/20 (£2,280 in 2018/19) financial year. It is not probable that the Company will make significant taxable profits in the short to medium term and therefore it has not recognised a deferred tax asset in the Accounts. If the Company does make taxable profits in the coming years it will be able to reduce its initial tax liability by offsetting taxable losses incurred. The amount recognised as a contingent asset at 31 March 2020 is £9.892m (£9.243m at 31 March 2019).

NOTE 23 FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarised in Note 12. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management procedures are focused on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks.

Market risk analysis

The principle risk that the Company is exposed to is fluctuations in interest rates that can impact on its operating costs. The Company only has exposure to short term borrowing and deposits that are on variable interest rate terms with no currency exposure.

As an indication of the sensitivity to interest rates, a change in short term interest rates of 1% would change finance costs by +/- £314k (£234k for 2018/19), and the impact on the pension liability (of the defined benefit plan – LGPS) would change the net liability by +/- £36.4 million (£39.9 million 2018/19).

Outstanding loans at 31 March was £31.4 million.

Credit risk analysis

Credit risk arises if a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk in respect of short term deposits, cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk is limited to the carrying amounts of financial assets recognised at 31 March 2019, as shown in the following table:

	31 March 2020 £000	31 March 2019 £000
Financial assets / Loans and Receivables		
Trade and other receivables categorised as Financial Instruments	34,367	31,871
Trade and other receivables not categorised as Financial Instruments	1,915	1,395
Cash and cash equivalents	7,130	2,405
	43,412	**35,671**

A significant proportion of trade and other receivables are in respect of public sector entities, which mitigates the overall risk. Allowance for credit losses in 2019/20 was £71k (£71k for 2018/19).

The Company only deals with financial institutions that have high credit ratings and monitors these to avoid risk.

Liquidity risk analysis

Liquidity risk arises if the Company is unable to meet its obligations. The Company is able to borrow from its owners (the London Borough of Richmond upon Thames, Royal Borough of Kingston upon Thames and Royal Borough of Windsor and Maidenhead) under a revolving credit facility agreement. This agreement provides a loan facility of £45million (increased from £30 million from 1 August 2017) which the Company can draw down on to meet its liquidity requirements and also has up to £14m on same-day withdrawal deposit/current accounts to manage day-to-day cash requirements.

The Company manages its liquidity needs through monitoring forecast cash inflows and outflows arising from its business on a daily and weekly basis and also monitors longer term impacts on its cash flow arising from changes to its business plan.

The Company is required to submit a Financial Plan at least annually to its owners for their approval that sets out the Company's treasury management plans and procedures.

The revolving credit arrangement in place with its owners is regarded as sufficient mitigation against liquidity risk for the company.

NOTE 24 FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

The Company holds only the following financial assets and liabilities:

- Cash and cash equivalents
- Current borrowings
- Trade and other receivables and payables

There are no quoted prices that can be used to measure fair value of these assets and liabilities.

Cash, cash equivalents, trade and other payables are all very short term assets and are assessed as being at fair value.

Current borrowings are in respect of one loan facility, provided by the owners of the Company (RB Kingston, LB Richmond and RB Windsor and Maidenhead) – the amount borrowed at 31 March is shown in the following table in Note 25. This is a revolving short term loan agreement which is repayable on 31 September and 31 March each year, or earlier if the company gives the Councils notice. Interest is 0.5% (one half percent) above Bank of England Base Rate. The terms of the loan are judged to reflect current market rates and the actual value of the loan is taken as fair value.

Trade payables are discharged within 30 days and are deemed to be at fair value.

Trade receivables are due within 30 days and are deemed to be at fair value. Receivables not settled within 30 days are amortised in respect of assumed credit losses based on the age of debt.

NOTE 25 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company is jointly owned by LB Richmond, RB Kingston and RB Windsor and Maidenhead as a company limited by guarantee and is a 'not for profit' organisation registered as a Community Interest Company. It provides benefit to its owners by providing services to them under contract at economic cost. The Company is not required to provide a financial return to its owners and has no target for its capital-to-overall financing ratio. The owners of the Company provide funding for the Company through a short-term loan facility and the Company does not have any other borrowings or equity.

The amounts managed as capital by the Company for the reporting period under review are summarised as follows:

	31 March 2020 £000	31 March 2019 £000
Cash and cash equivalents	7,130	2,405
Capital	**7,130**	**2,405**
Borrowings	31,400	23,400
Overall financing	**31,400**	**23,400**
Capital-to-overall financing ratio	**0.23**	**0.10**

NOTE 26 POST REPORTING DATE EVENTS

The Corona Virus Disease 2019 (Covid19) global pandemic has been ongoing since the end of the financial year and the date that these accounts were authorised for issue. The impact of Covid 19 on the accounts has been closely monitored with key areas and checks as follows:

- Value of pension assets and liabilities given fluctuations in stock / economic market – The actuarial assessment of the pension assets and liabilities is usually estimated based on detail available in January 2020 with assumptions made about value of assets and liabilities as at 31st March 2020. Due to the significant market fluctuations (associated with property market, stock market etc.) which could impact on the valuation of assets a later actuarial report was requested this year to ensure that the actual pension asset values and net deficit, as at 31st March 2020, is accurately reflected in the Balance Sheet. The report was received on the 13 May 2020 and has been used in recognising the pension assets and liabilities as the difference between the estimated and actual valuation of the net deficit was £2.2m. Given the ongoing economic uncertainty and market fluctuations it is possible that the valuation of the net pension deficit could materially change between the 31st March 2020 (Balance Sheet date) and the final sign off of these accounts following the audit in July 2020. Due to the current market conditions caused by COVID-19, there is an industry-wide material valuation uncertainty in relation to asset valuations. Valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA-10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Further details are given in Note 5: Employee Benefits, with a sensitivity analysis calculation demonstrated on page 65.

- Value of other assets – It has been assessed that the Covid 19 emergency has not / will not have a significant impact on the value of other assets recognised on the Balance Sheet including new right of use assets.

- Going Concern Assessment - Covid 19 has not changed the overall going concern assessment. The need for children's and social care services is expected to rise as a result of the Covid 19 emergency and so if anything there will be more demand for services offered by AfC. The contracts with the Councils represent over 91% of revenue, whilst the remaining income is generated through work with schools and other Local Authorities. Due to the funding nature of Local Authorities and schools, the risk of permanent default of payment for current and future commitments is low. Covid 19 specific costs incurred in the 2019/20 financial year have been recognised as part on income and expenditure. Future one-off or increased costs associated with COVID-19 and interim operational delivery arrangements (including staff sickness and cover) is being agreed with the three main commissioning councils and additional funding provided where needed.

- Recoverability of receivables – The difficult economic situation may have an impact on the collectability of some non-public sector debts and this increased uncertainty is reflected in the provisions made and included within these accounts.

No further significant events have occurred between the 31st March reporting date and the date these accounts were authorised.

NOTE 27 AUTHORISATION OF FINANCIAL STATEMENTS

These Financial Statements were approved for submission to audit by the Director of Finance on 15th May 2020:

Lucy Kourpas (CPFA)
Interim Chief Operating Officer and Director of Finance

NOTE 28 ACCOUNTING POLICIES

General principles

Basis of preparation - accounting practices

These financial statements have been prepared in accordance with International Financial Reporting Standards as required by the Companies Act 2006. The Accounts summarise the Company's financial performance (Statement of Comprehensive Income), equity (Statement of Changes in Equity), financial position (Statement of Financial Position) and cash flow (Statement of Cashflows) for the period. The Accounts have been prepared on the historical cost basis.

Changes in accounting policies and prior period adjustments

Except for the changes detailed below, the Company has consistently applied the accountancy policy to all periods presented in these consolidated financial statements.

The Company has applied IFRS 16 with a date of initial application as at 1 April 2019. As a result, the company has changed its accounting policy for lease contracts. The company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in equity (retained earnings) as at 1 April 2019. Therefore no retrospective changes to the prior year balances have been made in respect of IFRS 16. Further explanation of the accounting policy are detailed in the Leases section of this accounting policy document as well as Note 11 'Leases'.

Prior period adjustments arise either as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the current financial period and future periods affected by the change, and do not result in a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and economic conditions on the Company's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. This was not required when adopting IFRS 16 due to the selection of the adoption of the modified retrospective approach.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. No material errors were discovered in year.

Exceptional Items

Exceptional items are those which are separately identified by virtue of their size or incidence to enable a full understanding of the Company's financial performance. The nature and amount of these items is disclosed separately, either on the face of the Statement of Comprehensive Income or in the notes to the accounts, depending on how significant the items are. The company has not identified any exceptional items on the face of the Statement of Comprehensive Income.

Items Re-classifiable to the Operating Profit or Loss

Where there are items in the Statement of Comprehensive Income that are re-classifiable to the Operating Profit / Loss from Other Comprehensive Income and Expenditure, when certain conditions are met, these will be disclosed separately on the face of the Statement of

Comprehensive Income (within Other Comprehensive Income). At present the Company has no such transactions.

Accruals of Income and Expenditure

Activity is accounted for in the period that it takes place, not simply when cash payments are made or received. In particular:

Income (Revenue Recognition IFRS 15)

- Revenue from the sale of goods and services is recognised when (or as) the Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled, and all obligations have been fulfilled in relation to the revenue and/or contract.

- Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer.

- Contract income, fees and charges, lettings, grants, donations and other income arise from the provision of services or the sale of goods or services.

Expenditure

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption (and the values are material) they are carried as inventories on the Statement of Financial Position.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Revenue income and expenditure for the year is reported in the Statement of Comprehensive Income.

Interest

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Debtor and creditor balances (accruals policy)
Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Statement of Financial Position. Where debts may not be settled (i.e. collection is doubtful), the balance of receivables is written down and a charge made to revenue for the income that might not be collected.

Exceptions to this accruals policy are made where it would be impractical in terms of time and cost required and where the effect of not accruing has no material effect on the Company's accounts. The Company has set a general de-minimis level for accruals of creditors that are calculated manually at period-end. This level is reviewed annually and is currently set at £5,000. Two exceptions to this de-minimis rule apply:

- Qualifying expenditure upon which income from third parties is dependent and associated income.
- Invoices for substantially the same supply or service that are chargeable to the same service area are aggregated where their total is over £5,000.

Third Party and Government Grants / Contributions

Whether paid on account, by instalments or in arrears, Government Grants, third party contributions and donations are recognised as due when there is reasonable assurance that:

- the Company will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due are not credited to the Statement of Comprehensive Income until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Statement of Financial Position as creditors / receipts in advance. When conditions are satisfied, the grant or contribution is credited to the Statement of Comprehensive Income.

Agency Relationship

Where the Company acts as an agent of the Parent Councils, in paying grant monies to schools, these transactions are excluded from the Accounts on the basis that the Company is not making decisions about how the money is spent. The Company is just passporting money based on pre-set criteria, on behalf of a third party. These transactions are reported in the Accounts of the party who ultimately controls the money (i.e. the Councils).

Inventories

The Company recognises all inventories (stock) that have a value over £10,000 as at 31 March. The Company initially recognises inventory when it has control of it and when it expects to have a right to the future economic benefits / service potential. All inventories are measured at the lower of cost or net realisable value. Where there are large numbers of items of inventory that are ordinarily interchangeable, the Company uses the weighted average cost method of stock measurement. The Company held no material inventories at 31st March 2020.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are readily convertible to known amounts of cash with insignificant risk of change in value (this will exclude fixed term deposits as they are not highly liquid and not readily convertible to cash). In the Statement of Cashflows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the period-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the period in which employees render service to the Company. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the period-end which employees can carry forward into the next financial period. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Statement of Comprehensive Income so that holiday benefits are charged to revenue in the financial period to which they relate.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Company to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to the Statement of Comprehensive Income when the Company is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.
Where termination benefits involve the enhancement of pensions, the amount is recognised on an IAS19 basis in the Statement of Comprehensive Income.

Post Employment Benefits (IAS19)
Employees of the Company can be members of four separate pension funds:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The National Health Service Pension Scheme, administered by the Department of Health and Social Care (DoHSC)
- The Local Government Pensions Scheme, administered by the London Borough of Wandsworth
- The Local Government Pensions Scheme, administered by the Royal Borough of Kingston upon Thames

All schemes provide defined benefits to members, earned as employees who have worked for the Company.

However, the arrangements for the teachers' and NHS scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Company. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Statement of Financial Position. The employer's contributions are charged to the Statement of Comprehensive Income for the period.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the LB Wandsworth (Richmond) and RB Kingston Pension Fund attributable to the Company are included in the Statement of Financial Position on an actuarial IAS19 basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on 20 year gilts adjusted for credit spread).

- The assets of each Pension Fund attributable to the Company are included in the Statement of Financial Position at their fair value:

  - quoted securities – current bid price
  - unquoted securities – professional estimate

  - unitised securities – current bid price
  - property – market value

- The change in the net pensions liability is analysed into the following components:
  - ➢ Service cost comprising:
    - current service cost – the increase in the present value of a defined benefit obligation (liabilities) resulting from employee service in the current period. – allocated to the Statement of Comprehensive Income
    - past service cost – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the authority in the number of employees covered by a plan). – debited to the Statement of Comprehensive Income
    - Any gain or loss on settlement – arising when the Company enters into a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan – debited to the Statement of Comprehensive Income
  - ➢ Net interest on the net defined benefit liability (asset) - the change during the period in the net defined benefit liability (asset) that arises from the passage of time - charged to the Statement of Comprehensive Income
  - ➢ Re-measurements of the net defined benefit liability (asset) comprising:
    - actuarial gains and losses – changes in the present value of the defined benefit obligation resulting from: a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions charged to Other Comprehensive Income for the period
    - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to Other Comprehensive Income for the period

Discretionary Benefits
The Company has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff, including teachers, are accrued in the period of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Statement of Comprehensive Income for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Financial Assets
Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market

- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments. AfC had no available for sale financial instruments in 2019/20.

Loans and Receivables

Loans and receivables are recognised when the Company becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Statement of Comprehensive Income for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Company has made, this means that the amount presented in the Statement of Financial Position is the outstanding principal receivable (plus accrued interest) and interest credited to the Statement of Comprehensive Income is the amount receivable for the period in the loan agreement.
Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Statement of Comprehensive Income. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.
Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Statement of Comprehensive Income.

Foreign Currency Translation
Where the Company enters into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the period-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Statement of Comprehensive Income.

Relationships and Interests in Companies and Other Entities
Achieving for Children is jointly owned by the LB Richmond upon Thames, RB Kingston upon Thames and RB Windsor and Maidenhead. The Company will disclose the proportion of profit / loss and net assets that is attributable to each Council. The parent Councils will in turn consolidate their interest in the Company as part of their group accounts.

Where the Company assesses that its relationship with another entity is classified as a subsidiary, associate, or joint venture it will present its accounts to reflect these interests as follows:

<table>
<tr><th>Subsidiary</th><th>Associates</th><th>Joint Ventures</th></tr>
<tr><td>• Company controls the financial and operating activities of that entity and benefits from this control.</td><td>• Company has significant influence over the operations of another entity.</td><td>• Company has joint control over another entity</td></tr>
<tr><td>• Line by Line consolidation - Where material, the Company will consolidate 100% of all transactions and balances into the</td><td colspan="2">• Equity Method –
The interest is presented as an investment and adjusted each period for the current share of the net assets and the relevant share of profit or loss will be</td></tr>
</table>

Subsidiary	Associates	Joint Ventures
Company's Accounts and the Company will present both single entity and group entity accounts.	recognised in the Statement of Comprehensive Income	

Non Current Assets

The Company recognises two categories of non-current asset:

- Tangible - Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial period
- Intangible - Expenditure on non-monetary assets that do not have physical substance but are controlled by the Company as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow to the Company

The Company has set the following de-minimis limits for the recognition of non-current assets:

- Land and buildings - £50,000
- Vehicles, plant and equipment - £10,000
- Intangible assets - £10,000

	Tangible	Intangible
Recognition	Expenditure on the acquisition, creation or enhancement is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. Where an asset consists of various components with different useful lives these are recognised separately.	
Measurement	Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets are then carried in the Statement of Financial Position at fair value, determined as the amount that would be paid for the asset in its existing condition. For non-property assets that have short useful lives or low values (or	Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Reductions in value are written off against relevant balances in the revaluation reserve and then to the Statement of Comprehensive Income.

	Tangible	Intangible
	both), depreciated historical cost basis is used as a proxy for fair value. Assets are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the period-end. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Reductions in fair value are written off against relevant balances in the revaluation reserve and then to the Statement of Comprehensive Income.	
Depreciation	Depreciation is provided for on all tangible assets by the systematic allocation of their depreciable amounts over their useful lives. The Company applies the straight line method of depreciation and the useful life is determined by a relevant expert. Depreciation is charged to the Statement of Comprehensive Income each period and writes down the value of the asset on the Statement of Financial Position. A full years depreciation is charged in the period of acquisition.	The depreciable amount of an intangible asset is amortised over its useful life to the Statement of Comprehensive Income. A full years depreciation is charged in the period of acquisition

Leases IFRS 16 (previously IAS17)

Accounting policy applicable from 1 April 2019

Company as a lessee

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. Previous de-minimis levels for recognising Finance Leases are now redundant under the new standard. There are only two exemptions for recognising a lease right-of-use asset. These are:

- If the lease is short-term (12 months or less); and
- Leases of low-value assets (those less than £5,000 in total cost over the lease term). This exemption also applies to individual leases within a similar group.

When using these exemptions, instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. Any arrangements prior to 1 April 2019 have been assessed and represented using the modified retrospective approach under IFRS 16. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company, through the owning Council's, also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. The liability will be reduced for payments made each year.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The Company as a lessor

The Company's accounting policy under IFRS 16 has not changed from the comparative period. Achieving for Children does not have legal title to any non-current assets and as such would not partake in the leasing out of non-current assets.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as an expense in the period.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Company may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position. Estimated settlements are reviewed at the end of each financial period – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Redundancy Costs
The Company provides for redundancy costs at the point that it is demonstrably committed (cannot retract the offer). If a notification of redundancy has been issued before 31 March but the amount has not yet been paid, a liability is recognised in the accounts.

Contingent Liabilities
A contingent liability arises where an event has taken place that gives the Company a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Company. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Statement of Financial Position but disclosed in a note to the Accounts.

Contingent Assets
A contingent asset arises where an event has taken place that gives the Company a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the Statement of Financial Position but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Taxation
Corporation Taxation
The Company is liable to pay Corporation Tax on all taxable profits. Where this applies, the tax will be separately identified on the face of the Statement of Comprehensive Income and profits / losses will be shown gross and net of taxation. Any amounts owed to the HMRC at the period-end will be recognised as a creditor / debtor on the Statement of Financial Position.

Where the Company makes taxable losses / has temporary differences, it will recognise a deferred tax asset on the Statement of Financial Position only where it is probable that the Company will make taxable profits and pay Corporation Tax in the foreseeable future. If taxable profits are not probable the potential deferred tax asset will be recognised as a contingent asset and disclosed within the notes to the Accounts.

Value Added Taxation
VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. The net amount owed or owing to the HMRC at the Statement of Financial Position Date will be recognised as a net creditor / debtor on the Statement of Financial Position.

Post Reporting Date Events
Events after the Statement of Financial Position date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Financial Statements is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events (an adjusting event).

- those that are indicative of conditions that arose after the reporting period

The Financial Statements are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect (a non-adjusting event).
Events taking place after the date of authorisation for issue are not reflected in the Financial Statements.

GLOSSARY OF TERMS

ACCRUALS
Amounts charged to the accounts for goods or services received during the period for which payments have not yet been made, and for income due, which has not yet been received.

BALANCE SHEET / STATEMENT OF FINANCIAL POSITION
A statement of the Company's assets and liabilities at the 31 March (Statement of Financial Position date).

CAPITAL EXPENDITURE
Expenditure on the acquisition or enhancement of assets that have a significant value and a useful life beyond one year.

CASH & CASH EQUIVALENTS
Cash is represented by notes and coins held by the Company and deposits available on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value e.g. instant access accounts.

COMMUNITY INTEREST COMPANY
A Community Interest Company is a special type of Ltd Company which exists to benefit the community rather than the private shareholders. Its primary objectives are social objectives and any surpluses are re-invested into the organisation.

CREDITORS OR TRADE PAYABLES
Organisations and individuals to whom the Company owes money.

CURRENT ASSETS
These are assets that will be consumed within the next accounting period (i.e. less than one year). Examples are stock, cash and receivables.

CURRENT LIABILITIES
Those amounts which will become payable or could be called upon in the next accounting period (i.e. less than one year).

DEBTORS or TRADE RECEIVABLES
Organisations and individuals who owe money to the Company.

DEDICATED SCHOOLS GRANT
A ring-fenced, Central Government Grant paid to Councils by the Department for Education to fund education services within the boroughs. A significant proportion is devolved to schools on a formulaic basis.

DEPRECIATION
The writing down of the value of a fixed asset in the Statement of Financial Position in line with its expected useful life.

EMPLOYEE BENEFITS
Salaries, wages, paid annual leave, paid sick leave, pension benefits and termination benefits.

FINANCIAL INSTRUMENTS
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

FINANCE LEASE
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

NON CURRENT ASSETS
These are assets that are likely to be in use by the Company for more than one year, such as property, plant and equipment.

IAS19
Accounting standard requiring the recognition by an authority of the attributable share of the assets and liabilities of pension funds with which it is associated showing the employer's commitment to increase contributions to make up any shortfall in attributable net assets, or its ability to benefit (via reduced contributions) from a surplus in the scheme, even though the fund retains title to the assets and the responsibility to pay pensions.

IFRS 16
Accounting standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

STATEMENT OF COMPREHENSIVE INCOME
A Core Financial Statement that provides a summary of the resources generated and consumed by the Company in the period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
The regulations under which the accounts are published. A set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board.

INTANGIBLE FIXED ASSETS
Intangible fixed assets that are likely to be in use by the Company for more than one year are recognised where there is no 'physical' asset but the Company controls future economic benefits from the asset. For example computer software.

NET BOOK VALUE
An asset or liabilities original book value net of any accounting adjustments such as depreciation.

NET REALISABLE VALUE
The value of an asset that can be realised upon the sale of the asset, less any costs associated with either the eventual sale or the disposal of the asset in question.

NON EXECUTIVE INDEPENDENT DIRECTORS (NEID)
A member of the board of directors of a company or organisation who does not form part of the executive management team.

OPERATING LEASE
This is a type of lease under which lease rentals are paid for the use of the asset over the period of the lease. The asset remains the property of the lessor and has to be returned at the end of the lease.

OUTTURN
This is the final expenditure and income in any financial period. Outturn reports usually compare the final net expenditure (expenditure less income) against the relevant budget.

PROVISIONS
Amounts set aside for liabilities and losses which are likely to occur but where the exact amount or timing is uncertain but can be reasonably estimated.

RIGHT OF USE ASSET
The right-of-use asset recognises a lessee's right to use an asset over the life of a lease. At the termination of a lease, the right-of-use asset and associated lease liability are removed from the books of the lessee.

TANGIBLE NON-CURRENT ASSETS
Tangible fixed assets are 'physical' assets that provide future economic benefit and are likely to be in use by the Company for more than one year.

TERMINATION BENEFITS
Amounts payable to employees as a result of a decision by the Company to terminate an officer's employment prior to normal retirement age or an officers decision to accept voluntary redundancy.

THIRD PARTY PAYMENTS
Items reported under Third Party Payments for management accounts include contract payments made throughout the year. Examples include payments to third parties for independent child placements, Special Education Needs placements and other contract payments.

TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYEMENT) REGULATIONS 2006 (TUPE)
A part of UK labour law, protecting employees whose business is being transferred to another business. The regulations aim to protect employees employment and most significant terms and conditions.

8|15

CIC 34

Community Interest Company Report

	For official use *(Please leave blank)*	
Please complete in typescript, or in bold black capitals.	**Company Name in full**	Achieving for Children Community Interest Company
	Company Number	08878185
	Year Ending	31st March 2020

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Achieving for Children is a community interest company created by the Royal Borough of Kingston upon Thames and the London Borough of Richmond upon Thames to provide their children's services in April 2014. In August 2017, the Royal Borough of Windsor and Maidenhead joined the company as a member. Achieving for Children brings together all the services that support children and families from the three owning Councils. It was the first entire children's service in the UK to spin-out from a local authority. As a community interest company, Achieving for Children is governed by the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005. The community interest model means that the assets of the company, including any profits we make, are locked into the company and there are restrictions on how they can be used. In essence they can only be reinvested in services for children and their families in Kingston, Richmond and Windsor and Maidenhead or used to reduce the cost of those services. A social audit report is attached which sets out our activities and our achievements over the past year and how they have benefited the community.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Achieving for Children's key stakeholders are the children, young people and families that we serve in Kingston, Richmond, and Windsor and Maidenhead. Other stakeholders include Achieving for Children employees and key partners. We are committed to consulting with our stakeholders and where required, taking action in response to feedback. The attached social audit report sets out the consultation and engagement activity we have undertaken as part of the completion of our Business Plan projects.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Full details of our Directors' remuneration are set out in our annual accounts. There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed [signature] Date 16/10/20

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Lucy Kourpas	
Achieving for Children Chief Operating and Finance Officer	
lucy.kourpas@achievingforchildren.org.uk	
Tel: 0208 487 5018	
DX Number: N/A	DX Exchange: N/A

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

(N.B. Please enclose a cheque for £15 payable to Companies House)

achieving
for children

Achieving for Children
Community Interest Company

CIC34: Community Interest Company Report
Social Audit Report 2019-20

1st April 2019- 31st March 2020

Achieving for Children Community Interest Company
Registered in England and Wales as a Private Limited Company
Registered Office – 42 York Street, Twickenham, TW1 3BW
Registration Number 08878185
www.achievingforchildren.org.uk

Introduction

This report has been produced to satisfy the requirements of the CIC34 Community Interest Report. It sets out our activities and our achievements during 2019-20 and how these have benefited the children, young people and families who we serve. It includes examples of the consultation and engagement we have undertaken with our stakeholders- including children, young people and families.

Our achievements in 2019-20

In 2019/20 we supported over 30,000 children and young people. Our business plan set out our priorities and commitment to providing this support based on four strategic pillars: building family resilience; creating local provision; achieving inclusion; and promoting independence. We now report on the progress we have made in 2019/20 in achieving our objectives. Further information can be found in the Impact Report which is published on our website:

https://www.achievingforchildren.org.uk/wp-content/uploads/2020/09/Impact-Report-2019-20-3-Sept-20-2.pdf

Building family resilience

Our early help services provide crucial support to vulnerable families to prevent issues escalating to the point at which statutory intervention is necessary. A survey of the families we support indicates the positive impact we are having, with 89% stating they were satisfied or very satisfied with the services they have received and 86% stating they had been enabled to better meet their children's needs as a result of the intervention. In Kingston and Richmond, to drive further improvement, we completed an early help review with the aim of understanding how a range of organisations across both boroughs can work together, within existing resources, to better meet the needs of children, young people and families at the earliest opportunity. During the coming year, we will be working to implement the recommendations from the review to ensure our early help services remain effective but also sustainable given the financial climate.

As a crucial part of our early help offer, our children's centres continue to be well used and highly regarded with over 12,000 families attending sessions. Our centres offer a range of services for families, from midwifery, health visiting, and speech and language, to nursery advice and school readiness, delivered alongside over 40 partner agencies.

To ensure we are able to better meet the needs of the most vulnerable families in Kingston, we have implemented our new children's centre strategy which involves a more targeted approach for those most in need and greater use of outreach provision to ensure hard to reach families are able to access services. The strategy was developed following an extensive public consultation exercise which attracted over 740 responses and which highlighted that 98% of users felt that children's centre services have had a positive impact on their wellbeing and that of their children.

In Windsor and Maidenhead, we have just completed public consultation about our transformation programme that aims to turn our early help services into an Integrated Family Hub model through a remodelling of our children's centres, youth centres, parenting service and our family resilience service. The new hubs are proposed to be largely focussed on a targeted and specialist offer to enable us to focus our provision on the families that need the support the most. The consultation received 501 responses, and of those who declared a preference, 53% agreed with the proposals. Elected members will make a decision how to proceed later in 2020.

We continue to be creative to ensure our early help services are targeted at those most in need. For example, we have just introduced new chat and play sessions in children's centres to improve the support provided to parents with concerns relating to educational psychology, speech and language therapy, sensory impairment, portage, occupational therapy and physiotherapy. We have held eight sessions so far with 41 families attending with 100% reporting they felt more confident supporting their children's needs as a result of attending. Our one-off events remain popular with our National Play Day bringing together 755 families and 1,067 children to enjoy fun activities and to learn more about our children's centre offer.

Our Strengthening Families Plus service, which during 2019-20 supported 139 families facing multiple issues including mental health needs, domestic abuse, drug and alcohol abuse, and unemployment, has been recognised as one of the best both in London and nationally. Our approach is underpinned by the belief that families, with the support of local services and communities, can be supported to improve their circumstances and find solutions to problems by building on their strengths. 91% of the parents in the families we have supported have reported they have improved the care they provide to their children as result of the intensive support we have provided.

In Windsor and Maidenhead we have expanded the support for vulnerable families through the embedding of family coaches and domestic abuse workers. Feedback and evaluation data indicates the positive impact of the family coaches, with four successful family reunifications in the final two months of 2019-20 and avoidance of a number of potential placement breakdowns. The domestic abuse workers have already reported evidence of reducing risk in individual families and the funding has been secured to ensure the work can continue. In the four day Ofsted inspection report, inspectors highlighted the strong interventions available to all family members where domestic abuse is a concern.

A focused inspection of services to protect vulnerable adolescents in Kingston highlighted the success of our multi-disciplinary Youth Resilience Service (YRS) which has provided support to over 200 young people who were on the edge of care and who have been involved in offending, substance misuse, going missing from home, or were at risk of being exploited. Each young person was provided with bespoke interventions from a range of specialists, including family therapists, youth workers, nurses, and substance misuse workers to prevent their needs escalating. The inspectors highlighted that young people benefit from strong relationships with skilled social workers and from specialist, accessible and well-resourced help, and identified our innovative YRS as a real strength. They were particularly impressed by the energy of social workers across our teams and their commitment to our young people. To further support the work of the YRS, in collaboration with Kingston and Richmond Community Safety Partnerships, we have successfully secured funding from the newly-formed Violence Reduction Unit for Project X to deliver detached and outreach youth work to reduce serious youth violence and knife related crime.

Signs of Safety, is now well established as the model of practice across services in Achieving for Children and particularly in direct work with children and families, as evidenced through our regular casework audits. Over 1,400 practitioners in Achieving for Children and our partner organisations have been trained in the principles of Signs of Safety and report their increasing confidence in using it to work collaboratively with children and their parents to build on strengths and reduce risks within the family where there are child protection concerns. To ensure the model remains sustainable, we have trained over 80 staff as Signs of Safety practice leads who will deliver in-house training and provide ongoing support for colleagues. The positive impact of the model was referenced and praised in the inspections in Kingston and in Windsor and Maidenhead. Our ongoing evaluation of the model consistently demonstrates its benefits, with staff reporting it has helped them improve their practice and 100% of parent and carer respondents to our recent survey stating they feel listened to, are able to offer ideas or solutions that might improve their situation or relationships, and that the model allows us to work to their strengths.

Creating local provision

Our Independent Fostering Agency (IFA) has now been operating effectively for almost two years. Our fostering service offer, which was developed in partnership with foster carers while the IFA was being set up, has been well-received. Feedback has suggested our new offer is fairer and more transparent to carers; it is also competitive with other fostering agencies and supports our strategic aim to recruit more local foster carers, including those who are able to support those children and young people with complex needs who are best supported through family-based care. To support our recruitment of new foster carers, we are running skills to foster courses for prospective cases every two months and have invested in new promotional material. As a result, during 2019-20 we have had 136 fostering enquiries; we have made 41 home visits to potential foster carers; have 17 foster carers currently being assessed, with 5 more awaiting allocation to a worker for assessment; and we have approved 7 new foster carers. An inspection of our fostering services in Kingston and Richmond in September 2019 judged our services to be good in all areas.

Construction is almost complete on a new purpose-built short break centre for children and young people with disabilities. With more than 1,000 children with disabilities receiving short break care, including overnight respite care, the new centre will help us to meet the demand and provide a high quality and local service. The eight-bed centre will provide overnight respite care for children and young people aged from eight to 18 years who may have multiple disabilities, complex medical needs or challenging behaviours. The design and planning for the centre, which is due to open in the summer of 2020, has been heavily informed by the views and experiences of children, young people and families. We have also been successful in bidding for over £30,000 of grant-funding to develop an internal sensory room and a sensory garden, both of which will be an important part of the activity programme children and young people will be able to enjoy whilst staying at the centre. Currently, 96% of parents and carers rate the short break care and activities that their children receive as good or better and we are confident the new centre will help us maintain, or even improve, on this.

Our new residential children's home in Teddington is now built and is due to open in April 2020. The registered manager for the home was appointed in 2019 and has been working with children and young people currently in our care to develop the model of care. We have cultivated strong relationships with the immediate neighbours in the area so we can ensure that children and young people living there have the opportunity to play an active part in their local community.

The creation of additional school places to meet rising demand continues to be a priority across all operational areas. In September 2019, an additional 71 SEND places were established in Kingston and Richmond, including the new special school, Capella House, and four new specialist resource provisions, at King Athelstan Primary, Richmond Park Academy, The Hollyfield and Tolworth Girls'. Work has continued on developing the designs for the two special schools - one in Richmond and one in Kingston - which are expected to open in the next three years, and the education providers for them have been selected following a rigorous process. In January 2020, Kingston Council ratified a decision to expand Burlington Junior from four to five forms of entry in September 2025 and, in April 2020, the Department for Education announced that the Diocese of Southwark's application for a new 11-16 Church of England secondary school in Kingston had been approved, subject to full feasibility and the voluntary-aided statutory proposal process.

Achieving inclusion

We are working hard to improve the inclusive services we provide to children and young people with SEND, applying learning from the local area inspections in Kingston and Windsor and Maidenhead completed by Ofsted and the Care Quality Commission and the findings from the Local Government Association and Ombudsman reports in Richmond.

In Kingston and Richmond we now have established multi-agency SEND Partnerships, which include representation from children, young people, parents and carers. The Boards direct improvement work through agreed transformation plans and by responding to evidence provided through a quarterly dataset. We have also put in place new ways of working with the parents and carers of children and young people with SEND through Kingston's Parent Consortium and Richmond's Parent Panel. Through the groups, parents and carers were involved in a range of system improvement initiatives, including improvements to the Education, Health and Care Plan (EHCP) annual review process, resulting in over 95% of EHCPs being issued within 20 weeks, significantly higher than the national average of 61%, and implementing a new approach to collecting parent and carer feedback to inform our service delivery.

In October 2019, Ofsted revisited our SEND services in Windsor and Maidenhead and confirmed that we were making good progress against six of the eight areas identified as requiring improvement. Inspectors praised strengthened leadership and oversight, the improved timeliness and production of EHCPs, better communication with parents and carers and children and young people, and the newly introduced inclusion charter. We are fully focused on delivering improvements to the remaining two areas that relate to consistency and commissioning.

Parents and carers also contributed to the review of therapy provision in Kingston and Richmond carried out jointly by Achieving for Children and the Clinical Commissioning Groups. Covering speech and language therapy, occupational therapy and physiotherapy, the review provided clarity on existing and emerging therapy needs and confirmed that therapies are a significant and valued element of the support package provided to children and young people with SEND. It quantified the increasing level of need for therapies to meet children's needs and the amount of increased investment needed. The review outlined a new proposed model which will be implemented in 2020/21 which offers a whole-system, outcome-based framework that can be used to understand, plan and evaluate services to support children and young people.

We have held successful SEND conferences in both Kingston and Richmond and in Windsor and Maidenhead. In June 2019, 325 children and young people, families and stakeholders from 105 organisations from health, education and social care from Kingston and Richmond attended the SEND Futures Conference. Over 75 parents attended in person and were able to contribute to the discussions using their own experiences. They were joined by voluntary organisations working in the boroughs with children, young people and parents of children with SEND. The conference, which was co-produced and delivered by young people, parents, carers and professionals, was an opportunity for the SEND community and service providers to come together, share learning, deepen their understanding and work together to ensure high quality services continue to be delivered. The feedback was extremely positive with 82% of attendees stating they were satisfied or very satisfied with the event.

We held our Windsor and Maidenhead Inclusion Summit in September 2019. The event provided an opportunity for professionals in education, health and the voluntary sector to come together with parents and carers to discuss how to work together to make Windsor and Maidenhead a positive beacon of inclusion for children and young people with SEND. The Summit was co-produced with Parents and Carers in Partnership (PaCiP), East Berkshire Clinical Commissioning Group and local SEND organisations. Over 180 people were in attendance, representing parents and carers, educators from early years, schools and colleges, services from health, the local authority, and the voluntary sectors. The feedback captured as part of the Summit has been crucial in helping us shape our services going forward.

The Early Years SEND Team in Windsor and Maidenhead also organised a highly successful conference in June 2019 for 50 early years' practitioners from private, voluntary and independent settings and maintained nursery classes across Ascot, Windsor and Maidenhead. The event focused on thinking more creatively and flexibly about how inclusion feels to children, parents, staff and the whole school community. A range of workshops were on offer, including working with parents, smooth transitions for children with autistic spectrum conditions and meditation. Feedback was wholly positive, with evaluations commenting on how planning first for children with SEND will benefit the provision for all children; and how they feel more confident in managing challenging behaviours.

We have supported over 500 children and young people through our emotional health services, with 89% reporting improved mental health and emotional wellbeing. Our services include art therapy, clinical psychology and systemic family therapy. We are part of a national trailblazer in Kingston and Richmond to deliver a whole-school approach to mental health which aims to establish an emotional wellbeing programme in all schools including wellbeing support, training, and information to pupils, parents and staff. The principle is to intervene early using evidence based direct work to prevent issues escalating. As part of the trailblazer we have delivered sessions and workshops to 11 schools; held 12 sessions for 80 pupils; held 14 sessions for 315 parents; and held 5 whole school training sessions and six targeted training sessions for 118 staff. We are hoping to be successful with a bid to deliver the programme to more schools in the next wave starting in 2021 in collaboration with neighbouring local authorities. In Windsor and Maidenhead, alongside East Berkshire Clinical Commissioning Group and the Council, we are introducing an enhanced early intervention service with the aim of ensuring that all children and young people's early intervention mental health services are fully integrated, offered through a seamless, quality and timely support, and use the innovative Restorative Practice and IThrive principles. The new service is being developed in response to increasing demand for emotional and mental health services, to address rising waiting times for initial appointments, and to ensure that low level needs are met at the earliest possible opportunity.

We were successful in our bid to the Youth Endowment Fund, for funding to set up Transition Hubs, in partnership with St Mary's University in Twickenham and Barnet Council. The Transition Hubs support future students in care aged 11-14 years old, including unaccompanied asylum seeking children, to improve their long-term outcomes. They offer an evidence-informed and tailored programme of support to the student, their carer and the receiving school, prior to the student starting school. Each Transition Hub offers students: a six-week personalised programme of support, as well as weekly and monthly visits based on four stages of transition; a Learning Mentor who provides relational stability across the four transition stages; and a detailed assessment to allow for more targeted and effective provision. The Transition Hubs also offer training to schools and foster carers around the interconnectedness of child, family, school and community factors in supporting better outcomes for children in care.

Promoting independence

Having secured £105,000 in grant funding during 2018-19 from the Careers and Enterprise Company to develop innovative new approaches to careers advice for young people with SEND, over the past 12 months we have worked across 13 mainstream and special schools providing 'next steps' personal guidance interviews to students with SEND in Years 10 and 13 in Kingston and Richmond. We have held over 190 interviews with pupils with SEND. The interviews are designed to provide information on post-16 training and employment options and help young people to explore their longer-term aspirations. In Windsor and Maidenhead we have held two successful 'preparing for adulthood' events with almost 100 young adults and their families attending sessions to help plan their education and employment in the future. Feedback on the events was extremely positive.

In Windsor and Maidenhead we held a number of Preparing for Adulthood information events in January 2020 in recognition of the need to ensure that young people and their parents and carers are aware of the Preparing for Adulthood agenda and have knowledge of services and support available to them. There were 169 attendees, of which 87 were young people and their parents and carers, and 22 organisations exhibited information. Feedback was extremely positive with young people and parents and carers praising the breadth of knowledge and information available and the helpfulness of the organisations in attendance.

Our Education Business Partnership has supported 53 young people with SEND into post-16 vocational pathways. 18 young people are in apprenticeships; 13 are in supported internships; 10 are in employment; four are in traineeships; and eight are undertaking other vocational destinations. This represents an increase of over 25% from 2018-19.

3,326 young people from Kingston and Richmond started a Duke of Edinburgh Award in 2019-20, with 271 young people starting a Gold Award, an increase from the previous year. We achieved our highest ever number of young people achieving their Award with 1,759 fully completing the programme. In total, these young people contributed 47,892 hours of volunteering in the last 12 months to charities, schools and community groups, which represents a social value of £505,261. In Windsor and Maidenhead, we provided support to schools across the borough to enable them to directly run the Award with their own pupils.

More than 10,000 young people regularly use our youth services to take part in positive activities that develop their interests and talents. In 2019-20, 30% of those taking part received an accreditation for the activity they took part in. The service offers a wide range of affordable activities for young people from parkour to cookery, skateboarding to gym workouts. Our youth workers conduct issue-based work with young people covering topics such as sexual health, substance misuse and emotional wellbeing. Our teams work with young people in schools, undertake street-based work engaging young people where they hang out, and offer an extensive holiday provision. For example, our school education workshops in Windsor and Maidenhead which covered topics including gangs, criminal exploitation, and online safety, were attended by 4,214 young people with 91% of attendees stating they had learnt from the sessions. We also held workshops for 321 parents and carers or professionals identifying how best to support young people in relation to those topic areas, with 94% of attendees stating the sessions met their needs. In Kingston and Richmond, we have secured funding for a new youth bus which will allow the service to undertake detached work across both boroughs and establish a presence in known hot-spots. We have also established two new youth clubs, with each attracting over 50 young people per session.

We held the inaugural Achieving for Children Youth Awards in November 2019 with over 400 young people and families attending to celebrate the achievements of the young people that attend our youth centres. The awards, which were hosted by two young people and interspersed with various performances, saw a number of young people nominated across various categories, including achievements in art and sport, outstanding contribution to the local community, personal achievement, and young person of the year.

Kickback, our Children in Care Council in Windsor and Maidenhead, has delivered Total Respect training to all our elected members. The session, which is delivered by young people, uses real life case studies, workshops and a range of different activities to encourage debate and develop a better understanding of what it is like to be in care. The training was extremely well received and will support members in their role as corporate parent to children in care. Also during the year, our Children in Care Councils in Kingston and Richmond co-produced the new interactive leaving care local offer information on the AfCInfo web pages. The webpages are now easy to navigate and contain a wider range of support, advice and guidance. This includes budgeting, health and wellbeing, and educational, employment and training.

Growing the company

Recruitment and retention remains a key focus for the company,. During 2019-20, we have put in place a new recruitment strategy which clearly sets out how we will attract new talent into the company. We are pleased that as a result of our activity, we have reduced our social worker turnover rate to 16% and our agency rate to 25%, both of which compare favourably to statistical neighbours. In response to feedback from staff about support for managers, in February 2020, we held our first leadership summit for managers across the company. The summit took place over a week and consisted of a briefing from senior leaders, mandatory training in people management, and a range of e-learning courses. Over 90% of managers took part and feedback was extremely positive.

Our staff councils continue to ensure that the voices of employees inform prioritisation and decision-making within the company; in 2019/20 this has included supporting the development of our new four-year business plan through a series of Big Conversations with key stakeholders, arranging social events for staff, and encouraging new and innovative approaches to innovation through company-wide i-Hub challenges. The challenge winner in 2019 was a pilot scheme to help understand and evidence whether having a friendly dog present during visits can help make a positive difference to families and children who find social interaction difficult. The funding has been used to train and accredit dogs and complete an evaluation pilot. The staff councils have also supported the introduction of the new staff benefits package that was commissioned and rolled out in October 2019. as well as the development of an improved employee wellbeing offer.

Consultation and engagement has been a focus for the company during 2019-20. We are currently reviewing and updating our Engagement Strategy and have just completed a public consultation exercise with parents and carers and children and young people to gather their views on what it should include. Based on this feedback, we will be strengthening the strategy and ensuring that it effectively sets out how we work together so that children, young people, parents and carers have opportunities to influence the design, commissioning, delivery and evaluation of our services.

During the year we have completed a number of public consultations, including SEND provision and children's centre services. A wide range of consultation methodologies have been used, including online surveys, workshops and events. There has been a specific focus on engaging children and young people's views in consultation, including the development of accessible and easy read materials for young people with disabilities and learning difficulties. The responses to consultation have informed the design and delivery of services, most notably our approach to the transformation of services to support children and young people with SEND. We are also currently developing our own MySay product which will be a platform for service user engagement across the company. It will initially be used for looked after children but the expectation is that it will be expanded to become the portal for all engagement, providing greater consistency and high quality consultation opportunities. To accurately and consistently capture feedback from families we have developed one single feedback form which will be used by all social workers to gather the views of families they have supported.

Our new ICT and Digital Strategy is driving innovation and creativity within the company. We are working with Windsor & Maidenhead council to roll out new laptop devices to employees in Windsor and Maidenhead and have already successfully issued them to all employees in Kingston and Richmond. We have recently piloted new telephony with the intention of enabling our employees to be more agile through the use of mobile phones. Our digital approach has expanded significantly during 2019-20 with a number of digital innovations that have improved our efficiency and effectiveness and the establishment of the companywide Digital Board. This includes audio recording of child protection conferences which has been so successful that we have developed a digitisation offer that has been sold to three other local authorities; and the creation of an online booking system for our emotional health services which has reduced administration time and improved accessibility for families. We recently successfully won £15,000 in funding from the Local Government Association to implement a 12-month chatbot pilot for our AfCInfo website. The chatbot will work as a digital website assistant to support navigation. Our 12-month pilot will assist children, young people and families to have access to 24/7 website navigation support.

We have continued to deliver improvement consultancy work funded by the government's Partners in Practice initiative. Our main focus for support during 2019-20 has been to children's services at Reading Borough Council and we were pleased to contribute to the recent improvement in their

Ofsted judgement from 'inadequate' to 'requires improvement.' We continue to deliver a full range of support services to schools which brings in over £2.3 million in income and which has seen an increase in demand for services relating to educational psychology, education welfare, emotional health, school improvement and continuing professional development.

During the year we have progressed our plans to take on responsibility for the Berkshire Sensory Consortium Service from 2020/21. The service works with children and young people up to the age of 19 attending school and resident in the Berkshire local authorities who have educational needs arising from a diagnosed hearing, visual or multi-sensory impairment. Specialist teachers, paediatric habilitation specialists, educational audiologists and specialist teaching assistants provide a key worker service for pre-school children, pre-school groups, parent workshops and provide advice, teaching and training for pupils, parents and schools. In April 2020, the service will join with us and an additional 40 employees will be welcomed into the company.

Work has also been completed during the year to strengthen corporate governance following an audit in 2019. Information governance practices have been revised to comply with the new requirements of the General Data Protection Regulations; an information asset strategy has been developed and a new data breach procedure has been put in place; a process has been developed to ensure impact assessments are now completed on any new system to ensure information governance implications have been considered; and training has been delivered to all teams across the company by our Data Protection Officer who has recently gained a recognised information governance qualification.