

Company registration number 09487106 (England and Wales)

**SLOUGH CHILDREN FIRST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

WEDNESDAY



\*ACIS57BV\*

A30

20/12/2023

#324

COMPANIES HOUSE

## SLOUGH CHILDREN FIRST LIMITED

### COMPANY INFORMATION

---

Directors	N Robinson R Bhamber L Hagger K Gandhi S Butcher S Mason B Short S Baker	(Appointed 19 October 2022) (Appointed 4 January 2023) (Appointed 11 May 2023) (Appointed 7 September 2023) (Appointed 7 September 2023)
-----------	---	--

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

Registered office	Observatory House 4th Floor 25 Windsor Road Slough Berkshire SL1 2EL
-------------------	---

Auditor	Mercer & Hole LLP Trinity Court Church Street Rickmansworth WD3 1RT
---------	---

Business address	Observatory House 4th Floor 25 Windsor Road Slough Berkshire SL1 2EL
------------------	---

---

# **SLOUGH CHILDREN FIRST LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 7
Directors' report	8 - 9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Income and expenditure account	14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Statement of cash flows	18
Notes to the financial statements	19 - 29

---

# SLOUGH CHILDREN FIRST LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors are pleased to present the Strategic Report highlighting progress in overcoming challenges faced by Slough Children First (the Company) over the year.

### Our context

The Company is a wholly owned subsidiary of Slough Borough Council (the Council) and is constituted as a company limited by guarantee. The Company is governed by a Board of 8 Directors appointed by a combination of the Board and the Council in consultation with the Department for Education (DfE) to ensure operational independence from the Council.

The Company was established in response to inadequate OFSTED ratings following inspection of children's services at Slough Borough Council in 2011, 2013 & 2015.

In addition to child safeguarding, these services constitute specialist support and social care, targeted early help, youth justice, respite children's homes, contextual safeguarding, family placement, Independent Fostering Agency and Voluntary Adoption Agency for children and families in Slough.

The Company works closely with partners to provide the best possible support for children, young people and families who need support in daily life to access health, education, housing, community safety, police and community organisations in Slough.

During the financial year 2022-23 the Company Board, responsible for directing business, held 3 formal Board meetings (alongside 11 extraordinary meetings to cover specific issues) and additional planning sessions to develop and monitor performance against its strategic aims, compliance with policies and management of risk.

### Attendance at board meetings:

Director	Board Meetings												Extraordinary Board Meetings			Planning Session		
	22 Sep	25 Nov	08 Feb	01 Apr	07 Apr	13 Apr	19 Apr	29 Apr	12 May	07 Jul	31 Aug	10 Oct	14 Nov	20 Dec	05 Apr	18 Jul		
M J Marsden	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
N Robinson	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
R Bhamber	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
L Hagger	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
M Gadsby	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
A Hunter	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
C Douch	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
A Fraser	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
K Gandhi			Y															
S Butcher			Y															
Total Director attendees	8	7	7	8	7	7	8	7	7	7	7	8	8	7	7	8		

The work of the Board was supported by its four sub-committees:

- The Audit and Risk Committee
- The Quality and Improvement Practice Committee
- The People Committee
- The Renumeration, Nominations and Appointments Committee

These sub-committees met throughout the year, reporting to the Board on key issues to inform strategic plans

## **SLOUGH CHILDREN FIRST LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

#### **Our vision and objectives**

The Company's vision is for children and young people in Slough to be happy, safe & loved, and thriving. Our objectives are set out within our Articles of Association. These are to provide social care, youth justice and other related services and support to children, young people and their families for the advancement of the community, and in particular:

- a. to keep children and young people safe from harm;
- b. to provide high quality and coordinated services in connection with children, young people and their families, including in relation to children's safeguarding, children in care and at the edge of care, children leaving care and adoption & fostering services;
- c. to innovate and secure improvements in the quality and effectiveness of the services provided to children, young people and their families in respect of social care, family support and youth offending services and demonstrate value for money in doing so;
- d. to advance and promote social care, family support and youth offending services available to children, young people and their families;
- e. to work collaboratively with other agencies to identify the individual social care needs of children and young people and to establish suitable arrangements to prepare for and meet such needs;
- f. to make a positive and effective contribution to multi-agency early intervention support for children, young people and their families to avoid the need for more intensive social care support;
- g. to ensure that effective care planning and appropriate intervention is in place which protects children from harm, reduces the need for children to be in care unless absolutely necessary and supports those in care;
- h. to establish and operate arrangements based on best practice and innovation and to work in partnership with all agencies involved with children, young people and their families to encourage and support to achieve positive outcomes; and
- i. to establish, promote and encourage the development of collaborative working arrangements between individuals and organisations in the field of information, advice, guidance and support to deliver high standards of social care, family support and youth offending services to children and young people.

#### **Our progress and performance**

The key areas of progress made by the Company since 01 April 2022 have been essential in establishing a positive foundation for the Company. A permanent DCS is now in place with other permanent appointments to the leadership team also being confirmed. A predominantly permanent Heads of Service management group working to the leadership team has also contributed to achieving greater staffing stability.

A new Board Chair has also been appointed and along with the Board are driving closer working relationships with the Council and other external partners. Internally the establishment of a Principal Social Worker will lead in building better practice and engagement throughout the Company, ultimately achieving better outcomes for our Children and young people.

The Company is growing and increasing level of control over the demands placed on it. As a demand-led service although projections and models are used as far as possible analysis is still needed to look at the change in demand of activities undertaken in order to start to explain our financial position. One of the key points highlighted in a four year costs comparison is that whilst income has grown on average 4% a year (21% in total), costs have increased to a greater extent at on average 7% a year (34% in total).

Breaking this down further for example, there has been an increase in the cases managed by SCF of 74% in a four year comparison period and although the number of placements paid for has not seen that level of increase the number of Unaccompanied Asylum Seeking Children (UASC) has on average tripled each year. By fully understanding these changes in demand the Company is in a better position to move forward with financial plans.

#### **Key areas of focus for the future**

The Company is developing new plans based on Good practice models which are evidence informed and are being successfully used in other Local Authorities. The business and improvement plan includes detailed plans with the key priorities identified as:

**SLOUGH CHILDREN FIRST LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

**(Key areas of focus for the future continued)**

- Children, young people and their families must be able to easily access Early Help and know where to go and who to speak to when they need it.
- Education and learning are vital to ensure that our children have the best start in life and are empowered to go on to rich and fulfilling lives through work.
- Children in our care will have a stable place to live and our care experienced young people can access their own affordable homes.
- Children and their families will have effective support and care from a stable workforce. This will mean that children do not experience lots of changes of worker and they can develop a trusting relationship with someone who will help them and their family.
- We will work with our children and young people to enable them to participate and shape services with us.
- We will work in partnership with colleagues across the Council and all services that work with children, young people and their families. We believe that it is only together that we can make a difference. We value our relationship with Community and Voluntary Sector partners who know their communities well.

The financial model we have used reflects the activities required to achieve these priorities for our children and our aim is to deliver better outcomes for children by **doing differently for less** with a clear focus on improving practice.

Our modelling reflects a priority in Early Help through targeting a **5% reduction** in the number of families stepping up into statutory social care. This is by short- and medium-term funding for additional Targeted Early Help teams. In addition to these teams, the continuing development of partnership working will mean that half of the children in need plans that close will be stepped down to Early Help teams and half to community partners.

Children who are being considered for care but have not entered it (defined as 'Edge of Care') will be supported with a specific Edge of Care team to support them to remain in their family home. This will **avoid entering care** alongside an **increase in the reunification** of children coming home from care (where appropriate).

With this support and focus our **placement costs will start to fall**, particularly in the high-cost residential placements for those children with complex needs around Child Criminal Exploitation (CCE) and Child Sexual Exploitation (CSE). Edge of care teams will also impact legal fees as they will also reduce as the volume of proceedings reduce.

Our in-house fostering service will continue to develop their support model and make Slough a great place to be a foster carer. Increasing their numbers and developing their specialist skills will help **avoid placing** with external fostering agencies also removing the margins we are charged by third parties - all driving **greater value for money**. We will target **six new carers** by the end of year 1 with further recruitment planned in future years.

Our spending on placements for Unaccompanied Asylum-Seeking Children (UASC) and Care Leavers is also expected to benefit from some commissioning initiatives aimed at targeting the rates paid and **driving better value for money**. This will be done through identifying multiple occupancy accommodation available for Semi-Independent and Independent living.

A stable workforce will be a priority and through successful international recruitment and our on-going ASYE programme, the ratio of permanent to agency social work staff is modelled at 77%:20% with the remaining 3% factored for vacancies. This is based on our current data and in future years we expect to **improve this by 1 percentage point** each year.

**Principal risks and uncertainties**

There is an increase in the complexity of needs, growth in children presenting to Slough seeking refuge from unsafe situations in their own countries, a cost-of-living crisis and rising prices. Our financial model reflects this and incorporates the key activity needed in 2023/24 to realise benefits, as well as further phases of our plan, such as Family Group Conferencing and Family Hubs in later years. Although we cannot reduce the demand we experience we can implement strategies to meet it.

Our risk management strategy seeks to prevent risk using pre-emptive intervention processes, minimising the likelihood of instances requiring a reactive response. We do so by seeking to follow best practice to develop a culture where risks are recognised, owned and addressed.

## **SLOUGH CHILDREN FIRST LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

#### **(Principal risks and uncertainties continued)**

The Council faces extraordinary financial challenges which are reflected in the Section 114 Notice and continued oversight and scrutiny by Commissioners appointed by DLUHC. Inevitably these financial challenges affect the work of the Company. Despite these constraints we must demonstrate that we provide services effectively and efficiently therefore evidencing best value for money.

There is a 'national cost of living crisis' and Slough's children and families are no exception to experiencing significant financial hardship and the consequential increased emotional burdens. Children face the continued implications of the Covid-19 pandemic on their education and their mental and emotional wellbeing.

There are significant challenges for young people who have become more disengaged from services and are therefore vulnerable to adults who seek to exploit them both criminally and sexually. We must focus on getting alongside our children and young people and work with our partner agencies to find ways to disrupt the adults who exploit them.

We are experiencing an increase in referrals relating to young people who are seeking refuge from their country of origin through the asylum system and we must support them to recover from the trauma that they will have experienced. This includes working with schools and colleges to ensure asylum seeking young people's educational needs are met whilst also ensuring that appropriate safeguarding arrangements are in place where there is a dispute about their age.

The Board of Directors, responsible for ensuring that the Company's approach to risk management is robust and appropriate and includes risk management as part of the regular board agenda. All risks are actively managed by the Strategic Leadership Team of the Company through regular reviews.

In this context the Company is working on improving governance to manage its resources with more efficacy through improved processes that deliver improved outcomes and better value for money. Meanwhile, the risks that are currently being managed are, and in the main remain to be:

- The Company continues to ensure cost effective services are provided with value for money evidenced by benchmarking
- Going forward strong, stable and skilled leadership at the Company and the Council, working collaboratively WILL enable greater progress in plans to improve services despite external pressures. This can be enabled with longer term investment in the infrastructure and resources in the Company.

#### **Section 172(1) Statement**

The Company operates in a complex and interconnected commercial and regulatory environment (the market) which impacts on various stakeholders. By understanding and engaging with stakeholders the Company can consider their interests and priorities when making key decisions and ensure that the business collaborates constructively with them to promote the success of the Company.

The Company believes that engagement with its stakeholders is key to achieving successful delivery of its business plans and alignment of its strategy with a changing market, helping it to be a responsible, sustainable business in the long term.

How the Company engages with its key stakeholders is set out below:

##### **Service users**

We are developing our communications with service users to ensure this is done through the correct channels and aligned to their needs. A revised and updated participation strategy is going through an approval process to ensure mechanisms are established to capture service users views etc. Children and young people have been involved in the recruitment process for senior posts.

The Company holds annual surveys to capture the voice of the child, this information is used to develop practice and create Good outcomes for Slough's children and young people. The Company engages with parents to shape local provisions to meet needs, ensuring the service is fit for purpose.

**SLOUGH CHILDREN FIRST LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

**(Section 172(1) Statement continued)**

*Workforce*

The Company has a dedicated workforce and has a responsibility to ensure that all employees work in a safe environment and have opportunities to learn and develop their careers. The Company is implementing its workforce strategy, which creates clear development pathways. The strategy looks to develop the skills of the leadership to provide strong supervision and guidance.

There are various engagement mechanisms in place to allow staff to exchange their views. The Company undertakes staff surveys to gauge morale and any issues arising. The results of which are presented to the strategic leadership team and the relevant Board sub-committee to allow for adaptations to the workforce plans.

The Company is an equal opportunities employer and has a formal whistleblowing policy in place to allow employees to raise any concerns or issues they have confidentially.

*Suppliers*

The Company is engaging with and developing its relationships with local providers and SMEs. Developing local services is a key strategy; the commissioning function has held several provider forums to engage suppliers to develop the local market.

The Company has updated its Sufficiency Strategy to identify the ongoing needs of the community it serves. The strategy will help shape the markets to be able to provide effective, sustainable and commercially viable services to children, young people and families. It is reviewed and refreshed every 3 years and is developed by ensuring an understanding of the demographics and assessed needs, hearing the voices of Slough's children, gap/market analysis and benchmarking offers with other Local Authorities.

The Company is developing standard contractual terms that will help protect both parties to ensure amicable relations are developed and timely resolutions to operating or contractual issues can be achieved.

*Community and environment*

The Company sees the community as a key asset in its ability to deliver a sustainable model for the future, and the voluntary sector, as well as faith and other community groups, essential to devise lower-level support mechanisms. This is an area highlighted for further development in the business and improvement plan and also as a clear priority going forward.

*Government*

With the background of rising demands and reducing budgets, the Company work with government departments and local sector led improvement leads to drive new and/or tried and tested initiatives that can meet the needs of our families in as cost-effective manner as possible. The Company bids for new government funding to help support new initiatives where appropriate.

**Energy and emissions report**

**Energy Emissions**

The number of staff in the Company exceeds 250 and therefore exceeds two of the three threshold criteria for being a large company. It is therefore required to report under the Streamlined Energy and Carbon regulations.

The Company is required to report on its direct and indirect emissions, encompassing travel and mileage undertaken by staff while delivering services, along with emissions from office locations and other buildings used for the provision of children's services. These come under the three scope headings of:

- Scope 1 Direct Emissions – Emissions from activities owned or controlled by ourselves
- Scope 2 Indirect Emissions – Electricity purchased and used for operations
- Scope 3 Other Indirect Emissions – Emissions because of actions but that are not controlled or owned directly e.g. business travel.



**SLOUGH CHILDREN FIRST LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**(Energy Emissions continued)**

Scope	Type	Unit	Total	Multiplier	Unit	Total	Multiplier	Unit	Total	Em. Calc. tCO2e	Prior year
Scope 1	Gas	kwh	334,211	0.18293	kwh	61,137	2023 fuels, natural gas conversion factor gross CV to kg CO2e	kgCO2e	61,137	61.14	57.50
Scope 2	Electricity	kwh	288,072	0.20707	kwh	59,652	2023 UK electricity conversion factor to kgCO2e	kgCO2e	59,652	59.65	60.75
Scope 3	Transport	Miles	148,612	SECR kwh pas & delivery vehs, average car, unknown fuel	kwh	164,376	Passenger vehicles, average car, unknown fuel	kgCO2e	39,853	39.85	37.32
<b>Total</b>									<b>160,642</b>	<b>160.64</b>	<b>155.56</b>

**Source**

The Company is atypical insofar as it owns no assets and leases premises from the Council and therefore the data is sourced from:

Gas: Council bills x pro rata of office space used by Company  
Electricity: Council bills x pro rata of office space used by Company  
Transport: Mileage claims from employees for the year @ £0.45 per mile

**Intensity Ratio**

The chosen intensity measurement to report is CO2 emissions per employee as this seems the most relevant to the organisation.

Per employee: Annual accounts 532.95 kgCO2  
Per sqm: Rent charges 67.05 kgCO2

**Quantification and reporting methodology**

We have followed HM Government Environmental Reporting guidelines including: streamlined energy and carbon reporting guidance March 2019 in order to produce the report; government conversion factors for Company reporting to calculate CO2 emissions

<https://www.gov.uk/government/collections/government-conversion-factors-for-Company-reporting>

**Measures taken to improve efficiency**

These include promotion of the use of electric vehicles, a push towards a paperless office and reduction in printing. The lump sum payment which rewarded staff for increased miles has been removed. Commissioning placements for our young people closer to Slough has reduced the travel requirements for supporting staff.

## **SLOUGH CHILDREN FIRST LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

#### **The Financial Position at the year end**

Average monthly caseloads remained as high as was seen during the Covid pandemic, with legacy cases from that period and elements of increases from demographic growth and the cost of living crisis meaning more children and families required our support. In addition, an increasing number of children seeking asylum meant the number of children in care in Slough rose significantly from 217 as at March 2022 to 260 as at March 2023. These factors, along with national market demand for both suitable placements and a reducing supply of social workers, continue to have a significant bearing on the financials of the Company to March 2023.

As a consequence of the increase in children in care and the requirement for additional social work, capacity and the costs of the defined benefit pension scheme (2023: £3.49m, 2022 £3.33m) resulted in a reported loss in-year of £8.08m (2022: £4.03m loss).

The balance sheet shows a net liability position of £9.70m (2022: £24.94m) including pension liabilities of £4.39m (2022: £24.23m). Actuarial gains on the defined pension scheme were £23.3m in year contributing to the improving liability position. Cash balances were £2.22m (2022: £4.15m). The Company's budget for 2023/24 includes an increase of £8.95m in contract value recognising the growth in demand.

Slough Borough Council issued a letter of comfort to the Board of Slough Children First confirming support for 12 months from the date of signing of the 21/22 accounts (31st March 2022). The Council has confirmed they will issue a further one for the next 12 months during this financial year.

#### **Other information and explanations**

##### *Environmental matters*

The Company remains committed to minimising the impact of its activities on the environment and to continually improve its environmental performance through initiatives such as the use of electric cars for local business travel, flexible working allowing staff to work remotely and not requiring them to travel to the office, along with the use of technology to reduce the reliance on paper.

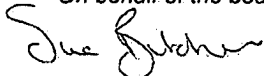
##### *Statement of internal control*

The Company is responsible for ensuring financial information and accounting records are accurate with strong mechanisms in place to mitigate risks identified. Internal and external auditors review internal operational controls and management protocols and provide improvement recommendations.

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

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

*On behalf of the board*



S Butcher

Director

11 September 2023

## **SLOUGH CHILDREN FIRST LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

---

The directors present their annual report and financial statements for the year ended 31 March 2023.

#### **Principal activities**

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

#### **Directors**

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

M J Marsden	(Resigned 17 April 2023)
N Robinson	
R Bhamber	
L Hagger	
M Gadsby	(Resigned 17 October 2022)
A Hunter	(Resigned 10 May 2023)
C Douch	(Resigned 3 February 2023)
A Fraser	(Resigned 3 February 2023)
K Gandhi	(Appointed 19 October 2022)
S Butcher	(Appointed 4 January 2023)
S Mason	(Appointed 11 May 2023)
B Short	(Appointed 7 September 2023)
S Baker	(Appointed 7 September 2023)

#### **Results and dividends**

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

#### **Future developments**

As part of the new business plan, the Company is looking for investment in demand management strategies, seeking to avoid entry into care and provide early help to children and young people and their families to avoid escalation of need into more formal statutory services. There are a number of key strands to the strategy;

- People plan to drive a more stable and permanent workforce to provide continuity of services for families to improve outcomes.
- Commission strategies to drive sufficiency of placements and provisions in Slough at competitive market rates, forging key strategic alliances with providers, the community and partner agencies.
- Demand management strategies to avoid escalation of need into more costly statutory services.

Ofsted reinspected the local authority's children's services in Slough during the year ended with the outcome remaining "requires improvement to be good". There is a clear focus for the Company and its directors on securing an Ofsted judgment of "Good" with the business and improvement plan addressing points raised from the inspection to help achieve this ambition.

#### **Auditor**

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The trustees have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**SLOUGH CHILDREN FIRST LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

**Going concern**

The Council's Cabinet has recently confirmed that the funding for prior losses of £5.3m will be paid to the Company and the contract sum in 23/24 increased to £40.5m enabling the Company to operate at financial breakeven.

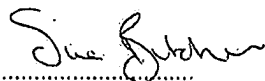
The Council's Cabinet has also agreed to the funding of the Company at the levels outlined in the business strategy going forwards. The Council has also provided a letter of comfort to support the going concern position of the Company.

**Employees**

The Company had an establishment of 371 full-time equivalents or 355 posts and employed 284 permanent staff and 82 agency workers as at 31 March 2023. Within the workforce 22% are qualified frontline practitioners and as a total 84% are female and 16% male.

As an equal opportunities employer, the mean gender pay gap as at March 2023 3.8%, an increase from the previously reported 1.3% but remains below the national average.

On behalf of the board



S Butcher  
Director

Date: 11 September 2023

## **SLOUGH CHILDREN FIRST LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **SLOUGH CHILDREN FIRST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF SLOUGH CHILDREN FIRST LIMITED**

---

##### **Opinion**

We have audited the financial statements of Slough Children First Limited (the 'company') for the year ended 31 March 2023 which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Material uncertainty relating to going concern**

We draw attention to note 1.2 in the financial statements, which advises the reader that the company has net liabilities on the balance sheet and has continued to operate at monthly losses in the financial year 22-23. The Directors have reviewed the financial forecasts including cashflow projections, but have not formally agreed a business plan with the Council. Whilst there is a letter of support from the Council, they are facing their own financial challenges which may have an impact on their ability to provide the support to Slough Children First Limited and therefore a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **SLOUGH CHILDREN FIRST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLOUGH CHILDREN FIRST LIMITED**

---

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**SLOUGH CHILDREN FIRST LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

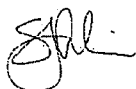
**TO THE MEMBERS OF SLOUGH CHILDREN FIRST LIMITED**

---

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

**Use of our report**

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



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

12 December 2023

**Chartered Accountants**  
**Statutory Auditor**

Trinity Court  
Church Street  
Rickmansworth  
WD3 1RT



**SLOUGH CHILDREN FIRST LIMITED****INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Income	3	40,513,860	40,244,340
Administrative expenses		(47,928,496)	(43,710,455)
<b>Operating deficit</b>	4	<b>(7,414,636)</b>	<b>(3,466,115)</b>
Interest receivable and similar income	7	641,000	421,000
Interest payable and similar expenses	8	(1,310,500)	(981,000)
<b>Deficit before taxation</b>		<b>(8,084,136)</b>	<b>(4,026,115)</b>
Tax on deficit	9	-	-
<b>Deficit for the financial year</b>		<b>(8,084,136)</b>	<b>(4,026,115)</b>

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

**SLOUGH CHILDREN FIRST LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

	2023 £	2022 £
Deficit for the year	(8,084,136)	(4,026,115)
Other comprehensive income		
Actuarial gain on defined benefit pension schemes	23,326,000	5,103,944
Total comprehensive income for the year	<u>15,241,864</u>	<u>1,077,829</u>

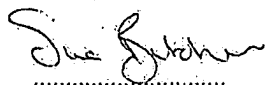
**SLOUGH CHILDREN FIRST LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Current assets</b>					
Debtors	10	6,841,077		8,706,528	
Cash at bank and in hand		2,216,263		4,150,666	
		<u>9,057,340</u>		<u>12,857,194</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(9,369,291)</u>		<u>(8,576,009)</u>	
<b>Net current (liabilities)/assets</b>			(311,951)		4,281,185
<b>Creditors: amounts falling due after more than one year</b>	12		<u>(5,000,001)</u>		<u>(5,000,001)</u>
<b>Net assets excluding pension liability</b>			<u>(5,311,952)</u>		<u>(718,816)</u>
<b>Defined benefit pension liability</b>	13		<u>(4,391,000)</u>		<u>(24,226,000)</u>
<b>Net liabilities</b>			<u><u>(9,702,952)</u></u>		<u><u>(24,944,816)</u></u>
<b>Reserves</b>					
Pension liability reserve			(4,391,000)		(24,226,000)
Income and expenditure account			<u>(5,311,952)</u>		<u>(718,816)</u>
<b>Members' funds</b>			<u><u>(9,702,952)</u></u>		<u><u>(24,944,816)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 11 September 2023 and are signed on its behalf by:



S Butcher  
Director

Company Registration No. 09487106

**SLOUGH CHILDREN FIRST LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2023**

	Pension liability reserve	Income and expenditure	Total
	£	£	£
<b>Balance at 1 April 2021</b>	(26,023,000)	355	(26,022,645)
<b>Year ended 31 March 2022:</b>			
Loss for the year	-	(4,026,115)	(4,026,115)
Other comprehensive income:			
Actuarial gains/(losses) on defined benefit plans	5,103,944	-	5,103,944
Total comprehensive income for the year	5,103,944	(4,026,115)	1,077,829
Defined benefit pension cost transfer	(3,306,944)	3,306,944	-
<b>Balance at 31 March 2022</b>	(24,226,000)	(718,816)	(24,944,816)
<b>Year ended 31 March 2023:</b>			
Loss for the year	-	(8,084,136)	(8,084,136)
Other comprehensive income:			
Actuarial gains on defined benefit plans	23,326,000	-	23,326,000
Total comprehensive income for the year	23,326,000	(8,084,136)	15,241,864
Defined benefit pension cost transfer	(3,491,000)	3,491,000	-
<b>Balance at 31 March 2023</b>	(4,391,000)	(5,311,952)	(9,702,952)

**SLOUGH CHILDREN FIRST LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	20	(1,875,903)		(867,640)	
Interest paid		(58,500)		(39,000)	
<b>Net cash outflow from operating activities</b>		<b>(1,934,403)</b>		<b>(906,640)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(1,934,403)</b>		<b>(906,640)</b>	
Cash and cash equivalents at beginning of year		4,150,666		5,057,306	
<b>Cash and cash equivalents at end of year</b>		<b>2,216,263</b>		<b>4,150,666</b>	

# **SLOUGH CHILDREN FIRST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

### **1 Accounting policies**

#### **Company information**

Slough Children First Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Observatory House, 4th Floor, 25 Windsor Road, Slough, Berkshire, SL1 2EL.

#### **1.1 Accounting convention**

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

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

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

#### **1.2 Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Council has also provided a letter of comfort to provide financial support for the next 12 months. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors have taken into consideration the approved uplift in contract value, success to date from bids for in year funding, and the contractual mechanisms allowing for the Company to request further in year funding relating to demand pressures which could not have been foreseen or for unbudgeted costs.

The Directors have reviewed the assumptions applied in the forecast projections along with the cashflow projections and are content the company can meet its liabilities as they fall due for the foreseeable future to secure the Company's ongoing future. Further information is provided in the Directors' report on page 9.

#### **1.3 Income and expenditure**

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

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

#### **1.4 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### **1.5 Financial instruments**

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

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

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

# **SLOUGH CHILDREN FIRST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

### **1 Accounting policies**

**(Continued)**

#### ***Basic financial assets***

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

#### ***Other financial assets***

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

#### ***Impairment of financial assets***

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

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

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

#### ***Derecognition of financial assets***

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

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

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

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

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

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

**1 Accounting policies**

**(Continued)**

***Other financial liabilities***

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

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

***Derecognition of financial liabilities***

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



# **SLOUGH CHILDREN FIRST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

---

### **1 Accounting policies**

**(Continued)**

#### **1.6 Taxation**

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

#### **1.7 Employee benefits**

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

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

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

#### **1.8 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The contributions to the Teachers Pension Scheme are treated as payments to a defined contributions scheme as explained in note 13.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in surplus or deficit as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

### **2 Judgements and key sources of estimation uncertainty**

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

### **3 Income**

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

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**4 Operating deficit**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating deficit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	23,500	23,500
	<u>23,500</u>	<u>23,500</u>

**5 Employees**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Senior management team	13	16
Corporate services	31	32
Operations staff	266	238
Total	<u>310</u>	<u>286</u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,218,370	10,845,771
Pension costs	4,345,439	4,149,998
	<u>16,563,809</u>	<u>14,995,769</u>

**6 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	215,135	200,249
Employer social security contributions	23,328	21,501
Company pension contributions to defined benefit schemes	16,132	16,268
	<u>254,595</u>	<u>238,018</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	113,134	107,970
Employer social security contributions	13,795	13,159
Company pension contributions to defined benefit schemes	16,132	16,268
	<u>142,061</u>	<u>137,397</u>

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**6 Directors' remuneration**

**(Continued)**

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

**7 Interest receivable and similar income**

	2023 £	2022 £
Interest income		
Other interest income	641,000	421,000
	<u>641,000</u>	<u>421,000</u>

**8 Interest payable and similar expenses**

	2023 £	2022 £
Other finance costs:		
Other interest	1,310,500	981,000
	<u>1,310,500</u>	<u>981,000</u>

**9 Taxation**

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

**10 Debtors**

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	367,962	206,467
Amounts due from group undertakings	4,305,938	7,251,213
Prepayments and accrued income	2,167,177	1,248,848
	<u>6,841,077</u>	<u>8,706,528</u>

**11 Creditors: amounts falling due within one year**

	2023 £	2022 £
Trade creditors	317,966	481,082
Taxation and social security	1,519,539	1,270,209
Deferred income	342,796	317,137
Other creditors	12,107	44,166
Accruals	7,176,883	6,463,415
	<u>9,369,291</u>	<u>8,576,009</u>

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**12 Creditors: amounts falling due after more than one year**

	2023 £	2022 £
Deferred income	5,000,001	5,000,001

**13 Retirement benefit schemes**

**Pension Schemes Accounted for as Defined Contribution Schemes**

**Teachers**

Teachers employed by the company are members of the Teachers' Pension Scheme, administered by the Department for Education (DfE). The scheme provides teachers with specified benefits upon their retirement, and the company contribute towards the costs by making a contribution based on a percentage of the members Salaries.

The scheme is a defined benefit scheme, although the scheme is unfunded the Teachers Pension Authority (TPA) uses a notional fund as the basis for calculating the employer's contribution rate paid by all Local Education Authorities (LEAs).

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 purpose of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2022/23, the company paid £47,349 to Teachers Pensions, in respect of teachers retirement benefits, representing 23.68% of Pensionable pay (The figure for 2021/22 was £63,998 which was 23.68% of Pensionable pay). There were no contributions remaining payable at the year end.

	2023 £	2022 £
<b>Defined benefit schemes</b>		
Charge to profit or loss in respect of defined benefit schemes	4,313,000	4,086,000

Contributions of £180,134 (2022- £198,232) were outstanding at the balance sheet date.

**Defined benefit schemes**

The company is a member of the Royal County of Berkshire Pension Fund which is a defined benefit scheme under the terms of the Local Government Pension Scheme (LGPS). The assets of the scheme are held separately from those of the pension fund administering authority, the Royal Borough of Windsor & Maidenhead, and are invested in a wide range of quoted and unquoted investments by scheme investment managers.

	2023 %	2022 %
<b>Key assumptions</b>		
Discount rate	4.8	2.6
Expected rate of increase of pensions in payment	2.85	3.2
Expected rate of salary increases	3.85	4.2

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Retirement benefit schemes**

**(Continued)**

<i>Mortality assumptions</i>	<b>2023</b>	<b>2022</b>
	<b>Years</b>	<b>Years</b>
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.1	21.3
- Females	23.9	24.0
Retiring in 20 years		
- Males	22.3	22.6
- Females	25.3	25.4

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Amounts recognised in the profit and loss account</i>		
Current service cost	4,313,000	4,086,000
Net interest on net defined benefit liability/(asset)	611,000	521,000
Teachers Pension Scheme contributions	47,349	63,998
Other costs	23,000	19,000
Total costs	4,994,349	4,689,998

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	625,000	(2,409,000)
Less: calculated interest element	-	-
Return on scheme assets excluding interest income	625,000	(2,409,000)
Actuarial changes related to obligations	(23,951,000)	(2,694,944)
Total costs/(income)	(23,326,000)	(5,103,944)

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	30,558,000	47,992,000
Fair value of plan assets	(26,167,000)	(23,766,000)
Deficit in scheme	4,391,000	24,226,000

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income was £16,806,909 (2022: £18,896,909).

The Company expects to contribute £1,516k to its Defined Benefit Pension Scheme in 2024.

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Retirement benefit schemes**

**(Continued)**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 April 2022	47,992,000	46,179,000
Current service cost	4,313,000	4,086,000
Benefits paid	(311,000)	(1,095,000)
Contributions from scheme members	652,000	610,000
Actuarial gains and losses	(23,340,000)	(2,730,000)
Interest cost	1,252,000	942,000
At 31 March 2023	<u>30,558,000</u>	<u>47,992,000</u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>The defined benefit obligations arise from plans funded as follows:</i>		
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	30,558,000	47,992,000
	<u>30,558,000</u>	<u>47,992,000</u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 April 2022	23,766,000	20,156,000
Interest income	641,000	421,000
Return on plan assets (excluding amounts included in net interest)	(625,000)	2,409,000
Other actuarial gains/(losses)	611,000	-
Benefits paid	(311,000)	(1,095,000)
Contributions by the employer	1,456,000	1,284,000
Contributions by scheme members	652,000	610,000
Administration expenses	(23,000)	(19,000)
At 31 March 2023	<u>26,167,000</u>	<u>23,766,000</u>

The actual return on plan assets was £14,000 (2022 - £2,409,000).

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Retirement benefit schemes**

**(Continued)**

	2023	2022
<i>Fair value of plan assets at the reporting period end</i>	£	£
Equity instruments	16,413,000	14,749,000
Debt instruments	-	3,843,000
Property	3,308,000	2,843,000
Cash	396,000	496,000
Target return portfolio	-	71,000
Infrastructure	3,608,000	2,908,000
Longevity insurance	(1,361,000)	(1,144,000)
Credit	3,803,000	-
	<u>26,167,000</u>	<u>23,766,000</u>

**14 Members' liability**

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

**15 Reserves**

**Non-distributable reserve**

Non-distributable reserves relates to the company's defined benefit pension scheme liability.

**Income and expenditure account**

Income and expenditure account represents cumulative profits and losses.

**16 Related party transactions**

At the year end, the company had the following amount due from the parent company £4,305,938 (2022: £7,251,213).

**17 Events after the reporting date**

At the Slough Borough Council Cabinet (SBC) meeting in September 2023, SBC confirmed one-off funding of £5.3m for SCF for accumulated losses of prior years. The timing of confirmation of this amount of £5.3m means it will be included in the 2023/24 accounts.

**18 Directors' transactions**

During the year, the directors of the company provided services to the company as agents. The total of this service provided amounts to £286,303 (2022: £306,416).

**19 Ultimate controlling party**

Slough Children First Limited is a 100% owned subsidiary of Slough Borough Council

**SLOUGH CHILDREN FIRST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**20 Cash absorbed by operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deficit for the year after tax	(8,084,136)	(4,026,115)
<b>Adjustments for:</b>		
Finance costs	58,500	39,000
Pension scheme non-cash movement	3,491,000	3,306,944
<b>Movements in working capital:</b>		
Decrease in debtors	1,865,451	3,209,954
Increase/(decrease) in creditors	767,623	(4,555,092)
Increase in deferred income	25,659	1,157,669
<b>Cash absorbed by operations</b>	<b>(1,875,903)</b>	<b>(867,640)</b>

**21 Analysis of changes in net funds**

	<b>1 April 2022</b>	<b>Cash flows</b>	<b>31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	4,150,666	(1,934,403)	2,216,263