Registration Number 08878185

Achieving for Children

Community Interest Company

Annual Report and Statement of Accounts

2022-23

1st April 2022 – 31st March 2023

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This Annual Report summarises the performance of Achieving for Children for the period between 1 April 2022 and 31 March 2023 and was authorised by the Board of Directors in July 2023.

Lucy Kourpas
Chief Operating and Finance Officer

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.

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COMPANY DIRECTORS and OFFICERS:
See page 33 of the Annual Report

WEBSITE: achievingforchildren.org.uk

Joint Statement by the Chief Operating and Finance Officer and Chair of the Board of Directors

We are pleased to present Achieving for Children's (AfC) annual report and accounts for 2022-23 which demonstrate the significant achievements we have made over the year. Our work over the past 12 months has seen us move into the 'new normal' following the global pandemic. Our workforce have proven their resilience and adaptability by going above and beyond to ensure our children, young people and families have received high quality services. We have, in partnership with our owning councils, schools and voluntary partners, worked hard to support our most vulnerable families to ensure they remain safe and supported. We have built on the innovation and creativity harnessed in the early stages of the pandemic in response to the challenges we faced, and have continued to deliver our services, albeit in different and innovative ways.

Our service offer in Kingston, Richmond and Windsor and Maidenhead (RBWM) remains strong and we are committed to continual improvement. Recent inspections have demonstrated this, we have had a positive Focused Visit in Kingston; a Joint Targeted Area Inspection in Windsor and Maidenhead that resulted in good feedback; and a Care Quality Commission (CQC) inspection of our health visiting and school nursing service in Windsor and Maidenhead in November 2022 that saw us graded as good across all areas. These ratings are a significant achievement and testament to the hard work and commitment of our staff.

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 children's centres and family hubs have supported many families during the past 12 months, at first as they emerged from the pandemic, and then as the cost of living crisis took hold. For those families that need additional support, we are delighted at the success of our F.U.E.L: Holiday Activity and Food programme that has provided the opportunity for over 3,500 children who are eligible for Free School Meals to take part in fun activities and receive a healthy meal. In addition we have worked with schools to provide around 8,500 food vouchers to help those families most in need.

Our support for children and young people in care, and on the edge of care, is constantly developing and improving. We have just embarked on an early help and social care transformation programme across all three boroughs, that will take place over the coming years. The intention is to review current service delivery, in the context of the recently published Independent Review Of Social Care (national by Josh Mcallister) and to identify opportunities for greater efficiency in the light of increasing demand and limited resources, while retaining the strengths of our existing approach. The review will look at the whole spectrum of services from early help right the way through to leaving care. It will align resources to our most impactful interventions and best practice models. We will be looking to continue the implementation of the Families First model in Windsor and Maidenhead that began at the end of 2022-23, which will replicate the well established team in Kingston and Richmond that has already demonstrated a positive impact. We will also be moving towards a family / community hub model in Kingston and Richmond which echoes what is already embedded in Windsor and Maidenhead.

Over the coming year we will be updating our Placement Sufficiency Strategy to ensure it provides a clear strategy that balances inhouse provision and working with the market to secure quality accommodation and support for our children and young people. Our children's home, Hope House and our purpose-built overnight short break care centre, Rainbow House, are both well-established now and providing high quality care for our most vulnerable children and young people. We continue to look for opportunities to expand our in-house provision further if it is of benefit to our children and young people, and the organisation as a whole. To this end, we are excited that we will be working with Kingston Council to develop a new children's home over the coming 18-24 months.

We recognise our support to children and young people with special educational needs and disabilities (SEND) is still an area for improvement and we continue our transformation work across all three boroughs. We are also working to address areas of weakness that are identified in Written Statements of Action in Richmond and Windsor and Maidenhead, particularly in relation to strengthening our relationships with our Parent Carer Forums so the voices of families more clearly influence our work. We were pleased that in Kingston our SEND revisit showed progress against all areas, demonstrating that the plans we have put in place are having an impact. In Kingston and Richmond we have exceeded the requirements of the safety valve agreement from the Department for Education, and so continue to receive the funding to improve services further. There has also been significant progress in terms of SEND provision, with new specialist places created across all areas. We are particularly pleased that we are progressing towards new special schools in each of the boroughs. In Windsor and Maidenhead we have been successfully admitted to the Delivering Better Value Programme and we are making good progress on our improvement journey.

During the year we have focused on further improving our employee experience. This has included establishing a Recruitment and Retention Working Group to ensure that we have a specific focus on reviewing and improving how we attract and retain talent; re-energising our Professional Development and Staff Recognition schemes; rolling out new ICT devices to enable our staff to work smartly and flexibly; introducing a new and more accessible intranet; and celebrating our staff through Staff awards and cultural events such as Black History Month and Pride Month.

Looking further ahead, the picture regarding funding for the public sector remains challenging. There is also a critical shortage of qualified and experienced children's services practitioners both nationally and locally. Achieving financial sustainability, while continuing to deliver high quality services to our children and young people is central to our current business plan, and will no doubt be central to our new business plan, which will be developed over the coming year. Based on the progress we have made in 2022-23, we are confident about the future of Achieving for Children and our ambition to reach every child and young person who needs us, so that they are able to live safe, happy, healthier and successful lives.

Lucy Kourpas
Chief Operating and Finance Officer

Siân Wicks
Chair of the AfC Board of Directors

STRATEGIC REPORT

1. Progress against our 2022-23 objectives

In 2022-23 we supported over 30,000 children and young people. Our [business plan] sets out our priorities and commitment to providing this support based on six strategic priorities: stronger families; positive futures; excellent workforce; financial stability; organisational success; and smarter working. We now report on the progress we have made in 2022-23 in achieving our objectives. Further detail about our achievements can be found in our Impact Report which can be found on our website: https://www.achievingforchildren.org.uk/pages/about-us/reports-and-documents

Stronger families

Our early help services provide crucial support to vulnerable families to prevent issues escalating to the point at which statutory intervention is necessary. Across all our early help services we have been focused on ensuring our provision remains effective but also sustainable given the financial climate.

Over the past 12 months we have provided a range of support to our most vulnerable families. In Kingston and Richmond, through the local and household support grant, we have given out approximately 8,500 food vouchers, valued at £15 per week per eligible child, for each school holiday period for families with children who are receiving free school meals, three or four year olds who are accessing pupil premium grant or disadvantaged two year olds.

To support our families during school holidays, we successfully delivered the F.U.E.L (Feed Ur Everyday Lives) programme in Kingston, Richmond and Windsor and Maidenhead in response to the Department for Education funding for the Holiday Activities and Food Programme. This was our third year delivering the programme, which took place over the Easter, summer and Christmas holidays and offered a range of fun and enjoyable activities and food to children and young people aged 5 to 16 years who are eligible for Free School Meals (FSM). In Kingston and Richmond, the programme grew throughout each holiday period with increasing numbers of providers, locations and spaces on offer. In total, over 25 different partners worked with us to deliver the programme; with over 2,700 children and young people attending a range of fun and exciting activities. Of these, over 200 of the children and young people had additional needs. In Windsor and Maidenhead, 832 children attended the programme with almost 6,500 attendances at different activities over the course of the holidays, and we delivered our own provision through our family hubs with over 130 children attending. We were particularly pleased to offer free travel for any attendees at SEND sessions and minibus pick ups for children for offsite activities.

Our children's centres and family hubs are a central element of our early help offer. Attendance at our children's centres in Kingston and Richmond has increased over the past 12 months. We delivered over 6,000 sessions for families either in person or online; saw over 17,000 individuals either online or in person; had over 80,000 interactions with families; and we now have over 3,000 members on our Facebook page. One of the highlights of the year was our events for National Play Day which saw almost 2,500 people come together for the first time since COVID to celebrate play.

Our children's centres have worked closely with our local partners - we supported health colleagues to deliver polio and flu vaccination clinics over the weekends in the autumn; we worked with local businesses to provide families with 75 hampers and over 100 presents at Christmas; and throughout the year we have delivered rhyme time sessions for families in our libraries. As part of our response to the cost of living crisis, our children's centres have provided warm spaces twice a week as part of an eight week pilot, with activities, quiet space for homework and support for families with children aged 0 - 11 years. We also ran a Warm Coats and Shoes project during Winter and recycled and distributed 184 coats and 54 pairs of shoes to families.

We have delivered a range of high quality SEND provision at our children's centres during the year including: chat and play sessions for our families who have concerns around their children's development; Let's Nurture sessions for children showing early signs of ASD or ADHD; well-attended parenting wellbeing courses for parents for SEND children and 74 families have also benefited from the development of a new 'Little Stars' course for children with emerging speech and language needs. As part of our parent offer we have delivered English Speakers of Other Languages (ESOL) courses for families from Ukraine. In addition, along with colleagues from the Emotional Health Service, we have established nurture groups for parents and carers who have experienced trauma through bereavement or domestic abuse.

In Windsor and Maidenhead, in recent years we have established our family hubs approach, which brings together children's centres, youth centres and parenting services. Our family hubs are now fully staffed and fully functioning and demand for services has been high - we have provided one to one support to 823 children; and 3,400 children and young people have attended group sessions on topics such as digital safety, drug and alcohol awareness, and esteem. We also provide a full menu of interventions to improve parents' skills and knowledge. This includes Incredible Years, which is for parents of children who are neurodiverse; the Freedom Programme, for mothers who are experiencing domestic abuse; Supporting Parents and Carers Emotions (SPACE), for parents who need support with their own emotional wellbeing; the Positive Parenting Programme, for parents to manage the behaviour of their children in a non-punitive and positive way; specific parenting groups, for parents within the Black, Asian and Minority Ethnic community; and our baby massage group, which supports parents to improve communication with their babies through touch and eye contact.

Our health visiting service, which offers all families with a new baby a health assessment within two weeks of birth, received a 'good' Ofsted rating when inspected this year. Our universal offer to all families with a new baby includes an invitation to a nurture group which are held weekly in three venues across the borough. The sessions are an opportunity for parents to access health and parenting advice. Average monthly attendance at these sessions is 136 and feedback from parents is overwhelmingly positive.

In partnership with Thames Valley Police, the Family Hub Service have developed a project aimed at engaging with 11- 18 year olds who are believed to be in some way connected to knife crime or carrying a knife. The project,which launched in January 2023, predominantly works with the young people and their families/carers on either a 1-1 basis or as part of a group in order to safeguard them and prevent criminal activity in the future. The programme is intelligence led in order to provide the earliest intervention possible with a public health approach as opposed to waiting for a young person to be arrested for using a knife. The main criteria is where there is insufficient evidence to pursue a knife related criminal investigation. Nine young people have been supported to date, with three closed to service having completed the intervention. In addition, five youth violence workshops have been delivered to 141 young people in local schools.

The Families First service commenced on 1 April 2022 as a two year project in Kingston and Richmond aiming to support social workers and the families they work with who present with a trio of vulnerabilities (domestic abuse, mental health, substance misuse) through the key principles of colocation, joint working and group supervision. Over 140 families have been supported and the feedback received from families has been excellent. The project has shown that proportionally, for child protection and child in need cases, where there is a Families First intervention, they are more likely to step down at the nine month review. We will continue to monitor the impact of the project during 2023-24 and are confident it will continue to benefit our families going forward.

Based on the success of this programme, we have begun to develop a similar service in Windsor and Maidenhead. The newly formed Families First team supports families in crisis who are at imminent risk of having the child(ren) taken into care. Families are fast-tracked to receive support, and are ultimately supported to keep their children at home or find a family network in order to care for their children. The team also supports children to return home (if appropriate) from care. Additional funding has recently been approved by the council to expand the team further so it can be responsive to a range of needs pre care, during care and after care, and so evening and weekend support can be given where needed. To date, 11 families have been supported and in all cases the children have remained in the family home.

During 2022-23 we established the Kingston and Richmond Targeted Support Service as a pilot to provide high quality and affordable in-house outreach services to children, young people and families who require additional one to one staffing support for a time-limited period. The aim of the pilot was to see how successful the service could be in terms of reducing the number of care leavers at risk of losing their placements; reducing the number of young people on the edge of care by helping them to stay at home for longer; supporting carers with respite; and providing AfC with the ability to achieve cost savings and work more flexibly to meet changing demands. During the year, we recruited two full time Specialist Targeted Support Workers which enabled us to accept more complex referrals and support children and young people with higher needs in the home. The two workers received 73 new referrals and provided 4,540 hours of outreach hours. Feedback from practitioners and parents and carers has been exceptional, and one of the workers received the AfC Rising Star award in recognition of impact. Findings are now being collated but as a result of the successful pilot, a business case is now in the process of being developed to request additional funding for the service to make it permanent.

Positive futures

School standards in Kingston, Richmond and Windsor and Maidenhead are amongst the highest in the country and 95% of our schools across all three boroughs are judged good or outstanding. In terms of attainment, Kingston and Richmond are now both in the top 20 performing local authorities nationally, from early years to key stage 4, while Windsor and Maidenhead are in the top performing 50 local authorities. This is an exceptional achievement, particularly in light of the challenges posed by Covid-19.

Across all three boroughs, we have supported 25 schools through their recent Ofsted inspections, with a number of these schools improving their Ofsted grade. In Kingston and Richmond, our School Performance Alliance for Richmond and Kingston, otherwise known as SPA[RK] has provided school improvement support to 92% of schools, with 100% of these schools expressing their satisfaction with the support received. Similarly, our school improvement support in Windsor and Maidenhead has received excellent feedback from those schools we have supported over the past 12 months. In addition, in Windsor and Maidenhead, our Initial Teaching Training Programme was inspected and maintained its good Ofsted judgement, and subsequently we successfully applied to be an accredited provider by the Department for Education.

We are working hard to improve the inclusive services we provide to children and young people with SEND as well as supporting the young people in our care and those that access our youth services.

We have made good progress towards our Written Statement of Action (WSOA) in both Richmond and Windsor and Maidenhead. In Richmond, in collaboration with our schools, we have amended our annual review template to ensure it reflects a more-person centred approach and supports the promotion of preparing for adulthood outcomes. We have also mapped out our continuing health pathways, making it easier for our young people aged 16-25 who have a disability, to access support with health needs. In early March 2023, we had our Windsor and Maidenhead WSOA monitoring visit, we are awaiting feedback but we expect the outcome to be positive, given the progress we have made.

Meanwhile, in Kingston in October 2022, we received a SEND reinspection to identify progress against previously identified four areas for improvement. The revisit confirmed we had made sufficient progress in addressing all four areas and the inspector noted improvements in the relationships with families in the local area, the quality of Education, Health and Care Plans (EHCPs), and our quality assurance processes.

In Kingston and Richmond, we held the SEND Futures conference in October 2022. It was attended by over 350 people, including around 55 parents and carers, and practitioners from 135 different organisations, who came together to share ideas and best practice in SEND. Speakers included two of the highest profile people in the SEND system nationally who discussed matters highlighted in the recent SEND green paper, and there were also a range of workshops delivered by both local parents and practitioners. Feedback was overwhelmingly positive and attendees have already been in contact to tell us about changes they have made to their practice as a result of feedback at the conference.

In Windsor and Maidenhead, we held our Inclusion Summit, with over 140 attendees including a mixture of parents and carers, schools and market place representatives. Attendees were introduced to the new SEND Strategy and were part of the official launch of the new Parent Carer Forum. Feedback from the event was great as stakeholders valued the opportunity to network and share learning, with 90% of the attendees stating they would recommend the event to colleagues. In February 2023, our Ambitious about Inclusion conference brought together almost 90 senior leaders and SEND and Inclusion Coordinators to listen to a number of nationally recognised keynote speakers and to come together to share information and celebrate developments in SEND across the borough. We are particularly proud that the event was co-produced between Achieving for Children, the Independent Advice and Support Service, Children and Young People's Integrated Therapy Service and schools, and supported by RBWM SEND voices.

During the year, 27 learners with EHCPs in Kingston and Richmond have completed supported internships, delivered in partnership with Mencap and Project Search, with a variety of host employers including Hounslow Council, GSK, West Middlesex Hospital and the FairShot Cafe. We have supported other young people to access specialised internship schemes - one young person is completing an internship in the hospitality sector and one is completing a theatre based programme. One of these learners has already been offered employment at West Middlesex Hospital once he completes his internship, and the other is expecting to be offered an apprenticeship within the NHS. We have also supported 12 learners with EHCPs to undertake apprenticeships within a variety of sectors including hospitality, education, administration and horticulture.

We have been responsible for delivering The Mayor of London's European Social Fund employability programmes focussing on young people aged 16-25 who are not in education, employment or training in Kingston and Richmond. This past year we supported over 50 young people through the programme. 35 of these young people had EHCPs, and of these, 14 have now progressed into employment or education.

In Windsor and Maidenhead, the Social Emotional and Mental Health (SEMH) intervention project, which was established in 2019 to reduce the risk of permanent exclusion in schools, has continued to thrive. Since it began, the project has worked in 42 schools and supported 91 individual children. Of those children, just three have been permanently excluded and they have been supported in their transition to alternative provision. As part of the project we have trained 873 school staff to help them to support children with challenging behaviours linked to SEMH difficulties, as well as delivering updated training to 140 staff and bespoke training to 115 staff. At the same time, we have established 140 SEMH leads in schools and hold three SEMH network meetings a year where leads can be signposted to early help services and share learning and feedback. We have also purchased a subscription to the Online Boxall Profile which enables schools to assess the needs of their children quickly, set targets, and monitor progress. 61 of our schools are actively using this assessment and tracking tool which will enable us to analyse data to support transitions and target areas of need.

The expansion of additional school places for children and young people with SEND to meet rising demand continues to be a priority. In Kingston, the following 28 specialist resource provision (SRP) places were created in September 2022: Malden Oaks, a further eight; Robin Hood Primary, 14; and Surbiton Hill Nursery, six. Good progress continues to be made towards establishing Spring School, the new 90-place autism-specific special free school, in September 2023. Work continues regarding the feasibility of creating a post-16 SEND campus in the borough, which would include 50 new special school sixth form and college places. In Richmond, 16 specialist places were created in September 2022: a small Strathmore centre at Darell Primary, six; and a new Social and Emotional and Mental Health (SEMH) SRP at Teddington, 10. Progress towards establishing London River Academy, the 90-place SEMH special school for children and young people with SEMH needs continues. Proposals to create additional centres for Clarendon and Strathmore special schools, to provide 80 places in Petersham and 24 places in Hampton respectively, are advanced and planning applications are due to be made for both.

In Windsor and Maidenhead, we successfully submitted a bid for a 100 place new special free school for children and young people aged seven to 16, with EHCPs for SEMH needs. The new school will be located in a new development planned on the western edge of Windsor and we will now move forward to the next stage of planning. In addition, in September 2023, a new SEND provision is opening at South Ascot Village School, for ten pupils with Autistic Spectrum Condition. We are also planning to open an early years readiness hub in September 2024, which will provide interventions to support children who are unable to self-regulate and so are not yet ready to learn in a mainstream school setting.

The Emotionally Related School Avoidance (ERSA) project has been established to support those children who experience difficulties attending school, due to a range of factors. Through the project, which operates in Windsor and Maidenhead, 28 schools have received training, support and consultation on ERSA, have been given access to a newly created toolkit, and have been provided with additional strategies to help them to effectively support these children. A further 16 schools will be trained during Spring 2023. A multi-agency steering group oversees the project, including the development, dissemination, training and implementation of the ERSA toolkit and further refining the ERSA multi-agency graduated pathway. Feedback from pupils, parents and the schools has been extremely good.

In Kingston and Richmond our Emotional Health Service (EHS) received over 1,400 referrals during the year, with 352 referrals received on the neurodevelopmental assessment pathway in relation to Attention Deficit Hyperactivity Disorder (ADHD) and Autistic Spectrum Disorder (ASD). This is an increase of 7% from the previous year. The EHS delivered a range of online groups including low mood groups for young people aged 15-18 years, attended by 22 young people; anxiety groups for young people aged 12-18 years, attended by 29 young people; and groups for parents of anxious primary aged children, with 43 parents in attendance. We also collaborated with Art and Soul to run two art therapy groups which were accessed successfully by 12 children. We launched our sixth Mental Health Support Team (MHST) in schools, which has meant that every school in both Kingston and Richmond now has access to an MHST. Over 1,400 children accessed the MHSTs in 2022-23 for individual or group therapy, which is a 55% increase from the previous year.

AfC's Virtual School and Virtual College, which operates across all three boroughs, has provided invaluable support to the educational attainment of our looked after children. In the most recent 2022 examinations, results for Key Stage 4 improved again and are now significantly above national averages for looked after children, and our looked after young people with SEND outperformed their national peers at the same level. At the request of our looked after children, we have been focusing on educational stability, and held a well-received multi-agency 'Stability Symposium' to bring together a range of stakeholders, including keynote speakers from the Department for Education and Oxford University. As a result of the event, our children and young people have launched their Education Stability Charter which sets out clearly what they expect from the organisations that support them. Similarly, during the year we were delighted that a number of local businesses signed up to our Care Leavers' Covenant and our Attachment Aware Community Charter at our Better Futures Business Event, which was organised in collaboration with John Lewis.

With the expansion of Virtual Schools nationally to support all children with a social worker, we have grown our Attachment Aware Schools Award, which involves a year-long programme of training and support for schools so they are better able to meet the specific needs of these children and young people. We are now working with 69 schools as part of the award and as a result of this work, we have seen a reduction in the number of exclusions. To further strengthen our support for children with a social worker, we have extended the work of the AfC Virtual School Transition Hub which provides direct support for the children, their families and their school. In addition, we have developed a new data collection system for capturing absence and exclusion data for 847 of our children in need daily. The data is shared with social workers, who have been attending our Virtual School Clinics to receive advice and guidance, to help them provide the best possible support to the children and young people they work with. We have also been able to use the data to identify and then visit a number of targeted schools who have benefited from strategic support.

Participation and engagement with children and young people is incredibly important to us. Over the past 12 months we have established regular meetings between the Youth Council and the AfC Board of Directors to ensure the Board directly hears the voices of children and young people. Board members are also attending other groups such as the Windsor Girls Forum and Esteem. With funding from Public Health, we have supported the creation of the Covid Vaccine Youth Champions who led an engagement exercise with 600 young people to better understand young people’s view on the vaccine which then informed future health service communications and following the success of the sexual harassment survey for girls, we helped our Youth Council to develop a survey for boys, which was completed by over 300 respondents and is being used as a way of exploring boys and males understanding of sexual harassment in their schools and local communities. The findings will be fed back to schools and will help inform their approach to tackling the issue.

We are also pleased that by being part of our Youth Councils we have supported many young people to develop their knowledge and skills. For example, members have undertaken accredited training in a number of areas including: racial literacy, to enable them to explore young people’s experiences of racism which will be used to update how racist incidents are recorded at schools and youth clubs; and mental health so they can become youth ambassadors and which has seen them take responsibility for organising the annual mental health event for young people which takes place as part of Mental Health Awareness Week. 30 members of the Youth Council have also received an accreditation award for their work through the AQA accreditation examination board, and individual members have been recognised through the Kingston Mayoral Community Award, the Richmond Community Heroes Award, and the Jack Petchey Environmental Award.

We have also worked with our Children in Care Councils to support their peers who are being looked after by our social care services. Over the last year, they have been incredibly busy and have contributed to the development of the care leavers’ enhanced local offer; assisted in the launch of the HaveMySay app, which enables children in care to provide feedback whenever they want to; and created baby packs for care leavers who become parents for the first time. They have also established their own initiatives such as GetConnected which includes a summer fun day and football camp, and organised the celebration of achievement awards and the annual residential.

Excellent workforce

Our workforce are now successfully working in line with AfC's Future Space Strategy, maximising the benefits of remote working at home as well as within community settings and in an office environment with colleagues. A major new office refurbishment has taken place in the Civic Centre in Twickenham which AfC will be moving into in April 2023. As well as traditional working space, the new office offers more meeting space, collaboration zones, social areas and a dedicated client area. Plans for a new office base are being developed in Kingston with a view to maximising the building assets of the council. As part of the future workplace programme, we are feeding into the owning Council's asset strategy ensuring that our business needs are captured and that we can oversee any accommodation moves which affect our staff. All AfC staff will be part of a roll out of new devices to help our staff to work smartly and flexibly. AfC is part of the new softphone roll out, removing the need for landlines and reducing the demand for smartphones.

Our new in-house People and Payroll (HR) service is now well established and driving improvements in HR processes. This includes supporting the workforce to embrace digital solutions such as recruitment applicant tracking system, a temporary agency management systems, and a new HR and payroll system, which is enabling us to improve processing, monitoring, decision making and auditing of HR and payroll activities. To improve our efficiency, we have reviewed, updated and, where necessary, clarified our recruitment processes, employee engagement, retention, and ongoing people support. During the year, we have advertised 421 jobs, with 299 starters, and with a headcount of just over 1,800 we only have a 3.96% absence rate. Across the year we have also undertaken 1,122 DBS checks across our workforce, enabling us to meet our ongoing safeguarding responsibilities.

There has been considerable work undertaken to improve the Professional Development Scheme which will launch in Spring 2023, and we have completed a thorough review of employee recognition within AfC, with a revised offer also due to launch in Spring 2023. We delivered 12 induction welcome events to a total of 299 new starters and supported 42 newly qualified social workers through the Assessed and Supported Year in Employment programme. The average satisfaction rate for the induction welcome events across the year was 4.69 on a scale of 1-5, with 5 being extremely satisfied. The wellbeing offer has continued to grow, with in person Wellbeing Fairs delivered for the first time since pre-Covid, and an evaluation of the wellbeing offer for 2023-24 currently underway.

We were delighted to re-launch our annual Staff Awards during 2022-23. The new scheme proved incredibly popular, with over 250 nominations across the whole organisation, in 11 different categories, including champion for children, inspirational leader, rising star and outstanding contribution. We had 30 individuals or team winners, and we came together in person in both operational areas to celebrate their achievements.

This year has been extremely busy for our Learning and Development service which has delivered 942 live events with 15,696 attendees from both AfC and our partners. Within AfC we have enabled our staff to attend 19,565 hours of face to face events, which averages out as 16.5 hours per person against the AfC head count. We are currently considering different approaches to the delivery of learning and development provision, with a move away from the more traditional methods of face to face training and a shift towards desk-top learning opportunities, led by the employee. Our e-learning provision continues to develop and our offer has increased 56% since last year. Pleasingly, overall evaluation of the learning and development opportunities that we provide remains high, with 92% of our courses rated good or excellent and 96.7% of delegates stating they would recommend their course to colleagues.

For a second time in three years, AfC has been approved to be on the Register of Apprenticeship Training Providers as a main training provider. This enables AfC to continue to develop the apprenticeship scheme and align it as part of our strategic work on equality and inclusion, maximising its potential to diversify the workforce in these areas over the coming years. AfC currently has 78 apprentices and 91% of apprentices progress into an additional apprenticeship, employment or further education or higher education.

We were delighted to have two winners in the national Social Worker of the Year Awards announced in November 2022. Annmarie Nero, who works in our adolescent safeguarding team won the Children's Social Worker of the Year Gold Award, and Mi-gyung Kim, who works in our safeguarding team, won the Newly Qualified Children's Social Worker of the Year Silver Award. This is a fantastic achievement, in recognition of their hard work and commitment in their roles.

As an organisation, we continue to be impacted by recruitment and retention challenges driven by national shortages of qualified and experienced social workers. To address this, in September 2022, we established a project group to lead an organisational wide programme with a priority to target the recruitment of permanent social workers in order to stabilise the social care workforce and reduce the high costs associated with the use of agency staff. So far we have: held focus groups with staff to identify improvements in our current recruitment and retention offer; established a recruitment lead partner post to work specifically with social work teams to fill posts; refreshed our staff benefits to provide staff with increased annual leave and new parking options; introduced recruitment and retention incentives including welcome payments and market supplements for social care teams; received approval for a licence for overseas recruitment; and piloted new recruitment platforms with sponsored job listings and headhunting functionality to widen our talent pool. Over the coming year, we will continue to focus in this area and will be evaluating the impact of the actions we have taken to better understand what to continue with going forward.

To support our recruitment and retention activity, we launched Alive, a digital marketing campaign targeted at social workers, utilising refreshed adverts, graphics and videos. So far, it has allowed us a reach of 186,000 people, has resulted in 54,000 clicks through to more information on our roles, and has led to 148 expressions of interest being submitted. End of year evaluations are currently underway to review the success of the campaign and pilots of new recruitment platforms. Recommendations from this work will inform next steps and project delivery over the coming year.

Our focus on equality, diversity and inclusion (EDI) has remained during 2022-23. Our staff led EDI Board has continued to be instrumental in driving forward EDI improvements across the organisation. Key activity has included launching our employee networks- we are delighted to have three fully established networks, led by staff, that focus on menopause, leaders of all colours and LBGTQI+ and allies. We have successfully celebrated a number of cultural events, such as Black History Month (BHM) and LBGTQI+ Month. We put on an extensive programme for BHM in 2022. This included special guest speakers, spotlights on staff from Black, Asian and Minority Ethnic backgrounds, blogs from senior leaders relating to BHM topics, and a considerable bank of BHM resources for staff to consider. As one of only 18 local authorities taking part in the Workforce Race Equality Standard (WRES) pilot in social care, which was led by the Department for Health and Social Care, we reported for the first time about the experiences of our Black, Asian and Minority Ethnic staff based on a number of specific metrics. The WRES aims to gather data and information about staff to identify any areas of best practice, or any areas for improvement in relation to race and ethnicity. We will incorporate reporting on the WRES into our annual equalities reporting going forward.

Financial stability

As an organisation we aim to deliver services that provide excellent value for money and we are trusted by our commissioning councils to deliver the best possible services within an agreed funding envelope. This year has been an exceptional year and AfC has worked closely with the councils to discuss and explain financial pressures and agree the correct balance between affordability and impact on services. During the last 12 months we have delivered £2.571m in savings / cost mitigations and as part of the owning councils' budget setting processes we have planned £6.481m of future efficiencies / cost mitigations in 2023-24. In addition we have made good progress in improved value for money and cost mitigation on all of the DSG funds. Our services continue to benchmark as average or low cost when compared to comparative boroughs and we continue to explore new ways of improving value for money.

We have begun work to strengthen our business partnering model across the organisation. This includes a restructure of the finance team in Windsor and Maidenhead, the beginning of a journey towards more standardised finance processes to improve consistency, and the introduction of divisional review meetings in Windsor and Maidenhead to improve financial ownership. We have also introduced finance training for non finance managers and published a series of online resources.

Over the medium term we aim to improve our value for money and control costs by developing our procurement approach as well as by moving to a more mixed model of commissioned and directly delivered provision. The opening of Hope House Children's Home and Rainbow House overnight short break care centre in recent years and Greenleas five years ago, is beginning to assist us in managing costs in the medium term and reducing our reliance on the placement market where demand is far outstripping supply. Given the success of this approach, we are delighted that we have recently had approval to develop a new children's home with Kingston Council which will be match funded by the Department for Education, following a successful bid. The home will sit alongside Hope House and give us more options for our difficult to place young people with complex needs.

Funding of SEND services has been a significant challenge in recent years across all three of our boroughs and in particular, in Kingston and Richmond. During 2022-23 we have continued to meet and exceed the requirements of our safety valve funding which was first received in 2021, and which was agreed by the Department for Education as a result of a concerted effort over recent years to get a fairer funding settlement from the Government. As a result of the safety value funding, we have established a number of workstreams to focus on improving the quality of the services provided to children and young people with SEND whilst ensuring that the service is more financially sustainable.

During the year, the Social Work Teaching Partnership, of which AfC is lead partner, successfully bid for sustainability funding from the Department for Education (DfE) and also won funding for three additional continuous improvement projects in 2022-23, totalling over £100,000. The Social Work Teaching Partnership is also responsible for management of the Step Up to Social Work programme that covers south west London and Surrey and recently won a new contract from the DfE to deliver this for the second time in 2024, with the majority of preparatory work taking place during 2023.

Achieving for Children's Medium Term Financial Strategy is available on the following link

Organisational success

Following on from our success as a Partner in Practice for the Department for Education, we are now a Sector Led Improvement Partner (SLIP). In this role, we provide support to other local authorities through collaborative working, by sharing good practice and by providing constructive challenge. Since September 2022, we have been providing support to Reading Borough Council to identify and understand whether their social care thresholds are efficient and how the function of their Single Point of Access can help them in timely decision making and overall effectiveness of proceedings. This work has involved seven of our Heads of Service and Associate Directors and feedback from Reading has been extremely positive. This is the first time in three years that we have done a deep dive into other Local Authorities processes and we have learnt a lot on the way that we can bring back into our own services.

As part of our digital offer, during 2022-23, we have provided audio recording support to Lewisham Council's children's services to enable them to audio record their Child Protection Conferences, which will enable them to deliver conferences more efficiently and effectively.

Our partnership with Richmond Parish Lands Charity has gone from strength to strength during the year. They now fund a youth engagement project which runs on a Friday and Saturday night from Powerstation youth club and a perpetrator domestic abuse programme which sits within the strengthening families programme and our hub model. We have administered over 30 crisis grants and seven education grants as well as over 50 academic awards to give young people and families the support they need to get through the cost of living crisis.

We have successfully recommissioned both our short breaks service and our Special Educational Needs and Disabilities Information, Advice and Advocacy Service (SENDIASS). For short breaks, a successful tender exercise was completed in the summer of 2022 and the new offer came into effect 1 September 2022. We have contracted five providers to deliver our provision, both from partners we have previously worked with but also some new organisations. For SENDIASS, we recently completed a successful procurement exercise and the new contact has now been awarded and will be implemented from April 2023. This was a real team effort from colleagues across AfC and our partners, especially Richmond and Kingston Parent Carer Forums.

In September 2022, we bid to the Department for Education's Capital Fund for match funding for a new children's home in Kingston. We were delighted to find out in early 2023 that we had been successful and the project has now been approved by the council. The intention is to build a children's home to accommodate between three and five children and young people at any time who may be difficult to place elsewhere due to their complex needs. The home will be a safe and welcoming space for them where they can be supported to grow and develop into adulthood. The home will give us more affordable and higher quality placements for young people in Richmond and Kingston. We expect the project to take between 18 - 24 months to complete.

Smarter working

This year, significant progress has been made in the digital transformation of several key areas within the organisation. Robotic process automation has been implemented in the Single Point of Access, resulting in the successful recording of over 3,500 contacts in the last year. In addition, a new automated process has been developed for the verification of addresses on school place applications, which will streamline the admissions process for the over 11,000 applications received annually. Digital payment points have been deployed to nine children's centres in Kingston and Richmond, and digital disbursements have been introduced to enhance the accessibility of targeted support for service users. A new digital customer platform has also been introduced, providing an online, self-service option for people who want to evaluate services, book appointments, send feedback, submit referrals, upload documents, complete questionnaires and request callbacks. Seventeen processes have been set up so far, with many more in the pipeline for the coming year including secure online payments and personalised digital experiences. The platform is already reducing the use of paper forms and saving time by removing the need to download, print, scan and email forms, enabling a much more convenient way to interact with services. These digital initiatives are expected to increase efficiency, reduce errors, and improve the overall experience for both staff and service users.

During 2022-23 we have continued our focus on improving our interfaces with our workforce and our external stakeholders. We have experienced a fantastic response and usage of our new intranet - Connect - which was named by one of our staff. It provides a new digital workspace that enables staff to work more collaboratively and to access key information and documents more easily. The most used function is the People Directory, enabling our teams to find colleagues' contact details across the entire organisation.

In January 2023 we launched our brand new company website which has already had over 7,000 views. The website has a fresh new look and makes it easier to find information such as fostering and apprenticeships or links to access services by Council area. We continually work hard to ensure our websites are accessible and aim to ensure all visitors to the site are able to access our information easily and have the ability to use a range of digital accessibility tools such as language translators, text mode, audio readers, and changeable colour themes and fonts.

In the last year we have implemented a new business systems improvement framework which has helped us to work more closely with operational teams and prioritise the system improvement work which has the most impact. Funding has been agreed in Kingston and Richmond to improve and support our SEND case management system and in Windsor and Maidenhead, significant funding has been made available to implement a new social care and early help system. In order to support our colleagues more effectively and to minimise the impact of system issues, we are increasing the use of our service desk portal. The portal enables staff to fix common systems issues themselves and enables complex problems to be resolved more quickly as all key information is made collected in the initial stages, therefore removing the need to constantly refer back to the staff member who logged the problem.

We have undertaken a significant amount of work to review and improve our data and intelligence across the organisation, which has enabled us to undertake more in depth analysis and make more evidence based decisions. This includes developing new reports for the Early Help Strategic Board, the Families First service, Family Hubs, Mental Health Schools Team and School Nursing teams.

As well as implementing smart data and digital solutions, we are committed to work smarter by reducing our environmental impact. During 2022-23 we have been implementing our environment strategy which was created in 2021-22 based on feedback from children and young people. It sets out our commitment to reducing our carbon footprint and to identify more ways that we can be environmentally aware. We use our environment pages on our intranet to communicate to staff about our activity and to share environmental resources. Recently, we marked 'no disposable cup day' by linking to the 'Refill' campaign which aims to connect people to places they can eat, drink and shop with less plastic. We have now launched our cycle to work scheme across all operational areas for our staff, promoting the benefits of cycling to work, both in terms of health and wellbeing and the environment, for which takeup has been strong so far. We have donated over 250 smartphones with our equipment recycling partner. Devices are reused locally or repurposed into new equipment, meaning less waste goes to landfill and repurposed devices can be shared with charities or schools, therefore ensuring wider social impact. Our mobile phone provider has committed to planting trees for each handset we purchase. During the year we have purchased 485 phones meaning almost 5,000 trees will be planted. Our Youth Councils have led on a climate change campaign and have been responsible for distributing the £20,000 climate change fund to 18 young people in Kingston and Richmond to develop their own climate change projects.

2. 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 Leadership Team and reported to the Board of Directors. The Audit and Risk Committee looks in detail at the risks, mitigations that are in place and the level of assurance available from the Executive. Strategic risks are the direct responsibility of the 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 and monitored by individual service managers.

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 high level strategic risks that are not related to financial instruments:

POTENTIAL RISK DESCRIPTION	IMPACT OF RISK IF IT MATERIALISED	RISK MITIGATION
Potential risk that we do not keep children, young people and families safe and supported	A child is not safeguarded and experiences harm, failure to deliver statutory duty, reputational damage, needs of children and families escalate	Employment of experienced and qualified staff, appointment of Directors of Children's Services with statutory oversight and responsibility, internal audit of processes and policies, external inspections of services, quality assurance processes, clear reporting mechanisms and lessons learned
Potential risk that we do not deliver services that align with our councils' priorities	Children, young people and families do not receive a consistent offer from all borough services, councils lose confidence in the AFC delivery model and do not renew contracts	Senior leaders part of council leadership teams, DCSs are seconded from the councils, joint work on key strategies and approval via council committees and Joint Ownership Board, regular contract monitoring meetings, annual review of priorities and budgets
Potential risk that we do not have a skilled workforce that is safe, happy and healthy.	Quality of services falls below required standards, children and young people do not have consistency of key professionals which impacts outcomes, insufficient knowledge and experience to meet statutory duties, services are more expensive as AfC becomes reliant on more expensive agency staff	Workforce strategies to support coordinated approach to recruitment and retention, ongoing recruitment activity, periodic review of AfC staff offer, experienced HR professionals, targeted recruitment campaigns, well established workforce development offer, recruitment checks
Potential risk that services become unaffordable and do not represent value for money	Services are no longer affordable for our commissioning councils and contracts are not renewed, preventative services are reduced to support statutory services, reputational damage	Budget agreed annually with each council including growth, savings and inflation, monthly monitoring and reporting of budgets internally and externally, periodic benchmarking of services, ongoing review of how money is prioritised

Potential risk that we do not comply with corporate statutory responsibilities	AfC is not statutorily compliant leading to fines and reputational damage	Statutory compliance register held by Chief Operating Officer and reviewed quarterly by the Audit and Risk Committee, Employment of suitable qualified staff, Board Assurance Framework
Potential risk that we are not known to or trusted to deliver quality services and advice	Children, young people and other key stakeholders lose confidence in our ability to support them / deliver good quality children's services, councils do not renew contracts, we are unable to bid for grant funding, reputational damage, increased complaints	Established Quality Assurance Framework with quarterly reporting on quality of services and associated improvement plans, surveys to assess service user satisfaction, improvement plans where issues identified, oversight of services by experienced leadership teams and professionals, established Communications Team.
Potential risk that external threats compromise the deliverability of our objectives	Failure to provide safe, effective, responsible and affordable services. The commissioning councils revise their commissioning services due to inconsistent statistical priorities or financial difficulties.	An established hybrid working regime with the ability for staff to work from home. Increased focus on cybersecurity with a prioritised programme plan for ICT, business system development and digital improvement. Clear protocol for delivery of children’s services detailing critical tasks that need to be delivered against the key elements of the Children's Act. Monthly budget monitoring to regularly look at spend compared to budget. The Commissioning Board meets monthly to discuss high risk procurement and plan re-procurement.

3. 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 £196 million in 2022/23 (£181m in 2021/22) which represents 90% (91% in 2021/22) of total income (on a management accounts rather than financial accounts basis).

Management Accounts Position

The Company has spent £218 million (£200 million in 2021/22) in the delivery of services. Needs led and Social Care staffing 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 to 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 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	2,501	1,730	**4,231**
Kingston Contract	2,173	4,844	**7,017**
Windsor and Maidenhead Contract	769	459	**1,228**
Total	**5,443**	**7,033**	**12,476**

The final outturn after change controls was as follows:

	Expenditure	Income	Overspend/(underspend) after EOY change controls
	£000	£000	£000
Operational Strategic Management	2,020	1,818	**(202)**
Social Care and Early Help	87,592	87,245	**(347)**
Special Educational Needs and Children with Disabilities	94,257	94,957	**700**
Education	12,606	12,474	**(133)**
Public Health	1,580	1,598	**18**
Business Services	20,141	20,104	**(37)**
Total	**218,196**	**218,196**	**0**

Financial Statements

For the reporting period the Company made a trading loss of £11.741m (2021/22 loss £12.445m) and reported a total comprehensive income of £73.142m (2021/22 income £14.6m) which is attributable to its parent Councils in accordance with their share of ownership (Richmond 40%, Kingston 40%, Windsor & Maidenhead 20%). The loss comprises:

	2022/23 £000	2021/22 £000
Trading Profit / (loss)	(11,741)	(12,445)
Other comprehensive income/expense (re-measure of net defined benefit liability)	84,883	27,045
Total comprehensive (expense)/income	**73,142**	**14,600**

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 income of £73.142 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 £1.577 million (£76.082 million at 31 March 2022). The significant decrease is predominantly due to the combination of a higher discount rate, higher CPI/pension increases and an increase in longevity for current and future pensioners. 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 2022 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 March 2022 and has resulted in an increase in employer contribution rates from 19% to 19.9% (effective 1st April 2023). The next triennial valuation will be undertaken in 2025/26 with new employer contribution rates effective from 1st April 2026.

The Company holds assets (trade and other receivables, cash and cash equivalents, non-current assets) totalling £56.154 million at 31 March 2023 (£58.193 million at 31 March 2022). The assets relate to Trade and Other Receivables, Cash and Cash Equivalents and Non current assets. A significant value of 'Right of Use' assets were written on to the Balance Sheet in 2019/20 to reflect the accounting requirements of IFRS 16. 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 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 Strategy (MTFS) which forecasts its income and expenditure and financial risks over the next three years. The emphasis of the MTFS is on maintaining 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, continue to provide value for money and links directly to the Company's Business Plan.

Going Concern

Achieving for Children CIC has been assessed by the Directors as a Going Concern. Despite the negative equity position reported in these Accounts, the Board and Leadership Team have made significant progress in identifying how these financial challenges will be met and continue to develop these plans. The Board's Medium Term Financial Strategy 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. The increased cost is fully funded under the contracts with the Councils as they represent an unavoidable cost of delivering children's services. 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 support short term cash flow and the councils are contractually committed to procuring children's services from AfC until 31 March 2026 in Richmond and Kingston, and until August 2024 in Windsor and Maidenhead.

The contracts with the three owning councils represent 90% 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.

4. Looking Forward

During 2022-23 we refreshed our business plan for 2020-24 - Achieving more for Children - which 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. It can be found via this link.

The priorities in our business plan are based on a sound understanding of the local needs in each of the three local authority areas. A strong evidence base for the plan was developed using demographic trends, performance data and the needs analyses 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 which 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 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.

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. We will work collaboratively with our key partners to ensure we are able to realise the benefits of joint working to support our children, young people and families.	*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. As part of this, we want to ensure our relationships with key partners are strong and that our families really benefit from collaboration and joined-up working.*
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	*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*

	access to high quality services, are able to stay close to their families and friends, achieve well, and develop their skills for independence.	*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, 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.*
Successful organisation	We will secure the sustainabillty 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.	*As the needs of young people and our owning councils change we will develop and adapt our business and delivery models to ensure we continue to meet their needs and offer value for money.*
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:

Siân Wicks
Chair of the AfC 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 six 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 ● 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 brokerage and commissioning
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 ● Home to school transport
Business Services ● Risk management and business continuity planning ● Safety and premises management ● ICT and business systems ● Information Governance ● Business intelligence and improvement ● Business systems support ● Strategy, policy and transformation ● Workforce development and Human Resources ● Marketing, communications and business development ● Financial planning and monitoring ● Accountancy services ● Schools' finance ● Procurement and strategic commissioning	

Our workforce

As at 31 March 2023, Achieving for Children has 1,842 employees (equating to 1,190 actual full time equivalent employees and 1,119 budgeted full time equivalent employees), excluding agency workers. 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 committed to the recruitment, training, development and promotion of people with disabilities.

Please note that the following information covers a snapshot of workforce data as at 31st March 2023. Figures include all permanent, casual and temporary staff but excludes agency workers. Percentages in the sections below show the proportion of employees for which equalities data is known and recorded and therefore, percentages reflect the known numbers. The unknown numbers are excluded when calculating percentages (unknown = no information is held about an employee's protected characteristics and no assumptions have been made. This includes those who prefer not to say).

- 80.6% of our employees are female, an increase of 1.6% from March 2021.
- 25% of our employees who declare their ethnicity are from a Black, Asian or Minority Ethnic (BAME) background
- 7% of our employees reported that they had a disability, an increase on the previous year.
- The largest faith group within our workforce is Christian at 27.8%. Employees with no faith or religion or who did not declare their religion account for 64.6% of the workforce.
- The majority of employees are aged between 30 and 50, which equates to 34% of the organisation.
- 30.2% of our employees are married or in a civil partnership; 25.8% are single; and of the data we hold, 6.6% have a partner.
- Of the data we hold, over 2.0% of our employees are gay, lesbian, bi-sexual or other.

To ensure our employees are kept informed, consulted and involved in the development of the company, Achieving for Children uses a wide range of communication channels. This includes a weekly e-news bulletin to all employees, regular video blogs by the Directors of Children's Services and directorate based all staff briefings. Informal drop-in sessions are held by Senior Leaders across AfC, which allow an opportunity for employees to raise issues and concerns. There is an annual leadership summit and regular management meetings. Managers are responsible for feeding back information to employees through regular team meetings and supervision sessions. The work of the Board of Directors is shared with employees through meeting summaries which are produced after each Board meeting. The Non-Executive Independent 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.

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.

The following paragraphs summarise the latest findings from the 2021 published report:

- 79.0% of our workforce are women;
- 80.0% of the top quartile of earners are women;
- The average hourly pay for women is -2.82% lower than for men. This means women have a higher average hourly pay; and
- The median hourly pay for women is -2.49% lower than for men. This means women have a higher median hourly rate of pay.

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 the Government is a fairly simplistic indicator of a complex set of issues. Our ambition is to ensure equality of opportunity for women.

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.

We work closely with our owning councils to ensure our plans align with their strategic planning. This is demonstrated by our involvement in the development of corporate plans in both Kingston and Richmond, and the drafting of the new children and young people's plan (CYPP) in Richmond.

Our commitment to partnership working is evident in the way in which we engage with children and young people and their families. We know that children and young people and their parents and carers are best supported if they are able to shape and determine the services they receive. For example, during the past 12 months we were pleased to establish regular meetings between the Achieving for Children Board and our Youth Council to ensure our Board Directors can directly hear from children and young people.

Looking ahead, we will be undertaking significant consultation with our key stakeholders as we develop our new AfC business plan, and look to review and refresh our SEND Futures plans in Kingston and Richmond.

Streamlined Energy and Carbon Reporting (SECR)

Under changes introduced by the 2018 Regulations, large unquoted companies and large LLPs are obliged to report their UK energy use and associated greenhouse gas emissions as a minimum relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through their annual reports.

The data included is based in the GHG Protocol Corporate Standards, described below:

- **Scope 1 (Direct emissions):** Emissions from activities owned or controlled by your organisation that release emissions into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.
- **Scope 2 (Energy indirect):** Emissions released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities but which occur at sources you do not own or control.
- **Scope 3 (Other indirect):** Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal which is not owned or controlled, or purchased materials or fuels.

UK Greenhouse gas emissions and energy use data for the period 1 April 2022 to 31 March 2023	**CO2e 2022 - 2023**
Scope 1 emissions in metric tonnes CO2e	
There is no data to report under scope 1	0
Scope 2 emissions in metric tonnes CO2e	
Business travel in passenger vehicles - SEND Transport Taxis	910
Business travel in employee owned vehicles	299
Scope 3 emissions in metric tonnes CO2e	
Electricity consumed within the buildings which AfC occupy that is purchased and controlled by our owning Councils. AfC are recharged based on usage. (see note 1)	1,001

UK Greenhouse gas emissions and energy use data for the period 1 April 2022 to 31 March 2023	CO2e 2022 - 2023
SEND Transport Fleet	356
Zipcar contract	30
Total gross emissions in metric tonnes CO2e	**2,596**
Intensity ratio Tonnes CO2e per employee	**1:2.3**

Note 1: *AfC provides services from 70 buildings across three local authorities. All buildings are Council owned and the utilities are managed by the owning Councils (our landlord). AfC has different lease agreements per building and we have been unable to extract the exact data for some of its buildings due to how we are recharged. We have made the assumption of electricity used for the whole company based on buildings where we know the electricity used for the year (KWh), and total AfC occupancy within the building. We have taken an average of Kwh per employee and scaled up to provide an estimate for the company as a whole.*

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK

Measures taken to improve energy efficiency

Achieving for Children has developed and published its own Environment Strategy. The aim of the strategy is to highlight areas where Achieving for Children can reduce its carbon footprint and improve reporting mechanisms to demonstrate impact.

The Covid-19 pandemic has provided an opportunity to look at how we can deliver services more flexibly, enabling staff to work from home more frequently. Achieving for Children, in collaboration with its owning Councils are reducing office space by up to 50% which will reduce the requirement for high consumptions of electricity, gas and water.

By enabling a more virtual workforce, we hope to reduce travel to and from the workplace as well as between sites. As a relationship based organisation, delivering statutory services, face to face to support is unavoidable and we recognise that travel will remain an essential part of our business. Travel through means such as cycling or by public transport are encouraged where possible. As part of AfC’s and the Council’s climate change action plans, we will endeavour to look at alternatives which are more favourable, for example electric fleet cars and continue to promote initiatives such as the cycle to work scheme.

AfC's Digital Board are an integral part of AfC's Environment Strategy, providing digital solutions which in turn will reduce our carbon footprint. For example, through the use of online meetings and providing staff with appropriate devices, AfC has managed to drastically reduce the amount of paper we print.

AfC is responsible for delivering a transport service for children with special educational needs and disabilities, to and from their education provider. Over the coming years AfC will be renewing its current fleet contract to ensure that the vehicles provided as part of the contract are Euro 6 compliant. The ambition is to transition to electric vehicles as soon as a suitable replacement which matches the current specification is available.

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. The responsibilities and decisions they retain as owners are set out in an inter-authority agreement. The Councils fulfil their ownership role through a Joint Ownership Board and also through their established Committee/Cabinet structures. There is also a Joint Committee which meets as a dispute resolution mechanism if required. The Committees are responsible for ensuring that ownership decisions are made in the best interests of Achieving for Children and that there is strategic alignment with the three owning councils. To ensure the role of company owners in the governance of the company is explicit 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- 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. These decisions are taken by the Full Council of each relevant owning council.

Band 2- 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 and are taken by the Chief Executive in consultation with the Leader of each Council.

Band 3 – matters require the majority of votes by the members to be cast in favour to pass. These decisions are taken by each council's established Committee / Cabinet.

More information about Achieving for Childrens governance arrangements is available on the following links:
2020 Governance Review
Governance Summary

Operational commissioning decisions and performance review is delegated to a number of specialised officer boards that meet regularly throughout the year with membership including strategic finance leads from each commissioning council and AfC, the Director of Children's Services for each borough, Lead Commissioners from each borough and 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 Treasury Plan
- 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 councils 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
1 x Executive Directors
6 x Council Appointed Directors (max 2 x per member)
3 x Non-Executive Independent Directors
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 2022/23 were:

DIRECTOR	MEMBERSHIP OF BOARD	
	From	To
Executive Directors		
Lucy Kourpas	01/01/2020	-
Council Appointed Directors		
Kevin McDaniel	20/08/2018	-
Nikki Craig	20/08/2018	-
Charlotte Rohan	01/04/2019	-
Jeremy Desouza	04/01/2022	-
Anna Sadler	14/06/2021	-
Samantha Morrison	24/11/2021	-
Non Executive Independent Directors		
Sian Wicks	11/09/2017	-
Martin Spencer	14/06/2021	-
Nathan Nagaiah	01/06/2021	-

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 2022/23 as follows:

BOARD OF DIRECTORS	AUDIT AND RISK COMMITTEE
23rd May 2022	27th June 2022
25th July 2022	10th October 2022
24th October 2022	16th January 2023
19th December 2022	13th March 2023
30th January 2023	

The following table shows the attendance at meetings in 2022/23:

DIRECTOR	ATTENDANCE AT BOARD OF DIRECTORS		ATTENDANCE AT AUDIT AND RISK COMMITTEE		MEMBERSHIP OF BOARD (IN YEAR)	
	POTENTIAL	ACTUAL	POTENTIAL	ACTUAL	From	To
Sian Wicks (Chair)	5	4	4	0	01/04/2022	31/03/2023
Martin Spencer	5	4	4	4	01/04/2022	31/03/2023
Nathan Nagaiah	5	5	4	3	01/04/2022	31/03/2023
Lucy Kourpas	5	5	4	4	01/04/2022	31/03/2023
Jeremy Desouza	5	3	4	2	01/04/2022	31/03/2023
Anna Sadler	5	4	4	4	01/04/2022	31/03/2023
Kevin McDaniel	5	2	4	3	01/04/2022	31/03/2023
Nikki Craig	5	4	4	2	01/04/2022	31/03/2023
Charlotte Rohan	5	5	4	4	01/04/2022	31/03/2023
Sam Morrison	5	4	4	3	01/04/2022	31/03/2023

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 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. An enhanced rate of £550 per day was introduced for the Chair of the Board from February 2021.

Executive Directors receive remuneration as part of their executive role in the Company and do not receive an additional allowance for being a Board Director.

The remuneration for Directors of the Company (where they are paid directly by AfC) is set out below:

			SALARY	NATIONAL INSURANCE	PENSION BENEFITS	OTHER EXPENSES	TOTAL
			£	**£**	**£**	**£**	**£**
Sian Wicks	NEID	**2022/23**	8,529	523	505	0	9,557
		2021/22	17,848	1,041	2,085	0	20,973
Martin Spencer	NEID	**2022/23**	5,156	322	0	0	5478
		2021/22	7,207	491	0	0	7,698
Nathan Nagaiah	NEID	**2022/23**	4,534	216	0	0	4750
		2021/22	6,113	442	0	0	6,555
Catherine Jervis	NEID	**2022/23**	0	0	0	0	0
	part year	2021/22	2,085	271	0	0	2,356
Lucy Kourpas	Exec Director	**2022/23**	138,305	19,631	27,418	0	185,354
		2021/22	133,222	17,164	25,312	0	175,699
TOTAL		**2022/23**	**156,524**	**20,692**	**27,923**	**0**	**205,139**
		2021/22	166,475	19,409	27,397	0	213,281

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:

Royal Borough of Kingston upon Thames
London Borough of Richmond upon Thames
Royal Borough of Windsor and Maidenhead

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 Company Leadership Team. 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 2022/23 Extended Company Leadership Team membership. Officers 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	Chief Operating Officer and Finance Officer (all contracts)	January 2020	current
Ian Dodds	Director of Children's Services (Richmond and Kingston contract)	January 2020	current
Kevin McDaniel	Director of Children's Services (Windsor and Maidenhead contract)	August 2017	June 2022
Alison Twynam	Director of Social Care (Richmond and Kingston contract)	April 2014	current
Lin Ferguson	Director of Social Care (Windsor and Maidenhead contract)	August 2017	June 2022
Lin Ferguson	Director of Children's Services (Windsor and Maidenhead contract)	June 2022	current
Charis Penfold	Director of Education Services (Richmond and Kingston contract)	April 2014	current
Clive Haines	Deputy Director of Education (Windsor and Maidenhead contract)	January 2020	July 2022
Sarah Moran	Deputy Director of Social Care (Windsor and Maidenhead contract)	July 2022	current

The remuneration of each member of the Extended Company Senior Leadership Team in 2022/23 was:

			SALARY	NATIONAL INSURANCE	PENSION BENEFITS	OTHER EXPENSES	TOTAL
			£	£	£	£	£
Kevin McDaniel	Part Year	**2022/23**	**21,080**	**2,944**	**3,183**	**0**	**27,207**
		2021/22	124,000	15,892	18,724	0	158,616
Ian Dodds		**2022/23**	**159,100**	**21,780**	**38,507**	**0**	**219,387**
		2021/22	147,175	19,090	35,911	0	202,176
Alison Twynam		**2022/23**	**127,510**	**18,659**	**42,560**	**95**	**188,824**
		2021/22	114,650	14,601	27,975	103	157,329
Lin Ferguson		**2022/23**	**116,828**	**15,641**	**17,641**	**0**	**150,110**

		2021/22	104,873	13,252	15,836	0	133,961
Charis Penfold		**2022/23**	**115,026**	**15,374**	**21,855**	**402**	**152,657**
		2021/22	111,273	14,135	21,142	295	146,845
Clive Haines		**2022/23**	**75,475**	**9,640**	**14,340**	**0**	**99,455**
		2021/22	67,441	8,086	12,814	199	88,540
Sarah Moran	Part Year	**2022/23**	**32,667**	**4,090**	**6,207**	**0**	**42,964**
		2021/22	0	0	0	0	0
Jessica Thom		**2022/23**	**0**	**0**	**0**	**0**	**0**
	Part Year	2021/22	22,443	2,792	0	0	25,235
Lucy Kourpas		**2022/23**	**138,305**	**19,631**	**27,418**	**0**	**185,354**
		2021/22	133,222	17,164	25,312	0	175,698

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 the Chief Operating and Finance Officer and each Director of Children Services carry out a review of the effectiveness of internal control for their respective areas of responsibility. The arrangements are reviewed by the Chief Operating Officer into an overarching Statement of Internal Control and reported to the Audit and Risk Committee. The Audit and Risk Committee agreed the Statement of Internal Control at its meeting in March 2023 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 United Kingdom. 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 IFRSs as adopted by the UK 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.

Furthermore, 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, who are identified in this report, is responsible for preparing the annual report and financial statements. In particular, each of the Directors confirms that to the best of their 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 6 to 25 and the Directors' Report, contained in pages 26 to 39, 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;
- So far as each Director is aware, there is no relevant audit information of which Crowe UK LLP, as the Company's auditors, are unaware; and
- They 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 Crowe UK LLP are aware of that information.

Signed on behalf of the Board:

Siân Wicks
Chair of the AfC Board of Directors
27th July 2023

These accounts have been compiled in line with International Financial Reporting Standards (IFRSs) and cover the period from 1 April 2022 to 31 March 2023. The accounts have been audited by Crowe UK LLP. For transparency purposes the following table details the fees payable to Crowe UK LLP for the 2022/23 audit and those paid for the 2021/22 audit.

Description	2022/23	2021/22
	£000	£000
Annual audit fee	69	69
Total estimated fees payable to the auditor for the audit of the Company's annual accounts	**69**	**69**
Certification of Teachers Pension Returns	1	2
Total fees payable to the auditor for other services	**1**	**2**

Crowe 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.

Auditor's Report

The report by Achieving for Children's independent auditor on the financial statements for the period ending 31 March 2023 is set out on the following page.

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 for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, 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 accounting standards in conformity with the requirements of the Companies Act 2006.

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 profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, 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 set out on page X, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, revenue recognition in relation to other income and judgements relating to the pension liability. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, testing on a sample basis other income and testing the assumptions and information used to generate the pension liability figure.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is available 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.

Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

COMMUNITY INTEREST COMPANY

STATEMENT OF ACCOUNTS

1st April 2022 – 31st MARCH 2023

Audited May 2023

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

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THE CORE FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

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

	Note ref	Trading 2022/23 £000	Trading 2021/22 Before Exceptional Item £000	Exceptional Item Covid-19 £000	Trading 2021/22 After Exceptional Item £000
Revenue	7	206,995	188,533	1,472	190,005
Other income	7	10,124	9,129	(15)	9,115
Employee benefits	5	(70,364)	(65,116)	(386)	(65,502)
Depreciation	10	(3,074)	(3,441)	0	(3,441)
Other expenses	8	(151,882)	(139,282)	(1,071)	(140,353)
Operating Profit / (Loss)		**(8,201)**	**(10,177)**	**0**	**(10,177)**
Finance income	18	8	1	0	1
Finance costs	18	(3,549)	(2,269)	0	(2,269)
Profit / (Loss) before tax		**(11,741)**	**(12,445)**	**0**	**(12,445)**
Tax expense	19	0	**0**	0	
Profit / (Loss) from continuing operations		**(11,741)**	**(12,445)**	**0**	**(12,445)**

Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss		0	0	0	0
- Re-measurement of net defined benefit liability	5	84,883	27,045	0	27,045
Items that will be reclassified subsequently to profit of loss		0	0	0	0
Other comprehensive income for the period net of tax		**84,883**	**27,045**	**0**	**27,045**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**73,142**	**14,600**	**0**	**14,600**
Total Comprehensive Income/(Expense) for the year attributable to parent companies:					
LB Richmond upon Thames (40%)		**29,257**	**5,840**	**0**	**5,840**
RB Kingston upon Thames (40%)		**29,257**	**5,840**	**0**	**5,840**
RB Windsor and Maidenhead (20%)		**14,628**	**2,920**	**0**	**2,920**
Total		**73,142**	**14,600**	**0**	**14,600**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

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 equity is currently showing as a negative balance.

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 often reports a pension deficit on the Statement of Financial Position. This deficit represents the shortfall in assets set aside to pay for pension rights earned to date. This pension 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.

	Note ref	Pensions Reserve £000	Retained Earnings £000	Total Attributable to Owners £000
Balance at 31 March 2021		**(35,306)**	**(57,745)**	**(93,051)**
Profit/(Loss) for the year	SCI		(12,445)	(12,445)
Other Comprehensive Income				
- Re-measurement of net defined benefit liability	5	27,045		27,045
Total comprehensive income for the year		27,045	(12,445)	14,600
Balance at 31 March 2022		**(8,261)**	**(70,190)**	**(78,451)**
Profit/(Loss) for the year	SCI		(11,741)	(11,741)
Other Comprehensive Income				
- Re-measurement of net defined benefit liability	5	84,883		84,883
Total comprehensive income for the year		84,883	(11,741)	73,142
Balance at 31 March 2023		**76,622**	**(81,932)**	**(5,310)**

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

There were no non-controlling entities for the 2021/22 and 2022/23 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.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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	Note ref	31 March 2023 £000	31 March 2022 £000
ASSETS			
Property, Plant and Equipment	10	8,431	12,059
Payment in Advance		0	26
Non Current Assets		**8,431**	**12,085**
Trade and Other Receivables	13	39,276	38,592
Cash and Cash Equivalents	14	8,447	7,516
Current Assets		**47,723**	**46,108**
TOTAL ASSETS		**56,154**	**58,193**
EQUITY AND LIABILITIES			
Equity		**(5,310)**	**(78,451)**
Long Term Lease Liabilities	11	5,672	8,761
Pension and other employee obligations	5	1,576	76,081
Non-current liabilities		**7,248**	**84,842**
Short Term Lease Liabilities	11	3,269	3,485
Borrowings	17	33,400	31,100
Trade and other payables	15	17,448	17,196
Provisions	16	100	21
Current liabilities		**54,216**	**51,802**
Total Liabilities		**61,464**	**136,644**
TOTAL EQUITY AND LIABILITIES		**56,154**	**58,193**

SBNicks

Siân Wicks, Chair of the AfC Board

27th July 2023

STATEMENT OF CASHFLOWS FOR THE PERIOD ENDING 31 MARCH 2023

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.

	Note ref	2022/23 £000	2021/22 £000
Operating Activities			
Loss before tax	CIS	(11,741)	(12,445)
Non cash flow adjustments	20	21,826	22,831
Contributions to defined benefit plans	5	(8,295)	(7,060)
Net changes in working capital	20	(407)	1,442
Net cash from operating activities		**1,382**	**4,769**
Investing Activities			
Purchase of tangible ICT equipment	10	(230)	(117)
Financing Activities			
Lease principal		(2,521)	(3,267)
Proceeds from borrowings		26,656	13,700
Repayment of borrowings		(24,356)	(17,000)
Net cash from / used in financing activities		**(221)**	**(6,567)**
Net movement in cash and cash equivalents		**931**	**(1,915)**
Cash and cash equivalents at the beginning of the year	14	7,516	9,431
Cash and cash equivalents at the end of the year		**8,447**	**7,516**

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 eighth year of trading and covers the period from 1st April 2022 to 31st March 2023.

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 London Borough of Richmond upon Thames, Royal Borough of Kingston upon Thames and Royal Borough of 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 2022/23.

This Statement of Accounts has been prepared in accordance with UK adopted 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.

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 reviewed 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 98.

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 Council's 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 Statement of financial position. Leases are not recognised where they are for less than 12 months and where they have a total market value at inception 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 negative equity position reported in these Accounts the Board and Leadership Team have made significant progress in identifying how these financial challenges will be met and continue to develop these plans. The Board's Medium Term Financial Strategy 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 three main 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 2022 and an increased employer contribution rate (19% to 19.9%) was applied from 1st April 2023. 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 Statement of financial position 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:

- 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:
There were no exceptional items to note within 2022/23.

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	Dedicated Schools Grant Fund	Total
	£000	£000	£000
Richmond Contract	2,501	1,730	**4,231**
Kingston Contract	2,173	4,844	**7,017**
Windsor and Maidenhead Contract	769	459	**1,228**
Total	**5,443**	**7,033**	**12,476**

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

NOTE 4 NEW OR REVISED STANDARDS

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 International Accounting Standards Board. None of these Standards or amendments to existing Standards have been adopted early by the Company.

- IFRS 17 Insurance Contracts (Amendments)
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- IFRS 16 Leases (Amendments)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. Impact of implementing these standards has not been assessed.

NOTE 5 EMPLOYEE BENEFITS

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

	Trading 2022/23 £000	Trading 2021/22 Before Exceptional Item £000	Exceptional Item Covid-19 £000	Trading 2021/22 After Exceptional Item £000
Salaries	(47,280)	(42,463)	(386)	(42,849)
Employee absence liability	(934)	3	0	3
National Insurance	(5,083)	(4,355)	0	(4,355)
Pension Fund Contributions - LGPS	(16,246)	(17,508)	0	(17,508)
Pension Fund Contributions - Other schemes	(667)	(631)	0	(631)
Other (redundancy, compensation etc.)	(155)	(162)	0	(162)
	(70,364)	**(65,116)**	**(386)**	**(65,502)**

Salaries

The table below shows the average number of full time equivalent employees and the average count of employees paid during 2022/23. The figures exclude casual and agency workers. The level of salary spend has increased due to the staff pay award, contractual increments and other factors.

Service Area	Average FTE	Average Employee Count
Business Services	195.91	229.69
Education	82.33	102.63
Strategic Management	4.79	5.86
Public Health	30.67	42.03
Social Care and Early Help	560.11	861.11
Special Educational Needs and Children with Disabilities	267.64	559.09
Total	1141.46	1800.42

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 recognise the expense 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 RB Windsor and Maidenhead 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:

	2022/23 £000	2021/22 £000
Current service costs	(16,448)	(17,388)
Past service costs	0	(36)
Total recognised in operating profit / (loss)	**(16,448)**	**(17,424)**
Finance costs	(5,943)	(4,403)
Finance income	3,718	2,437
Total post-employment benefit charged to the profit / (loss) from continuing operations	**(18,673)**	**(19,390)**
Re-measurement of the Net defined Benefit Liability:		
Change in demographic assumptions	(5,510)	1,497
Change in financial assumptions	101,760	20,147
Other experience	(2,567)	(513)
Return on plan assets (excluding amounts already included in the net interest expense)	(8,800)	5,914
Total recognised in Other Comprehensive Income	**84,883**	**27,045**
Total recognised in Total Comprehensive Income for the period	**66,210**	**7,655**

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:

	2022/23 £000	2021/22 £000
Present Value of the Defined Benefit Obligation	(140,186)	(207,319)
Fair Value of Plan Assets	138,609	131,237
Net Liability arising from Defined Benefit Obligations	**(1,577)**	**(76,082)**

Reconciliation of Present Value of the Scheme Assets and Liabilities

	2022/23			2021/22		
	Assets	Liabilities	Total	Assets	Liabilities	Total
	£000	£000	£000	£000	£000	£000
Adjustment to opening balance (McLoud judgement)	*0*	*0*	*0*	*0*	*0*	*0*
Opening Present Value of Scheme Liabilities	**131,237**	**(207,319)**	**(76,082)**	**115,074**	**(205,871)**	**(90,797)**
Current Service Cost	0	(16,448)	**(16,448)**	0	(17,388)	**(17,388)**
Past Service Cost	0	0	**0**	0	(36)	**(36)**
Interest (Cost) / Income	3,718	(5,943)	**(2,225)**	2,437	(4,403)	**(1,966)**
Contributions from the employer	8,295	0	**8,295**	7,060	0	**7,060**
Contributions from employees	2,958	(2,958)	**0**	2,565	(2,565)	**0**
Gains / (Losses) on Curtailment	0	0	**0**	0	0	**0**
Benefits paid	(1,773)	1,773	**0**	(1,813)	1,813	**0**
Remeasurement Gains / (Losses) :						
- Actuarial Gains / (Losses) arising from change in demographic assumptions	0	(5,510)	**(5,510)**	0	1,497	**1,497**
- Actuarial Gains / (Losses) arising from changes in financial assumptions	0	101,760	**101,760**	0	20,147	**20,147**
- Other experience	2,974	(5,541)	**(2,567)**	0	(513)	**(513)**
- Return on assets (excluding the amount included in the net interest expense)	(8,800)	0	**(8,800)**	5,914	0	**5,914**
Closing Fair Value of Scheme Assets at 31 March	**138,609**	**(140,186)**	**(1,577)**	**131,237**	**(207,319)**	**(76,082)**

The employer contribution rate increased from 16% to 19% for 2020/21 to 2022/23. In line with the most recent triennial valuation, a new rate of 19.9% will be effective from 2023/24.

The fund accounts include estimated asset valuations at 31 March 2023. The annual actuarial assessment of the value of assets and liabilities involves a number of complex assumptions and estimation uncertainty. 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 £0.68m if property and infrastructure assets were to reduce by 5%, or £1.37m in the event of a 10% reduction in value.

Asset Sensitivity Analysis as at 31 March 2023	Value as at 31 March 2023 £000	5% reduction in value £000	10% reduction in value £000
LBW Property Assets	4,068	(203)	(407)
LBW Private Debt and Infrastructure	5,278	(264)	(528)
RBK Property Assets	4,313	(216)	(431)

Local Government Pension Scheme assets comprised:

	31-Mar-23				31-Mar-22			
	£000	%	£000	%	£000	%	£000	%
	LB WANDSWORTH (RICHMOND)		RB KINGSTON		LB WANDSWORTH (RICHMOND)		RB KINGSTON	
Equity Securities								
- Consumer	0	0%	1,567	2%	0	0%	1,689	2%
- Manufacturing	0	0%	889	1%	0	0%	1,115	2%
- Energy and Utilities	0	0%	931	1%	0	0%	574	1%
- Financial Institutions	0	0%	1,469	2%	0	0%	1,377	2%
- Health Care	0	0%	1,473	2%	0	0%	1,280	2%
- Information Technology	0	0%	2,223	3%	0	0%	2,606	4%
- Other	40,161	61%	1,508	2%	35,309	60%	1,582	2%
Bonds								
- Corporate Bonds (investment grade)	6,467	10%	0	0%	5,460	9%	0	0%
- Corporate Bonds (non-investment grade)	7,824	12%	0	0%	9,487	16%	0	0%
- UK Government	0	0%	0	0%	825	1%	0	0%
Property (UK)	4,068	6%	4,313	6%	3,664	6%	4,372	6%
Investment Funds and Trusts								
- Equities	0	0%	26,799	39%	0	0%	30,252	43%
- Bonds	0	0%	12,536	18%	0	0%	13,775	20%
- Infrastructure	5,278	8%	0	0%	3,258	5%	0	0%
- Other	0	0%	13,230	19%	0	0%	10,595	15%
Cash and Cash Equivalents	1,767	3%	1,208	2%	1,290	2%	1049.7	1%
	65,566	**100%**	**68,146**	**100%**	**59,292**	**100%**	**70,266**	**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 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:

	2022/23		2021/22	
	LB WANDSWORTH (RICHMOND)	**RB KINGSTON**	**LB WANDSWORTH (RICHMOND)**	**RB KINGSTON**
Long term expected rate of return on assets in the scheme	1.50%	1.50%	1.50%	1.50%
Mortality assumptions				
Longevity at 65 for current pensioners:				
Men	21.3 years	22.6 years	21.4 years	21.7 years
Women	23.8 years	25.0 years	24.1 years	24.1 years
Longevity at 65 for future pensioners:				
Men	22.9 years	22.9 years	22.9 years	22.8 years
Women	25.5 years	26.2 years	25.8 years	26 years

	2022/23	2022/23	2021/22	2021/22
Take up option to convert annual position into retirement lump sum	**LB WANDSWORTH (RICHMOND)**	**RB KINGSTON**	**LB WANDSWORTH (RICHMOND)**	**RB KINGSTON**
- Pre April 2008 Service	50%	45%	50%	50%
- Post April 2008 Service	50%	45%	50%	75%

	31-Mar-23	31-Mar-22
	% pa	% pa
Financial Assumptions		
Medium Term RPI	3.20%	3.65%
Medium Term CPI	2.95%	3.20%
Rate of increase in pensions - Wandsworth (Richmond)	2.95%	3.15%
Rate of increase in pensions - Kingston	2.95%	3.15%
Rate of increase in salaries - Wandsworth (Richmond)	3.95%	3.55%
Rate of increase in salaries - Kingston	3.45%	3.55%
Discount Rate - Wandsworth	4.75%	2.75%
Discount Rate - Kingston	4.75%	2.75%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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-23		31-Mar-22	
	Approximate monetary amount £000	Approximate % increase to employer	Approximate monetary amount £000	Approximate % increase to employer
0.5% decrease in Real Discount Rate	17,350	10%	27,330	15%
1 year increase in member life expectancy	5,608	4%	8,293	4%
0.5% increase in the salary increase rate	1,515	0%	2,420	1%
0.5% increase in the pension increase rate	16,090	10%	24,740	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 teacher's 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 2022/23. The Company is not liable to the scheme for any other entity's 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 entity's obligations under the plan.

	Teachers' Pension Scheme	NHS Pension Scheme	Teachers' Pension Scheme	NHS Pension Scheme
	2022/23	2022/23	2021/22	2021/22
	£000	£000	£000	£000
Total Contributions	(560)	(107)	(508)	(123)
Employer's Contribution Rate	23.7%	20.7%	23.7%	20.7%
Anticipated Employer's Contributions next year	23.7%	20.7%	23.7%	20.7%
*rates applicable from 1st September each year and include admin				

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 transactions in RB Windsor and Maidenhead for 2022/23. The key figures and impact on the primary statements are summarised on the next page:

	Income	Expenditure	Total	Income	Expenditure	Total
	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22
	£000	£000	£000	£000	£000	£000
Net impact on Statement of Comprehensive Income:						
Contract Income:						
- LB Richmond upon Thames	(613)	0	**(613)**	(680)	0	**(680)**
- RB Kingston upon Thames	(233)	0	**(233)**	5	0	**5**
	(846)	**0**	**(846)**	**(675)**	**0**	**(675)**
Transactions with schools / nurseries:						
- LB Richmond upon Thames	(222)	835	613	(193)	873	680
- RB Kingston upon Thames	0	233	233	(111)	106	(5)
	(222)	**1,068**	**846**	(304)	979	**675**
Impact on Profit and Loss Account	**(1,068)**	**1,068**	**0**	**(979)**	**979**	**0**
Net impact on Statement of Financial Position:						
	Debtors	**Creditors**	**Total**	**Debtors**	**Creditors**	**Total**
Contract Income:						
- LB Richmond upon Thames	(60)	0	(60)	(181)	0	**(181)**
- RB Kingston upon Thames	0	0	0	0	0	**0**
	(60)	**0**	**(60)**	**(181)**	**0**	**(181)**
Transactions with schools / nurseries:						
- LB Richmond upon Thames	0	0	0	0	0	**0**
- RB Kingston upon Thames	0	0	0	0	0	**0**
	0	**0**	**0**	**0**	**0**	**0**
Total	**(60)**	**0**	**(60)**	**(181)**	**0**	**(181)**
Net Debtor	60	0	60	181	0	181
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.

	Trading 2022/23 £000	Trading 2021/22 Before Exceptional Item £000	Exceptional Item Covid-19 £000	Trading 2021/22 After Exceptional Item £000
Contract income LB Richmond Upon Thames	75,841	67,726	569	68,294
Contract income RB of Kingston Upon Thames	75,253	68,065	556	68,621
Contract income RB of Windsor and Maidenhead	44,250	42,265	720	42,985
Fees & charges for services	5,619	6,477	(300)	6,177
Lettings	144	189	(16)	174
Client contributions	664	358	0	358
Income from local authorities	5,226	3,453	(57)	3,396
Turnover reported within operating loss	**206,995**	**188,533**	**1,472**	**190,005**
Government Grants	952	636	0	636
Grants and contributions	8,544	7,845	(14)	7,831
Donations	628	648	0	648
Other	0	0	0	0
Other income reported within operating loss	**10,124**	**9,129**	**(14)**	**9,115**
Total income reported in operating loss	**217,119**	**197,662**	**1,458**	**199,120**

The revenue by service area is shown in note 9 – Departmental Analysis.

The Company derives 90% 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:

	2022/23 £000	2021/22 £000	Exceptional Item Covid-19 2021/22 £'000	2021/22 £000
Indirect employee costs	(9,188)	(7,605)	0	(7,605)
Premises	(1,816)	(1,722)	(70)	(1,792)
Transport	(8,097)	(6,555)	3	(6,552)
Supplies and services	(13,600)	(12,048)	(85)	(12,133)
Third party (contract) payments and transfer payments	(114,463)	(106,691)	(799)	(107,489)
Support services	(4,718)	(4,661)	(121)	(4,782)
Other expenses	**(151,882)**	**(139,282)**	**(1,072)**	**(140,353)**

NOTE 9 RECONCILIATION TO MANAGEMENT ACCOUNTS

Management reports on seven 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 2022/23	Operational Strategic Management £000	Social Care and Early Help £000	Special Educational Needs and Children with Disabilities £000	Education £000	Public Health £000	Business Services £000	Grand Total £000
Income							
LB Richmond Contract	0	0	0	0	0	76,454	**76,454**
RB Kingston Contract	0	0	0	0	0	75,485	**75,485**
RB Windsor & Maidenhead	0	0	0	0	0	44,250	**44,250**
Customer and Client Receipts	0	2,115	1,261	2,985	1	915	**7,277**
Other Grants and Contributions	16	4,456	6,755	799	1,634	111	**13,770**
Government Grants	0	231	0	0	0	721	**952**
Interest Receivable	0	0	0	0	0	8	**8**
	16	**6,802**	**8,016**	**3,784**	**1,634**	**197,943**	**218,196**
Expenditure							
Employees	528	37,555	14,919	6,561	1,522	9,416	**70,500**
Premises	0	462	5	12	0	3,609	**4,088**
Transport	0	829	4,582	3,144	12	24	**8,591**
Supplies and Services	83	4,399	5,295	2,180	36	2,030	**14,022**
Third Party Payments	29	40,501	44,284	80	0	1,016	**85,909**
Transfer Payments	1,345	1,808	24,928	614	0	920	**29,615**
Support Services	34	2,039	245	16	11	2,373	**4,718**
Interest Paid	0	0	0	0	0	753	**753**
Tax							**0**

	2,020	**87,592**	**94,257**	**12,606**	**1,580**	**20,141**	**218,196**
Outturn	**(2,004)**	**(80,791)**	**(86,240)**	**(8,822)**	**54**	**177,803**	**0**
Re-Allocate contract price	1,802	80,444	86,940	8,690	(36)	(177,839)	**0**
Underspend/ (overspend)	**(202)**	**(347)**	**700**	**(133)**	**18**	**(37)**	**0**

Management Outturn 2021/22	**Operational Strategic Management £000**	**Social Care and Early Help £000**	**Special Educational Needs and Children with Disabilities £000**	**Education £000**	**Public Health £000**	**Business Services £000**	**Partners in Practice £000**	**Grand Total £000**
Income								
LB Richmond Contract	0	0	0	0	0	68,974	0	68,974
RB Kingston Contract	0	0	0	0	0	68,616	0	68,616
RB Windsor & Maidenhead	0	0	0	0	0	42,985	0	42,985
Customer and Client Receipts	576	2,635	1,174	2,147	0	825	0	7,357
Other Grants and Contributions	0	2,764	7,677	735	0	355	0	11,531
Government Grants	0	98	0	0	0	466	72	636
Interest Receivable	0	0	0	0	0	1	0	1
	576	**5,497**	**8,851**	**2,882**	**0**	**182,222**	**72**	**200,100**
Expenditure								
Employees	562	32,485	13,453	4,494	1,498	10,165	79	62,736
Premises	9	403	3	10	0	3,966	0	4,391
Transport	0	615	5,591	654	15	16	0	6,891
Supplies and Services	172	4,218	4,489	1,790	47	1,947	0	12,663
Third Party Payments*	7	34,761	42,058	199	0	623	0	77,648

Transfer Payments	1,614	4,513	23,719	142	0	831	0	30,819
Support Services	9	1,810	156	14	0	2,793	0	4,782
Interest Paid	0	0	0	0	0	170	0	170
	2,373	**78,805**	**89,469**	**7,303**	**1,560**	**20,511**	**79**	**200,100**
Outturn	**(1,797)**	**(73,308)**	**(80,618)**	**(4,421)**	**(1,560)**	**161,711**	**(7)**	**0**
Re-Allocate contract price	2,367	72,059	81,119	4,636	1,584	(161,772)	7	0
Underspend/ (overspend)	**570**	**(1,249)**	**501**	**215**	**24**	**(61)**	**0**	**0**

*Contract payments to third parties e.g. payments for independent child placements, payments for SEN placements, general contract payments etc.
Management Accounts Reporting is prescaled before agency transactions

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:

	2022/23			2021/22		
	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**
Management Outturn			**0**			**0**
Interest Receivable	(8)			(1)		
Interest Payable	753			170		
Tax expense	0			0		
Recognition of annual leave owing to employees		(934)			3	
Pension Adjustments:						
Employer contributions		(8,153)			(10,363)	
Recognition of non current assets		230			117	
Recognition of leases except interest		3,092			3,410	
Recognition of provisions		(107)			(72)	
Depreciation		(3,074)	**(8,201)**		(3,441)	**(10,177)**
Operating profit			**(8,201)**			**(10,177)**
Tax expense	0			0		
Interest Receivable	8			1		
Interest Payable	(753)	(571)		(170)	(132)	
Net Interest Payable		(2,225)	**(3,541)**		(1,966)	**(2,267)**
Profit / (Loss) from continuing operations			**(11,741)**			**(12,445)**
Pension Adjustments:						
Remeasurements		84,883	**84,883**		27,045	**27,045**
Total comprehensive income / (expenditure) for the year			**73,142**			**14,600**

NOTE 10 NON CURRENT ASSETS

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

	2022/23				
	Buildings	**Vehicles**	**Tangible ICT Equipment**	**Other ICT (Systems and Software)**	**Total 2021/22**
	£000	**£000**	**£000**	**£000**	**£000**
Gross carrying amount:					
Opening balance	**24,794**	**1,636**	**1,065**	**3,510**	**31,005**
Revaluation					0
Additions	623	476	230	0	1,330
Disposals	(3,515)	(147)	0	(1,186)	(4,848)
Balance 31 March	**21,903**	**1,966**	**1,295**	**2,323**	**27,487**
Depreciation, Amortisation and impairment:					
Opening balance	**(15,724)**	**(490)**	**(899)**	**(1,833)**	**(18,946)**
Disposals	2,344	44		576	2,964
Depreciation / Amortisation in year	(2,155)	(484)	(118)	(317)	(3,074)
Balance 31 March	**(15,535)**	**(930)**	**(1,017)**	**(1,575)**	**(19,056)**
Carrying amount 31 March	**6,369**	**1,036**	**278**	**749**	**8,431**

	2021/22				
	Buildings	Vehicles	Tangible ICT Equipment	Other ICT (Systems and Software)	Total 2021/22
	£000	£000	£000	£000	£000
Gross carrying amount:					
Opening balance	**25,055**	**1,871**	**948**	**3,230**	**31,104**
Remeasurement	23	(6)	0	(77)	(60)
Additions	933	479	117	553	2,082
Disposals	(1,217)	(708)	0	(196)	(2,121)
Balance 31 March	**24,794**	**1,636**	**1,065**	**3,510**	**31,005**
Depreciation, Amortisation and impairment:					
Opening balance	**(13,916)**	**(827)**	**(674)**	**(1,524)**	**(16,941)**
Disposals	655	671	0	110	1,436
Depreciation / Amortisation in year	(2,463)	(334)	(225)	(419)	(3,441)
Balance 31 March	**(15,724)**	**(490)**	**(899)**	**(1,833)**	**(18,946)**
Carrying amount 31 March	**9,070**	**1,146**	**166**	**1,677**	**12,059**
Payment in advance - software licences					**26**

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, including in-year remeasurements 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 (£179,050) and mobile phones (£51,050) were made in year.

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	21,903	(15,535)	6,369
Vehicles	1,966	(930)	1,036
Other ICT (Systems and Software)	2,235	(1,487)	750

NOTE 11 LEASES

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

	31/03/2023 £'000	31/03/2022 £'000
Current Lease Liabilities	3,269	3,485
Non-Current Lease Liabilities	5,672	8,761
Total lease liabilities recognised under IFRS 16	**8,940**	**12,246**

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
Property	50	1.34-3 years	2.50 years	50	0
Vehicles	46	5 - 36 months	2.04 years	46	0
ICT (Systems and Software)	5	1.33-3 years	2.33 years	5	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as 31 March 2023 are as follows:

Right-of-use-asset	Within 1 year £000	1-2 years £000	2-3 years £000	3-4 years £000	4-5 years £000	After 5 years £000	Total £000
31 March 2023							
Lease Payments	3,269	2,886	2,431	0	0	0	8,586
Finance Charges	-97	-61	-29	0	0	0	-187
Net Present Value	**3,172**	**2,825**	**2,402**	**0**	**0**	**0**	**8,399**

Remeasurement
The company did not remeasure any of our leases this year.

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:

Operating Leases	2022/23 £000	2021/22 £000
Leases of low value	25	28
Leases with remaining lease term of less than 12 months	0	3
Payments not included in lease liability	**25**	**31**

Finance and operating leases as lessor

The Company has no leases as lessor.

NOTE 12 FINANCE ASSETS AND LIABILITIES

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

	31 Mar 2023 £000	31 Mar 2022 £000
Financial assets / Loans and Receivables		
Trade and other receivables categorised as Financial Instruments	37,303	35,921
Trade and other receivables not categorised as Financial Instruments	1,973	2,697
Cash and cash equivalents categorised as a Financial Instrument	8,447	7,516
	47,723	**46,134**

	31 Mar 2023 £000	31 Mar 2022 £000
Financial liabilities at amortised cost		
Current borrowings	33,400	31,100
Short term finance lease liabilities (IFRS 16)	3,269	3485
Trade and other payables categorised as Financial Instruments	9,477	10,346
Trade and other payables not categorised as Financial Instruments	7,971	6,850
Provisions not categorised as a Financial Instrument	100	21
Total Current Financial Liabilities	**54,216**	**51,802**
Non-current financial lease liabilities (IFRS 16)	5,672	8,761
TOTAL Financial Liabilities	**59,888**	**60,563**

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-23	31-Mar-22
	£000	£000
Trade receivables, gross	37,420	36,042
Allowance for credit losses	(117)	(121)
Trade receivables	**37,303**	**35,921**
Employee leave	126	240
Prepayments	1,847	2,431
Total current trade and other receivables	**39,276**	**38,592**
Non current prepayments	**0**	**26**
Total trade and other receivables	**39,276**	**38,618**

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-23	31-Mar-22
	£000	£000
Balance 1 April	**(122)**	**(67)**
Amounts written off (uncollectable)	32	7
Impairment loss/gain	(27)	(62)
Balance 31 March	**(117)**	**(122)**

NOTE 14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	31-Mar-23	31-Mar-22
	£000	£000
Current Account (includes impact of transactions in transit)	1,417	2,494
Instant Access Deposit Account	7,013	5,005
Imprest Accounts (cash in hand and in bank)	17	17
	8,447	**7,516**

NOTE 15 TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	31-Mar-23	31-Mar-22
	£000	£000
Trade payables	9,477	10,346
Employee leave	1,546	726
Receipts in advance	978	1,448
Taxes (e.g. VAT, National Insurance)	5,446	4,676
	17,448	**17,196**

NOTE 16 PROVISIONS

Short term provisions consist of the following:

	Redundancy	Legal	Total
	£000	£000	£000
Balance at 31 March 2022	**21**	**0**	**21**
Additional provisions made in 2022/23	0	100	100
Amounts used in 2022/23	(21)	0	(21)
Unused amounts reversed in 2022/23	0	0	0
Balance at 31 March 2023	**0**	**100**	**100**

NOTE 17 OTHER LIABILITIES

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

	31-Mar-23	31-Mar-22
	£000	£000
Lease Liabilities	3,269	3,485
Short term loans from parent councils	33,400	31,100
Provisions	100	21
Other liabilities - current	**36,769**	**34,606**
Lease liabilities	5,672	8,761
Pension fund defined benefit liability (see note 5)	1,576	76,081
Other liabilities - non-current	**7,248**	**84,842**

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:

	2022/23	2021/22
	£000	£000
Interest receivable on short term cash deposits	8	1
Total interest receivable	**8**	**1**
Interest on short term borrowings from parent councils	(753)	(171)
Lease interest	(571)	(131)
Net interest expense on defined benefit liability	(2,225)	(1,966)
Total interest payable	**(3,549)**	**(2,269)**

NOTE 19 CORPORATION TAX

The following table shows the tax reconciliation based on IAS12.

	2022/23		2021/22	
	Accounts		Accounts	
	£000	%	£000	%
Profit/(Loss) on ordinary activities before tax	**(11,742)**		**(12,445)**	
Tax on loss on ordinary activities at standard CT rate	(2,231)	19.00%	(2,365)	19.00%
Effects of:				
Expenses not deductible for tax purposes	0	0.00%	0	0.00%
Income not taxable	(14)	0.00%	0	0.00%
Adjustments to brought forward values	0	0.00%	0	0.00%
Amounts charged directly to equity or otherwise transferred	16,128	(137.35%)	5,139	(41.29%)
Capital Allowances in excess of depreciation	0	0.00%	0	0.00%
Other short term 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	0	0.00%	0	0.00%
Utilisation of tax losses and other deductions	0	0.00%	0	0.00%
Deferred tax not recognised	(13,883)	118.23%	(2,774)	22.29%
Unexplained difference	0	0.00%	0	0.00%
Current tax charge/credit for the period	**0**	**0.00%**	**0**	**0.00%**

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 2022/23 and 2021/22 financial period of £12m and £12m respectively. There was no corporation tax amount that is payable for the 2022/23 (£nil in 2021/22) 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 2023 is £1.488m (£19.746m at 31 March 2022).

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.

	2022/23 £000	2021/22 £000
Net changes in working capital:		
Change in trade and other receivables (increase)	(658)	(1,869)
Change in trade and other payables (decrease)	251	3,311
Total changes in working capital	**(407)**	**1,442**

	2022/23 £000	2021/22 £000
Non Cash Flow Adjustments:		
Current and past service costs	16,448	17,424
Net interest on defined benefit liability	2,225	1,966
Provision	79	
Depreciation	3,074	3,441
	21,826	**22,831**

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 2022/23 £000	RB Kingston 2022/23 £000	RB Windsor 2022/23 £000	LB Richmond 2021/22 £000	RB Kingston 2021/22 £000	RB Windsor 2021/22 £000
Receipts	91,292	90,858	56,792	85,015	80,950	55,979
Accrued income	10,717	12,866	4,721	9,754	13,010	5,535
Payments	1,350	4,403	2,338	1,494	5,015	1,507
Accrued Expenditure	539	60	82	662	356	552
Total Value	**103,898**	**108,186**	**63,933**	**96,926**	**99,332**	**63,572**
Other Balances						
Borrowing	12,799	12,114	8,487	12,073	11,131	7,896

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 Key Management Personnel

Directors (including non-executive) and senior management have direct control over the Company's finance and operating policies and make up Key Management Personnel. 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 Company 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.

	2022/23	2021/22
	£	£
Short Term Benefits:		
Salary	804,210	858,330
National Insurance	108,820	107,256
Expenses	497	597
Post-Employment Benefits:		
Defined benefit pension plans	172,216	159,798
Total Remuneration	**1,085,743**	**1,125,981**

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	
	2022/23	2022/23	2022/23	2022/23	2022/23	2012/22	2021/22	2021/22	2021/22	2021/22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Ofsted	20	-	-	-	**20**	9	0	0	0	**9**
National Autistic Society	14	-	-	-	**14**	406	0	11	0	**417**
South Thames College Group	403	-	(11)	-	**392**	10	0	0	0	**10**
Dedworth Green First School	-	(1)	-	-	**(1)**	-	-	-	-	**-**
Dedworth Green Middle School	1	(1)	-	-	**-**	-	-	-	-	**-**
SWL ICB's Richmond Place based Partnership Committee	-	-	-	-	**-**	-	-	-	-	**-**
Haven House Children's Hospice	-	-	-	-	**-**	-	-	-	-	**-**
Integrated Governance Solutions (IGS) LTD	-	-	-	-	**-**	-	-	-	-	**-**
SWL Integrated Care Board (ICB)	-	(3,459)	-	(501)	**(3,960)**	-	-	-	-	**-**

All transactions include VAT

The Chair of the Board (Sian Wicks) is the Chief Executive at Haven House Children's Hospice and the Managing Director of Integrated Governance Solutions Ltd . There were no transactions between AfC and these organisations during 2022/23 or 2021/22.

One of the Company's Non Executive Independent Directors (Nicki Craig) is a School Governor at Dedworth Green First School, and Dedworth Middle School in Windsor in 2022/23. The transactions related to income from the schools are for attendance at training and assessment sessions throughout the financial year.

One of the Company's Non Executive Independent Directors (Martin Spencer) was an Non Executive Director at Ofsted in 21/22. Ofsted is an inspector of schools and regulator of social care. Transactions in 2021/22 relate to annual fees paid for Social Care. He is a Non-Executive Director for the South West London Integrated Care Board. In 2022/23 we received income from SWL ICB for joint funded placements, therapies and other funding.

One of the Company's Non Executive Directors (Jeremy DeSouza) is a member of the South West London Integrated Care Board's Richmond Place-based Partnership Committee. Income from the SWL ICB is outlined in the paragraph above.

One of the Company's Non Executive Independent Directors (Nathan Nagaiah) was the Principal at South Thames Colleges Group in 2021/22, where expenditure relates to Special Educational Needs. He was also Chair of Finance with the National Autistic Society, where expenditure relates to Early Bird licences purchased.

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.

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 2022/23 and 2021/22 financial period of £12m and £12m respectively. There was no corporation tax amount that is payable for the 2022/23 (£nil in 2021/22) 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 2023 is £1.488m (£19.746m at 31 March 2022).

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 principal risk that the Company is exposed to is fluctuations in interest rates that can impact on its operating costs. The Company has seen the interest rate on our revolving credit facility increase by 3.5% through the year. 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 interest rates of 1% would change finance costs by +/- £334k (£239k for 2021/22).

Outstanding loans at 31 March 2023 were £33.4 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 2023, as shown in the following table:

	31 March 2023	31 March 2022
	£000	£000
Financial assets / Loans and Receivables		
Trade and other receivables categorised as Financial Instruments	37,303	35,921
Trade and other receivables not categorised as Financial Instruments	1,973	2,697
Cash and cash equivalents	8,447	7,516
	47,723	**46,134**

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 2022/23 was £117k (£122k for 2021/22).

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 £45 million 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 Treasury 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 2023	31 March 2022
	£000	£000
Cash and cash equivalents	8,447	7,516
Capital	**8,447**	**7,516**
Borrowings	33,400	31,100
Overall financing	**33,400**	**31,100**
Capital-to-overall financing ratio	**0.25**	**0.24**

NOTE 26 POST REPORTING DATE EVENTS

No 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 Chief Operating and Finance Officer on 27th July 2023:

Lucy Kourpas (CPFA)
Chief Operating and Finance Officer

NOTE 28 ACCOUNTING POLICIES

General principles

Basis of preparation - accounting practices

These financial statements have been prepared in accordance with UK adopted 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.

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 shown the financial impact of Covid-19 as an exceptional item 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 2023.

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.

<u>Financial Instruments</u>

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 2021/22.

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:

Subsidiary	**Associates**	**Joint Ventures**
• Company controls the financial and operating activities of that entity and benefits from this control.	• Company has significant influence over the operations of another entity.	• Company has joint control over another entity
• Line by Line consolidation - Where material, the Company will consolidate 100% of	• 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	

all transactions and balances into the 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	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

	would be paid for the asset in its existing condition. For non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.	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

<u>Leases IFRS 16</u>

Company as a lessee

For any new contracts entered into 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 assesses 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, and therefore outside of IFRS 16, are charged to the Statement of Comprehensive Income as an expense in the period.

<u>Provisions, Contingent Liabilities and Contingent Assets</u>

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 reinvested into the organisation.

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

CURRENT ASSETS
These are assets that will become payable to us or could be called upon 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 Primary 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 legal 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 EMPLOYMENT) 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.