

Trustees' report and financial statements

Year ended 31 March 2019



The Together Trust
(A Company Limited by Guarantee)

Charity number 209782
Company Registration Number 301722

TOGETHER
**TRUST**

Our mission

We are the Together Trust. We're here to champion the rights, needs and ambitions of the people we support – they are at the heart of everything we do. We stand by them and we work together for change.

Our values

We will always strive to be:

- **Positive**
We take pride in celebrating the difference we make.
- **Professional**
We act in a fair and respectable way that recognises our collective expertise.
- **Passionate**
We encourage creative ideas and inspire one another.
- **Supportive**
We are considerate and caring towards one another.

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1. Reference and administrative information

The Board of Trustees (Non-executive)	The Trust's Leadership Team (Executive)	Principal Professional Advisers
<p><i>Chairman</i> Ralph Ellerton (appointed 28.11.18) Wendy Coomer MBE (retired 30.11.18)</p> <p><i>Vice Chairman</i> Ralph Ellerton (01.04.18 to 27.11.18) Paula, Lady Gilbert (28.11.18 to 20.05.19)</p> <p><i>Lead Honorary Treasurer</i> John Rylands</p> <p><i>Assistant Honorary Treasurer</i> Ralph Ellerton (retired 28.11.18) Anthony Farnworth (appointed 26.11.18)</p> <p>Paul Adams Kirsteen Atkinson Roger Bagguley Norah Flood (appointed 26.07.19) Giles Gaddum George Herbert Roger Horne Ian Johnson (appointed 24.10.18) Simon Lees-Jones Sangam Mishra Robert Stevenson Janet Heath (retired 30.11.18) Rosamund Hughes (retired 3.12.18)</p>	<p><i>Chief Executive</i> Mark Lee</p> <p><i>Resource Director</i> Brian White</p> <p><i>Service Director</i> Jill Sheldrake MBE</p> <p><i>Governance & External Affairs Director</i> Julie Isted</p>	<p><i>Bankers</i> Barclays Bank PLC 3 Hardman Street Spinningfields Manchester M3 3HF</p> <p><i>Investment Managers</i> Brewin Dolphin Securities Limited 1 The Avenue Spinningfields Square Manchester M3 3AP</p> <p><i>Legal Advisers</i> Gorvins LLP Tivot Dale Stockport SK11 1TA</p> <p><i>Auditor</i> Deloitte LLP Hardman Street Manchester M3 3HF</p> <p><i>HR & Health & Safety Advisers</i> Royal Society for the Prevention of Accidents (RoSPA) RoSPA House, Edgbaston Park 353 Bristol Road Birmingham B5 7ST</p>
<p><i>President</i> Brian Chesworth OBE</p>		
<p><i>Registered Office</i> The Together Trust Centre Schools Hill Cheadle Cheshire SK8 1JE</p> <p>Tel: 0161 283 4848 Fax: 0161 283 4747</p> <p>e-mail: enquiries@togethertrust.org.uk Website: www.togethertrust.org.uk</p>		

2. Chairman's introduction

On behalf of the Trustees of the Together Trust, who are also directors of the company for the purposes of the Companies Act 2006, I am pleased to present our annual report on the affairs of the Charity, our progress towards the aims in our Stronger Together Strategic Plan, the financial statements and auditor's report for the year ended 31 March 2019. This can be read in conjunction with the Charity's Annual Review 2019.

Accepting referrals from across the UK, Together Trust has provided over 40 specialist education, social care and community services to over 2,700 children, young people, adults and families in the North West of England and surrounding areas during the year. We have continued to deliver high quality, person centred, effective services to people with behavioural difficulties, learning difficulties, physical disabilities and autism spectrum conditions.

Our vision is a society where everyone thrives because they are valued within their communities. The Charity is deeply rooted in its values and aspires to be person centred in all its plans, practices, and behaviours. The complex needs of our beneficiaries mean that the people who use our services do not often benefit from generic, off the shelf solutions but require specialist support that is tailored to their individual circumstances.

I am immensely proud of our achievements this year and I would like to extend my personal thanks to our staff, supporters and volunteers who are committed to putting the people we support at the heart of everything they do.

Ralph Ellerton
Chairman

3. Charitable objectives, structure and management

The Together Trust (“the Charity” or “the Company”) is a registered charity and a company limited by guarantee which is governed by Articles of Association, last amended on 31 October 2014. The Charity serves children, young people, adults and families whose special needs fall within the areas of emotional, behavioural and social difficulties, physical disabilities, learning disabilities and autism spectrum conditions.

The Charity’s objects are:

- (a) To give aid, assistance and care to those with disabilities or in need, including to children and/or young persons; and
- (b) To promote the education, training and advancement in life of those with disabilities or in need, including that of children and/or young persons.

The Charity’s work reflects the main themes and ideas within Department for Education plans and the direction of current and future adult social care and health provision. Together Trust services are based in the North West of England and surrounding areas; the Charity accepts referrals from all parts of the UK.

The Trust’s Leadership Team (Executive) – Key Management

The Chief Executive is assisted in the day to day management of the Charity by three Operational Directors, listed on page 1, who each have responsibility for an area of its activities’ resources, performance and operations.

Staffing

The Charity takes great pride in its workforce on whom it depends for the delivery of its charitable objectives.

During the year, the Charity completed a job evaluation exercise for the entire workforce to ensure that pay and reward is set in a fair and consistent manner, at a level to recruit and retain the necessary calibre of staff. Prior to this period, pay scales had historically been linked to public sector pay scales with senior salaries benchmarked by an independent organisation. More information about this can be found on pages 12 and 13 of this report.

The Trust is committed to eliminating discrimination and to treating all individuals fairly in all aspects of its work. The Trust promotes the employment of disabled people through its Equality and Diversity & Disclosure of Disability policies which support equality of opportunity in the recruitment, employment and retention of staff and volunteers, including access to training and promotion.

Statutory & Regulatory

Together Trust’s subsidiaries, as listed in note 15 to the financial statements, have not traded during the year, have no income and bore no expenditure.

4. Corporate governance

Governance handbooks for Members, Trustees and Governors support the Charity Articles by setting out the policies, procedures and practices the Trustees' will adopt in the fulfilment of their responsibility for the activities of the Charity.

The Charity seeks to secure its future governance responsibilities by an active Trustee governance sub-group which is responsible for recruiting new Members of the Charity who may contribute to governance activity in different degrees and be the main, but not exclusive, source of new Trustees. New Members and Trustees bring knowledge and abilities to the Charity that have been derived from various perspectives, these being either business/commerce or professional/occupational/charitable.

The Board of Trustees (Non-executive)

Together Trust's Board of Trustees ("The Board") meets six times per year. The Board proposes and approves new Trustees who receive a formal induction programme that covers obligations, documentation, strategic and operational frameworks, staffing structures, annual budget process, management accounts, strategic objectives, delivery plans and visits to Together Trust services.

17 Trustees served during the year from 1 April 2018 to 31 March 2019. At the time of reporting, 75% of the Board are male and 25% female; 6% are BME. A number of Trustees were appointed or retired during the year. Mrs Wendy Coomer retired following the end of her five year term of office as Chairman in November. Having given 22 year's voluntary service to the Together Trust, the Charity was delighted to learn of her MBE in the Queen's Birthday 2019 Honour's list, for 'services to young people in Cheshire'. Mrs Coomer continues to serve as a volunteer on the Charity's Fostering Panel and Supporting People subgroup.

Mrs Janet Heath and Ms Rosamund Hughes retired as Trustees after many years dedicated service in 2018. Both individuals made a very long-standing impact on the Charity's performance and effectiveness during their years of office. We were delighted that although Ms Hughes stepped down from the Board in the reporting period, she continues to serve as Governor at Ashcroft School.

The Board holds responsibility for agreeing the strategic direction of the organisation, setting the budgetary framework and deciding upon major undertakings. Responsibility for the day to day operation of the Charity is delegated to the Chief Executive. The Chief Executive reports fully to the Trustees at each Board meeting and to the Chairman on a regular basis. This allows the Board to monitor progress in a well informed and incremental manner and also to agree any strategic or budgetary adjustments which may become necessary in the year.

During 2014, the Board of Trustees agreed a six year strategic plan known as 'Stronger Together'. In early 2018, the Charity updated its strategic vision and goals. The revised plan now lays out the Charity's vision for how it will become stronger together between 2018 - 2022, building on its existing expertise and exploring innovative ways of improving how it works. More information about the plan can be found on pages 10 to 13 of this report.

School & College Governing Bodies – Each governing body has its own constitution approved by the Board. The Board appoints Trustees to be the Chairman and Vice Chairman of each governing body. Trustees who served as Chairmen to the Charity's Governing Bodies during the reporting period were:-

Ashcroft School - Roger Horne

Bridge College – Paula, Lady Gilbert (appointed 28.11.18) / Ralph Ellerton (retired 28.11.18)

Inscape House School - Giles Gaddum (appointed 27.09.18) /Janet Heath (retired 27.09.18)

Wendy Coomer MBE acted as the fostering agency representative on the Together Trust Fostering Panel on behalf of the Board until her retirement as a Trustee in November 2018.

Special Purpose Sub-groups

The Board maintains a number of Trustee led special purpose sub-groups that undertake specific tasks which contribute to the Charity's governance and operation in order to meet the ambitious aims within the 'Stronger Together' plan. In keeping with its declared governance precepts the Board does not create sub-committees with defined constitutions and powers.

Terms of reference set out how each sub-group receives updates on performance, evaluation and risk in core areas of operational and infrastructure services at the Charity. Key performance indicators are used to monitor performance and these are examined by both sub-groups and the Board at frequent intervals.

The Board receives reports from each sub-group in line with the organisation's planning and performance management cycle.

The terms of reference for each subgroup were updated in 2017 to reflect the Charity Governance Code¹ published in September of that year.

Governance Sub-group – the sub-group meets quarterly to assist the Board to maintain its target group of Members, Governors and Trustees ensuring that the right balance of skills and competences is maintained within each group in order to ensure effective succession planning and governance.

The sub-group also assists the Board by reviewing recruitment, responsibilities, development, support and the proper arrangements of supervision and appraisal (where relevant) of Members, Governors and Trustees; the methods which the Board and Governing Bodies use to monitor their own performance; how the Charity evaluates the Board in the governance statement in the Trustees' Annual Report including diversity and completes an annual audit of skills, experience and diversity of Trustees to help inform recruitment and training.

During the year the Board agreed set diversity objectives following best practice in the Charity Governance Code. The Board is committed to being fair and equal, treating all individuals equally in all aspects of its work and will endeavour to promote equality, tackle unlawful discrimination and foster good relationships between diverse groups of people.

Supporting People Sub-group – the sub-group meets quarterly to ensure the Together Trust is aligned to the needs of its customers and commissioners and reviews how the Charity continuously improves and addresses the needs of the people who use its services. The sub-group also ensures there is consistency of process across the organisation to facilitate collaborative working and exchange best practices.

The sub-group aims to enable Together Trust to be successful at impact, reach and credibility in the range of care, education and support services it provides. It ensures there is a strategy for regular and effective two way communication to all stakeholders and that there is a plan in place to communicate effectively with these groups (including Members and Trustees). The subgroup also ensures that the Charity's complaints policy is transparent, well-publicised and effective and that complaints are handled constructively, impartially and effectively.

Finance & Audit Sub-group – the sub-group meets monthly to inform the Honorary Treasurers and the Chairman of the financial position and performance of the Charity and the operational detail behind the management accounts that are presented at each Board meeting. It oversees the annual budget process and any special issues with financial implications that are to be reported to the Board.

The sub-group also reviews funding strategy, growth plans and matters in respect of the Charity's pension schemes. It ensures that third party partners and suppliers are procured in line in the best interests of the charity and its values.

Human Resources and Organisational Development Sub-group – the sub-group meets regularly to ensure that Together Trust is able to attract, retain, and motivate the highest calibre of staff to deliver value for money for the Charity's beneficiaries in line with strategic objectives and financial parameters. The sub-group assists the Board to maintain a view as to the comparability of Together Trust's pay and reward systems. During the reporting period the sub-group has worked closely with the Charity's officers to oversee a comprehensive job re-evaluation scheme for its workforce.

¹ <https://www.charitygovernancecode.org/en>

The sub-group also ensures that the Charity is able to attract, retain and motivate high levels of volunteers and oversees external accreditation of HR/training-related standards including Investors in People. It ensures safer recruitment procedures operate in the Charity effectively.

This sub-group also considers the arrangements for workforce engagement and the outcomes and action planning from staff and volunteer survey results.

Human Resources Remuneration Sub-group – this small subgroup advises the Chairman on annual remuneration considerations and other terms and conditions for the Chief Executive and Directors that may be put to the Board of Trustees. The remit of this group supplements the Human Resources and Organisational Development Sub-group given that the latter group's remit is to focus on workforce development and employment conditions at the Charity.

Safeguarding & Clinical Governance Review Sub-group – the sub-group ensures arrangements for safeguarding and clinical governance within Together Trust are adopted effectively to meet national standards to help the people who use our services to achieve the outcome they need in the safest and most effective way.

The group ensures the Charity's training and development programme meets safeguarding and clinical governance standards.

It audits and evaluates the effectiveness of safeguarding, clinical governance and whistle blowing policies and procedures ensuring evidence is in place that demonstrates the Charity discharges its functions effectively and that the interests of the people that use the Charity's services are promoted.

The group identifies and disseminates learning from Practice Learning Reviews and Serious Case Reviews. It audits outcome measurement results on safeguarding and clinical activity to ensure it is reliable, consistent and patterns and trends are analysed in order that necessary safeguarding actions are taken across the organisation. It identifies and disseminates learning from good and poor practice.

The group also oversees the content of safeguarding reports to the Board of Trustees and other stakeholders and ensures arrangements for safeguarding and clinical governance within the Charity are adopted effectively to meet national standards to help the people who use our services to achieve the outcome they need in the safest and most effective way.

Quality Review Sub-group – the sub-group meets quarterly to give assurance to the Board on the operation of key aspects of Together Trust's business and the performance of infrastructure and support functions, assisting the Board's understanding of the complex workings of the Charity. This is accomplished by overseeing formal reviews including business continuity, data protection compliance, health and safety, corporate risk register and policies & procedures not covered by other subgroups. It also oversees the effectiveness of the charity's approach to risk (including the corporate risk register).

The sub-group aims to ensure that Together Trust is continuously meeting and exceeding quality assurance principles and other inspectorate standards.

Digital Transformation Sub-group – the sub-group aims to oversee how technology can reach and support stakeholders with the aim of delivering practical, efficient and cost effective solutions to influence the Charity to create a culture in which digital can flourish. The sub-group helps to oversee the accountability for digital development within the Charity ensuring that where possible, digital is an integral part of business design.

Service Visitor Sub-groups – a programme of visits aims to ensure that all Together Trust care, special education, community and central support services will be visited by Trustees at least once in each financial year. This enables Trustees to broaden their knowledge and awareness of issues relating to the activities of the workforce and for the people who use the Charity's services.

Health & Safety Group - made up of representatives from across the Charity who meet on a quarterly basis to promote efficient health and safety policies and methods across all areas. Together Trust is a registered member of the Contractors Health and Safety Scheme under which our health and safety practice is reviewed each year. The Charity also subscribes to the Royal Society for the Prevention of Accidents (RoSPA), for external guidance and advice where required.

Further information

In 2017 the Together Trust was granted the highest award possible for its customer service and relationship management following an independent assessment by Investor in Customers (IIC). IIC registered the Charity as having 'exceptional' customer service levels, and awarded the Charity gold status across all four IIC principles. The independent assessment of excellence in the field of customer service and customer relationships is based on internal and external perceptions of the customer experience. The Trust will be re-assessed for this standard in 2019.

Together Trust has held NCVO quality standard PQASSO Level 2 accreditation since November 2013. PQASSO focuses strongly on outcomes. As well as helping the Charity to plan and implement improvements, PQASSO also gives the Charity a framework to measure the differences that such changes actually make in our organisation. The PQASSO Quality Mark is endorsed by the Charity Commission as meeting its standards set out in their 'Hallmarks of an Effective Charity'. Following external peer review, the Charity was successfully re-accredited PQASSO Level 2 in August 2016.

Together Trust employed an average of 857 staff over the year in the fields of social care, education, social work, speech and language therapy, nursing, occupational therapy, management and infrastructure support.

The Charity makes substantial provision for the qualification, training and development of its workforce. It offers a wide variety of learning and development opportunities to support organisational, team and individual development linked to achieving the very best outcomes for the people we support. The Charity is committed to working with all colleagues to support their development needs and provides a variety of learning and development events, training and role specific qualifications.

The Together Trust's workforce are able to access an employee assistance partnership with 'Lifeworks' which is a free and confidential support programme to help support staff and volunteers in many aspects of their lives, in and out of the workplace.

The Teachers' Pension Scheme is recognised for eligible employees and all other staff may join the defined contribution scheme provided through Standard Life from the commencement of their employment. Together Trust has held the 'Investors in People' standard since 2002 and retained the standard following re-assessment in May 2018.

The Charity's policies actively promote the employment of colleagues with a disability. Together Trust holds the 'Positive About Disabled People/Two Ticks Symbol' as a commitment to employing those with a disability. The Charity will always consider forms of adaptation to working environments where this is possible in line with recommendations from the Equalities Act 2010.

Together Trust is aware of its responsibilities in accordance with statutory legislation and all relevant appointments are subject to satisfactory references, Independent Safeguarding Authority (ISA), Disclosure and Barring Services (DBS) checks and overseas checks.

We seek to listen to our staff voice and understand the way they are feeling through the staff council. The staff council is an elected group of colleagues from across all our services who meet on a quarterly basis. It was set up 2 years ago as a consultative body for employees. We are now extending and strengthening its role to ensure that, as strategy is developed and plans are implemented, they are helping to communicate and engage better with staff and review how successfully initiatives have been delivered. The meetings are chaired by the Chief Executive and have Trustee attendance.

A number of volunteers continue to serve in our services, central office and on the Fostering Panel, the governing bodies and other special purpose groups. Following the departure of the Volunteer Co-ordinator the Charity undertook a strategic review of volunteering during the year which concluded that the Charity could benefit further from volunteering and provision was made in the 2019/20 budget to recruit a Volunteer Manager to act in a brokering role to work with Services to develop volunteering in the Trust.

5. Strategic report and key performance indicators

Achievements and Performance

In the year to 31 March 2019 Together Trust provided over 40 social care, special education and community services to over 2,700 children, young people, vulnerable adults and families whose special needs fall within the areas of emotional, behavioural and social difficulties, physical disabilities, learning difficulties and autistic spectrum disorders. In the main, these services were carried out on behalf of local authorities, public sector bodies and service users in the North West of England and surrounding areas. All special Educational Services are Ofsted regulated. Residential Care Service along with Domiciliary care and Community Support services are regulated by either Ofsted or CQC.

During the reporting period these services were:-

Special Educational Services

- **Inscape House School** - meets the needs of children and young people aged 5 to 19 years with autism spectrum conditions and related social communication difficulties.
- **Bridge College** – supports students up to 25 years with learning difficulties and disabilities, complex needs, communication disorders and autism.
- **Ashcroft School** - an independent special school catering for children and young people aged 8 to 18 years who have struggled to cope in other settings because of their individual barriers to learning. Ashcroft also offers vocational learning for 14 to 19 year olds, a Pupil Referral Unit (PRU) service for Manchester City Council for students aged 11 to 14 and Ashcroft College for students aged 14 to 16 who may have been excluded or are close to being excluded from mainstream education.

Social Care Services – Residential Care Services

- 13 homes for children and young people including:
 - 1 short break service for young people with autism
 - 1 shared care service for young people with autism
 - 1 short break service for young people with physical disabilities and/or learning disabilities
 - 1 home for disabled adults (CQC registered)

Social Care Services - Domiciliary Care & Community Support Services

The Charity's CQC registered services deliver a range of personalised support in Stockport, Greater Manchester and the surrounding areas.

- Support to live at home and outreach support
- Independent living services
- Semi-independent service for young people aged 18+
- Short breaks for children and young people with disabilities/autism
- Youth & holiday clubs
- Adult community activities in Stockport
- Working & Training Together [WaTT] - offering young people aged 16+ the chance to gain catering industry experience and qualifications
- The Hub at the Humphrey Booth Centre in Ordsall, Salford – a community space for the people of Salford
- A learning support service, currently based at Bolton College, supporting individuals aged 16 – 26 years with complex needs and/ or disabilities

Social Care Services - Family Support Services

Together for Families provides independent advice and support. The services provide:

- Autism support and assessment
- Therapy services (including Speech & Language and Occupational Therapy) direct to families or within schools and colleges
- Sleep support (Trafford and Rochdale & Children in Need funded services in the wider area)
- Early intervention services
- SEND Mediation and Dispute Resolution Services in the East Midlands, Blackburn & Darwen, Bolton, Salford, Tameside, Manchester and Staffordshire, Telford & Wrekin, Rochdale and St Helens.
- Dispute Resolution Services in Stockport.

Other Services

- Fostering agency

Our Aims, Objectives & Key Performance Indicator (KPI) Results in 2018/19

In early 2018, the Charity updated its strategic vision and goals. The revised plan now lays out the Charity's vision for how it will become stronger together between 2018 - 2022, building on its existing expertise and exploring innovative ways of improving how it works.

The Charity aims to deliver four key strategic goals as set out on the following pages.

Our aims, objectives & key performance indicator (KPI) results in 2018/19

Strategic goals	Developments/Progress	Our KPI results												
<p>(1)</p> <p>Deliver high quality, person centred, effective and cost efficient services to vulnerable individuals and families.</p> <p>Our integrated services adapt and evolve to meet the life-long changing needs of individuals. We work in partnership to achieve the very best outcomes possible for the individuals we support.</p>	<p>In response to the increasing demand for its residential care services, the Charity was able to re-open a children's residential home in Salford in September 2018. Although referrals for looked after children in care remain high, the greatest demand is for foster placements. The Charity continues to invest in supporting and recruiting foster carers to meet increased demand for placements.</p> <p>The people we support continue to benefit from significant grants from funders helping to provide additional family support services including Children in Need funding for autism sleep support and support from the Cheadle Royal Hospital Charitable Trust to embed Positive Behavioural Support across all operational areas of the Charity.</p> <p>Inscape House School for young people with autism achieved a 100% pass at GCSE with 4 pupils achieving 5 grade Cs/4 merit passes in summer 2018. These are the highest results in the history of the school. Both Ashcroft School and Bridge College students achieved excellent pass rates in awards including BTEC and GCSEs during the year.</p> <p>Our highly personalised approach to service provision has historically made organisational impact measurement difficult – yet to secure the necessary funding to expand the range and scale of services to meet future beneficiary demand, it will be business-critical that the Charity develops and implements a common approach to impact measurement. Together Trust was awarded a grant from the Impact Management Programme (Social Investment Business) to introduce a common impact framework. Work commenced on the project in summer 2018 and will continue during 2019. The project aims to deliver the tools to demonstrate impact, and act as a catalyst for organisational change to deliver the most impactful 'customer journey' for all our beneficiaries.</p> <p>During the year the charity began a review of its clinical and family support services – this work is ongoing.</p>	<p><i>All of the Charity's CQC and Educational inspection reports are available as a download from www.togethertrust.org.uk</i></p> <p><i>At the time of reporting, all Trust services are graded Good or Outstanding by Ofsted/CQC.</i></p> <p><i>Occupancy levels as at 31 March 2019 (31 March 2018):</i></p> <table border="0"> <tr> <td><i>Education services</i></td> <td>96%</td> <td><i>(92%)</i></td> </tr> <tr> <td><i>Community services</i></td> <td>86%</td> <td><i>(81%)</i></td> </tr> <tr> <td><i>Residential services</i></td> <td>74%</td> <td><i>(92%)</i></td> </tr> <tr> <td><i>Fostered children in placement</i></td> <td>90%</td> <td><i>(81%)</i></td> </tr> </table>	<i>Education services</i>	96%	<i>(92%)</i>	<i>Community services</i>	86%	<i>(81%)</i>	<i>Residential services</i>	74%	<i>(92%)</i>	<i>Fostered children in placement</i>	90%	<i>(81%)</i>
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Strategic goals	Developments/Progress	Our KPI results
<p>(2)</p> <p>Be a trusted partner to the individuals we support. Our personalised services enable people to make positive progress.</p> <p>Together, we support individuals who use our services to help them influence future policy and provision.</p>	<p>In 2018/19 the Charity began work to consider how digital transformation can help it create mobile, accessible, digital services that people choose to use. Together Trust's aim is to broaden our impact through digital delivery, reaching and supporting more people than ever before, in line with our 5 year plan. These proposals were endorsed by the Board in summer 2019.</p> <p>Following re-accreditation in spring 2019, the Trust continues to hold for a further two years Investor in Customers 'Gold' status. This award will help the Charity inform its planning and service development in line with the Stronger Together Plan.</p> <p>The Charity aims to collaborate with the people it supports to provide evidence to help to influence policymakers across all parties to make lasting societal change. The Board of Trustees will consider a plan for this work during 2019.</p> <p>In October 2018 the Charity was part of a group of 120+ organisations calling for the Government to act swiftly to put children at the heart of its spending decisions. The coalition has written a letter to the Chancellor and Prime Minister calling for urgent action to prioritise children and families in the government's spending decisions.</p> <p>More recently, the Together Trust has joined with other members of the Voluntary Organisation Disabled Group to express cross-sector concerns about the Mental Capacity (Amendment) Bill proposals.</p>	<p><i>During the year our services and employees were short-listed for five national awards.</i></p> <p><i>This included the Trust's Sleep Tight Trafford team who were shortlisted for 'Outstanding Health Services' and a residential home manager who was shortlisted by the same panel for the 'Most Inspirational Social Care Professional' at the National Autistic Society Autism Professionals Award.</i></p>
<p>(3)</p> <p>Grow, develop and expand our reach as a provider of choice to maximise our impact and ensure that we can sustain our future as an organisation.</p> <p>We develop integrated pathway services and will grow organically and sustainably to meet changing</p>	<p>During the year the Together Trust won new contracts and joined or reconfirmed its position on the following frameworks during the year:</p> <ul style="list-style-type: none"> • North West Children and Young People Foster Care Flexible Purchasing System (FPS) secured April 2018 for 10 years • Manchester City Council/Manchester Secondary Pupil Referral Unit (PRU) – KS3 – 1 year extension of contract from September 2018 • Manchester City Council/Manchester Secondary PRU – KS4 – 1 year extension of contract from September 2018 • Manchester City Council – SEND Mediation & Dispute Resolution Service Approved List – 3 years from January 2019 	<p><i>A 75% win rate was achieved from new bids during the period.</i></p> <p><i>The Fundraising team generated £352,000 from donations and a further £67,000 generated from grant applications giving a total income generated of £419,000 (2017/18 £379,000).</i></p> <p><i>Income rose to £28.75m during the year (2017/18 £27.14m).</i></p>

Strategic goals	Developments/Progress	Our KPI results
<p>needs of the individuals we support and funders' requirements.</p>	<ul style="list-style-type: none"> • Trafford MBC - Sleep Tight service – from 1 July 2018 for 1 year • Cheshire East Council – Early Help Services Framework – August 2018 for 4 years • Stockport MBC Aiming High Funding for the Provision of “Theme 1: ASD Youth Club” and “Theme 2: Day Trips”- for 12 months from April 2019 • Tameside Mediation and Dispute Resolution Service - for 12 months from 31 March 2018 <p>Our personalised approach to service provision has historically made organisational impact measurement difficult – yet to secure the necessary funding to expand the range and scale of services to meet future beneficiary demand, it will be business-critical that the Charity develops and implements a common approach to impact measurement.</p> <p>Together Trust was awarded a grant from the Impact Management Programme (Social Investment Business) to introduce a common impact framework. Work commenced on the project in summer 2018 and will continue during 2019.</p> <p>The project aims to deliver the tools to demonstrate impact, and act as a catalyst for organisational change to deliver the most impactful 'customer journey' for all our beneficiaries. Although funding for this project will end in summer 2019, the work will continue as a result of digital transformation plans.</p> <p>A project to redevelop Newbridge in Stockport and its services for people with individual and often complex sets of needs was approved by the Board in April 2019. The expansion of this Stockport service will be part-funded by a fundraising appeal in the second half of 2019/20.</p> <p>During 2020 the Trust will be launching a new brand and website alongside its 150th anniversary celebrations.</p>	
<p>(4) We aim to attract and retain a skilled and motivated workforce who are treated equitably and</p>	<p>During 2018/19 the Together Trust continued to focus on its workforce development strategy. The Charity's commitment to a transparent system for pay and reward in order to attract and retain staff, was completed in consultation with the Staff Council who are the workforce's consultative body. Over 95% of the Charity's workforce benefited from the changes.</p>	<p>As at 31 March 2019: Staff retention: 74%. <i>It is expected that following the implementation of a new pay and reward strategy during 2018 and other initiatives, this figure will improve during 2019/20.</i></p>

Strategic goals	Developments/Progress	Our KPI results
<p>fairly and have clear learning and development opportunities.</p> <p>Our workforce are dedicated to helping those in need and who work collaboratively and live our values. We listen to our workforce and work with our Staff Council to ensure effective engagement.</p>	<p>Alongside this the Trust is investing heavily in its learning and development programme, giving staff the opportunity to develop their skills in providing them with opportunities to progress within the Charity.</p> <p>In February 2019, the Board made a decision that it would not seek voluntary union recognition. However, the Charity is committed to continuing good working relations with all unions. It intends to continue to develop and support the Staff Council ensuring that all staff have a representative voice.</p> <p>A greater focus has been placed on support to ensure appropriate staffing levels and an initiative to reduce agency workers and increase relief staff has continued.</p> <p>A fully integrated HR/Payroll software system to optimise staffing and provide accessible management information was launched in April 2019 with further modules for staff rostering to be implemented after this first phase.</p> <p>A strategic review of volunteering took place during the reporting period and will be reported to the Board in 2019/20.</p> <p>The Trust published its gender pay report in April 2019. A copy of this can be downloaded from: https://www.togethertrust.org.uk/who-we-are</p> <p>100% of the workforce now have access to 'Togethernet' which acts as a central information hub for the workforce. During the year new intranet portals were created for Trustees and Governors.</p> <p>Further support to staff is being provided through the Wellbeing Plan in the areas of mental, physical and financial support with widespread mental health first aid training having been rolled out during 2019.</p>	<p>Staff attendance: 96% reflecting a number of new policies put in place during 2015/16 to promote staff attendance.</p> <p>Employees completing induction training in first 12 weeks: 91%</p>

Further information about Together Trust's impact in the year can be found in the Charity's Annual Review 2019 which is available as a download by visiting <https://www.togethertrust.org.uk/what-we-do> from January 2020.

6. Financial review

a) Income

In 2018/19 the Together Trust has seen its income increase by 5.9% from £27.14m to £28.75m with the increase being seen across both Social Care and Education services, which increased by 9.3% and 3.4% respectively. In Education this reflected mainly fee increases with some growth in student numbers while in Social Care, in addition to fee increases, a new residential home was opened during the year and overall occupancy improved. Other services (which is mainly our Fostering service), saw a marginal fall in income of 0.7%.

Social Care services made a surplus of £428,000 in the year on an increased income of £13.1m (2018 a surplus of £714,000 on income of £12.0m). Education services made a surplus of £1.2m on an increased turnover of £13.2m (2018 a surplus of £1.9m on income of £12.7m) while Other services (Fostering) made a small deficit of £45,000 on a marginally reduced turnover of £ 2.1m (2018 a deficit of £19,000 on income of £2.1m).

The Charity's services are essential for those who we support and the majority of people who receive our services require a funding decision from the responsible Local Authority or other such public agency. The majority of fees are received for services to individuals, although some services are purchased on a block contract basis by local authorities who wish to ensure they have guaranteed access to the Charity as their provider of choice. The Charity is also in a variety of partnership arrangements with a number of local authorities although more recent new business has been awarded via formal tender processes.

i) Income

	2019	2019	2018	2018
	£'m	%	£'m	%
Donations - Voluntary Income & Fundraising Activities	0.35	1.2	0.27	1.0
Fees for Social Care Services	13.11	45.6	12.00	44.2
Fees for Educational Services	13.15	45.9	12.72	47.0
Fees for Other Services	2.10	7.3	2.12	7.8
Investments & Other Income	0.04	0.0	0.03	-
	<u>28.75</u>	<u>100.0</u>	<u>27.14</u>	<u>100.0</u>

ii) Investment policy and returns

The investment portfolio of the Charity is invested with the main purpose of ensuring the underlying security of the investment while achieving growth wherever possible against a series of benchmarks and the regular advice of our Investment Managers is taken to help achieve this. At the year end the market value of investments was £294,000.

iii) Fundraising

In 2018/19 fundraising income, including donations, grants and gifts in kind, was £419,000 (2017/18 £379,000). Notable contributions were received from a diverse group of supporters, both long-standing relationships and new friends to the Charity.

The Together Trust is extremely grateful for the generous support received from a variety of individuals, community and corporate supporters, and for the increasing number of grant-making trusts who have chosen to support our young people. The Together Trust particularly wishes to thank all donors who have given generously to support our work either financially or with significant donations in-kind in the 2018/19 year including Paula, Lady Gilbert; Her Honour Diana Eaglestone and Ursula Tucker who organised the 2019 the Together Trust Ball in memory of Sir Andrew Gilbert QC. The event raised over £35,000 to help support the Charity's beneficiaries.

A number of services benefited from grant funding including support from the following funders:

Awards for All	Booth Charities
Cheadle Royal Hospital Charitable Trust	Children in Need
DM Thomas Foundation	Social Business Investment Grant
Sport England	

The Trust wishes to acknowledge the many other individual donors, grant funders and corporate supporters who have made donations or Gifts in Kind during the year. The fundraising team have worked with a number of significant supporters during the year to create worked based opportunities for the people supported by the Charity.

All Trustees are aware of the CC20 guidance from the Charity Commission. The Fundraising department work closely with the Trust's Records, Archives & Information Manager, who oversees data protection compliance for the Charity, to ensure best practice is embedded in all that we do including but not limited to a Fundraising database which is administered in the Fundraising department and the continuance of permission-based communications with individual supporters.

There have been no formal complaints concerning our fundraising practice during the reporting period. Together Trust actively promotes a Complaints and Compliments Policy which can be found on the Charity's web site: <https://www.togethertrust.org.uk/who-we-are/policies>

The Charity is registered with the Fundraising Regulator. The Together Trust does not engage in face to face fundraising (known as chugging), telephone fundraising, or direct mail campaigns. There were no licensed street collections in the reporting period. The Together Trust does not use commercial participators.

b) Expenditure

The Charity reports expenditure of £27.0m in the year, (2017/18 £24.5m), an increase of 10.4% compared to an increase in income of 6.0%. Of this increase, staffing costs accounted for over 8%. After some years of near zero inflation, in 2018/19 it averaged 2.2%.

Social Care services expenditure increased from £11.28m in 2017/18 to £12.68m in 2018/19, an increase of 12.4% while Education services expenditure increased by 11% to £11.99m. Of this, the increase in staffing costs was 10.3% and 7.5% respectively in Social Care and Education. The biggest factor in this rise was from the implementation of a new job families pay structure to ensure fairness and consistency in pay across the Trust. This involves significant investment in our staff over a number of years as staff pass through the new grading structure. There was also a significant increase in agency costs to help address the challenges of recruitment and retention. Other Services expenditure (being largely Fostering), increased by 0.5 % to £2.15m.

i) Expenditure for the year ended 31 March 2019

	2019 £'m	2019 %	2018 £'m	2018 %
Raising funds	0.18	0.7	0.24	0.9
Cost of providing Social Care services	12.68	47.0	11.28	46.1
Cost of providing Education services	11.99	44.3	10.80	44.3
Cost related to Other Services	2.15	8.0	2.14	8.7
	<u>27.00</u>	<u>100.0</u>	<u>24.46</u>	<u>100.0</u>

The average number of employees during the year was 857 (2017/8 829). Salary and allied costs are reported at £21.22m (2017/18 £19.6m), an increase of over 8% on the previous year.

Whilst the Government continues to actively seek partnership with the voluntary sector, there seems little prospect of them altering their position over VAT. It continues to be a significant burden and the Charity's non-recoverable VAT element amounted to £630,000 (2017/18 £466,000).

c) Public Benefit

In setting its plans and priorities for areas of work, the Trustees of Together Trust have referred to the guidance from the Charity Commission on the provision of public benefit. The summary of the Charity's Strategic Plan and the analysis of the achievements to date as shown on pages 10 to 13 of this report, together with more specific examples of the Charity's activities set out in its performance reports, demonstrate how the Charity has sought to fulfil its principal charitable objective which is to give aid, assistance and care to those with disabilities or in need.

Access to all Together Trust services is based on an objective assessment of need by Together Trust staff and/or a commissioning local authority and is not based on financial ability to pay. In the case of Independent Advice and Support Services and Independent Supporter Services, any parent/legal guardian whose child attends school in the area the service operates may have access to these services.

d) Reserves

The Trustees periodically review the reserves policy of the Charity and during the last review moved it towards a policy based on an assessment of the Trust's cash flow and the risks it faces. In the current uncertain times Together Trust takes a prudent view where, as a minimum, the level of cash reserves must not fall below £2.5m at each month end and it should hold cash reserves of at least six weeks expenditure at the year end.

The table below sets out available reserves.

	2019	2018
	£'000	£'000
Net current assets	8,706	8,097
Less long term creditors	(2,717)	(3,887)
Net reserves	5,989	4,210
Less restricted, designated and endowment funds	(990)	(918)
Available reserves	4,999	3,292

Together Trust has net current assets of £8,706,000 (2018 £8,097,000) and long term liabilities of £ 2,717,000 (2018 £3,887,000) leaving net reserves of £5,989,000 (2018 £4,210,000), of which £990,000 (2018 £918,000) is in the form of restricted, designated or endowment reserves. This leaves available reserves of £4,999,000 (2018 £3,292,000). At the year end the cash figure was £5,888,000 against six weeks expenditure of £3,116,000.

e) Fixed assets

To monitor and control its fixed assets, the Charity makes use of a fixed asset register, which details the organisation's properties, vehicles and other capitalised equipment.

As at 31 March 2019 the Charity had 19 buildings and 72 vehicles on the register, which is reviewed on a monthly basis.

The changes in tangible fixed assets are summarised in the notes to the financial statements (see note 14).

7. Future strategy

The 'Stronger Together' Plan 2018 - 2022

Together Trust has benefitted from providing a wide range of social care and education services which have provided it with a degree of resilience during the last few years of challenge in the age of austerity, and has sought to develop and build upon these areas of expertise. The current four year budget projections through to 2022/23 illustrate income growth in current service provision across all service areas, taking income to £36.3m in 2022/23, an increase of 26% from 2018/19. Our Stronger Together strategic plan to 2022 was updated during 2018 to account for growth opportunities relating to health / social care devolution in the North West where the Charity will seek to strengthen existing and form new partnerships and alliances. The strategic review also used the outcomes from the Investor in Customers accreditation work, in terms of stakeholder perceptions, to give the Charity greater insights to inform future planning and service development.

In line with the four key strategic goals set out on page 10 to 13 of this report Together Trust will:

- Deliver high quality, person centred, effective and cost efficient services to vulnerable individuals and families. Our integrated services adapt and evolve to meet the life-long changing needs of individuals. We work in partnership to achieve the very best outcomes possible for the individuals we support.
- Be a trusted partner to the individuals we support, and our personalised services enable people to make positive progress. Together, we support individuals who use our services to help them influence future policy and provision.
- Grow, develop and expand our reach as a provider of choice to maximise our impact and ensure that we can sustain our future as an organisation. We develop integrated pathway services and will grow organically and sustainably to meet the changing needs of the individuals we support and funders' requirements.
- Aim to attract and retain a skilled and motivated workforce who are treated equitably and fairly and have clear learning and development opportunities. Our workforce are dedicated to helping those in need and who work collaboratively and live our values. We listen to our workforce and work with our Staff Council to ensure effective engagement.

Our progress against these goals will continue to be measured by Key Performance Indicators relating to specific areas of the Charity's operations and support services. These were revised in April 2019 in line with the Charity's revised strategic priorities as described above.

As the Charity reaches its 150th anniversary in January 2020, it is presented with a unique opportunity to present its story and the difference it has made to child welfare in the North West of England and the surrounding areas. In doing so we have an exciting opportunity to ensure the lives and experiences of those sometimes overlooked by history, are recorded for future prosperity.

We see our 150th year as a significant opportunity to engage all those who have come into contact with our work both in the past and present. We aim to deliver this activity thanks to grants from funders with a special interest or purpose in protecting archives at risk, heritage and the arts.

8. Principal risk and uncertainties

The Trustees are responsible for ensuring effective risk management and ensuring that appropriate measures are in place to manage risks. On an ongoing basis risks are reported to every main board meeting (six per year) to keep them abreast and up to date with the main current issues and the actions being taken to mitigate these risks.

Over the reporting period the main risks centred around the ability to recruit and retain staff through the implementation of a fair, equal and consistent job families based pay and reward framework, which remained financially viable for the Trust. This work concluded in March 2019.

Following the updating of the Stronger Together Plan and the associated budget process the Trust has had to review the future of some services and manage any service withdrawals sensitively.

Historically the Charity paid care workers an allowance for sleep-in shifts. In a very important judgement for the Trust, the Court of Appeal has held that care workers who sleep-in are not entitled to the national minimum wage for the time during which they are asleep. This fundamentally changes what was thought to be the law and emphasises that there is an important distinction between those who have to undertake actual work and those who only need to be available for work. Staff who are simply available to work, such as care workers are not entitled to the minimum wage if they are able to sleep and have sleeping arrangements available as is the case at the Trust. This judgement is being appealed by UNISON and we await the outcome later in the year.

The budgets of the Trust are partly dependent on securing annual fee increases for its services and we have been increasingly successful in securing these. Fee increases are becoming increasingly necessary with positive inflation rates and the need to keep our pay competitive.

The Charity continues to review its property portfolio to ensure it is of a high standard for our service users and that we have the right property in the right places to support cost effective service delivery.

Although there is still national uncertainty over the outcome of Brexit, the effect on the Charity is likely to be limited to how it affects local authority funding and their priorities. It will also have an effect on reducing the pool of job candidates in what is already a challenging recruitment market. The Together Trust has limited investments which could be affected.

Safeguarding continues to be an area of potential risk and the Charity has established a robust accountability, control and review framework involving officers and Trustees. During the year, as part of a wider review, the Charity Commission visited the Charity to discuss the format of the Trust's incident reporting. The Commission has confirmed there are no concerns with the method of reporting the Charity makes to The Charity Commission.

9. Statement of Trustees' responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Deloitte LLP was reappointed during the period and has expressed their willingness to continue in office as auditor and a resolution to reappoint Deloitte LLP as auditor will be proposed at the forthcoming annual general meeting.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by



Ralph Ellerton
Chairman of Trustees

Independent auditor's report to the members of the Together Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Together Trust (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law 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 included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Anderson FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP, Statutory
Auditor Manchester, United Kingdom
1 November 2019

Statement of financial activities

Statement of financial activities year ended 31 March 2019 (including income and expenditure account)

	Note	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Endowment Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
INCOME FROM:						
Donations	4	226	126	-	352	274
Charitable activities	5	28,264	101	-	28,365	26,834
Investments	6	23	-	4	27	23
Other	7	11	-	-	11	9
TOTAL INCOME		28,524	227	4	28,755	27,140
EXPENDITURE ON:						
Raising funds	8	181	-	1	182	244
Charitable activities	9	26,657	164	-	26,821	24,217
TOTAL EXPENDITURE		26,838	164	1	27,003	24,461
Net gains/(losses) on investments	15	3	-	3	6	(10)
Net income/ (expenditure) for the year		1,689	63	6	1,758	2,669
Transfers between funds		(103)	21	82	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension scheme	22	(187)	-	-	(187)	120
Other gains	12	18	-	-	18	154
NET MOVEMENT IN FUNDS		1,417	84	88	1,589	2,943
RECONCILIATION OF FUNDS						
Total funds brought forward		22,686	484	49	23,219	20,276
Net movement of funds in the year		1,417	84	88	1,589	2,943
Total funds carried forward	20	24,103	568	137	24,808	23,219

There were no other recognised gains or losses other than those listed above and the net income for the year.

All income and expenditure derives from continuing activities.

See note 19 for comparative Statement of Financial Activities analysed by funds.

Balance sheet

At 31 March 2019

		2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	14	18,525	18,719
Investments	15	294	290
		<u>18,819</u>	<u>19,009</u>
CURRENT ASSETS			
Debtors	16	5,309	4,461
Cash at bank and in hand		5,888	5,593
		<u>11,197</u>	<u>10,054</u>
CREDITORS:			
Amounts falling due within one year	17	(2,491)	(1,957)
NET CURRENT ASSETS		<u>8,706</u>	<u>8,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,525</u>	<u>27,106</u>
CREDITORS:			
Amounts falling due after more than one year	18	(2,717)	(3,887)
Provision for pension scheme liabilities	22	-	-
NET ASSETS		<u><u>24,808</u></u>	<u><u>23,219</u></u>
FUNDS OF THE CHARITY			
Unrestricted funds:			
General		16,550	14,926
Revaluation reserve		7,268	7,375
Designated		285	385
		<u>24,103</u>	<u>22,686</u>
Restricted income funds		568	484
Endowment funds		137	49
TOTAL CHARITY FUNDS	20,21	<u><u>24,808</u></u>	<u><u>23,219</u></u>

These financial statements of The Together Trust registered number 301722 were approved and authorised for issue by the Board of Trustees on 1st November 2019. They were signed on its behalf by:

Mr Ralph Ellerton
Chairman of Trustees

Mr John Rylands
Honorary Treasurer

Cashflow statement

Year ended 31 March 2019

	2019 £'000	2018 £'000
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	1,589	2,943
Adjustments for:		
Depreciation	662	589
(Gains)/losses on investments	(6)	10
Income from investments	(9)	(10)
Profit on the sale of fixed assets	(11)	(9)
Interest receivable	(18)	(13)
Interest payable	151	235
Decrease/(increase) in debtors	(848)	854
(Decrease)/increase in creditors	529	(2,014)
Net movement of pension service cost	150	76
Interest rate swap liability gain	(18)	(92)
Pension scheme actuarial gain	187	(120)
	<hr/>	<hr/>
Net cash flows from operating activities	2,358	2,449
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	18	13
Income from investments	9	10
Proceeds from the sale of property, plant and equipment	11	13
Purchase of property, plant and equipment	(468)	(312)
	<hr/>	<hr/>
Net cash flows from investing activities	(430)	(276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(151)	(235)
Repayments of borrowings	(1,145)	(138)
Net cash outflow from defined benefit scheme pension contributions	(337)	(337)
	<hr/>	<hr/>
Net cash flows from financing activities	(1,633)	(710)
	<hr/>	<hr/>
Net increase in cash in the year	295	1,463
Cash at the beginning of the year	5,593	4,130
	<hr/>	<hr/>
Cash at the end of the year	<u>5,888</u>	<u>5,593</u>

Notes to the financial statements

Year ended 31 March 2019

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective 1 January 2016; and the Companies Act 2006.

Going concern

The Trustees have prepared budgets and projections, taking into account possible changes to future income and expenditure, which show that the entity is able to continue as a going concern for the foreseeable future.

Therefore the Trustees continue to adopt the going concern basis of accounting in preparing these financial statements. The Trustees have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes, although in practice they may represent the funding of fixed assets.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes, including the development fund described below. The aim and use of each designated fund is set out in the notes to the financial statements.

The purpose of the development fund reserve is to earmark funds to provide for ongoing maintenance, repair and refurbishment of the Together Trust homes and schools, in compliance with standards set by inspecting bodies such as the Care Quality Commission (CQC) and the Office for Standards in Education (OFSTED). The age and fabric of the establishments necessitate constant repairs, which have been highlighted by comprehensive surveys carried out by an appointed architect and reviewed annually. The programme for refurbishment for any new financial year is specified prior to the previous year end.

Restricted funds are funds which are to be used by the Charity for particular purposes as specified by the donor. The costs of administering such funds are charged against the specific fund. The purpose of each restricted fund is set out in the notes to the financial statements.

Endowment funds are a form of restricted fund where the assets are required to be invested or retained for actual use rather than expended. An endowment fund where there is no power to convert the capital into income is known as a permanent endowment fund which must generally be held indefinitely. Expendable endowment is an endowment fund where the Trustees have the power to convert the assets (i.e. land, buildings, investments or cash) into expendable income. The Charity holds permanent and expendable endowment funds. The permanent funds are not considered to be material.

1. Accounting policies (continued)

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met (generally by delivery of contracted services), it is probable that the income will be received and the amount can be measured reliably.

Income from grants includes grants where entitlement to funding is subject to specific performance conditions. Performance conditions may be stipulated explicitly by the funder, or may be implicit as per the Charity's funding proposal. Income is deferred when the funder has imposed conditions which must be met before the Charity has unconditional entitlement or the funder has specified the funds can only be utilised in future accounting periods.

Donated goods and services are included at the lower of their value to Charity and their estimated market value. No amount is included for services donated by volunteers. The full value of the freehold peppercorn rent is not valued due to the prohibitive cost of doing so. Income from fundraising activities is included in donations.

Fees invoiced in advance of services provided are carried forward as deferred income until the service is delivered.

Expenditure

Expenditure is recognised when there is a constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in generating fundraising income
- Charitable expenditure includes all expenditure associated with activities directly attributable to the service delivery of the Charity's charitable objectives, in respect of residential, respite, outreach, educational, fostering and social work services
- Support costs are costs of those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include central head office costs (for example finance, human resources and governance costs) and have been allocated to charitable activity costs on a basis consistent with income.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income on a straight line basis over the period of the lease.

Trustees

The Trustees have elected that the Charity apply a policy of non-remuneration for Trustees, excluding out of pocket expenses.

Notes to the financial statements year ended 31 March 2019

1. Accounting policies (continued)

Tangible fixed assets

Transitional arrangements of FRS 102 have been adopted to freeze the tangible fixed assets valuation of freehold and leasehold properties as its equivalent cost, and hence tangible fixed assets are stated at equivalent cost (being 2014 market value net of depreciation to the adoption of FRS 102) less depreciation and any provision for impairment. Costs of maintenance are charged to revenue as they are incurred. Assets below a value of £2,500 are not capitalised.

Depreciation is provided on each tangible fixed asset, other than freehold land, at rates calculated to write off the cost, less its estimated residual value, on a straight line basis over the useful economic life of that asset as follows

Properties	- buildings	- 2% per annum
	- improvements	- 20% per annum
Leasehold property improvements		- over the life of lease
Motor vehicles		- 20% per annum
Ancillary equipment		- 20% per annum

Investment assets

Investments are included in the balance sheet at fair value as measured by middle market price values at the year end. The Trustees do not consider there to be any material difference in the valuation as measured by bid price. Movements in values during the year are included in the Statement of Financial Activities for any realised and unrealised gains and losses. Realised gains or losses are transferred to reserves upon realisation.

Employee benefits

For defined benefit schemes, the amounts charged to the Statement of Financial Activities are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities. The interest cost and the expected return on assets are shown as a net amount of other finance gains or losses. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet as appropriate.

The Trust participates in the Teachers' Pension Scheme, which is a defined benefit scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme and therefore has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it was a defined contribution scheme.

Group financial statements

The Charity is exempt from the requirement to prepare consolidated financial statements by virtue that all subsidiary undertakings may be excluded from consolidation as they are not material and have not operated in the financial year. These financial statements therefore present information about the Charity as an individual undertaking rather than as a group.

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Debt instruments which meet relevant conditions are subsequently measured at amortised cost using the effective interest method.

The Charity uses derivative financial instruments to reduce exposure to interest rate movements. The Charity does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Financial Activities immediately.

2. Company, charitable and legal status of the Trust

The Together Trust, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The company is a registered charity and has no liability to corporation tax on its charitable activities. The registered office is given on page 1.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In respect of the defined benefit pension scheme, the Charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The Trustees estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends as set out in note 22.

Other than the above, the Trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

Notes to the financial statements year ended 31 March 2019

4. Analysis of income from donations

	2019 £'000	2018 £'000
Donations	352	274

5. Analysis of income from charitable activities

	2019 £'000	2018 £'000
Social care services	13,111	11,997
Educational services	13,152	12,720
Other services	2,102	2,117
	<u>28,365</u>	<u>26,834</u>

6. Analysis of income from investments

	2019 £'000	2018 £'000
Investment income	9	10
Bank interest	18	13
	<u>27</u>	<u>23</u>

7. Analysis of other income

	2019 £'000	2018 £'000
Net gain on disposal of fixed assets	11	9
	<u>11</u>	<u>9</u>

8. Analysis of expenditure on raising funds

	2019 £'000	2018 £'000
Staff and related costs	128	99
Service provision costs	31	132
Service administration costs	8	2
Other service costs	15	11
	<u>182</u>	<u>244</u>

9. Analysis of expenditure on charitable activities

Expenditure	Social Care	Education	Other	Total
	Services	Services	Services	
	2019	2019	2019	2019
	£'000	£'000	£'000	£'000
Staff and related costs	9,464	8,196	1,686	19,346
Premises costs	545	522	22	1,089
Service provision costs	535	770	25	1,330
Service administration costs	156	189	125	470
Other service costs	606	905	68	1,579
Head Office support costs	1,377	1,409	221	3,007
	<u>12,683</u>	<u>11,991</u>	<u>2,147</u>	<u>26,821</u>

Comparatives for the year ended 31 March 2018

Expenditure	Social Care	Education	Other	Total
	Services	Services	Services	
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000
Staff and related costs	8,580	7,621	1,712	17,913
Premises costs	405	470	23	898
Service provision costs	542	499	18	1,059
Service administration costs	155	151	121	427
Other service costs	464	858	60	1,382
Head Office support costs	1,137	1,199	202	2,538
	<u>11,283</u>	<u>10,798</u>	<u>2,136</u>	<u>24,217</u>

Expenditure

Total expenditure comprises direct costs incurred in the delivery of Trust services and head office support costs which are apportioned between services. Direct costs include all direct staff, premises and service provision in the day to day delivery of the service. It also includes other costs related to the provision of the service at each location in respect of insurance, depreciation, interest and irrecoverable VAT.

10. Analysis of Head Office support costs

	Social Care Services 2019 £'000	Education Services 2019 £'000	Other Services 2019 £'000	Total 2019 £'000
Staff & related costs	698	714	112	1,524
Premises costs	58	60	9	127
Office administration costs	248	253	40	541
Governance costs	106	108	17	231
Other costs	267	274	43	584
	<u>1,377</u>	<u>1,409</u>	<u>221</u>	<u>3,007</u>

	Social Care Services 2018 £'000	Education Services 2018 £'000	Other Services 2018 £'000	Total 2018 £'000
Staff & related costs	605	637	107	1,349
Premises costs	66	70	12	148
Office administration costs	160	169	28	357
Governance costs	100	106	18	224
Other costs	206	217	37	460
	<u>1,137</u>	<u>1,199</u>	<u>202</u>	<u>2,538</u>

Head Office support costs allocation

There is a head office function which provides all the support services of the Trust's activities. These include Operating Directors, Communications and Marketing, Business Development, Finance, Human Resources & Organisational Development, IT services and Facilities Management. Cost recovery apportionment is based on the level of income for each of the services.

11. Net income for the year

Net income for the year is stated after charging:

	2019 £'000	2018 £'000
Auditor's remuneration - audit	25	25
Interest paid on bank loan	92	100
Interest paid on interest rate swap contracts	59	135
Depreciation of owned assets	662	589
Rental under operating leases	121	138
Bank charges	14	12
Subscriptions	56	51
Insurance	363	304
Non-recoverable VAT	630	466
PR and marketing	171	154
	<u>171</u>	<u>154</u>

These costs include central head office costs where applicable and have been allocated to activity costs on a basis consistent with income.

12. Other gains

	2019 £'000	2018 £'000
Gain on interest rate swap contract	18	92
Other gains	-	62
	<u>18</u>	<u>154</u>

13. Analysis of staff costs and the cost of key management personnel

The average number of staff employed during the financial year, excluding relief and supply staff, amounted to:

	2019 Headcount No.	2018 Headcount No.
Social care services staff	432	416
Education services staff	348	341
Other services staff	16	17
Other support staff	61	55
	<u>857</u>	<u>829</u>

The aggregate staff costs were:

	2019 £'000	2018 £'000
Wages and salaries	15,982	15,014
Social security costs	1,262	1,202
Pension costs	1,062	969
	<u>18,306</u>	<u>17,185</u>

During the year the Trust incurred redundancy costs of £nil (2018 £5,000).

Although the Trust employs a pool of relief and supply staff to cover unforeseen absences, where this is insufficient to meet operational need, agency staff are employed in the short term. Agency costs for the year were £1,149,000 (2018 £764,000).

In addition to the above staff costs, foster carer fees amounted to £1,174,000 (2018 £1,190,000).

Employee emoluments over £60,000

The number of employees whose emoluments, excluding pension contributions and employers' national insurance contributions, but including benefits in kind, were in excess of £60,000 was:

	2019 No.	2018 No.
£60,001 to £70,000	1	1
£70,001 to £80,000	1	2
£80,001 to £90,000	1	2
£90,001 to £100,000	1	-
£100,001 to £110,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel are detailed on page 3. The total remuneration (including pension contributions and employers' national insurance contributions) of the key management personnel of the Trust for the year totalled £439,000 (2018 £424,000).

Trustees' remuneration

None of the Trustees receive any remuneration for their services to the Trust. 1 (2018 same) Trustee received reimbursement of travel expenses incurred totalling £268 (2018 £322).

Notes to the financial statements year ended 31 March 2019

14. Tangible fixed assets

	Land and Buildings	Property Improvement	Motor Vehicles	Ancillary Equipment	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2018	19,979	1,259	988	198	22,424
Additions	244	-	194	30	468
Disposals	-	-	(115)	-	(115)
At 31 March 2019	20,223	1,259	1,067	228	22,777
DEPRECIATION					
At 1 April 2018	1,682	1,161	684	178	3,705
Charge for the year	494	32	120	16	662
On disposals	-	-	(115)	-	(115)
At 31 March 2019	2,176	1,193	689	194	4,252
NET BOOK VALUE					
At 31 March 2019	18,047	66	378	34	18,525
At 31 March 2018	18,297	98	304	20	18,719

The land and buildings were last professionally valued by Bentley Higgs on 31 March 2014. The Trustees consider there to be no material change in value since that date. Properties other than specialised properties were valued on an existing use basis using a market value basis (for properties occupied for operational purposes). Specialised properties were valued on an existing use basis using a depreciated replacement cost basis.

Included within land and buildings above is a long leasehold property with a net book value of £5,077,000 (2018 £5,204,000). The Charity pays a peppercorn rent for the related land.

Certain freehold properties are pledged as security on the Charity's bank loan. The net book value of these properties is £1,804,000 (2018 £1,753,000).

The comparable amounts for fixed assets included above at a valuation determined according to the historical cost accounting rules are:

	Land and Buildings
	£'000
Cost	13,484
Accumulated Depreciation	2,299
Net book value at 31 March 2019	11,185
Net book value at 31 March 2018	11,454

14. Tangible Fixed assets (continued)

List of charitable properties:

Property	Description
Corbar Road	A 5 bedded residential unit accommodating children and young people
Crosskeys	A 2 bedded residential unit accommodating children and young people
Haines House	A 5 bedded residential unit
Schools Hill	The main administrative centre for the Charity which accommodates 60 employees. The campus also is home to the following Together Trust services: Inscape House School - a school for young people aged 5 - 19 years with autism. The school can accommodate up to 105 young people Ashcroft School - special education for young people with complex emotional difficulties aged 8 - 18 years. The school can accommodate up to 60 pupils
Ashcroft College	Specialist support and teaching in four vocational areas (including construction) to students aged 14 to 16 who may have been excluded or close to being excluded from mainstream education
Bridge College	Property held on long lease as a specialist further education college for students up to 25 years old with learning difficulties, disabilities and complex needs, communication disorders and autism
Pendlebury House	A shared care service for up to 6 young people with autism and behavioural needs
Lerryn	A 6 bedded residential unit accommodating children and young people
Meridian	A 5 bedded short break service for young people with autism
Norvent	A specialist therapeutic residential provision for two young people
Pearce Lodge	A 5 bedded unit for disabled young people aged 16 to adulthood
Pocket Nook	A 4 bedded unit for children and young people with autism and other special requirements
Swann Lane	A 4 bedded unit for children and young people
Ventnor Road	A 3 bedded unit for children and young people
Woodlands	A 5 bedded short break service for disabled young people

15. Investments

Listed investments

	2019	2018
	£'000	£'000
UK listed investments	294	290

Movement in market value

	2019	2018
	£'000	£'000
At start of year	290	302
Additions	47	230
Disposal proceeds	(47)	(238)
Net investment gains/(losses)	6	(10)
Movement in cash held by investment managers	(2)	6
At end of year	294	290
Market value is analysed between		
Investments	289	283
Cash held by investment managers	5	7
	294	290

Unlisted investments

The company's investments at the balance sheet date in the share capital of companies include the following:

- Subsidiary:**
- Together (Trading) Limited
 Country of incorporation: England and Wales
 Date of Incorporation: 3 March 2005
 Nature of business: Dormant

Number of ordinary shares 1 (100% holding)
 - BGWS (Trading) Limited
 Country of incorporation: England and Wales
 Date of Incorporation: 1 September 2005
 Nature of business: Dormant

Number of ordinary shares 1 (100% holding)
 - Boys and Girls Welfare Society Limited
 Country of incorporation: England and Wales
 Date of incorporation: 6 May 2005
 Nature of business: Dormant

Number of ordinary shares 1 (100% holding)
- Limited by guarantee

None of these companies has traded during the year (2018 same) and they are not consolidated in the financial statements of The Together Trust on the grounds of immateriality.

Notes to the financial statements year ended 31 March 2019

16. Debtors

Amounts falling due within one year:

	2019 £'000	2018 £'000
Trade debtors	4,791	3,959
Prepayments and accrued income	514	481
Other debtors	4	21
	<u>5,309</u>	<u>4,461</u>

17. Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Bank loans	152	145
Trade creditors	808	611
Accruals	470	355
Deferred income	432	219
Taxation and social security	316	294
Other creditors	313	333
	<u>2,491</u>	<u>1,957</u>

Deferred income movement

	2019 £'000	2018 £'000
Balance at start of year	219	2,447
Amount released in the year	(219)	(2,447)
Amount deferred in the year	432	219
	<u>432</u>	<u>219</u>

Notes to the financial statements year ended 31 March 2019

18. Creditors: Amounts falling due after more than one year

	2019	2018
	£'000	£'000
Bank loans	2,451	3,603
Financial derivatives (see note 23)	266	284
	<u>2,717</u>	<u>3,887</u>

The bank loan is repayable as follows:

	2019	2018
	£'000	£'000
Payable within one year	152	145
Payable between 1 and 2 years	164	152
Payable between 2 to 5 years	553	521
Payable after 5 years	1,734	2,930
	<u>2,603</u>	<u>3,748</u>

The bank loan comprises two draw-downs on the loan facility; one original draw-down in April 2011 of £1.3m to refinance mortgage debt and a second draw-down in September 2012 of £3m to help finance the construction of Bridge College and upgrade Inscape House School. Both draw-downs mature on 31 March 2031 and are secured on various freehold properties (see note 14). During the year the Trust took the opportunity to repay £1,000,000 of the loan early.

Interest is payable at a variable rate of LIBOR plus 2.25% on the principal amount. Interest payable in the year was £92,000 (2018 £100,000).

In previous years, the Trust entered into two interest rate swap contracts in relation to a financial derivative to manage its exposure to the risk of interest rate variation. Under these swap contracts, the Charity has agreed to exchange the difference between fixed and floating rate interest amounts. This allows the Charity to mitigate the risk of changing interest rates and cash flows on the variable rate debt held. Upon the early repayment of £1,000,000 bank loan capital, one of the two swap contracts was cancelled. See note 23 for further details.

19. Comparative statement of financial activities

For the year ended 31 March 2018

	Note	Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Endowment Funds 2018 £'000	Total Funds 2018 £'000
INCOME FROM:					
Donations	4	89	185	-	274
Charitable activities	5	26,800	34	-	26,834
Investments	6	19	-	4	23
Other	7	9	-	-	9
TOTAL INCOME		26,917	219	4	27,140
EXPENDITURE ON:					
Raising funds	8	120	124	-	244
Charitable activities	9	24,120	97	-	24,217
TOTAL EXPENDITURE		24,240	221	-	24,461
Net gains on investments	15	(8)	-	(2)	(10)
Net income/(expenditure) for the year		2,669	(2)	2	2,669
Transfer between funds		111	(16)	(95)	-
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension scheme	22	120	-	-	120
Other gains	12	154	-	-	154
NET MOVEMENT IN FUNDS		3,054	(18)	(93)	2,943
RECONCILIATION OF FUNDS:					
Total funds brought forward		19,632	502	142	20,276
Net movement in funds for the year		3,054	(18)	(93)	2,943
Total funds carried forward	20	22,686	484	49	23,219

20. Movement on funds

	1 April 2018 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfers £'000	31 March 2019 £'000
Unrestricted						
General	14,926	28,524	(26,614)	(166)	(120)	16,550
Revaluation reserve	7,375	-	-	-	(107)	7,268
	<u>22,301</u>	<u>28,524</u>	<u>(26,614)</u>	<u>(166)</u>	<u>(227)</u>	<u>23,818</u>
Designated						
- Development	203	-	(186)	-	-	17
- Others	182	-	(38)	-	124	268
	<u>385</u>	<u>-</u>	<u>(224)</u>	<u>-</u>	<u>124</u>	<u>285</u>
Unrestricted funds	<u>22,686</u>	<u>28,524</u>	<u>(26,838)</u>	<u>(166)</u>	<u>(103)</u>	<u>24,103</u>
Restricted funds	484	227	(164)	-	21	568
Endowment funds	49	4	(1)	3	82	137
	<u>23,219</u>	<u>28,755</u>	<u>(27,003)</u>	<u>(163)</u>	<u>-</u>	<u>24,808</u>

20. Movements on funds (continued)

Year ended 31 March 2018 comparatives

	1 April 2017 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfers £'000	31 March 2018 £'000
Unrestricted						
General	11,411	26,912	(24,138)	266	475	14,926
Revaluation reserve	7,481	-	-	-	(106)	7,375
	<u>18,892</u>	<u>26,912</u>	<u>(24,138)</u>	<u>266</u>	<u>369</u>	<u>22,301</u>
Designated						
- Development	350	-	(47)	-	(100)	203
- Others	390	5	(55)	-	(158)	182
	<u>740</u>	<u>5</u>	<u>(102)</u>	<u>-</u>	<u>(258)</u>	<u>385</u>
Unrestricted funds	<u>19,632</u>	<u>26,917</u>	<u>(24,240)</u>	<u>266</u>	<u>111</u>	<u>22,686</u>
Restricted funds	502	219	(221)	-	(16)	484
Endowment funds	142	4	-	(2)	(95)	49
	<u>20,276</u>	<u>27,140</u>	<u>(24,461)</u>	<u>264</u>	<u>-</u>	<u>23,219</u>

Unrestricted Designated Funds

The development fund is a maintenance provision which allows the Charity to maintain its homes and schools in compliance with standards set for the services by inspecting bodies such as the Office for Standards in Education (OFSTED), the Care Quality Commission (CQC) and the Education & Skills Funding Agency.

The 'Others' comprise a number of voluntary income funds which have been agreed on the basis that 'unspent' donations which have been generated during the year will be spent specifically and directly on the children and young people. The Together Trust operates a 'wish list' process whereby the children and young people submit their 'wishes' and as far as the fund will allow these are considered and met during the year. In addition there are a number of other designated funds which support the efficient operation of the Trust.

20. Movements on funds (continued)

Restricted Funds

	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
1. Inscape DfES specific grants	58	-	-	-	58
2. Caravans & Log Cabins	5	-	(23)	18	-
3. Ashcroft	69	4	-	(10)	63
4. Young Roots	7	-	(1)	-	6
5. Meridian Outdoor Equipment	1	-	-	-	1
6. Bridge Transitional fund	96	-	-	-	96
7. Youth Music Fuse fund	-	34	-	33	67
8. Miscellaneous	248	189	(140)	(20)	277
	<u>484</u>	<u>227</u>	<u>(164)</u>	<u>21</u>	<u>568</u>

2018 comparatives

	1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2018 £'000
1. Inscape DfES specific grants	58	-	-	-	58
2. Caravans & Log Cabins	20	2	(28)	11	5
3. Ashcroft	81	6	(8)	(10)	69
4. Young Roots	11	-	(4)	-	7
5. Meridian Outdoor Equipment	11	-	(10)	-	1
6. Bridge Transitional fund	96	-	-	-	96
7. Youth Music Fuse fund	-	-	-	-	-
8. Miscellaneous	225	211	(171)	(17)	248
	<u>502</u>	<u>219</u>	<u>(221)</u>	<u>(16)</u>	<u>484</u>

1. **Inscape DfES grants** - Grant income for specific purposes.
2. **Caravans & Log Cabins** - To support the procurement of a log cabin.
3. **Ashcroft** - Funds from Corporate supporters allocated to specific projects for Ashcroft School
4. **Young Roots** - A Heritage Lottery Funded project to enable disadvantaged young people to discover the origins of the Charity from 1870 to the modern day. A range of activities will take place including creating digital film, radio content, website material and exhibitions.
5. **Meridian Outdoor Equipment** - A fund set up to purchase outdoor equipment for young people with autism who receive short breaks at Meridian.
6. **Bridge Transitional fund** - this is a fund for Bridge College, being grant monies from Central Government to enable Colleges to develop alternative income streams.
7. **Youth Music Fuse fund** - this is a fund for a project to support and train young people in a range of musical instruments
8. **Miscellaneous** - This represents a number of individual service funds, generally established by donations made for use by a particular service.

Transfers from restricted to unrestricted funds represents, where permitted, the transfer of funds which remain unspent following completion of the specific projects to which they related.

20. Movements on funds (continued)

Endowment Funds

	1 April 2018 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfers £'000	31 March 2019 £'000
Jubilee Trust Fund	45	2	(1)	2	31	79
Other funds	4	2	-	1	51	58
	<u>49</u>	<u>4</u>	<u>(1)</u>	<u>3</u>	<u>82</u>	<u>137</u>

2018 comparatives

	1 April 2017 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfers £'000	31 March 2018 £'000
Jubilee Trust Fund	80	3	-	(1)	(37)	45
Other funds	62	1	-	(1)	(58)	4
	<u>142</u>	<u>4</u>	<u>-</u>	<u>(2)</u>	<u>(95)</u>	<u>49</u>

Jubilee Trust Fund

This fund forms part of the Charity's investment portfolio and, as a permanent endowment fund, the restrictions on capital and use of income must be followed and spent in accordance with the Jubilee Trust Fund objects. The Together Trust is now the sole trustee of the Jubilee Trust Fund and the two charities are linked with The Together Trust being the reporting charity for both.

Other Funds

These are expendable endowment funds held by the Charity to be used in accordance with the individual fund objects. These funds are as follows:

- Hoyer Trust Fund
- Thomas Hunt Trust Fund
- William Melland Trust Fund
- Ragged & Industrial Trust Fund
- Ann Street Wardle Trust Fund
- Harold Grimshaw Trust Fund

21. Analysis of assets and liabilities between funds

	Unrestricted 2019 £'000	Restricted 2019 £'000	Endowment 2019 £'000	Total 2019 £'000
Tangible fixed assets	18,525	-	-	18,525
Investments	157	-	137	294
Debtors	5,309	-	-	5,309
Cash	5,320	568	-	5,888
Current liabilities	(2,491)	-	-	(2,491)
Long term liabilities	(2,717)	-	-	(2,717)
Total net assets	24,103	568	137	24,808

2018 comparatives

	Unrestricted 2018 £'000	Restricted 2018 £'000	Endowment 2018 £'000	Total 2018 £'000
Tangible fixed assets	18,719	-	-	18,719
Investments	241	-	49	290
Debtors	4,461	-	-	4,461
Cash	5,109	484	-	5,593
Current liabilities	(1,957)	-	-	(1,957)
Long term liabilities	(3,887)	-	-	(3,887)
Total net assets	22,686	484	49	23,219

22. Pensions

The Charity participates in four pension schemes for staff and these are described below.

(i) Together Trust Final Salary Scheme

The Charity contributes to a defined benefit scheme, the Together Trust final salary scheme. The provider is The Pensions Trust. The Scheme became 'paid up' with effect from 31 March 2000.

This scheme is a separate Trustee administered fund holding the pension scheme assets to meet long-term pension liabilities. An actuarial valuation was carried out at 30 September 2018 and was updated to 31 March 2019 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent completed actuarial valuation showed a deficit of £277,000 as at 30 September 2018. The Together Trust has agreed with the scheme's Trustee that it will aim to eliminate the deficit by 31 August 2019 by the continued payment of annual contributions of £279,000 in respect of the deficit. In addition, the employer has agreed with the Trustee that it will pay £58,020 per annum to meet expenses of the scheme and levies to the Pension Protection Fund. Over the year to 31 March 2019 the Trust has paid in line with this schedule of contributions.

Assumptions

The key assumptions used in the actuarial valuation were:

	Valuation at	
	2019 % per annum	2018 % per annum
Discount rate	2.35	2.55
Inflation (RPI)	3.30	3.20
Inflation (CPI)	2.30	2.20
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.30	3.20
Allowance for pension in payment increases of CPI or 5% pa if less	2.35	2.25
Allowance for pension in payment increases of CPI or 3% pa if less	1.95	1.90
Allowance for commutation of pension for cash at retirement	75% maximum allowance	75% of post A Day limits using notional factors

The mortality assumptions adopted imply the following life expectancies on retirement:

	Life expectancy at age 65 (years)	
	2019	2018
Retiring today:		
Males	21.5	22.4
Females	23.3	24.0
Retiring in 20 years:		
Males	22.9	23.8
Females	24.5	25.3

22. Pensions (continued)

The amount included in the balance sheet arising from the Trust's obligations in respect of the defined benefit scheme is as follows:

	2019 £'000	2018 £'000
Fair value of scheme assets	9,220	8,766
Present value of defined benefit obligations	(8,637)	(8,445)
Surplus in plan	583	321
Unrecognised surplus	(583)	(321)
Net asset recognised in the balance sheet	-	-

Movements in the fair value of scheme assets were as follows:

	2019 £'000	2018 £'000
Fair value of scheme assets at start of year	8,766	8,514
Interest income	223	221
Actuarial gains	269	57
Expenses	(66)	-
Contributions paid by the employer	337	337
Benefits paid and expenses	(309)	(363)
Fair value of scheme assets at end of year	9,220	8,766

The actual return on the scheme assets over the year ending 31 March 2019 was £492,000 (2018 £278,000).

Assets

	2019 £'000	2018 £'000
Equity type	2,192	3,148
Bond type	5,841	4,974
Property	232	600
Other	955	44
Total assets	9,220	8,766

Movements in the present value of defined benefit obligations were as follows:

	2019 £'000	2018 £'000
Defined benefit obligation at start of year	8,445	8,895
Expenses	-	70
Interest expense	212	227
Past service cost - plan amendments	84	-
Actuarial losses/(gains)	205	(384)
Benefits paid and expenses	(309)	(363)
Defined benefit obligation at end of year	8,637	8,445

22. Pensions (continued)

Amounts recognised in the Statement of Financial Activities in respect of the defined benefit scheme are as follows:

	2019 £'000	2018 £'000
Expenses	(66)	(70)
Past service cost - plan amendments	(84)	-
Net interest cost	-	(6)
	<u> </u>	<u> </u>
Net cost recognised within net income/(expenditure) for the year	<u>(150)</u>	<u>(76)</u>
Return on scheme assets (excluding amounts included in net interest cost) - gain	269	57
Experience gains and losses arising on the scheme liabilities - gain	9	62
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - (loss)/gain	(214)	322
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - loss	(251)	(321)
	<u> </u>	<u> </u>
Total actuarial (loss)/gain	<u>(187)</u>	<u>120</u>
Total (cost)/income relating to defined benefit scheme recognised in the Statement of Financial Activities	<u>(337)</u>	<u>44</u>

(ii) Teachers' Pension Scheme

The Trust participates in the Teachers' Pension Scheme ("TPS").

The TPS provides pensions to teachers who have worked in schools and other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates which depend on their salaries.

22. Pensions (continued)

Every four years, the Government Actuary's Department carries out a valuation of all unfunded public service pension schemes, including the Teachers' Pension Scheme. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (as amended).

The valuation report was published by the Government's Actuary's Department on 5 March 2019. The key results of the valuation and the subsequent consultation are:

- Employer contribution rates will increase from 16.48% of pensionable pay to 23.68% with effect from 1 September 2019;

A full copy of the valuation report and supporting documents can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme and the implications for the Trust in terms of the anticipated contribution rates.

The pension costs paid to the TPS in the year amounted to £379,000 (2018: £327,000) and have been recognised in the Statement of Financial Activities as an expense. The liability and expense have been allocated in full to unrestricted funds. The allocation of the expense to activities is explained in note 9.

(iii) National Health Services Superannuation Scheme

The Charity is an admitted body for the purposes of the National Health Service Superannuation Scheme and members of staff who are former NHS employees are able to continue membership of the Scheme during their employment at The Together Trust.

The assets of the scheme are held separately by the National Health Service Superannuation Scheme.

Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees working lives with the Trust.

There are no separate assets and liabilities which can be identified as relating to The Together Trust therefore the scheme has been accounted for as a defined contribution scheme.

The pension cost charge for the year amounted to £17,000 (2018: £10,000). An amount of £1,000 (2018: £1,000) is included in creditors, being the outstanding contributions to the scheme at the balance sheet date.

(iv) Group Personal Pension Scheme

The Charity also operates a Group Personal Pension Scheme, which is a defined contribution scheme. It is made available to all staff excluding those eligible for the Teachers' Pension Scheme. Provision of the scheme is made through Standard Life.

In the year ended 31 March 2019 the pensions contribution payable for staff in the Group Personal Pension scheme was £633,000 (2018: £612,000) with £54,000 (2018: £52,000) outstanding at the balance sheet date.

23. Derivative financial instruments

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Outstanding contracts - receive floating pay fixed contracts

	Average contract fixed interest rate		Notional principal value		Fair value	
	2019	2018	2019	2018	2019	2018
	%	%	£'000	£'000	£'000	£'000
5 years +	4.21%	3.985%	1,100	3,738	266	284

In previous years, the Trust entered into two interest rate swap contracts in relation to a financial derivative to manage its exposure to the risk of interest rate variation. The interest rate swap contracts expire on 31 March 2031 but on one contract the Trust has the right, but not the obligation, to reduce notional amounts on 28 September, December, March and June in each year from 28 September 2017 to 30 December 2030. In June 2018 the Trust exercised its right to reduce the notional amount to nil on this particular contract thereby terminating the contact.

The fair value of the derivative is calculated by discounting the future cash flows to the maturity date of 31 March 2031. The product gives the Trust increased certainty over future costs and cash flows, and the liability should be considered within the context of the length of the loan period and interest rates existing when the loan agreement was made in December 2010.

The remaining interest rate swap settles on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The Trust settles the difference between the fixed and floating interest rate on a net basis.

Gains of £18,000 (2018: gains £92,000) in respect of the interest rate swap contracts have been recognised in the Statement of Financial Activities.

24. Related party transactions

No Trustee received payment for professional or other service supplied to the Charity during the year (2018 £nil).

25. Financial commitments

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	Land & Buildings		Other	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
- due within one year	73	73	3	11
- due between one and five years	115	168	3	3
- due after five years	10	30	-	-
	<u>198</u>	<u>271</u>	<u>6</u>	<u>14</u>

26. Contingent liabilities

As is common in the care industry, the Charity operates a number of services where employees “sleep-in” overnight on the premises of the service and historically were paid an allowance for doing so.

HMRC originally indicated they consider that the hours spent by employees on a sleep-in shift constitute working time and should therefore be considered when calculating whether or not someone has been paid in accordance with the National Minimum Wage Regulations 2015.

However, in a very important judgement for the Trust, the Court of Appeal has held that care workers who sleep-in are not entitled to the national minimum wage for the time during which they are asleep. This fundamentally changes what was thought to be the law and emphasises that there is an important distinction between those who have to undertake actual work and those who only need to be available for work. Staff who are simply available to work, such as care workers are not entitled to the minimum wage if they are able to sleep and have sleeping arrangements available as is the case at the Trust.

This judgement is being appealed by UNISON and while we await the outcome of the appeal, in order to provide stakeholders with information around the potential impact of this matter, a contingent liability of £1m is noted.



Together Trust

Together Trust Centre
Schools Hill, Cheadle,
Cheshire, SK8 1JE

t: 0161 283 4848

e: enquiries@togethertrust.org.uk

A digital copy of this publication can be downloaded at
www.togethertrust.org.uk/what-we-do

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