

Trustees' report and financial statements

Year ended 31 March 2020

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 vision

A society where everyone thrives because they are valued within their communities.

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

Contents

	Page
Trustees' Annual Report	
1 Reference and administrative information	1
2 Chairman's introduction	2
3 Charitable objectives, structure and management	3
4 Corporate governance	4
5 Section 172 statement	8
6 Strategic achievements and performance	11
7 Financial review	19
8 Future strategy	23
9 Principal risks and uncertainties	24
10 Statement of Trustees' responsibilities	25
 Independent auditor's report	 26
 Statement of financial activities	 29
 Balance sheet	 30
 Cash flow statement	 31
 Notes to the financial statements	 32

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</p> <p><i>Vice Chairman</i> Giles Gaddum (appointed 26.07.19) Paula, Lady Gilbert (retired 20.05.19)</p> <p><i>Lead Honorary Treasurer</i> Anthony Farnworth (appointed 05.12.19) John Rylands (retired 05.12.19)</p> <p><i>Assistant Honorary Treasurer</i> Ian Johnson (appointed 05.12.19) Anthony Farnworth (retired 05.12.19)</p> <p>Paul Adams (retired 06.12.19) Kirsteen Atkinson (retired 31.10.19) Roger Bagguley James Flood (appointed 30.04.20) Norah Flood (appointed 26.07.19) Maria Greenwood (appointed 30.10.19) George Herbert Roger Horne Kirsteen Hughes (appointed 23.04.20) Simon Lees-Jones Sangam Mishra (retired 05.12.19) Tristan Morris (appointed 06.05.20) Lynne Ridsdale (appointed 15.05.20) Helen Stevenson (appointed 30.04.20) Robert Stevenson</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 Tiviot Dale Stockport SK11 1TA</p> <p><i>Auditor</i> Deloitte LLP 2 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 for the Together Trust, our progress towards the goals in our Stronger Together Strategic Plan, the financial statements and auditor's report for the year ended 31 March 2020. This can be read in conjunction with the Charity's Annual Review 2019/20.

As I write this report we are still experiencing the effects of the coronavirus pandemic which has had a significant effect on the operations of the Trust, but I am pleased to report that the Trust has successfully managed the risks to date, to ensure that we are in a position to continue to support the people who need our services, in a financially sustainable manner.

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 we support do not often benefit from generic, off the shelf solutions but require specialist support that is tailored to their needs.

This year the Together Trust is celebrating 150 years of continuous service to children and families in the North West of England. We've come a long way since 1870, when Leonard Shaw and Richard Taylor founded a 'Night Refuge for Homeless boys' on Quay Street in Manchester. In the 150 years that followed we added new homes, opened our doors to adults as well as young people, added new services for our communities and opened special education services, training and a fostering service.

Today our care, special education, community and family support services support more than 2,000 children, adults and families each year. To do this our team of over 800 people, at dozens of sites, put the rights, needs and ambitions of the people we support at the heart of all that they do.

The work of our founders continues to inspire our modern-day values. We work for the Together Trust because we are passionate about improving the lives of people with disabilities, autism, mental health needs, care leavers and their families.

I am immensely proud of our achievements this year and I would like to extend my personal thanks to our staff, supporters and volunteers.

Ralph Ellerton
Chair

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 29 November 2019. 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 however 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.

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 and commerce or professional, occupational or charitable experience.

Members

The Together Trust is a private company limited by guarantee and currently has 46 registered Members. The interests of the Trust and its Members are aligned with the common purpose of carrying out the objects of the Company. This ensures that the views of beneficiaries are communicated to the Board as a whole and considered.

The Together Trust holds an AGM every 12 months which all members are entitled to attend either personally or by proxy. Corporate Members are entitled to attend general meetings by their authorised representatives. At the time of reporting, the Company has no Corporate Members.

There are Conflicts of Interest and Gift in Kind policies in place for Members, Trustees and Governors to manage any actual and perceived conflicts that might arise.

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 financial year from 1 April 2019 to 31 March 2020. At the time of reporting, 75% of the Board are male and 25% female. A number of Trustees were appointed or retired during the year. Paula, Lady Gilbert stepped down from trusteeship in May 2019. Mrs Kirsteen Atkinson, Mr Paul Adams, Mr Sangam Mishra and Mr John Rylands all retired in November 2019 having completed their terms of office. Mr Anthony Farnworth retired as Assistant Honorary Treasurer and was appointed as Lead Honorary Treasurer with Mr Ian Johnson being appointed as Assistant Honorary Treasurer. All individuals who left trusteeship during the year made a long-standing impact on the Charity's performance and effectiveness during their years of office. Following a successful recruitment campaign in early 2020, the charity was delighted to appoint IT and digital specialists Ms Helen Stevenson, Mr James Flood and Mr Tristan Morris and more recently HR and recruitment specialists Mrs Kirsteen Hughes and Ms Lynne Ridsdale to the Board.

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 11 to 17 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 Chairs to the Charity's Governing Bodies during the reporting period were:-

Ashcroft School – Roger Bagguley (appointed 01.11.19) / Roger Horne (retired 31.10.19)

Bridge College – Roger Horne (appointed 07.11.19)/Paul Adams (01.06.19 – 07.11.19), Paula, Lady Gilbert (retired 20.05.19)

Inscape House School - Giles Gaddum

The Together Trust Fostering Panel - the panel is made up of people with a range of skills, knowledge and experience and includes staff members from the Together Trust fostering agency. Some panel members have a professional background in child or social care, and others have direct experience with the fostering process. Our panel members also have access to legal and medical advice should they need it as well as each other's skills and expertise.

The panel considers fostering applications and makes recommendations about the suitability of applicants. This also includes making recommendations about the number, age range and backgrounds of the children placed with carers.

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.

During the year the Board undertook a comprehensive review of its Charity Articles and school and college Instruments of Government and Articles to ensure they reflected best practice and gave greater consistency and clarity. Amendments were approved by the Board in November 2019. The Charity Article revisions were endorsed by members at the Charity's AGM in December 2019.

The Trust aims to ensure the charity's values are reflected in all of our work and that the ethos and the culture of the organisation underpin the delivery of all activities. Our special purpose sub-groups including school and college governing bodies¹ meet regularly to undertake specific tasks on which they report to the Board to assist its function, decision-making and continued improvement.

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. The terms for each sub-group reflect the Charity Governance Code² and will be updated following a strategic review which will be undertaken in autumn 2020.

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.

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.

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

¹ Refer to Instruments & Articles of Inscape House School, Ashcroft School and Bridge College as laid out in governance handbooks for educational services

² <https://www.charitygovernancecode.org/en>

We are committed to ensuring our Board reflects the communities we work with. Wherever possible we will seek to recruit Trustees with real experiences, to ensure our decision making is informed and supportive of the people we support.

Diversity of Trustee skills is also essential for good governance. As part of the Trustee appraisal process the Charity carries out a skills audit to analyse the existing strengths and gaps in skills and experience. This enables the Charity to identify and address imbalances. We recognise the need to recruit those with lived experiences and professional skills.

The Trust aims to create an environment where divergent views are welcomed, and individuals feel confident sharing their ideas. To achieve this, trust and mutual respect is essential — both between Board members and between the Trustees and the Executive Team and wider workforce.

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 the 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 dealt with following a pre-agreed timeline.

Finance & Audit Sub-group – the sub-group meets six times a year 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 policy. During the reporting period the sub-group has worked closely with the Charity's officers to oversee a comprehensive health and wellbeing plan to support its workforce.

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 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 Sub-group – 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.

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.

Internal Audit 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, 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) and during 2021/22 will review the Charity's approach to environmental impact and social value.

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. The aim is to promote positive working relationships between Trustees and staff members. In order to ensure the strong link between Trustees and service delivery was maintained during COVID-19 restrictions, service visits have taken place on-line with Trustees meeting staff teams virtually in line with risk assessments.

Health & Safety Action Sub-group - made up of representatives from across the Charity who meet on a regular 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 its 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.

5. Section 172 statement

This section of the Report describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the Directors' statement required under section 414CZA, of the Companies Act 2006.

The Directors recognise that the long-term success of the Company is dependent on having regard to the interests of its stakeholders. As a registered Charity, the Directors' responsibility also extends to ensuring that the affairs and objectives of the Together Trust are managed in a way that enhances public trust and support. The Board has identified and documented its stakeholders in the Together Trust's Stronger Together Strategic Plan. Key stakeholders include the people supported by the charity, their families, carers, commissioners, our workforce and our regulators.

Beneficiaries

The Board recognises the importance of engaging with stakeholders, understanding their views and interests in order to be successful over the long-term. Dialogue with stakeholders can help the Board to understand significant changes in the landscape, predict future developments and trends, and develop strategy that is aligned with stakeholder interests.

The Board actively engages with its beneficiaries, both informally and formally, in order to understand the impact of its charitable activities and the interests of its beneficiaries. In 2019 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 was first awarded this standard in 2017 and was delighted to retain it in August 2019.

A supporting people subgroup reports directly to the Board and has responsibility for overseeing and advising Directors 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. More detailed information about the terms for this subgroup can be found on page 6 of this report.

During the year the Board renewed its commitment to receiving direct feedback from the people it supports. At the 2019 AGM a beneficiary spoke passionately about the impact the Together Trust had made to him and his family. He explained his personal and academic journey at the Trust and shared insights with the members, Directors and guests who were present. Other forms of engagement include regular meetings and communications with beneficiaries across a range of services; joining Trustees at service visits; presentations at key events; invitations to parents and carers to join our governing subgroups; online surveys to establish need within beneficiary groups; social media channels; publications/reports; signposting to tools and guidance on the website including a resource hub to assist families in a variety of matters especially during the COVID-19 pandemic.

Workforce & Workforce Engagement

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

During the year, the Together Trust employed an average of 846 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's pay and reward structure follows a Job Family model which aims to set out pay and reward in an equal, fair and consistent manner and at a level to recruit and retain the necessary calibre of staff. Each job family contains different levels, each reflecting different job outputs, skills, knowledge and experience. However, the essential nature of the activities carried out and the basic skills used are similar. The number of levels varies for each job family, depending on the scope and range of responsibilities. The Trust has eight different job families. These were agreed following a number of workshops, which included the Trust leadership team and the operational leadership team, and after consultation with the staff council.

The Trust makes substantial provision for the qualification, training and development of its staff and volunteers. 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 Charity's workforce is able to access an employee assistance service 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 Trust is committed to improving the health and wellbeing of its workforce and during the year championed a number of mental health and wellbeing initiatives to enable staff to feel supported both at work and at home. With over 80 mental health first aiders in our workforce they offer initial support for mental health and wellbeing through non-judgemental listening and guidance.

The Teachers' Pension Scheme is recognised for eligible employees and all other staff may join the defined contribution pension scheme which is available to them 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. During 2021/22 it will be assessed for Investors in People gold accreditation.

The Charity 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 that support equality of opportunity in the recruitment, employment and retention of staff and volunteers, including access to training and promotion. During 2020/21 it intends to prioritise work to ensure disability, inclusion and equity is the forefront of all service delivery and workforce support.

A Human Resources & Organisational Development subgroup reports direct to the Board and oversees effective workforce engagement and that the outcomes from staff and volunteer surveys are received and acted upon. This group also oversees the organisation's approach to workforce equity, diversity and inclusion and monitors and evaluates all relevant KPIs with focused plans to address areas requiring improvement. More information about the work of this subgroup can be found on page 6 of this report.

The Trust seeks to listen and act upon our staff voice and understand the views of our workforce through the Staff Council. The Staff Council is an elected group of colleagues from across all our services who meet on a quarterly basis. As a consultative body for employees, the Trust has extended and is strengthening the Staff Council's role to ensure that, as strategy is developed and plans are implemented, Staff Council representatives help to communicate and engage better with our workforce. They review how successfully initiatives have been delivered. The meetings are chaired by the Chief Executive and have Trustee attendance.

The Charity 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.

Suppliers

The Trust recognises its responsibility to ensure charitable business activities are undertaken in accordance with regulatory requirements and best practice.

The Trust's procurement policy has been developed to help the Trust achieve best value in the use of limited resources to support the Trust in achieving its overall aims and objectives. It also supports addressing the requirements of the Charity Governance Code and the 2010 Bribery Act by emphasizing the responsibility of all staff involved to conduct procurement legally and ethically as well as securing value for money.

All procurement activity adheres to the following key principles:

- transparency – clear procedures to be followed and evidence of adherence retained for audit
- equal treatment – for all potential suppliers to ensure a level playing field, no favouritism and to ensure best value is obtained
- wherever possible we endeavour to source potential suppliers from the local area where this can be justified in terms of best value and/or social value
- suppliers will be required to follow Trust safeguarding standards where applicable

The Trust also measures and reports on its supplier payment practices to Trustees on a regular basis.

Wider Community and Environment

The Board is focused on its long-term and strategic charitable aims as set out in the Stronger Together plan described on pages 11 to 17 of this report. During 2020/21 an internal subgroup has been set up to agree and

monitor an organisational approach to environmental impact and this group will also oversee the development of the Trust's property portfolio to ensure that it is fit for purpose. This group monitors the effectiveness of the charity's approach to risk management (including the annual risk register). The group monitors and evaluates all relevant KPIs to help address areas requiring improvement.

The Board recognises the importance of open and honest dialogue with Regulators who include Ofsted and the Care Quality Commission. As a registered charity the Together Trust is regulated by the Charity Commission. The Board receive regular updates on legal, regulatory and compliance matters when it meets six times per year. Board subgroups receive more frequent updates in line with their specialisms as set out on pages 5 to 7 of this report.

How the Board monitors progress against the Strategic Plan

The Board monitors progress against strategic aims in the Stronger Together plan by measuring Key Performance Indicators relating to specific areas of the Charity's operations and support services. Each Board subgroup described on pages 5 to 7 of this report receives KPIs relating to their specialist area either monthly or quarterly.

The Stronger Together Scorecard Themes 2019/20

The voice of the people we support shapes our activities				
Supporting people/ customers	Supportive and Effective Governance	People supported outcomes <i>We feel Together Trust staff provide a consistently high quality service and good support</i>	Stakeholder satisfaction <i>We are 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.</i>	
		Funder satisfaction <i>Funders understand and value the services the Together Trust offers. They understand the impact our services can make.</i>	People centered practice <i>I feel happy, safe and listened to because: Staff support me to be fully involved in making plans for my support – my voice is heard! My support is planned around my unique needs and what is important to me</i>	
Funding		Financial Strategy <i>Effective budget process , financial management and cost modeling tools</i>	Service Development <i>We aim to develop an integrated pathway of services and will grow organically and sustainably to meet changing needs of the people we support and commissioners. Fundraising and business development are embedded across the Trust supporting delivery growth and sustainability.</i>	
		Quality & Internal Support	Safeguarding and risk management <i>To ensure that key risks, including safeguarding, are identified and managed appropriately.</i>	Improved quality <i>Continuously meeting and exceeding quality assurance principles and other accredited standards</i>
Marketing / Communication <i>We aim to increase awareness of our full service offer and brand. We will work to influence local, regional and national policy. We will increase engagement with current and potential service users, their families and carers.</i>				
Workforce		Promoting Engagement and Wellbeing <i>An engaged and resilient workforce who work collaboratively and live the Trust values.</i>	Person Centered Workforce <i>Attract, retain, equitably reward and develop a diverse and skilled workforce that reflects the needs of the individuals who use our services</i>	
		Values		
Digital Transformation				

More information about the measures and results can be found on pages 12 to 17 of this report.

6. Strategic achievements and performance

In the year to 31 March 2020 Together Trust provided over 40 social care, special education and community services to over 2,000 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 Services along with Domiciliary care and Community Support services are regulated by either Office for Standards in Education (Ofsted) or Care Quality Commission (CQC).

During the reporting period these services were:-

Special Educational Services

- **Inscape House School** – a non-maintained special school that meets the needs of children and young people aged 5 to 19 years with autism spectrum conditions and related social communication difficulties. The school also runs its own café as a social enterprise.
- **Bridge College** – a specialist day Further Education college that 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, offered a Pupil Referral Unit (PRU) service for Manchester City Council for students aged 11 to 14 and Ashcroft College supports 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

- 12 Ofsted registered homes for children and young people including:
 - 1 short break/overnight respite service for young people with autism/learning disabilities
 - 1 short break/overnight respite service for young people with physical disabilities and/or learning disabilities
 - 2 shared care service provisions for young people with autism/learning disabilities
 - 2 emergency provisions
 - 4 mainstream EBD provisions
 - 2 therapeutic services for young people with complex autism/learning disabilities
- 1 home for disabled adults with complex health needs (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:

- 6 Supported living services for adults with complex needs
- Short breaks, including support to live at home and Outreach support for adults, children and young people with disabilities/autism
- Youth activity clubs & holiday clubs
- The Hub at the Humphrey Booth Centre in Ordsall, Salford – a community space for the people of Salford
- A learning support service based at Bolton College, supporting students aged 16 to 26 years with complex needs and/ or disabilities
- Adult day services at Newbridge and SK30+ centres in Stockport
- Working & Training Together [WaTT] - offering young people aged 16+ the chance to gain catering industry experience and qualifications
- SEND Mediation and Dispute Resolution Services on behalf of Blackburn & Darwen, Bolton, Salford, Tameside, Manchester, Stoke-On Trent, Telford & Wrekin, Rochdale, Oldham, St Helens and Cheshire East Council.

Social Care Services - Family Support Services

Together for Families service provides independent advice and support. The service provides:

- Autism support, assessment and training provision for families, professionals and other organisations
- 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)
- A range of early intervention services

Our Aims, Objectives & Key Performance Indicator (KPI) Results in 2019/20

In 2018, the Charity updated its strategic vision and goals. The current plan 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 2019/20

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>Referrals for looked after children in care continue to remain high. The Charity continues to invest in supporting and recruiting foster carers to meet increased demand for foster placements. The stability of the Trust's residential placements is high. This remains a good indicator for the outcomes for young people in the Charity's care as is their attendance in full-time education. The Trust would like to improve the longevity of residential placements for children that reach 16+ and encourage and support young people to remain in care until they reach 18+. The Trust achieves this for young people in its foster care and in homes for young people with complex needs. We are actively looking at how we can continue to provide a consistent level of support to our cohort of care leavers.</p> <p>The people we support continue to benefit from grants from funders who help to provide additional family support services including grant funding for improving physical activity, autism sleep support; positive behavioural support and participation events for young people. During the year Youth Music agreed to fund a music co-ordinator to work across all three of the Trust's schools and college to enable students to learn and enjoy musical experiences.</p> <p>Pupils at Inscape House School, a school for young people with autism, achieved a 100% pass at A Level in August 2019 for the very first time. These are the highest results in the history of the school. Both Ashcroft School and Bridge College students achieved excellent pass rates in awards during the same academic year.</p> <p>In Community services, demand for specialist day provision increased during the year. The service also worked closely with the people it supports, their families and local authorities to transfer two supported living services to new providers.</p>	<p><i>All of the Charity's CQC and Ofsted 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 2020 (31 March 2019):</i></p> <table> <tr> <td><i>Education services</i></td><td>95%</td><td>(96%)</td></tr> <tr> <td><i>Community services</i></td><td>77%</td><td>(86%)</td></tr> <tr> <td><i>Residential services</i></td><td>80%</td><td>(74%)</td></tr> <tr> <td><i>Fostered children in placement</i></td><td>95%</td><td>(90%)</td></tr> </table> <p><i>Investor in Customers biennial accreditation results³ (Aug 2019)</i></p> <table> <tr> <th colspan="3">Respondents agree that the Together Trust staff provide a consistently high quality service and good support</th></tr> <tr> <th>Audience</th><th>2017-18</th><th>2019-20</th></tr> <tr> <td>The people the Trust supports & their families and Trust foster carers</td><td>87%</td><td>88%</td></tr> <tr> <td>Commissioners</td><td>82%</td><td>84%</td></tr> <tr> <td>Practitioners</td><td>79%</td><td>85%</td></tr> </table>	<i>Education services</i>	95%	(96%)	<i>Community services</i>	77%	(86%)	<i>Residential services</i>	80%	(74%)	<i>Fostered children in placement</i>	95%	(90%)	Respondents agree that the Together Trust staff provide a consistently high quality service and good support			Audience	2017-18	2019-20	The people the Trust supports & their families and Trust foster carers	87%	88%	Commissioners	82%	84%	Practitioners	79%	85%
<i>Education services</i>	95%	(96%)																											
<i>Community services</i>	77%	(86%)																											
<i>Residential services</i>	80%	(74%)																											
<i>Fostered children in placement</i>	95%	(90%)																											
Respondents agree that the Together Trust staff provide a consistently high quality service and good support																													
Audience	2017-18	2019-20																											
The people the Trust supports & their families and Trust foster carers	87%	88%																											
Commissioners	82%	84%																											
Practitioners	79%	85%																											

³ Refer to page 11, Investor in Customers accreditation 2019

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 August, the 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 Trust gold status across all four of its principles. The independent assessment of excellence in the field of customer service and customer relationships is based on internal and external perceptions of the customers and staff. The Trust has retained this standard since 2017.</p> <p>Our mission is to champion the rights, needs and ambitions of the people we support - they are at the heart of everything we do. In July 2019 after extensive stakeholder engagement, the Board approved a new approach to policy work in order to enable the people we support to better influence future policy and provision.</p> <p>We also gained feedback from care leavers who were at a variety of different places in their leaving care journey.</p> <p>We captured the views of parents in our education and community services through surveys and one-to-one calls. We also spoke to people outside of the Together Trust to get a sense of what wider communities felt we should be taking action on.</p> <p>From this research we were then able to group the priorities into themes and identify which ones to prioritise.</p> <p>A project to redevelop Newbridge in Stockport and its services for people with individual and often complex needs was approved by the Board in April 2019. The expansion of this Stockport service will be hopefully part-funded by a fundraising appeal during 2020/21.</p>	<p><i>Investor in Customers biennial accreditation results (Aug 2019)</i></p> <table border="1"> <thead> <tr> <th colspan="3">Customer satisfaction/experience from feedback surveys view the Together Trust as a trusted service provider</th></tr> <tr> <th>Audience</th><th>2017-18</th><th>2019-20</th></tr> </thead> <tbody> <tr> <td>People we support & their families</td><td>87%</td><td>87%</td></tr> <tr> <td>Commissioners</td><td>83%</td><td>84%</td></tr> <tr> <td>Practitioners</td><td>80%</td><td>82%</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">The Trust continues to focus on putting customers and the people we support first:</th></tr> </thead> <tbody> <tr> <td>People we support & their families</td><td>87%</td><td>87%</td></tr> <tr> <td>Commissioners</td><td>83%</td><td>84%</td></tr> <tr> <td>Practitioners</td><td>80%</td><td>82%</td></tr> </tbody> </table>	Customer satisfaction/experience from feedback surveys view the Together Trust as a trusted service provider			Audience	2017-18	2019-20	People we support & their families	87%	87%	Commissioners	83%	84%	Practitioners	80%	82%	The Trust continues to focus on putting customers and the people we support first:			People we support & their families	87%	87%	Commissioners	83%	84%	Practitioners	80%	82%
Customer satisfaction/experience from feedback surveys view the Together Trust as a trusted service provider																													
Audience	2017-18	2019-20																											
People we support & their families	87%	87%																											
Commissioners	83%	84%																											
Practitioners	80%	82%																											
The Trust continues to focus on putting customers and the people we support first:																													
People we support & their families	87%	87%																											
Commissioners	83%	84%																											
Practitioners	80%	82%																											

Strategic goals	Developments/Progress	Our KPI results
<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 needs of the individuals we support and funders' requirements.</p>	<p>During the year the Together Trust won new contracts and joined or reconfirmed its position on the following frameworks:</p> <ul style="list-style-type: none"> • Manchester City Council/Manchester Secondary Pupil Referral Unit (PRU) – Key Stage 3 – 1 year extension of contract from September 2019 • Manchester City Council/Manchester Secondary PRU – Key Stage 4 – 1 year extension of contract from September 2019 • Trafford MBC - Sleep Tight service – contract re-awarded for 12 months from 1 July 2019 • Rochdale CCG – Sleep Tight Service – initial grant secured in March 2019 for 1 year; further grant awarded for delivery for additional 12 months in March 2020 • 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 March 2018 (extended for another year in March 19 and again in March 20) • Bury Council Alternative Provision Framework – from September 2019 for 5 years • Salford City Council Alternative Provision Framework - from August 2019 for 4 years • Oldham Council Mediation & Disagreement Resolution Service – contract awarded for 12 months from July 2019 (recently extended for another 12 months until July 2021) • Cheshire East Council Mediation & Dispute Resolution – new contract award from April 2020 for 3 years • STAR Procurement (includes Stockport, Trafford and Rochdale Councils) - Provision of Short Breaks for Children and Young People with Disabilities - Lot 2: Group-based Activities & Lot 3: Overnight Short Breaks – from September 2019 for 7 years • Lancashire County Council - Fostering Framework Agreement (annual refresher) – from July 2019 for 1 year • Stoke On Trent Council - Mediation contract awarded - from June 2019 until further notice 	<p>Income rose to £29.82m during the year (2018/19 £28.75m).</p> <p>The Fundraising team generated £239,000 from donations and a further £46,000 generated from grant applications giving a total income generated of £285,000 (2018/19 £419,000). The majority of grant application activity was paused as work to finalise two key developments were delayed thus delaying the launch of a capital appeal for funds into 2020/21.</p>

Strategic goals	Developments/Progress	Our KPI results
<p>Continued./</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 needs of the individuals we support and funders' requirements.</p>	<p>The Trust was delighted to be the beneficiary of a substantial grant from the National Lottery in summer 2019 enabling it to plan a number of learning and participation heritage themed events for volunteers, young people and the wider community during 2020. The grant, to mark the Trust's 150th anniversary, was delivered successfully up until the onset of COVID-19 restrictions however, in agreement with the National Lottery, this work is paused but will resume from autumn 2020 and into 2021.</p> <p>Participation events also took place across the Trust during the year thanks to Arts Council funding enabling the people we support to create a substantial art exhibition at the Lowry in Salford during 2020 to mark the Charity's 150th anniversary. It is hoped the exhibition will move the Manchester Central Library in autumn 2020.</p> <p>During the year the Trust launched a new website and new brand to better reflect who the Charity is today and our vision for a society where people thrive because they are valued within their communities. The Charity believes the new brand reflects the diversity of the thousands of people that it supports across the North West and their different needs and ambitions. A new website is more accessible and designed so that people can find the information and support they need, when they need it most.</p>	

<p>(4)</p> <p>We aim to attract and retain a skilled and motivated workforce who are treated equitably and 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>During 2019/20 the Together Trust continued to focus on its workforce development strategy. The Charity is committed to a transparent system for pay and reward in order to attract and retain staff.</p> <p>The Charity published its gender pay report in April 2020. A copy of this can be downloaded from: https://www.togethertrust.org.uk/charity-information</p> <p>The Trust continues to invest 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>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 number of volunteers continue to help at our fundraising events, in services, central office, education governing bodies and other special purpose groups. In March 2020 the Charity has recruited a Volunteer Manager to develop a strategic approach to volunteering opportunities in the Trust.</p> <p>The Trust is committed to improving the health and wellbeing of its workforce and during the year championed a number of mental health and wellbeing initiatives to enable staff to feel supported both at work and at home. With over 80 mental health first aiders in its workforce they offer initial support for mental health and wellbeing through non-judgemental listening and guidance.</p> <p>During the year the Charity worked with colleagues and a social enterprise agency to develop a digital roadmap for the Together Trust, critically reviewing how technology can support the people we serve and our workforce. As a result the Trust intends to improve its systems and processes substantially in the next few years. To lead this work a Head of Digital was recruited early in 2020. Work has begun to move the Charity to a cloud based seamless and secure architecture for all colleagues and students. This will provide the under-lying infrastructure under-pinning digital transformation work.</p> <p>A fully integrated HR and payroll software system to optimise staffing and provide accessible management information was launched in April 2019 with further modules and functionality to be implemented in the future.</p>	<p>As at 31 March 2020: Staff retention: 78% (2018/19 74%). Staff attendance: 94% (2018/19 96%) Staff turnover: 14% (2018/19 28%)</p> <p>Employees completing induction training in first 12 weeks: 97% (2018/19 91%)</p>
---	--	---

Further information about Together Trust's impact in the year can be found in The Together Trust's Annual Review 2019/20. A copy of this can be downloaded from: <https://www.togethertrust.org.uk/charity-information>

Energy Usage and Sustainability

The historic information available relates to the financial year 2018/19 and the data used in calculating the Trust's total energy consumption includes summary data, supplier invoices, transport fuel card data and automatic meter readings. Reasonable estimates have been used in calculating the energy consumption which account for 11.35% of total energy usage. Where possible, these estimates are based on verifiable sources of information. All fuel conversions to kWh and CO₂ emissions data have been calculated in line with the 2013 UK Government environmental reporting guidance using UK Government GHG conversion factors for company reporting.

The total energy consumption (TEC) in the reported period for Together Trust amounts to 4,120,865.30 kWh resulting in carbon emissions of 909.84 tonnes of carbon dioxide. The annual quantity of emissions resulting from our transport activities, including the grey fleet, and the use of gas was 664.9 tonnes of carbon dioxide. Electricity usage accounted for 244.95 tonnes of carbon dioxide.

For information, of the total annual emissions of the Trust, the Central site including Inscape and Ashcroft schools and the central office (but excluding transport) accounted for 28.4% of emissions, Bridge accounted for 18.7% (excluding transport) and Lerryn, one of our residential units, 1.3%. Transport in total accounted for 29.3% of carbon emissions.

In the financial year 2019/20 the Trust introduced energy efficient lighting in a number of locations as well as loft, roof and wall insulation in a number of properties.

7. Financial review

a) Income

In 2019/20 the Together Trust has seen its income increase by 3.7% from £28.75m to £29.82m with the increase being in the Trust's Education services, where income increased by 9.6%. This reflected growth in student numbers and also fee increases. In Social Care there was a marginal fall in income with reduced occupancy, which has since improved. Other services (which is mainly our Fostering service), saw a marginal increase in income.

Social Care services made a small surplus of £68,000 in the year on reduced income of £13.0m (2019 a surplus of £428,000 on income of £13.1m). Education services made a surplus of £1.0m on an increased turnover of £14.4m (2019 a surplus of £1.2m on income of £13.2m) while Other services (Fostering) made a small loss of £54,000 on a marginally increased turnover of £2.15m (2019 a deficit of £45,000 on income of £2.10m).

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

	2020 £'m	2020 %	2019 £'m	2019 %
Donations - Voluntary Income & Fundraising Activities	0.24	0.8	0.35	1.2
Fees for Social Care Services	12.98	43.5	13.11	45.6
Fees for Educational Services	14.41	48.5	13.15	45.9
Fees for Other Services	2.15	7.2	2.10	7.3
Investments & Other Income	0.04	0.0	0.04	0.0
	29.82	100.0	28.75	100.0

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 £262,000 (2019 £294,000), with a fall in the stock market following the Coronavirus outbreak reflecting in the value.

iii) Fundraising

In 2019/20 fundraising income, including donations, all grants and gifts in kind, was £285,000 (2018/19 £419,000). Notable contributions were received from a diverse group of supporters, both long-standing relationships and 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 and families. The Trust particularly wishes to thank all donors who have given generously to support our work either financially or with significant donations in-kind including:

The Arts Council	Booth Charities
Cheadle Royal Hospital Charitable Trust	Children in Need
Manchester City Football Club	National Lottery
Sport England	The Wooden Spoon Charity
Youth Music	

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.

The Trust would also like to acknowledge all those that supported its National Lottery bid and subsequent grant award to mark the Charity's 150th anniversary and activity of events. This included people who the Charity had supported in the past, historian and author Andrew Simpson, The Lowry Theatre, Manchester Central Library and all the members of the Cheadle Village Partnership.

However, some grant funders saw the impact of their financial support paused due to the onset of Covid-19 in March 2020. This included the National Lottery and Youth Music. We are grateful to these funders for allowing the Trust to continue the delivery of these projects into 2021.

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 practices 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 £28.69m in the year, (2018/19 £27.0m), an increase of 6.3% compared to an increase in income of 3.7%. This resulted in a reduced net income for the year of £1,099,000 compared to £1,758,000 last year.

Of the increase in expenditure, payroll costs increased by 4.4% following a cost of living annual pay increase of 2% plus incremental pay increases following the implementation of the new pay structure in 2018. In addition there was a significant increase in required teachers' pension contributions which contributed to the overall increase to pension costs of over £200,000. Agency costs also increased by £453,000 in the year to £1.8m as staff turnover remained high and increased numbers of staff went from being temporary agency workers to permanent staff. After some years of near zero inflation, in 2019/20 inflation averaged 1.5%.

Social Care services expenditure increased from £12.68m in 2018/19 to £12.91m in 2019/20, an increase of 1.8% %, while Education services expenditure increased by 11.4% to £13.36m, to support increased income and pupil numbers. Other Services expenditure (being largely Fostering), increased by 2.8% to £2.2m.

i) Expenditure for the year ended 31 March 2020

	2020 £'m	2020 %	2019 £'m	2019 %
Raising funds	0.21	0.7	0.18	0.7
Cost of providing Social Care services	12.91	45.0	12.68	47.0
Cost of providing Education services	13.36	46.6	11.99	44.3
Cost related to Other Services	2.21	7.7	2.15	8.0
	<u>28.69</u>	<u>100.0</u>	<u>27.00</u>	<u>100.0</u>

The average number of employees during the year was 846 (2018/19 857). Salary and wages are reported at £19,117m (2018/19 £18,306m), an increase of over 4.4% 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 £969,000 (2018/19 £630,000).

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 11 to 17 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.

	2020 £'000	2019 £'000
Net current assets	8,000	8,706
Less long term creditors	(1,198)	(2,717)
Net reserves	6,802	5,989
Less restricted, designated and endowment funds	(952)	(990)
Available reserves	5,850	4,999

Together Trust has net current assets of £8,000,000 (2019 £8,706,000) and long term liabilities of £1,198,000 (2019 £2,717,000) leaving net reserves of £6,802,000 (2019 £5,989,000), of which £952,000 (2019 £990,000) is in the form of restricted, designated or endowment reserves. This leaves available reserves of £5,850,000 (2019 £4,999,000). At the year-end available cash funds were £5,240,000, against the equivalent of six weeks worth of expenditure of £3,310,000 (2019 cash funds were £5,888,000 against £3,116,000 of expenditure).

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 2020 the Charity had 19 buildings and 69 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).

f) Going Concern

In March 2020 the coronavirus disease was declared a pandemic by the World Health Organization. This has had a significant operational impact with our education establishments and community day services being closed for a period to all but key worker pupils, while our short stay residential and clinical services were also affected, seeing a reduction in demand. However, in line with Government guidance, Local Authorities continued to fund all education pupils where services were disrupted by COVID. In addition the Trust was successful in most cases in applying for supplier relief payments from commissioning Councils which reduced the impact of the reduction in income in Community services. In addition over 40 staff were furloughed where service provision was reduced, capital expenditure was deferred and some non-operational recruitment was also delayed to manage the financial impact. Looking at the future impact, the Trust has been regularly reporting financial cashflow modelling with reduced levels of income assumed from Education and Community services which have indicated that the Trust remains sustainable in the future. Although there are important uncertainties resulting from the coronavirus pandemic, taking into account all factors, we do not believe there are material uncertainties that call into doubt Together Trust's ability to continue in operation for the foreseeable future.

8. Future strategy

The 'Stronger Together' Plan 2018 - 2022

Together Trust provides 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 financial projections through to 2023/24 illustrate income growth in current service provision across all service areas, taking income to £36.3m in 2023/24, 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 pages 13 to 17 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 continues to celebrate its 150th anniversary during 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.

9. 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.

At the end of the year being reported, the COVID-19 outbreak presented a new set of risks to be managed with the possible impact of staff and service user illness and the closure of services to all but key workers, with the associated impact on Trust finances. Significant management and staff resource has gone into successfully managing through this period including redeploying staff to key services, accessing Personal Protective Equipment (PPE), and making use of government funding schemes including furloughing staff. To date the Trust has been able to successfully mitigate the risks presented by COVID-19 and remains in a sound financial position.

Over the reporting period the other main risks centred around the ability to recruit and retain staff following 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 and we have also greatly expanded the learning and development opportunities available to staff as well as staff well-being support. By the end of the year we have seen a reduction in staff turnover and an improvement in staff retention.

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 judgement fundamentally changed 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. Under this ruling staff who are simply available to work, such as care workers, are not entitled to the national 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 in the Supreme Court and we await the outcome.

The finances 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. To ensure this we started to undertake a strategic property review, which will be resumed when things return to normal after the COVID outbreak.

Although there is still national uncertainty over the full impact of COVID-19 and the outcome of Brexit, the future effect on the Charity is likely to be limited to how these impact upon local authority funding and their priorities. Brexit may 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.

10. 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 adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them 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 The Together Trust (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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 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

10 November 2020

Statement of financial activities

Statement of financial activities for the year ended 31 March 2020 (including income and expenditure account)

	Note	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
INCOME FROM:						
Donations	4	132	107	-	239	352
Charitable activities	5	29,433	107	-	29,540	28,365
Investments	6	21	-	4	25	27
Other	7	14	-	-	14	11
TOTAL INCOME		29,600	214	4	29,818	28,755
EXPENDITURE ON:						
Raising funds	8	209	-	2	211	182
Charitable activities	9	28,251	228	-	28,479	26,821
TOTAL EXPENDITURE		28,460	228	2	28,690	27,003
Net (losses)/gains on investments	15	(15)	-	(14)	(29)	6
Net income/ (expenditure) for the year		1,125	(14)	(12)	1,099	1,758
Transfers between funds		(57)	61	(4)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension scheme	22	(307)	-	-	(307)	(187)
Other (losses)/gains	12	(25)	-	-	(25)	18
NET MOVEMENT IN FUNDS		736	47	(16)	767	1,589
RECONCILIATION OF FUNDS						
Total funds brought forward		24,103	568	137	24,808	23,219
Net movement of funds in the year		736	47	(16)	767	1,589
Total funds carried forward	20	24,839	615	121	25,575	24,808

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

As at 31 March 2020

	Note	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	14	18,511	18,525
Investments	15	262	294
		<u>18,773</u>	<u>18,819</u>
CURRENT ASSETS			
Debtors	16	7,396	5,309
Cash at bank and in hand		5,240	5,888
		<u>12,636</u>	<u>11,197</u>
CREDITORS:			
Amounts falling due within one year	17	(4,636)	(2,491)
NET CURRENT ASSETS		<u>8,000</u>	<u>8,706</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,773</u>	<u>27,525</u>
CREDITORS:			
Amounts falling due after more than one year	18	(1,198)	(2,717)
Provision for pension scheme liabilities	22	-	-
NET ASSETS		<u><u>25,575</u></u>	<u><u>24,808</u></u>
FUNDS OF THE CHARITY			
Unrestricted funds:			
General		17,461	16,550
Revaluation reserve		7,162	7,268
Designated		216	285
		<u>24,839</u>	<u>24,103</u>
Restricted income funds		615	568
Endowment funds		121	137
TOTAL CHARITY FUNDS	20,21	<u><u>25,575</u></u>	<u><u>24,808</u></u>

These financial statements on pages 29 to 56 of The Together Trust (registered number 301722) were approved and authorised for issue by the Board of Trustees on 6 November 2020. They were signed on its behalf by:



Mr Ralph Ellerton
Chairman of Trustees



Mr Anthony Farnworth
Honorary Treasurer

Cash flow statement

For the year ended 31 March 2020

	2020 £'000	2019 £'000
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	767	1,589
Adjustments for:		
Depreciation	710	662
Losses/(gains) on investments	29	(6)
Income from investments	(9)	(9)
Profit on the sale of fixed assets	(14)	(11)
Interest receivable	(16)	(18)
Interest payable	88	151
Increase in debtors	(2,087)	(848)
Increase in creditors	2,207	529
Net movement of pension service cost	67	150
Interest rate swap liability loss/(gain)	25	(18)
Pension scheme actuarial loss	307	187
Net cash flows from operating activities	2,074	2,358
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	16	18
Income from investments	9	9
Proceeds from the sale of property, plant and equipment	62	11
Purchase of property, plant and equipment	(744)	(468)
Net cash flows from investing activities	(657)	(430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(88)	(151)
Repayments of borrowings	(1,603)	(1,145)
Net cash outflow from defined benefit scheme pension contributions	(374)	(337)
Net cash flows from financing activities	(2,065)	(1,633)
Net (decrease)/increase in cash in the year	(648)	295
Cash at the beginning of the year	5,888	5,593
Cash at the end of the year	5,240	5,888

Analysis of changes in net debt

	Note	At the beginning of the year £'000	Cash flows £'000	Fair value movements £'000	At the end of the year £'000
Cash		5,888	(648)	-	5,240
Bank loans	18	(2,603)	1,603	-	(1,000)
Interest rate swaps	23	(266)	-	(25)	(291)
		3,019	955	(25)	3,949

Notes to the financial statements

Year ended 31 March 2020

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 2019)" 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 2019; 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.

In March 2020 the coronavirus disease was declared a pandemic by the World Health Organization. This has had a significant operational impact with our education establishments and community day services being closed for a period to all but key worker pupils, while our short stay residential and clinical services were also affected, seeing a reduction in demand. However, in line with Government guidance, Local Authorities continued to fund all education pupils where services were disrupted by COVID. In addition the Trust was successful in most cases in applying for supplier relief payments from commissioning Councils which reduced the impact of the reduction in income in Community services. In addition over 40 staff were furloughed where service provision was reduced, capital expenditure was deferred and some non-operational recruitment was also delayed to manage the financial impact. Looking at the future impact, the Trust has been regularly reporting financial cashflow modelling with reduced levels of income assumed from Education and Community services which have indicated that the Trust remains sustainable in the future. Although there are important uncertainties resulting from the coronavirus pandemic, taking into account all factors, we do not believe there are material uncertainties that call into doubt Together Trust's ability to continue in operation 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 2020

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.

4. Analysis of income from donations

	2020 £'000	2019 £'000
Donations	239	352

5. Analysis of income from charitable activities

	2020 £'000	2019 £'000
Social care services	12,982	13,111
Educational services	14,405	13,152
Other services	2,153	2,102
	29,540	28,365

6. Analysis of income from investments

	2020 £'000	2019 £'000
Investment income	9	9
Bank interest	16	18
	25	27

7. Analysis of other income

	2020 £'000	2019 £'000
Net gain on disposal of fixed assets	14	11
	14	11

8. Analysis of expenditure on raising funds

	2020 £'000	2019 £'000
Staff and related costs	157	128
Service provision costs	12	31
Service administration costs	1	8
Other service costs	41	15
	211	182

9. Analysis of expenditure on charitable activities

Expenditure	Social Care Services 2020 £'000	Education Services 2020 £'000	Other Services 2020 £'000	Total 2020 £'000
Staff and related costs	9,471	9,280	1,710	20,461
Premises costs	535	680	23	1,238
Service provision costs	726	833	47	1,606
Service administration costs	178	203	113	494
Other service costs	483	655	60	1,198
Head Office support costs	1,521	1,707	254	3,482
	12,914	13,358	2,207	28,479

Comparatives for the year ended 31 March 2019

Expenditure	Social Care Services 2019 £'000	Education Services 2019 £'000	Other Services 2019 £'000	Total 2019 £'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
	12,683	11,991	2,147	26,821

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 and interest.

Notes to the financial statements year ended 31 March 2020

10. Analysis of Head Office support costs

	Social Care Services	Education Services	Other Services	Total
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Staff & related costs	751	844	125	1,720
Premises costs	97	108	16	221
Office administration costs	335	376	56	767
Governance costs	105	118	18	241
Other costs	233	261	39	533
	1,521	1,707	254	3,482

Comparatives for the year ended 31 March 2019

	Social Care Services	Education Services	Other Services	Total
	2019	2019	2019	2019
	£'000	£'000	£'000	£'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
	1,377	1,409	221	3,007

Head Office support costs allocation

There is a head office function which provides all the support services of the Trust's activities. These services include Communications and Marketing, Business Development, Finance, Human Resources & Organisational Development, IT services and Facilities Management and the services of the Executive Directors. 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:

	2020 £'000	2019 £'000
Auditor's remuneration - audit	25	25
Auditor's remuneration – other audit services	3	1
Interest paid on bank loan	51	92
Interest paid on interest rate swap contracts	37	59
Depreciation of owned assets	710	662
Rental under operating leases	115	121
Insurance	365	363
PR and marketing	266	171
	<u>266</u>	<u>171</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

	2020 £'000	2019 £'000
(Loss)/gain on interest rate swap contract	(25)	18
	<u>(25)</u>	<u>18</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:

	2020 Headcount No.	2019 Headcount No.
Social care services staff	416	432
Education services staff	348	348
Other services staff	16	16
Other support staff	66	61
	846	857

The aggregate staff costs were:

	2020 £'000	2019 £'000
Wages and salaries	16,508	15,982
Social security costs	1,340	1,262
Pension costs	1,269	1,062
	19,117	18,306

During the year the Trust incurred redundancy costs of £1,000 (2019 £nil).

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 £1,812,000 (2019 £1,359,000 restated to include non-recoverable VAT).

In addition to the above staff costs, foster carer fees amounted to £1,203,000 (2019 £1,174,000).

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:

	2020 No.	2019 No.
£60,001 to £70,000	-	1
£70,001 to £80,000	2	1
£80,001 to £90,000	-	1
£90,001 to £100,000	2	1
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-

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 £456,000 (2019 £439,000).

Trustees' remuneration

None of the Trustees receive any remuneration for their services to the Trust. 1 (2019 same) Trustee received reimbursement of travel expenses incurred totalling £370 (2019 £268).

Notes to the financial statements year ended 31 March 2020

14. Tangible fixed assets

	Land and Buildings	Property Improvement	Motor Vehicles	Ancillary Equipment	Total
COST	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	20,223	1,259	1,067	228	22,777
Additions	611	10	94	29	744
Disposals	(122)	-	(108)	-	(230)
At 31 March 2020	20,712	1,269	1,053	257	23,291
DEPRECIATION					
At 1 April 2019	2,176	1,193	689	194	4,252
Charge for the year	531	32	131	16	710
On disposals	(75)	-	(107)	-	(182)
At 31 March 2020	2,632	1,225	713	210	4,780
NET BOOK VALUE					
At 31 March 2020	18,080	44	340	47	18,511
At 31 March 2019	18,047	66	378	34	18,525

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 £4,950,000 (2019 £5,077,000). The Charity pays a peppercorn rent for the related land. In addition, included within land and buildings above are the costs of assets under construction of £364,000 (2019 £nil).

Certain property is pledged as security on the Charity's bank loan. The net book value of these properties is £4,950,000 (2019 £5,077,000).

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	(2,568)
Net book value at 31 March 2020	10,916
Net book value at 31 March 2019	11,185

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	<p>The main administrative centre for the Charity which accommodates 60 employees. The campus also is home to the following Together Trust services:</p> <p>Inscape House School – a school for young people aged 5 – 19 years with autism. The school can accommodate up to 105 young people</p> <p>Ashcroft School – special education for young people with complex emotional difficulties aged 8 – 18 years. The school can accommodate up to 60 pupils</p>
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
Lerryn	A 6 bedded residential unit accommodating children and young people
Meridian	A 5 bedded short break service for young people with autism
Newbridge	A specialist day service provision
Norvent	A specialist therapeutic residential provision for two young people
Pearce Lodge	A 5 bedded unit for disabled young people aged 16 to adulthood
Pendlebury House	A shared care service for up to 6 young people with autism and behavioural needs
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

	2020	2019
	£'000	£'000
UK listed investments	<u>262</u>	<u>294</u>

Movement in market value

	2020	2019
	£'000	£'000
At start of year	294	290
Additions	7	47
Disposal proceeds	(7)	(47)
Net investment (losses)/gains	(29)	6
Movement in cash held by investment managers	(3)	(2)
At end of year	<u>262</u>	<u>294</u>

Market value is analysed between:

Investments	260	289
Cash held by investment managers	<u>2</u>	<u>5</u>
	<u>262</u>	<u>294</u>

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

Limited by guarantee

None of these companies has traded during the year (2019 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 2020

16. Debtors

Amounts falling due within one year:

	2020	2019
	£'000	£'000
Trade debtors	7,186	4,791
Prepayments and accrued income	209	514
Other debtors	1	4
	<u>7,396</u>	<u>5,309</u>

17. Creditors: Amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans	93	152
Trade creditors	495	808
Accruals	372	470
Deferred income	2,984	432
Taxation and social security	339	316
Other creditors	353	313
	<u>4,636</u>	<u>2,491</u>

Deferred income movement

	2020	2019
	£'000	£'000
Balance at start of year	432	219
Amount released in the year	(432)	(219)
Amount deferred in the year	2,984	432
	<u>2,984</u>	<u>432</u>

Notes to the financial statements year ended 31 March 2020

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

	2020 £'000	2019 £'000
Bank loans	907	2,451
Financial derivatives (see note 23)	291	266
	<u>1,198</u>	<u>2,717</u>

The bank loan is repayable as follows:

	2020 £'000	2019 £'000
Payable within one year	93	152
Payable between 1 and 2 years	71	164
Payable between 2 to 5 years	213	553
Payable after 5 years	623	1,734
	<u>1,000</u>	<u>2,603</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 certain property (see note 14). During the year the Trust took the opportunity to repay £1,450,000 (2019 £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 £51,000 (2019 £92,000).

The Trust is a party to an interest rate swap contract in relation to a financial derivative to manage its exposure to the risk of interest rate variation. Under this swap contract, 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. See note 23 for further details.

Notes to the financial statements year ended 31 March 2020

19. Comparative statement of financial activities

For the year ended 31 March 2019

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

20. Movement on funds

	1 April 2019 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfer s £'000	31 March 2020 £'000
Unrestricted						
General	16,550	29,600	(28,048)	(347)	(294)	17,461
Revaluation reserve	7,268	-	-	-	(106)	7,162
Designated	285	-	(412)	-	343	216
Unrestricted funds	24,103	29,600	(28,460)	(347)	(57)	24,839
Restricted funds	568	214	(228)	-	61	615
Endowment funds	137	4	(2)	(14)	(4)	121
	24,808	29,818	(28,690)	(361)	-	25,575

Year ended 31 March 2019 comparatives

	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
Designated	385	-	(224)	-	124	285
Unrestricted funds	22,686	28,524	(26,838)	(166)	(103)	24,103
Restricted funds	484	227	(164)	-	21	568
Endowment funds	49	4	(1)	3	82	137
	23,219	28,755	(27,003)	(163)	-	24,808

Unrestricted Designated Funds

These funds comprise:

- a development fund which 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.
- a number of other 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.
- a number of other designated funds which support the efficient operation of the Trust.

20. Movements on funds (continued)

Restricted Funds

	1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2020 £'000
1. Inscape DfES specific grants	58	-	-	-	58
2. Ashcroft	63	-	-	-	63
3. Young Roots	6	-	(1)	-	5
4. Meridian Outdoor Equipment	1	-	-	-	1
5. Bridge Transitional fund	96	-	-	-	96
6. Youth Music Fuse fund	67	-	(31)	-	36
7. 150 th anniversary fund	-	75	(53)	26	48
8. Miscellaneous	277	139	(143)	35	308
	<u>568</u>	<u>214</u>	<u>(228)</u>	<u>61</u>	<u>615</u>

2019 comparatives

	1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2019 £'000
1. Inscape DfES specific grants	58	-	-	-	58
2. Ashcroft	69	4	-	(10)	63
3. Young Roots	7	-	(1)	-	6
4. Meridian Outdoor Equipment	1	-	-	-	1
5. Bridge Transitional fund	96	-	-	-	96
6. Youth Music Fuse fund	-	34	-	33	67
7. 150 th anniversary fund	-	-	-	-	-
8. Miscellaneous	253	189	(163)	(2)	277
	<u>484</u>	<u>227</u>	<u>(164)</u>	<u>21</u>	<u>568</u>

- Inscape DfES grants** – Grant income for specific purposes.
- Ashcroft** – Funds from Corporate supporters allocated to specific projects for Ashcroft School
- 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.
- Meridian Outdoor Equipment** – A fund set up to purchase outdoor equipment for young people with autism who receive short breaks at Meridian.
- Bridge Transitional fund** - this is a fund for Bridge College, being grant monies from Central Government to enable Colleges to develop alternative income streams.
- Youth Music Fuse fund** – this is a fund for a project to support young people to enjoy and learn music across all Together Trust education settings
- 150th Anniversary fund** – a National Lottery funded project to celebrate the heritage and archive of the Trust's 150 years of providing aid, assistance and care to children and young people
- Miscellaneous** – This represents a number of individual service funds, generally established from donations restricted 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 2019 £'000	Income £'000	Expenditure £'000	Gains and (losses) £'000	Transfers £'000	31 March 2020 £'000
Jubilee Trust Fund	79	2	(1)	(8)	(2)	70
Other funds	58	2	(1)	(6)	(2)	51
	<u>137</u>	<u>4</u>	<u>(2)</u>	<u>(14)</u>	<u>(4)</u>	<u>121</u>

2019 comparatives

	1 April 2019 £'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>

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 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

Notes to the financial statements year ended 31 March 2020

21. Analysis of assets and liabilities between funds

	Unrestricted	Restricted	Endowment	Total
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Tangible fixed assets	18,511	-	-	18,511
Investments	141	-	121	262
Debtors	7,396	-	-	7,396
Cash	4,625	615	-	5,240
Current liabilities	(4,636)	-	-	(4,636)
Long term liabilities	(1,198)	-	-	(1,198)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	24,839	615	121	25,575
	<hr/>	<hr/>	<hr/>	<hr/>

2019 comparatives

	Unrestricted	Restricted	Endowment	Total
	2019	2019	2019	2019
	£'000	£'000	£'000	£'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)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	24,103	568	137	24,808
	<hr/>	<hr/>	<hr/>	<hr/>

22. Pensions

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

(i) Together Trust Final Salary Scheme

The Charity operates 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 2020 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 had previously agreed with the scheme's Trustee that it would aim to eliminate the deficit by 31 August 2019 by the payment of annual contributions of £279,000. In addition to these payments, the Trust made a further payment of £200,000 during the year to further de-risk the deficit. The Trust has further agreed with the Trustee that it will continue to pay £58,020 per annum to meet expenses of the scheme and levies to the Pension Protection Fund. Over the year to 31 March 2020 the Trust has paid in line with this schedule of contributions.

Assumptions

The key assumptions used in the actuarial valuation were:

	Valuation at	
	2020 % per annum	2019 % per annum
Discount rate	2.30	2.35
Inflation (RPI)	2.75	3.30
Inflation (CPI)	1.75	2.30
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.75	3.30
Allowance for pension in payment increases of CPI or 5% pa if less	1.85	2.35
Allowance for pension in payment increases of CPI or 3% pa if less	1.65	1.95
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (years)	
	2020	2019
Retiring today:		
Males	22.0	21.5
Females	23.7	23.3
Retiring in 20 years:		
Males	23.3	22.9
Females	25.0	24.5

Notes to the financial statements year ended 31 March 2020

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:

	2020 £'000	2019 £'000
Fair value of scheme assets	9,559	9,220
Present value of defined benefit obligations	(8,186)	(8,637)
Surplus in plan	1,373	583
Unrecognised surplus	(1,373)	(583)
Net asset recognised in the balance sheet	-	-

The surplus on the pension scheme is not recognised in the balance sheet as Together Trust does not have the right to recover the surplus under the terms of the trust deed governing the scheme.

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

	2020 £'000	2019 £'000
Fair value of scheme assets at start of year	9,220	8,766
Interest income	217	223
Actuarial gains	117	269
Expenses	(67)	(66)
Contributions paid by the employer	374	337
Benefits paid and expenses	(302)	(309)
Fair value of scheme assets at end of year	9,559	9,220

The actual return on the scheme assets over the year ending 31 March 2020 was £339,000 (2019 £492,000).

Assets

	2020 £'000	2019 £'000
Equity type	-	2,192
Bond type	6,393	5,841
Property	649	232
Other	2,517	955
Total assets	9,559	9,220

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

	2020 £'000	2019 £'000
Defined benefit obligation at start of year	8,637	8,445
Interest expense	199	212
Past service cost – plan amendments	-	84
Actuarial losses	348	205
Benefits paid and expenses	(302)	(309)
Defined benefit obligation at end of year	8,186	8,637

22. Pensions (continued)

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

	2020 £'000	2019 £'000
Expenses	(67)	(66)
Past service cost – plan amendments	-	(84)
Net cost recognised within net income/(expenditure) for the year	<u>(67)</u>	<u>(150)</u>
Return on scheme assets (excluding amounts included in net interest cost) – gain	117	269
Experience gains and losses arising on the scheme liabilities – gain	43	9
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities – gain/(loss)	305	(214)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – loss	(772)	(251)
Total actuarial loss	<u>(307)</u>	<u>(187)</u>
Total cost relating to defined benefit scheme recognised in the Statement of Financial Activities	<u>(374)</u>	<u>(337)</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 £539,000 (2019: £379,000) and have been recognised in the Statement of Financial Activities as an expense with £53,000 (2019: £30,000) outstanding at the balance sheet date. 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 £1,000 (2019: £7,000). An amount of £nil (2019: £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 2020 the pensions contribution payable for staff in the Group Personal Pension scheme was £729,000 (2019: £633,000) with £62,000 (2019: £54,000) 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	
	2020	2019	2020	2019	2020	2019
	%	%	£'000	£'000	£'000	£'000
5 years +	4.21%	4.21%	1,054	1,100	291	266

The Trust is party to an interest rate swap contract in relation to a financial derivative to manage its exposure to the risk of interest rate variation. The interest rate swap contract expires on 31 March 2031.

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

Losses of £25,000 (2019: gains £18,000) in respect of the interest rate swap contract have been recognised in the Statement of Financial Activities.

24. Related party transactions

No Trustee received payment for professional or other services supplied to the Charity during the year (2019 £nil). There were no other related party transactions during the current or prior years that require disclosure.

25. Financial commitments

Operating lease commitments

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

	Land & Buildings		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
- due within one year	37	73	12	3
- due between one and five years	88	115	30	3
- due after five years	-	10	-	-
	<u>125</u>	<u>198</u>	<u>42</u>	<u>6</u>

26. Contingent liabilities

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

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 judgement fundamentally changed 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. Under this ruling, staff who are simply available to work, such as care workers, are not entitled to the national 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 in the Supreme Court 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