

Company Registration No. 11293709



brighterfuturesforchildren.org

Brighter Futures for Children
Annual Report
2019-20

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COMPANY INFORMATION

Directors	A P Byrne S Douglas D Glassbrook N Gilham R Harbord D Smith P S Snell
Registered Office	Reading Borough Council Civic Offices Bridge Street Reading Berkshire RG1 2LU
Company Number	11293709
Auditors	UHY Hacker Young Chartered Accountants Quadrant House 4 Thomas More Square London E1W 1YW
Principal Bankers	Lloyds Bank plc 24 Broad Street Reading Berkshire RG1 2BT
Solicitors	Burges Salmon One Glass Wharf Bristol BS2 0ZX

The Directors present their annual report and the audited financial statements of the company for the year ended 31 March 2020.

About Brighter Futures for Children

Incorporated on 5 April 2018, Brighter Futures for Children Limited (BFfC) is a company limited by guarantee. It delivers children's services on behalf of Reading Borough Council (RBC). The company is wholly-owned by, but independent of the council and is governed by an independent Board, executive committee and senior leadership team, to ensure operational autonomy.

The company has a seven-year contract to deliver children's social care, early help and prevention and education services, including Special Education Needs and/or Disabilities (SEND). This is managed through regular commissioning arrangements, with Key Performance Indicators (KPIs). Jointly funded by Reading Borough Council and the Department for Education (through transformation programme funding), the company started its operational service delivery on 3 December 2018.

Executive summary of strategic report

The company's first year business plan, designed to run from 1 April 2019 (our first full financial year) was completed before 31 March 2019 and was unanimously approved by Reading Borough Council's Policy Committee in April 2019.

The plan took the shape of an overarching business strategy, under which the plans for each senior leader's service area and their work streams would target specific areas of work essential to the company's success.

These included the Ofsted improvement plan, inherited from RBC but re-examined and updated to address and reflect the new focus and pace of improvement for children's social care, as well as a Transformation Programme plan to deliver sustained improvements in five key areas, through the delivery of 28 projects.

During the year, the company, led by its senior leadership team, and overseen by its Board, worked to its initial 17 Key Performance Indicators as set out in the contract arrangements.

By the end of the first full financial year (March 31, 2020) the company had achieved an improved Ofsted rating of 'requires improvement to be good', had established an Independent Fostering Agency which was, in February 2020 judged 'requires improvement' (previously 'inadequate' under the former children's services umbrella), had two 'outstanding' ratings from Ofsted for its children's homes. Other key successes are outlined in the **Update on strategic progress** section.

How BFfC works

BFfC manages the demands of its services with flexibility and independence. With this autonomy, the company is free to create its own policies and procedures, to have its own finance, HR, commissioning and corporate services and to work flexibly and innovatively with partner agencies to deliver quality services in a new way.

There is also the flexibility to further develop a suite of traded services and to look for income generation opportunities.

BfC services

BfC has the statutory responsibility, on behalf of Reading Borough Council, for the delivery of the following:

Children's social care

Education, Special Education Needs and Disabilities, School Support services

Early help & prevention services

Our vision is to unlock resources to help every child have a happy, healthy and successful life.

Objectives and activities

The company's overall **objective** is to protect and enhance the lives of the children of Reading.

This first, full financial year of operation, was led by the business plan (strategy) with nine clear priorities. The plan was approved by Reading Borough Council in April 2019.

Under the business plan, and in collaboration with each service area lead, objectives and outcomes were set for each service area, to dovetail with the key priorities and ensure the business model the company had set for itself would be kept on track, both in terms of practice improvement and financially.

Each service area lead took responsibility for developing strategies, action plans and a summary 'plan on a page' which detailed the output and outcomes for each service area to deliver its objectives within the company business plan.

The overall business model and focus for the first year was based on improvement and development.

Year one's overall objective was to: *focus on meticulous improvement of practice, stabilisation and development of the workforce, and engaging with children, families, staff and partners to ensure that they are part of our journey towards excellence.*

The nine key priorities for Year One and updates on progress were regularly communicated to all staff. These were:

- 1) Developing a stable and happy workforce which is well supported and well-led.
- 2) Achieving the current Improvement and Learning Plan to address inconsistencies in social work practice.
- 3) Establishing a strong network of stakeholders and partners across Reading and beyond to support our work.
- 4) Building on strong foundations, create an imaginative preventative strategy to help children and families.
- 5) Supporting our education providers to give the best possible start to our children and young people.
- 6) Driving a robust change programme which will deliver excellent and efficient services within a tight budget.
- 7) Listening to and engaging with the people we are here to serve.
- 8) Deliver the children's services for Reading within agreed fixed fee, being £85m for 2019/2020 (£41m core funding).
- 9) To deliver a commercial Independent Fostering Agency (IFA) leading to increased children being cared for within the 20-mile radius.

Details on the progress throughout the year on each priority are given under the **Update on strategic progress** section, which outlines strategic decision-making and actions undertaken for each of the nine priorities.

Update on strategic progress:

With monthly Managing Director and Director of Children's services reports to the Board, progress across the company has been tracked throughout the year.

At the start of the financial year, clear governance arrangements, a scheme of delegation, reporting lines and areas of responsibility for both output and outcomes were led by the Managing Director and reported to the Board.

The Board's own governance arrangements, including terms of reference for its scrutiny and oversight committees and 'start and finish' action groups were established and communicated to all staff.

Achieving stability in children's services, particularly in the senior leadership team, has been one of the key objectives for 2019/20 and has largely been achieved. The direction for the company's future improvements - the who, what, why, where, how and when - had been set.

Key points to note for this annual report are:

- The Board membership has remained consistent throughout the year
- Following a number of interim appointments, Reading Borough Council appointed a permanent Director of Children's Services in November 2019
- The interim Director of Children's Social Care who first arrived in July 2019, was successful in a nationally advertised and competitive recruitment process and was appointed as a permanent director
- The Director of Education has been in post since September 2019 and was appointed through a national and competitive recruitment process.
- Key corporate senior management roles were consistently filled by the same people throughout the full year
- There has also been consistency with the company's relationship with Reading Borough Council mainly through the Chief Executive and Lead Members for Children's Services and Education.

Just six months into 2019/2020 and ten months after the company took over delivery of children's services, its Ofsted grading improved from 'Inadequate' to 'Requires Improvement to be Good'.

At the time of the public announcement, in October 2019, Reading's Lead Councillor for Children's Services, Cllr Liz Terry, praised BFfC and said: 'We are delighted that Ofsted has recognised the huge efforts being made to help turn children's services around in Reading. The important thing now is for that recognition to translate into better life outcomes for vulnerable children, young people and families in the town.'

1. Developing a stable and happy workforce which is well supported and well-led

Much effort was put into developing two-way communication with all employees. Newsletters and briefings were set up; suggestion boxes positioned across all offices and a new culture of openness, honesty and access to the senior leadership team established.

As a result, a 'You Said, We Did' was set up, with all questions honestly answered by senior managers, tabled and put on the intranet for everyone to see. The Managing Director established a 'Talk to Tony' slot each fortnight, where all employees were encouraged to go along to meet him, raise any concerns and put forward any suggestions for better ways of working.

All staff briefings were developed, with set topics and opportunities for questions. A comprehensive induction process, with the chance to meet and question senior managers was set up and new supervision templates were brought in, alongside training for all managers on effective supervision, so the workforce felt better supported and led.

The company's values were repeated at every briefing and in every newsletter. New staff were given a mug with the values on the side, actively encouraged to 'drink in our values'. The culture as a values-driven company with leaders and employees on a journey of improvement together was embedded.

Internally, an intranet was built and launched in February 2020, to bring together all guidance, policies and procedures and 'one version' to eliminate mixed messaging and outdated guidance. Good practice was further encouraged by the launch of the Bright Stars recognition scheme for good performance and consistent examples of delivering company values.

The 2020 staff survey aligns with the HR strategy to support an engaged workforce – to develop a positive culture across the company and to ensure all staff are fully engaged in their roles, their views are heard and they are genuinely engaged in all aspects of the company.

Overall the results are very positive and the comments reflect that many staff feel supported by the senior leadership team and their line manager.

88% (74% in 2019) reported that most days they saw positive results in their work; 88% (86%) felt a sense of pride in their work and 62% (33%) felt properly rewarded for their work. New questions in 2020 revealed that 76% of the workforce felt internal communications were informative and 65% enjoyed their work more than they did a year ago.

2. Achieving the current Improvement and Learning Plan to address inconsistencies in social work practice

Promoting improvements in the quality of social care practice has been key during 2019/20 given that children's social care in Reading had been inadequate since 2016.

During 2019/20, comprehensive measures have been put in place to improve the quality of service provision, which is the bedrock for all future improvements.

One of the first was the introduction of Good Practice Standards. This has clarified expectations for practice across children's social care and allowed for more consistent practice which, in turn, has led to clear and thoughtful planning for children.

Areas that were focused on, as per recommendations made by Ofsted, and in line with the children's social care improvement plan, as outlined in the business plan, related to:

- *The quality of assessment, planning and provision for Children in Need (CiN):* the timelines of Children in Need visits from the Ofsted inspection in August/September 2019 until March 2020, improved from 86% to 87%; the percentage of Children in Need with a plan also improved from 88% to 91%.

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- Overall, performance for Children in Need improved, which was also evidenced by the Deep Dive undertaken in February 2020, which indicated greater stability and improved practice with better outcomes.
- *The quality of assessment, planning and provision for 16- and 17-year-old young people who are homeless:* This improved by virtue of updating the housing protocol and providing training to practitioners. This has led to a more informed application of the Southwark Judgement to ensure that only the right young people become looked after; through informed decision-making.
- *The quality of assessment, planning and provision for children living with connected carers:* Training was delivered; better reporting systems were implemented and weekly reporting allowed for robust management oversight, which has led to no under 16 children being in unregulated placements.
- *Better police participation at assessment stage:* The participation and engagement of the police in child protection processes improved to 99% in March 2020. This was a significant achievement and demonstration of better partnership working. It was one of the key areas identified in the Ofsted findings and we are delighted that it has been resolved so quickly.
- *The number of local placements for children in care:* In August 2019, this figure was 35% of children living outside the 20-mile radius of Reading. By March 2020, this had reduced to 31%.
- *Areas where there has been historic entrenched poor performance:* By March 2020, the number of single assessments completed and % of children seen within the first 10 working days of the single assessment start date had improved to 75%. This was the best performance in five consecutive months. Children subject to a repeat child protection also plan showed a significant improvement, with a reduction to 9%.

A significant improvement in this area in 2019/20 has been the introduction of achieving best practice panels. The panels have focused on children subject to statutory child protection processes. Best practice has been achieved through collaborative discussions between all the professionals working with the child/ren and families. New processes are now in place so there is a swifter, more timely journey for the child through the statutory child protection system.

Regular operations meetings, constant review, deep dives, practice weeks and a self-evaluation for the Ofsted annual conversation (in February 2020) have all shown marked improvements across children's services.

3. Establishing a strong network of stakeholders and partners across Reading and beyond to support our work

BFFC considers partnership working to be crucial to the overall success of the company. One of the key successes of 2019/20 for BFFC was its instrumental role in setting up the ONE Reading Partnership.

With the funding obtained from the Transformation Programme for the Early Years' partnership work and from the Troubled Families Grant, we have been able to support the establishment of the ONE Reading Partnership.

Although this partnership is resourced by BFFC, it is very important for us that all partners within it are considered to be equal. We have therefore referred to ourselves as 'facilitators' in helping the equal structure of the partnership to develop and flourish.



Established under one of the five transformation Programme workstreams (**C - Building Community Capacity Projects**) it is a Reading wide prevention and early intervention multi-agency partnership committed to delivering better outcomes for children, young people and families, and developing a local consensus on how to work together.

Agencies, voluntary, charitable and community organisations have been drawn together, with a shared consensus and joint aim of reducing the number of troubled families and also reducing the number of children and young people reaching the threshold for children's social care or for behaviour to escalate into criminal proceedings.

It has brought shared accountability and governance for early help arrangements in Reading. The key objectives of this newly established partnership are to:

- Improve the quality of help at the earliest opportunity when needs are first identified and prevent issues escalating
- Maximise the access to community based early help capacity
- Increase the early help arrangements in place for children and young people across the partnership. This will include early help assessments, team around the family plans and diverting families from the front door
- Achieve sustainable and whole systems change in the partnership early help approach.

Work in 2019/20 saw an agreed consensus framework for the partnership (July 2019), work towards shared access to information and early help arrangements via a portal and training for all partnerships by a jointly-funded trauma informed practitioner to embed trauma thinking in service delivery and practice across the wider partnership, which includes RBC, police, health and the voluntary and community sector.

This will bring about wider knowledge and awareness of adverse childhood experiences (ACEs) and how the number of ACEs can impact on a child's wellbeing.

4. Building on strong foundations, create an imaginative preventative strategy to help children and families

Working with our partners, we want to alter the balance between statutory intervention and early help to prevent any escalation into statutory services, either through a child protection plan or by becoming looked after, than is absolutely necessary.

Expanding our Early Help offer has been one of our priorities. Having already begun this work with the establishment of the ONE Reading Partnership, we agreed to pilot an innovative approach to managing some Children in Need within early help to release capacity within social care teams.

This work has aligned with priority 4 of the business plan and has focussed on developing the team structures and service delivery plans for innovative intervention projects to prevent escalations into children's social care.

The projects each aimed to reduce/avoid high costs of placements, assessment units and court proceedings. More importantly, the projects each sought to work with families to bring about life-long changes.

The first of these was the pre-birth team, set up in April as a project under the Transformation Programme (**Workstream D - Stronger Stability for Children**). The pre-birth team has provided intensive, trauma informed interventions to support women to keep their babies, when safely appropriate.

The second project was CAST (Community Adolescent Support Team), a multi-disciplinary team to improve the support and interventions offered to young people (aged 10+) and their families in Reading on the imminent edge of care. The project aimed to reduce/avoid high costs of placements, assessment units and court proceedings.

Located with the Youth Offending Service. CAST operates a 'team around the worker' model to deliver a swift response, bespoke support packages and evidence-informed interventions to address underlying issues and current concerns with young people and their families, building on strengths in order to achieve sustainable outcomes. The team works with the whole family wherever possible, including work with siblings and has developed a trauma-informed, systemic approach to practice.

CAST worked with 29 families up to the end of March 2020. Of these, four young people did cross the threshold into care. In addition to reducing exclusions, missing episodes and the number of youth arrests and offending, the team successfully prevented 45 young people from entering the care system.

The third project was the reunification team, set up to work with families, children and professionals to make decisions about whether or not a child should return home to the care of their parents or birth families, implementing the reunification practice framework from the NSPCC.

The team has provided an intensive bespoke, trauma informed package to facilitate the safe and successful return of children under 10 to their birth home.

The reunification team worked with 16 children from April 2019 to March 2020.

The team has supported five reunifications within the first year. The team has also supported three children to remain at home with parents, rather than being removed. None of these children have returned to care.

All of these projects were in place by the time of the Ofsted inspection in September 2019, although only early achieved results were known.

In their final report, inspectors said: 'Early help assessments and plans lead to helpful, targeted interventions to support children and their families. The recently launched 'ONE Reading Partnership' framework promotes a cooperative approach to early help and prevention across all agencies, and there is a strong commitment to its implementation. The recently established multiagency hub has led to a reduction in the number of referrals to children's social care and is helping agencies to identify alternative approaches to supporting children's needs.'

In addition to pilot projects, early help committed to Graded Care Profile 2 as its preferred neglect tool as part of its assessment and planning with all families. This was in the same month that Ofsted noted it as an area for development, so action was swiftly taken to address a known area for improvement.

Next steps for early help is to work with its operational partners, children's social care and education, to develop an integrated audit cycle and develop a three-year plan that identifies service gaps/resources to enable the service area to deliver earlier, more preventative services that reduce demand.

5. Supporting our education providers to give the best possible start to our children and young people

This priority has had a two-fold approach, in that services offered by BfFC to improve school standards schools (traded services) were identified under Transformation Programme work (**Workstream E: Consolidating Corporate Resilience**), and BfFC's newly-appointed (Sept 2019) Director of Education's drive to improve academic attainment and inclusiveness for all across Reading.

BfFC, as a company, has a commercial need to improve the quality and quantity of traded services offered to schools both within and beyond Reading. Access to information about services offered to schools was limited, with a dedicated website not updated regularly and information within it hard to find and read. A comprehensive refresh, both of information on the website, its look, feel and accessibility was undertaken by the Transformation Programme team and the Communications & Marketing team, resulting in a fresher, brighter and more accessible site for school bursars to access and to purchase services for their schools.

In addition, BfFC's finance team, which administrates the dedicated schools' grants, has maintained links and communication with schools through refreshed, dedicated newsletters and information updates which have been well received by bursars and headteachers alike.

The schools standards service improved its offer to schools with therapeutic thinking training and the educational psychology service secured funding through the Berkshire West CCG to set up mental health support teams, based in an initial 16 Reading schools. Established as a trailblazer pilot, pupils, parents and teaching staff can all make referrals to the team and early indications (it was launched at the end of January 2020) have been promising.

A key focus for 2019/20 has been continuing the implementation of the SEND strategy, re-writing the self-evaluation in preparation for a local area review by Ofsted of SEND action priorities and focusing on providing earlier special educational needs support, rather than through EHCPs (educational health care plans).

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This was in addition to ensure more children with SEND were better supported in mainstream schools and that our links and communication with SENDCOs was strong and frequent. We have also co-developed tools for schools and settings to help them identify children's needs early and we have put in place evidence-based support for children with SEND needs. This is intended to help schools focus their resources on support that has the greatest impact.

We continued to work with partners, including Reading Family Forum, to analyse information on children and family needs and use that to inform priorities. Through the delivery of the SEND Strategy, we reviewed what we have in place to ensure resources are targeted appropriately.

We continue to work with the Schools' Forum to ensure that the SEND element of education-related funding is targeted in the right areas. KS2 results for SEND pupils were, in 2019/20, some of the best in the country.

We were delighted that the 30-place Blessed Mary Ward Autism Centre opened at Blessed Hugh Faringdon Catholic School, Reading in June 2019 and we continue to support its activities.

Much work was done in 2019/20 to improve the number of young people with SEND going into employment, apprenticeships or higher education. This has been a focus for the Elevate careers service, which moved from Adviza to BFfC in September 2019. In addition, a new post-16 partnership forum was created to coordinate provision and ensure young people make the best choices and achieve the most fulfilling outcomes.

This included adulthood preparation. BFfC and RBC have worked jointly for those approaching adulthood and a panel was established; a comprehensive information booklet for families and young people on transition was produced and a supported employment forum established.

Another key SEND focus is for children and young people was to help them access education as close to home as possible. While that isn't always possible for those with more complex needs, one of the year's key achievements was the successful bid, with Reading Borough Council and Wokingham Borough Council, for a SEND free school. The school, which will open in 2022, will offer 75 places to Reading children and young people, which will improve access to local specialist provision.

Other education service achievements, in brief, in 2019/20 include:

- Implementation of a career intervention programme for children looked after, after a successful bid to the Careers Enterprise Company
- Holding the first-ever climate change conference in Reading (November 2019) for headteachers, demonstrating commitment and focus on the topic as a curriculum must
- Closer partnership working with Reading Governors' Association (RGA), including governors' services
- EHCP process has been refreshed to include children's views
- Improved relations and communication with schools, including frequent headteacher briefings (daily during COVID-19) which, via a headteachers' survey, have been much welcomed and appreciated
- Close work with RBC on the new secondary school for Reading, River Academy, due to open in 2023
- Close work with Maiden Erlegh Trust on the academisation of Phoenix College (now Hamilton Academy)

- The best A level results in the country, with 98% of students gaining grades A*-E
- GCSE results bucking the national (downward) trend and 65% achieving grades 9-4 in maths and English
- Relaunch of the careers and advice service for young people, Elevate, to support more young people and encourage access to the service
- Selected to be an example of good practice by the DfE for our Early Years, disability access funding case study
- Sustained improvement in the attainment of children looked after, with cohorts achieving above the national average in the EYFS, KS1, and KS2

6. Driving a robust change programme which will deliver excellent and efficient services within a tight budget

BFFC needs to be sustainable, and the delivery of this is only possible if we change how we do things so that they are efficient and effective in the long-term.

All of our Year One priorities can only be delivered if they are supported through activities that enable us to review what is done and how it is being done, constantly looking for improved outcomes and financial performance.

Central to our work on ensuring excellent and efficient services has been the development of our transformation programme.

The transformation programme was developed with five key areas so that delivery could start by 1 April 2019. The five areas were:

A: Improving Practice Standards;

B: Developing Workforce Excellence;

C: Building Community Capacity;

D: Stronger Stability for Children; and

E: Consolidating Corporate Resilience.

Key achievements to date include:

- The Placement Solutions team that focuses on reducing Children Looked After numbers has achieved savings of £3.39m in 2019/20 and is on target for savings of £3.476m in 2020/2021. This is through a combination of care exits, work to stop children entering care and process improvement through placement panels
- Supporting Early Help to work with 144 children/families, reducing rereferral rates and making savings of £920k in 2019/20 and targeted savings of £1.146m in 2020/21
- Improvements in facilities and operation at Pinecroft children's home and Cressingham short breaks service
- Developing a better understanding of what Traded Services can offer to partners in schools, colleges and communities, to enable the generation of income that can be used elsewhere in the company

- Standard Operating Processes for the assessment and managing of Education, Health and Care Plans (ECHPs) were completed, leading, in early 2020, to a 94% completion of plans within the statutory deadline. This compared to a 49% completion rate previously
- Improved fostering recruitment and processes, leading to 20 new foster carers in 2019/20
- Improved Staying Put policy enabling a saving of £50k per annum
- Agreement made with Solace Housing to provide local and sustainable supported lodgings that will lead to better local provision
- Review of, and beginning the implementation of, direct payments to carers
- Improved development pathways for manager and social worker professional development
- Improving our offer for recruitment and retention of permanent BfFC employees

In total the Transformation Programme team has produced savings in 2019/20 of £4.889m.

7. Listening to and engaging with the people we are here to serve

The range of improvements in this area was significant during 2019-20. We have seen a number of opportunities for consultation, participation and involvement of the children and young people in care.

The primary focus has been on obtaining the views of children and young people we work with, as well as parents and carers, particularly parents and carers of children and young people with SEND.

Our Children in Care Council (called Care2Listen) actively encourages our young people to be involved in company decisions and solutions and they are valued for the contribution they can make in finding better, more efficient ways of working so that we can continually improve the service we offer.

The young people are empowered to own some of the identified issues and to work out the solutions, enabling them to take control, feel valued, listened to and respected. This year has seen a number of opportunities for consultation, participation and involvement of children and young people in care.

Care2Listen delivered six workshops during the year, training 80 members of BfFC staff - primarily social workers - in how to listen to and hear young people in care. The Board and senior leadership team all attended sessions. Feedback was 100% positive, with staff citing areas of change in their practice and taking away key messages for life from the young people. The training has been adapted to online and is now being offered to staff virtually.

Care2Listen also delivered a training workshop to 120 people at the ONE Reading conference; led a host of activities with staff during anti-bullying week and attended a Berkshire Children in Care day, including a myth busting session on what people say about children in care.

Early in the financial year, we secured funding for the CiCC to make a short film to show to others coming into care, to help them feel better and to know they weren't alone.

Many companies and organisations, including a film production company, gave their time pro bono to make this happen and the resulting film was shown in a Reading cinema, to a packed, invited audience, who also listened to poems written by the young people in care as part of a 'spoken word' poetry project. The film can be seen in the [young people's section](#) of BfFC's website.

The Children in Care Council has expanded its membership and, long before COVID-19 lockdown started in March 2020 using remote technology to allow children placed out of area to join in and share their views. Its programme of activities throughout the year and, in particular, during holidays, has been impressive and well received by children and young people in care.

The group has been instrumental in sharing ideas and advice on BFFC branding; have attended interview panels for key senior appointments; met with Ofsted to provide feedback; have shared their views on foster carers; met with the Royal Berkshire Hospital A&E department heads to have a say about child-friendly A&E services; planted a tree to help all children in care – especially those who have to live out of area – feel ‘rooted’ in Reading and have recorded a series of podcasts on being in care, which are on [BFFC’s fostering website](#).

More children and young people in care’s views have been sought through the introduction of Mind of My Own, an interactive app which all children and young people in care – and care leavers – can access, including an adapted app for those with special educational needs and disabilities.

In January 2020, our Reading Youth Council (RYC) held a hugely successful conference ‘Inform, Impact and Imagine’ with the aim to ‘help fellow young people become informed and impacted by our work and we hope to inspire new imagination to aid us in making Reading greater’.

The conference featured a series of unique workshops and activities centred around exploring climate change anxiety, confidentiality in schools, the use of knives for protection and self-defence, money management, life skills and the RYC’s three ongoing campaigns on mental health, putting an end to knife crime and tackling homelessness.

During the year a great deal of work has been done by the communications & marketing team, in conjunction with the youth support teams, CiCC participation officer and the CiCC to make information and access to social workers more accessible for all children and young people looked after by BFFC. From ‘hello’ and ‘goodbye’ postcards, for social workers to introduce themselves or leave some lasting, kind words for children they have worked with, to a private and safe Facebook group for care leavers, a young people’s zone on the website and plans for a young people’s Instagram account.

Parents and carers of children and young people with SEND have been surveyed and work on a SEND communications strategy and action plan began, to better understand ways the voices of children, young people, parents and carers can be heard and appropriate changes made to our service delivery.

In February, a new website for Reading IASS (Information, Advice and Support Service) was launched, alongside a new Facebook page. It was well received by parents and carers, who have contributed ideas for phase two of the website’s development.

8. Deliver the children’s services for Reading within agreed fixed fee, being £85m for 2019/2020 (£41m core funding)

The company prepares its financial statements in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006.

Revenue for the year was £91.8m, of which £84.1m was received from RBC in the form of contract income, grant income and contributions. The main contract income from RBC totalled £41.1m.

The company spent £94.9m on direct costs, providing services to children. We also spent £0.7m on administration expenses during the year. Pension costs recognised in the Other Comprehensive Income is £3.7m. Pension contributions to the pension scheme totalled £2.8m for the year. Employer contributions to the pension scheme for the 393 employees for the year were £1.8m.

Overall income and expenditure in the next financial year is expected to be similar with no significant variations. Further discussions with RBC will continue to ensure that sufficient funding is allocated so we can continue to trade and meet our objectives.

9. To deliver a commercial Independent Fostering Agency (IFA) leading to increased children being cared for within the 20-mile radius.

The fostering team joined BFC from Reading Borough Council in March 2019. Measures had already been put in place for the establishment of an Independent Fostering Agency (IFA), with pre-registration of the IFA and a registered manager.

Throughout 2019/20, action has been taken to transform the IFA, as part of the Transformation Programme (under the project 'Re-inventing Fostering') and to specifically focus on the recruitment of locally-based foster carers.

Within this, the 'as is' processes were mapped and new, leaner and more effective processes introduced. The IFA was given its own branding, a new website was established and an ambitious marketing recruitment strategy and action plan were introduced to better target potential local foster carers and to increase the quality of leads and enquiries. Part of the recruitment strategy was to understand the demographics of Reading and of the children looked after, so recruitment could be better targeted. A comprehensive demographic report was subsequently researched and produced.

An analysis of the ethnicity of existing foster carers compared to our children looked after (CLA) was undertaken, which found that the most over-represented were white carers (74% compared to 55.3% of CLA) and black carers (16% compared to 9.9% of CLA) and that the largest under-represented area was mixed heritage carers (2% compared to 26.8% of CLA). This highlighted a demographic for us to better target recruitment activities.

A successful May foster care fortnight campaign in 2019 saw 70 enquiries in May and June following a radio campaign, bus advertising and billboard advertising. We also introduced Facebook advertising in April as an 'always-on' campaign, sending regular and consistent lead enquiries to the fostering team.

For 2019/20, the target for foster carer enquiries was set at 225 and 269 were achieved, leading to 35 initial visits.

Interaction with foster carers was much improved in 2019-20, with regular face-to-face meetings, email updates from managers and the introduction of a (popular) quarterly foster carers' newsletter featuring updates from the fostering team and the Children in Care Council.

A Fostering Board was set up and the DCS took over the leadership of the structural and working changes (from November 2019).

In February 2020, Ofsted undertook an unannounced inspection. Everyone at BFFC was delighted when the (previously) inadequate fostering service was re-graded as Requires Improvement.

Again, there is much to be done to improve but the pace of improvement within a year should be noted.

Other achievements:

A strategic approach involves more than the operational aspects of any company. The corporate side of Brighter Futures for Children is equally important in supporting the delivery of long-term, sustainable improvements.

Commissioning: Key to this is the commissioning of suitable placements and assurance for unregistered and unregulated placements.

In August 2019 the company procured a semi-independent provider framework with 17 providers delivering across four lots: Lot 1 - Standard Group Living; Lot 2 – High Support Group Living; Lot 3 – Supported tenancies and floating support and Lot 4 – Supported Lodgings.

Due diligence has been undertaken on all framework and non-framework providers. The contracts team is in the process of reviewing all due diligence requirements.

Placement referrals are received by the commissioning team via a child centred referral which records the needs and outcomes of the placement in the child's voice including risks. Placement option/s are identified and discussed with the social worker and young person.

All placements are initially approved by the DCS and are now reviewed at the Achieving Best Outcomes panel. There is further scrutiny provided by the IRO, this is linked with the young person's pathway plan and needs assessment. There is further oversight by the strategic lead (placements solutions team) who, while reviewing plans for young people to move on particularly in respect of their plans for independence, will also escalate to the commissioning team any concerns that are found in relation to the placement. This is then addressed accordingly.

Since the end of January 2020, the commissioning team has proactively undertaken two unannounced placement visits per week to monitor quality and compliance of placements and raise findings with allocated social workers.

By the end of Year One, the final draft of the children in care sufficiency strategy was in place, which recognised the need to provide a range of accommodation options for our care leavers to support their independence into adulthood.

Working jointly with housing, the next steps are to review and redesign existing provision in relation to crisis accommodation for 16/17 year olds; supported group living or possibly trainer flats with on-site support.

Communications & marketing: Brighter Futures for Children is owned by Reading Borough Council but, as an independent company, its need for a separate 'brand' is important. Much work was concluded in 2019/20 to re-brand the company and to establish a corporate identity which tied in with the values-led approach.

In addition to internal communications, there have been external and inter-agency communications to establish BfC as a trustworthy and confident provider of children's services on RBC's behalf.

Successes during the year have included an appearance on BBC's Politics on Sunday, extensive local coverage in the press and local radio and an ever-growing social media and online presence.

Indeed, at the end of March 2020, when the country went into lockdown, the need for good communications was at its peak. More than 7,000 people were accessing information on services, particularly on schools and mental health and the social media sites grew in popularity.

What this tells us is that Reading is starting to recognise BfC, to know and to understand what the company does and to show support for it, as BfC has done for them, during times of crisis.

Looking ahead

In looking ahead Brighter Futures for Children will need to reconsider its plans and priorities to take account of the challenges of the COVID-19 pandemic. Plans for 2020/21 will inevitably need to be reviewed in response to the changed circumstances for the community we serve. We will need to respond in an agile, creative and safe way to ensure we keep our staff protected whilst maintaining a focus on service delivery to improve outcomes for children and families. This has already meant making better use of virtual technology and online platforms whilst recognising and responding to the central importance of maintaining essential visits and being able to see and talk to vulnerable children and young people face to face.

Our support to schools and school leaders is greatly valued and will be of central importance in ensuring as much continuity of educational opportunity as possible at a time of school closures, testing and quarantine measures.

In addition to the challenges of delivering frontline services during a pandemic we have also experienced increased costs due to COVID-19 and face the prospect of delivering services with reduced funding.

The financial environment in which we will be working in 2020/2021 will require a robust and creative response to ensure we maintain our focus on protecting and enhancing the lives of the children of Reading so that their long term life chances are not limited by the pandemic.

Key priorities for the next year include:

- Grow and embed quality practice
- Better understanding of our drivers of demand leading to a comprehensive social care demand management strategy
- Review existing processes and map new ones to support leaner, more effective ways of working
- Improve our offer of the right help and support at the right time much earlier in the process and invest more of our time and energy into preventative services which, in the long-term aim to reduce the number of children meeting that social care threshold
- Work more closely with partners in a multi-agency approach and extend that thinking across all aspects of children's services

- Reduce the balance of permanent and interim staff significantly through a well-targeted recruitment and retention campaign
- Embed our sufficiency strategy, so that we have sufficient, quality placements and better contractual arrangements with our providers
- Expand our digital offer to reach more and engage with the people we serve
- Prioritise and rationalise the Transformation Programme projects so that resources can be focused on those areas which will help support the sustainability of BFFC

Governance

The Board is responsible for setting the company's strategy, driving high performance and quality in everything the company does, ensuring that the contract objectives are met and promoting the interests of children and young people throughout Reading.

The senior leadership structure in 2019-20 was two-tier. The Executive Committee (ExCo) included the Executive Directors – the Managing Director, Interim Director of Finance and Director of Children's Services. Its remit included setting the operational strategy and management of the company, managing all company finances and financial stability, fulfilment of the contractual and service level obligations, workforce planning and ensuring the company is both statutory and regulatory compliant.

The Senior Leadership Team (SLT), included all Heads of Service (corporate) and Directors of Service (operational). Its remit is to support ExCo and the Board's strategic direction by managing day-to-day performance and by delivering on set strategic objectives through demonstrable output and outcomes within each service area.

The Board, ExCo and SLT are governed by a clear Scheme of Delegation, with authorised budgetary spend limits. Any operational or corporate support service meetings below this level must have financial sign-off and approval by SLT or above before expenditure or operational changes can be made.

Risk management

The Board of the company takes risk management seriously and a Risk Register has been developed which identifies those strategic risks that are considered the most critical in relation to the company. These risks are actively scrutinised by the Audit & Risk Committee with significant risks reported to the Board monthly for discussion and review.

Board committees

The Board has three standing committees to monitor progress in detail and report back to the full Board:

Audit and Risk, which reviews matters in connection with risk, policy, finance and internal audit. The chair of the committee is A P Byrne

Quality and Improvement, which monitors both quality and performance across all children's services areas. The chair of this committee is P S Snell

Fostering, which ensures the company can fulfil its obligations as an Independent Fostering Agency (IFA). The chair of this committee is N Gilham

In addition, the Board has, from time to time established ‘task and finish’ working groups to help respond to the needs of the business. For this year, the Board has focused on workforce development and finance.

The Recruitment and Retention Working Group chair is N Gilham. The Finance Working Group chair is N Gilham

Although the ILACS inspection this year has seen an improved Ofsted grading to ‘requires improvement to be good’, children’s services remain in Department for Education intervention. Our improved grading means we no longer formally require a commissioner although Nick Whitfield (former commissioner) remains involved providing support and challenge as our DfE adviser. It is anticipated that the formal period of DfE intervention will be lifted in 2020/21.

On 31st March Deborah Jenkins resigned as Chair of the Board. During her two years as Chair Deborah played an instrumental role in building Brighter Futures for Children and in securing improvements in services to children in Reading.

The new Chair from 1st April 2020 is Dianne Smith. Dianne Smith has been appointed by the Secretary of State for Education and was formerly Chair of Reading’s Children’s Services Improvement Board (CSIB).

CSIB held its final meeting in February 2020 and responsibility for monitoring and evaluating the effectiveness of the learning and improvement plan has become part of the remit of the Quality and Improvement Committee. The DfE adviser and regional support lead officer both attend the Quality and Improvement Committee.

Section 172 Statement

The Board acknowledges as directors of the company that they have a duty to promote the success of the company. This includes considering the interests of the company’s employees and the fostering of the company’s business relationships with suppliers, customers and others.

Consideration of the interests of the company’s employees has been undertaken in numerous ways during the financial year, and includes the following:

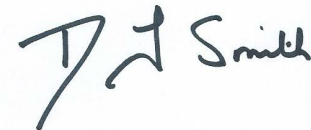
- All staff briefings (meetings) being held on a monthly basis to inform and engage employees’ views
- An induction programme has been developed and followed for new employees joining the company throughout year ensuring the company’s values are adopted by new employees and that they feel welcome
- Weekly staff briefings and monthly newsletters to inform employees of all new updates, changes and where their views have been considered and actioned
- Suggestion boxes around office to gather employees’ views, which produced a ‘you said, we did’ response to ensure employees’ views are incorporated by the Board. This is transparent and visible on the intranet for all employees to see
- The strategic Business Plan is communicated to all employees and stakeholders
- The creation of a comprehensive intranet, with all policies, procedures, guidance and support for employees across the company.

BRIGHTER FUTURES FOR CHILDREN LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The engagement with suppliers, customers and others in a business relationship with the company has been by ensuring the Board has acted in a fair and professional way, declaring of interests where relevant with related parties. The company has also ensured appropriate contracts are adopted where applicable following a fair procurement process.

Approved by the Board of Directors on 29/10/2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Smith', is written over a light grey rectangular background.

Dianne Smith
Director and Chair of the Board

BRIGHTER FUTURES FOR CHILDREN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Results and dividends

The company was incorporated on 5 April 2018 and commenced business in December 2018. These are the statutory financial statements for the year ended 31 March 2020.

The results for the year are set out on pages 26.

The company is limited by guarantee and has no share capital.

Directors

The following directors held office during the period and up to the date of report are set out below:

A P Byrne	
D Glassbrook	(appointed on 20 November 2019)
S Douglas	
N Gilham	
R Harbord	(appointed on 28 September 2020)
D M Jenkins	(resigned on 31 March 2020)
A P Kildare	(resigned on 8 September 2020)
D Smith	(appointed on 1 April 2020)
P S Snell	

Employees

The company average number of permanent staff for the year was 476.

In addition to permanent staff, Brighter Futures for Children had 87 agency staff at 31 March 2020, including interim or contracted staff on fixed term or renewable contracts associated with change management and Transformation Programme projects of which 49 were agency social workers.

The company is an equal opportunities employer. It is company policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment.

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting employment is on the basis of aptitude and ability.

It is the company's policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled while employed by the company) and to comply with any current legislation.

Auditors

The auditors for the year were UHY Hacker Young LLP, and will be proposed for reappointment in accordance with section 487 (2) of the Companies Act 2006.

Internal Controls Assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the company is on-going and has been in place for the financial period.

Key elements of the control framework include:

- Regular reporting to SLT and the Board on key objectives, outcomes and performance against targets
- Board-approved Governance Framework including terms of reference for the Board, and terms of reference of delegated authorities for the Audit and Risk Committee, Quality and Improvement Committee and Fostering Committee
- Health and Safety meeting occurs on a quarterly basis to provide assurance to the Board on risks, control and their mitigation
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks
- Strategic and business planning process, with detailed financial budgets
- Recruitment, training and development policies for all staff
- Reports to Board for approval of significant new initiatives highlighting risks and financial implications
- Board approved confidential reporting (whistle blowing) policy
- Board approved Business Plan, Risk and Control Framework

A risk register is maintained and is available for review by the Audit and Risk Committee at each of its meetings. The risk register is a standing item on the Audit and Risk Committee agenda.

The Board accepts ultimate responsibility for the system of internal controls and it has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal controls. The Board receives minutes of all the Audit and Risk Committee meetings.

Going Concern

The impact of COVID-19 has been assessed and accounted for in the production of the going concern statement for the company. This impact of COVID-19 is forecast to be £1.5m for the financial year 2020/21, arising from increased demand and pressures for children's social care which were not foreseen within the contract negotiations with RBC. BfFC will attempt to mitigate this pressure in year by introducing cost reduction measures but will also negotiate an element of government funding from RBC.

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- iv) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.


The directors confirm that the financial statements comply with the above requirements.

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

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors on 29/10/2020 and signed on its behalf by:



Dianne Smith
Director and Chair of the Board

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BRIGHTER FUTURES FOR CHILDREN LIMITED**

Opinion

We have audited the financial statements of Brighter Futures for Children Limited for the period ended 31 March 2020, which comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is 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".

In our opinion, Brighter Futures for Children Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of the Company's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BRIGHTER FUTURES FOR CHILDREN LIMITED**

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BRIGHTER FUTURES FOR CHILDREN LIMITED**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

09/11/2020

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

BRIGHTER FUTURES FOR CHILDREN LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

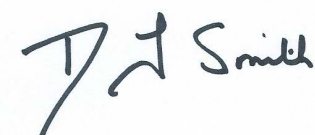
	Notes	Year ended 2020 £	Period ended 2019 £
Revenue and grant funding	3	91,838,364	23,226,879
Direct costs		(94,898,795)	(20,069,412)
		-----	-----
Gross (loss)/profit		(3,060,431)	3,157,467
Administrative expenses		(719,144)	(884,417)
		-----	-----
Operating (loss)/profit	4	(3,779,575)	2,273,050
Finance costs	5	(54,849)	(15,890)
Finance income	6	69,311	11,770
		-----	-----
(Loss)/profit before taxation		(3,765,113)	2,268,930
Taxation	7	-	-
		-----	-----
(Loss)/profit for the period		(3,765,113)	2,268,930
		-----	-----
Other comprehensive income:			
Actuarial gain/(losses) on defined benefit scheme	13	3,737,000	(2,436,000)
Other comprehensive income		-	-
		-----	-----
Other comprehensive income for the year/period net of tax		3,737,000	(2,436,000)
		-----	-----
Total comprehensive loss for the year/period		(28,113)	(167,070)
		=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Notes		31 March 2020		31 March 2019
		£	£	£	£
Current assets					
Debtors	11	4,457,254		3,760,367	
Cash at bank and in hand	15	11,801,889		7,086,402	
			16,259,143	10,846,769	
Creditors: amounts falling due within one year	12	(16,454,326)		(11,013,839)	
Net current liabilities			(195,183)	(167,070)	
Creditors: amounts falling due after one year			-	-	
Defined benefit pension scheme	13		-	-	
Net Liabilities			(195,183)	(167,070)	
			=====	=====	
Equity and Reserves					
Retained losses			(195,183)	(167,070)	
			(195,183)	(167,070)	
			=====	=====	

The financial statements were approved by the Board of Directors and authorised for issue on 29/10/2020.



Dianne Smith
Director and Chair of the Board

The notes on pages 30 to 44 form an integral part of these financial statements.

Company Registration No. 11293709

BRIGHTER FUTURES FOR CHILDREN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Retained losses £	Total Equity £
On incorporation at 3 December 2018		
Total comprehensive loss for the period	(167,070)	(167,070)
	—————	—————
Period ended 31 March 2019	(167,070)	(167,070)
	=====	=====
Total comprehensive loss for the year	(28,113)	(28,113)
	—————	—————
Year ended 31 March 2020	(195,183)	(195,183)
	=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Year ended 2020 £	Period ended 2019 £
Cash flows from operating activities			
Cash generated from operations	14	4,701,025	2,090,522
		-----	-----
Net cash generated by operating activities		4,701,025	2,090,522
		-----	-----
Cash flows from financing activities			
Loan from Reading Borough Council	19	-	5,000,000
Repayments of loans and other obligations		(54,849)	(15,890)
Interest income		69,311	11,770
		-----	-----
Net cash generating from financing activities		14,462	4,995,880
		-----	-----
Net increase in cash and cash equivalents		4,715,487	7,086,402
Cash and cash equivalents at the beginning of the financial year/period		7,086,402	-
		-----	-----
Cash and cash equivalents at the end of the financial year/period	15	11,801,889	7,086,402
		=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

Brighter Futures for Children Limited is a private company, limited by guarantee, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and in accordance with the Companies Act 2006. The current period is for the 12 months ended 31 March 2020 and the comparative period is for the period from incorporation to 31 March 2019.

The financial statements are presented in UK Sterling, which is the functional currency of the Company, rounded to the nearest £1. The financial statements have been prepared under the historical cost convention.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has made a loss in the year of £28,113 and had net liabilities of £195,183 as at 31 March 2020. Reading Borough Council has confirmed that it will financially support the Company for a further 12 months from the date the financial statements are signed by the Directors. Additionally, during the period ended 31 March 2020, the Company renewed the loan of £5,000,000 (note 19) with RBC to fund ongoing and future operations. This loan has been further extended to cover the period until March 2026.

These accounts will be signed off in the midst of the COVID-19 outbreak and subsequent government restrictions and as such there is uncertainty around the breadth and duration of business disruptions related to the pandemic. After giving due consideration and making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the foreseeable future. The Board of Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is recognised to the extent that the Company has entitlement to the funds, the receipt is probable and the amount can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Turnover consists of income from various grants and contracts and is recognised in accordance with the terms of those grants and contracts.

Grants receivable

Grants are included in the Statement of Comprehensive Income on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant reserves on the Statement of Financial Position. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred. This is to be included within creditor as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised where there is entitlement and are not deferred over the life of the asset on which they are expended.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.6 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

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

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

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

Derecognition of financial liabilities

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

1.7 Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

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

1.10 Pension benefits

Retirement benefits to employees of the Company are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 13, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is part of the Royal County of Berkshire Pension Fund with effect from 1 December 2018 when staff were transferred from the employment of Reading Borough Council (RBC) to the Company. Retirement benefits to employees of the Company are provided by the LGPS. This is a defined benefit scheme and the assets are held separately from those of the Company in an independently administered fund.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

This final salary scheme, like a number of other such schemes, has a deficit. Measures are in place to address this deficit, by increasing employer contributions in the medium term. However, the requirements of Financial Reporting Standard 102 (FRS 102), is to show the pension scheme deficit as a liability on the Statement of Financial Position.

As a result of an agreement between the Company and Reading Borough Council (RBC), a pension related asset, being the guarantee from RBC to cover all related pension costs, exists. The asset will always be equal and opposite to the pension liability, and accordingly, no overall pension scheme asset or liability has been recognised in the Statement of Financial Position.

1.11 Taxation

Tax on the profit or loss for the year comprises of current tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax assets and liabilities are not discounted.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial reporting date.

2. Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no changes to the estimates or assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The Directors do not consider that they have made any critical judgements in the preparation of the financial statements.

BRIGHTER FUTURES FOR CHILDREN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Revenue

An analysis of revenue by class of business for the year ended 31 March 2020 is given below:

	Year ended 2020 £	Period ended 2019 £
Grant income	87,723,662	17,529,565
Reading Borough Council guarantee income (note 19)	2,085,216	5,649,452
Other income	2,029,486	47,862
	<hr/>	<hr/>
	91,838,364	23,226,879
	=====	=====

4. Operating (loss)/profit

	Year ended 2020 £	Period ended 2019 £
--	----------------------------------	------------------------------------

The operating (loss)/profit for the year/period is stated after charging:

Auditor's remuneration (see below)	32,550	36,250
	=====	=====
Audit services		
Fees payable to the Company's auditors	27,250	25,000
Other services		
Other services relating to taxation	1,600	6,500
Other advisory services	3,700	4,750
	=====	=====

5. Finance costs

	Year ended 2020 £	Period ended 2019 £
--	----------------------------------	------------------------------------

Finance loan interest	54,849	15,890
	=====	=====

6. Finance income

	Year ended 2020 £	Period ended 2019 £
--	----------------------------------	------------------------------------

Bank interest income	69,311	11,770
	=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose for the year to 31 March 2020.

The Company is in the process of confirming with HM Revenue & Customs that all of its activities fall outside the scope of corporation tax.

8. Staff numbers and costs

	2020 Number	2019 Number
The average number of people employed by the Company (including Directors) during the period was as follows:		
Key and senior management	5	5
Executive office support	77	82
Operational	394	344
	-----	-----
	476	431
	=====	=====

Staff costs (including Directors) were:

	Year ended 2020 £	Period ended 2019 £
Wages and salaries	23,076,510	4,942,816
Social security costs	1,590,567	440,477
Other pension costs	1,860,488	509,087
Contributions to defined benefit schemes (note 13)	6,519,000	2,782,000
	-----	-----
	33,046,565	8,674,380
	=====	=====

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £120,156 (2019: £227,642).

BRIGHTER FUTURES FOR CHILDREN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Directors' emoluments	Year ended 2020 £	Period ended 2019 £
Emoluments for qualifying services:		
Aggregate directors' emoluments	249,910	135,411
Pension contributions	23,678	14,907
	<hr/>	<hr/>
	273,588	150,318
	=====	=====

The number of Directors for whom retirement benefits were accruing under defined benefit schemes in the year was 2 (2019: 2).

10. Financial instruments

The Directors have considered the Company's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Company's risk register and monitored throughout the period. The Directors do not consider the Company to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

11. Debtors	Year ended 2020 £	Period ended 2019 £
Trade receivables	1,069,683	34,809
Amounts owed by Reading Borough Council (note 19)	-	3,686,192
Other receivables	3,303,081	32,976
Prepayments and accrued income	84,490	6,390
	<hr/>	<hr/>
	4,457,254	3,760,367
	=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Creditors: amounts falling due within one year	Year ended 2020	Period ended 2019
	£	£
Trade payables	2,653,309	1,801,839
Amounts owed by Reading Borough Council (note 19)	6,354,508	-
Taxation and social security	1,703,593	1,675,486
Other payables	87,706	1,313
Accruals and deferred income	655,210	2,535,201
Loan payable to Reading Borough Council (note 19)	5,000,000	5,000,000
	<hr/>	<hr/>
	16,454,326	11,013,839
	=====	=====

13. Pension liability

Defined Benefit Scheme

The Company is a member of the Reading Borough Council Pension Fund which is a defined benefit Local Government Pension Scheme (LGPS). The assets of the scheme are held separately, being invested with a managed pension fund. The Company is also a member of the Teachers' Pension Scheme England and Wales ('TPS') which is also a defined benefit scheme for academic and related staff.

The total contribution made for the year ended 31 March 2020 was £2,755,000 (period ended 31 March 2019: £758,000), of which employer's contributions totalled £1,806,000 (2019: 499,000) and employees' contributions totalled £949,000 (2019: £259,000). The agreed contribution rates for future years are 30% for employers and between 5.5% and 12.5% for employees.

Principal Actuarial Assumptions:	At 31 March 2020	At 31 March 2019
Rate of increase in salaries	2.8%	3.85%
Rate of increase for pensions	1.8%	2.35%
Discount rate for scheme liabilities	2.35%	2.45%

The below table, as produced by Barnett Waddingham LLP sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1 year age rating adjustment to the mortality assumption.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption:	Movement 2020	Impact £ 2020	Movement 2019	Impact £ 2019
Mortality Age Rating Assumption	+ 1 year	1,314,000	+ 1 year	1,354,000
Salary Increase Rate	+ 0.1%	201,000	+ 0.1%	215,000
Real Discount Rate	- 0.1%	1,211,000	- 0.1%	1,170,000
Pension Increase Rate	+ 0.1%	1,015,000	0.1%	955,000

BRIGHTER FUTURES FOR CHILDREN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Pension liability (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2020 (years)	At 31 March 2019 (years)
Retiring today		
Males	21.5	22.0
Females	24.1	24.0
Retiring in 20 years		
Males	22.9	23.7
Females	25.5	25.8

The Company's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 March 2020	Fair value at 31 March 2019 £
Equities	12,343,000	10,067,000
Bonds	2,035,000	2,977,000
Property	3,004,000	2,754,000
Cash	2,582,000	1,575,000
Target return portfolio	921,000	1,032,000
Commodities	129,000	152,000
Infrastructure	1,792,000	1,869,000
Longevity insurance	(944,000)	(589,000)
	-----	-----
Total market value of assets	21,862,000	19,837,000
	=====	=====

Actual return on scheme assets was £nil.

**Amounts recognised in the statement of
comprehensive income**

	Year ended 2020 £	Period ended 2019 £
Current service cost (net of employee contributions)	6,049,000	2,621,000
Interest cost	458,000	158,000
Expected return	-	-
Past service cost	-	-
Interest on plan assets	-	-
Administration expenses	12,000	3,000
	-----	-----
Total operating charge	6,519,000	2,782,000
	=====	=====

BRIGHTER FUTURES FOR CHILDREN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Pension liability (continued)

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

	Year ended 2020	Period ended 2019
	£	£
Opening defined benefit obligation	39,421,000	31,090,000
Current service cost	5,245,000	1,298,000
Past service cost, including curtailments	804,000	-
Interest cost	982,000	338,000
Employee contributions	949,000	259,000
Experience loss on defined benefit obligation	2,611,000	-
Estimated benefits paid net of transfers in	361,000	-
Change in financial assumptions	(6,754,000)	5,334,000
Change in demographic assumption	(1,197,000)	(2,053,000)
Liabilities assumed on settlements	-	3,155,000
	-----	-----
Closing defined benefit obligation	42,422,000	39,421,000
	=====	=====

Changes in the fair value of the Company's share of scheme assets:

	Year ended 2020	Period ended 2019
	£	£
Opening fair value of scheme assets	19,387,000	16,225,000
Return on plan assets (excluding net interest on the net defined pension liability)	(838,000)	845,000
Actuarial (losses)/gains	(765,000)	-
Employer contributions	1,806,000	499,000
Employee contributions	949,000	259,000
Benefits paid	361,000	-
Administration expenses	(12,000)	(3,000)
Interest on assets	524,000	180,000
Settlement prices received/(paid)	-	1,832,000
	-----	-----
Closing fair value of scheme assets	21,862,000	19,837,000
	=====	=====

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of the pensions over the employees' remaining working lives with the Company. Contributions are determined by an independent qualified actuary on the basis of triennial valuations, using the Projected Unit method. The most recent valuation of this Defined Benefit Pension Fund was at 31 March 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Pension liability (continued)

The amounts recognised in the Statement of Financial Position are as follows:

	As at March 2020	As at March 2020
Present value of funded obligations	(42,422,000)	(39,421,000)
Fair value of plan assets	21,862,000	19,837,000
	—————	—————
Net pension liability	20,560,000	19,584,000
Reading Borough Council guarantee (note 19)	(20,560,000)	(19,584,000)
	—————	—————
Present value of unfunded obligations	-	-
	—————	—————
Deficit	-	-
	—————	—————
Net liability	-	-
	=====	=====

McCloud Judgement

In December 2018, the Court of Appeal ruled against the Government in the ‘McCloud/Sargeant’ judgement, which found that the transitional protection arrangements put in place when the firefighters’ and judges’ pensions schemes were reformed, were age discriminatory. The ruling potentially has implications for all public-sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

In relation to LGPS, all members of the 2008 scheme were moved into the new 2014 scheme, but members within 10 years of normal retirement were given an underpin promise, that their benefits would be at least valuable in terms of amount and when they could be drawn, as they would be if they had remained in the 2008 scheme.

The Government applied to the Supreme Court for permission to appeal the judgement; however, this was unsuccessful on 27 June 2019.

An allowance has been made in the Company’s valuation of the LGPS present value of funded obligations for the McCloud judgement which relates to age discrimination. The estimated impact on the total liabilities at 31 March 2020 of £804,000 has been allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 March 2020. The projected service cost has also increased as a result of this additional allowance.

It should be noted that this judgement is an estimate of the potential impact on Brighter Futures for Children Limited’s defined benefit obligation based on analysis carried out by the Government Actuary’s Department (GAD) and the Employer’s profile. It is not yet clear how this judgement may affect LGPS members’ past or future service benefits.

BRIGHTER FUTURES FOR CHILDREN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Cash generated from operations	2020	2019
	£	£
(Loss)/profit before taxation	(3,765,113)	2,268,930
Add back non-operating items:		
Financial income	(69,311)	(11,770)
Financial expense	54,849	15,890
<i>Adjustments for:</i>		
Pension movement (cost, less contributions)	3,737,000	(2,436,000)
Increase in receivables	(696,887)	(3,760,367)
Increase in payables	5,440,487	6,013,839
	<hr/>	<hr/>
Cash generated from operations	4,701,025	2,090,522
	=====	=====

15. Cash and cash equivalents	2020	2019
	£	£
Cash at bank and in hand	11,801,889	7,086,402
	<hr/>	<hr/>
Cash and cash equivalents in the cash flow statement	11,801,889	7,086,402
	=====	=====

16. Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 March 2020.

17. Guarantees and other financial commitments

There were neither guarantees nor financial commitments issued by the Company as at 31 March 2020.

18. Leasing arrangements

The premises leases occupied by Brighter Futures for Children Limited were transferred to the Company in the period from Reading Borough Council as per a new service level agreement.

Minimum lease payments under non-cancellable operating leases fall due as follows

	2020	2019
	£	£
Within one year	1,066,290	-
Between one and five years	4,167,160	-
In more than five years	1,038,290	-
	<hr/>	<hr/>
	6,271,740	-
	=====	=====

19. Related party disclosures

Reading Borough Council

Reading Borough Council ('RBC' or the 'Council') is the Company's main funding organisation and is the ultimate controlling party.

For the year ended 31 March 2020, RBC guaranteed to cover the losses incurred by Company excluding the holiday pay accrual. This total loss covered by RBC totalled £2,085,216 (note 3) (2019 period end: £5,649,452). In the year ending March 2019, this included the pension actuarial losses in the financial statements of £2,436,000 however in March 2020 this was a gain of £3,737,000. As at the year end, an amount of £6,354,508 was due to RBC (2019: £3,686,192 was due from RBC).

As a result of a Memorandum of Understanding between Brighter Futures For Children Limited and RBC, a pension related asset, being a guarantee from RBC to cover the related pension liability, exists. The asset will always be equal and opposite to the pension liability, and accordingly, no asset or liability has been recognised in the Statement of Financial Position. As at 31 March 2020, the pension liability guaranteed by RBC totalled £20,560,000 (note 13) (2019: £19,584,000).

During the year ended 31 March 2020 the Council provided, under the terms of a service delivery contract, funding to the Company amounting to £41,062,300 (period ended March 2019: £9,549,382).

In the year ended 31 March 2020, RBC also charged the Company £6,715,975 (period ended 31 March 2019: 1,499,000) under service level agreements for services including, among others, regulatory services, joint legal team, premises, human resources and insurance.

Under the Memorandum of Understanding, the Company is an autonomous organisation, independent of RBC and entered into the Service Delivery Contract in accordance with direction given by the Secretary of State for Education. The Memorandum of Understanding was signed on 28 March and the contract was signed on 30 November 2018.

RBC issued a loan on 3 December 2018 of £5,000,000 to the Company. The interest rate on the loan is 1.0% fixed rate and matured on 29 March 2019. The repayment terms of the loan were subsequently revised from 29 March 2019 to 27 March 2020 at a fixed interest rate of 1.1%. The repayment date has been further extended from 27 March 2020 to 25 March 2026 at a variable interest rate.

As at 31 March 2020, the RBC loan was deemed to be a current liability as the extended repayment date was agreed subsequent to the year end.

20. Ultimate controlling party

The ultimate controlling party during the year and as at 31 March 2020 is Reading Borough Council.

21. Subsequent events

As discussed in note 19, subsequent to the year end, the repayment terms of the RBC loan have been extended to March 2026.

The global economy was affected by the COVID-19 pandemic and the related market volatility has brought certain operational and financial impacts to the Company's performance due to the partial or complete lockdown. However, this has not lead to any significant post balance sheet events in these financial statements. The potential near-term impact of the developments on the Company is discussed in the Directors Report and note 1.2.