



# Central Surrey Health Limited

Annual Report and Financial Statements  
for the year ended 31 March 2020

Company Registration number: 05700920

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## Introduction by the Chair & Chief Executive

2019/20 has been a year of continued consolidation and planned investment for Central Surrey Health Limited (CSH, the Company), working closely with system partners to develop new modes of care that deliver improved clinical outcomes and patient experience.

The national challenges facing the NHS arising from increasing demand and limited resources are reflected locally. CSH is meeting the challenge of providing higher quality services in the community while simultaneously increasing productivity and efficiency through new models of care, working in close partnership with health and care providers and Surrey Heartlands Health and Care Partnership.

For adult patients, these new models are designed to avoid unnecessary acute hospital admissions and to support frail elderly patients in their homes, through integrated working with primary care, acute partners and social services.



These modes of care continue to be delivered through our adult community services both in North West Surrey and also within Surrey Downs Health and Care, which started on 1 April 2019. This contract brings together CSH, Epsom & St Helier University Hospitals NHS Trust and three GP federations to deliver a complete community service within the Surrey Downs area. The £22m annual contract is structured to support better care across the area and allows each partner to control their resources at the point of delivery.



## Introduction by the Chair & Chief Executive (continued)

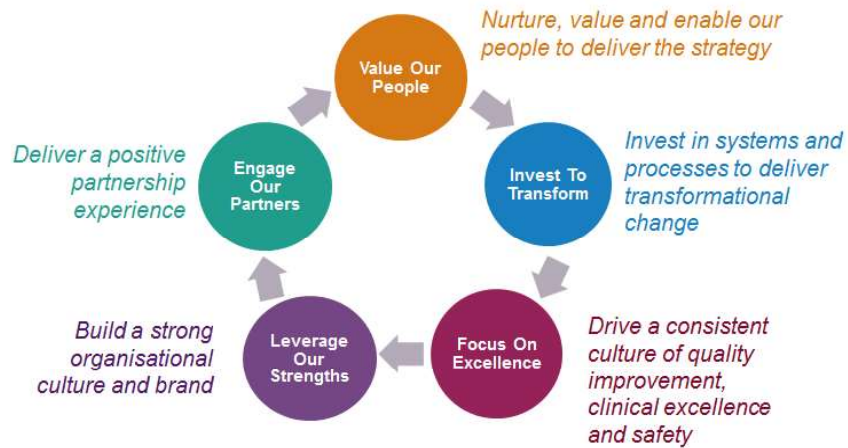
For children and families CSH, along with Surrey and Borders Partnership NHS Foundation Trust and First Community Health and Health, is focused on developing a 'team around the child' approach to deliver the Children and Family Health Surrey (CFHS) service.

Together we are working with partners and agencies across Surrey to support delivery of Surrey Heartlands' children's strategy, with its focus on the first 1000 days of a child's life.



Having launched our new organisational strategy in 2019, moving into 2020 we continued to focus on our strategy to deliver our Vision of *transforming community healthcare in the UK and being the organisation every partner aspires to work with.*

To achieve this we focus our attention on five key areas.

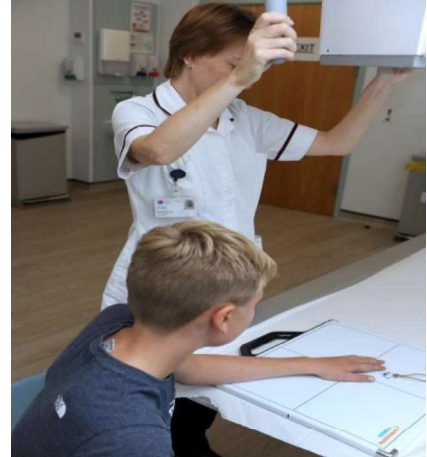


These are underpinned by our CARE Values, which we developed with our colleagues to reflect the importance we place on how we deliver care.

## Introduction by the Chair & Chief Executive (continued)

We are proud that the quality of our care is felt by our patients and clients, with an average of 86% of our people stating that they feel their role makes a difference to patients and service users, and 80% saying that patient care is our organisation's top priority.

CSH's strength continues to come from our people and is a key benefit of the employee-owned social enterprise model that we operate. We are proud that our most recent annual people survey showed that 80% of our people believe they receive the respect they deserve whilst at work, which supports our belief that if 'we get it right for our people', we will 'get it right for our patients'.



In March 2020 CSH had to significantly adapt services and ways of working in response to the COVID-19 pandemic. Our people have responded with unquestionable dedication and flexibility without compromise to their professionalism to ensure the quality services we offer continue to be provided to our patients. Where many providers stood down services, CSH continued to provide valuable support to the patients and families we are responsible for. CSH was a leader in effecting new ways of working to ensure we could look after our patients this has included online assessments, virtual clinics and video sessions. A number of our people were redeployed to support front line services while others supported the swabbing service deployed across the county. The appreciation shown to our key workers across this time has been overwhelming, with gifts and donations not to mention numerous thank you cards and messages, all of which have helped maintain morale through what continues to be a very challenging time.



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Andy Field  
Chair



Steve Flanagan  
Chief Executive

## **COMPANY INFORMATION**

### **Directors**

Andy Field (Chair)  
Stephen Flanagan  
Peter Lock  
Caroline Shuldham  
Kim Lowe  
John Machin  
Frances Davies

**Company Registration number** 05700920

### **Registered office**

Dukes Court  
Duke Street  
4<sup>th</sup> Floor  
Woking  
GU21 5BH

### **Independent Auditors**

BDO LLP  
31 Chertsey Street  
Guildford  
GU1 4HD

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

### Principal activities and business review

Central Surrey Health Limited (CSH, the Company) trading as 'CSH Surrey' provides both adult and children's community nursing and therapy services to the Surrey area. For the year ending 31 March 2020 its principal contracts were with Surrey Downs Clinical Commissioning Group (CCG) North West Surrey CCG, Epsom and St Helier University Hospitals NHS Trust, Surrey Heartlands Health and Care, and Surrey County Council. In addition it has a number of smaller contracts with a range of other local organisations.

CSH is an employee-owned social enterprise organisation working within the health sector. It began trading on 1 October 2006 when over 550 employees from East Elmbridge and Mid Surrey Primary Care Trust transferred into their own employee owned organisation. CSH operates as a social enterprise with the focus and efficiency of a commercial business. By retaining NHS values and operating as a key part of the NHS network, CSH delivers sustainable investment in its local communities and provides high quality services to its patients, customers and clients.

Adult community services are provided for North West Surrey CCG in a seven year contract for £23m per annum commencing April 2017. The service covers all aspects of adult community care including district nursing, walk-in centres and community hubs within two community hospitals.

CSH is subcontracted by Surrey and Borders Partnership NHS Foundation Trust, and is part of the Children and Family Health Surrey (CFHS) Partnership Board contracted to deliver children's services under a three year contract for the whole of Surrey, across Guildford & Waverley, Surrey Downs, East Surrey and North West Surrey CCGs commencing 1 April 2017. This contract, for £19m per annum, includes aspects of child physical and developmental health, school nursing, health visiting and Continuing Health Care services. This contract has been further extended by two years to 31 March 2022.

On 1 April 2019 CSH entered into a community services delivery partnership in Surrey Downs call Surrey Downs Health and Care. This contract brings together Epsom & St Helier University Hospitals NHS, three GP federations along with CSH to deliver a complete community service within the Surrey Downs area. The £22m annual contract is structured to support better care across the area and allows each partner to control their resources at the point of delivery. CSH remains the main employer for the staff and have provided over 300 colleagues into the contract to deliver community health care, as well as remaining responsible for daily delivery of hospital services within the three bedded units.

These contracts consolidate CSH as a significant health system leader for out of hospital care services and provides the platform to provide productivity synergies and further opportunities for improved consistency of clinical outcomes and patient experience across Surrey in partnership with Surrey Heartlands Sustainability and Transformation Partnership.

## STRATEGIC REPORT (continued)

The Care Quality Commission (CQC) inspected CSH's mid Surrey services in January 2017 and published their findings in June 2017 awarding an overall rating of "Good", meaning the CQC considers CSH to provide quality healthcare services. The CQC awarded 'Outstanding' overall for how caring the inspectors believe our services and teams to be, with service users telling inspectors that privacy and dignity are seen as a priority by our employees.

The CQC noted that colleagues in all services demonstrated an understanding of holistic care and the need to provide emotional support. We believe this top rating for caring reflects one of the key benefits of our employee ownership model and further supports the nationally recognised evidence of the advantages of employee ownership - that when you own something, you care more about it.

We are particularly pleased that all three of our mid Surrey community hospitals and our adult's community services received overall 'Good' ratings and were awarded 'Good' in all five key inspection areas: safety, effective, caring, responsive and well-led.

We are also pleased that our children's services are rated 'Outstanding' for 'caring' and 'Good' for being effective and responsive.

The report rated head office safety and community health services for children, young people and families as 'requires improvement'. Actions taken to address the issues leading to this rating include the June 2019 transfer of headquarters from Ewell Court in Epsom to Dukes Court in Woking and a wider set actions for clinical services covered in the quality report.

### Key Performance Indicators (KPIs)

CSH monitors its financial and non-financial performance through KPIs and some of the key measures are summarised below.

During 2020 we have been focused on our organisational **CARE** values as evidenced in our staff survey results:

- We care with **Compassion**: we look after each other, speak kindly and work collaboratively
  - 67% of colleagues look forward to coming to work
  - 73% believe their immediate manager takes a positive interest in their health and well-being
  - 80% feel care of patients/service users is organisation's top priority
- We take **Accountability**: we take responsibility, act with integrity and speak with honesty
  - 84% of colleagues know what their work responsibilities are
  - 74% of colleagues say their immediate manager encourages them at work
- We show **Respect**: we listen, value, trust and empower people and treat them with dignity
  - 80% of colleagues say they receive the respect they deserve from their colleagues at work
- We deliver **Excellence**: we are professional, aim high, value challenge and never stop learning or innovating
  - 85% feel that their role makes a difference to patients / service users



Central Surrey Health, Head Office

CQC overall rating

Good

30 June 2017



## STRATEGIC REPORT (continued)

Further, 76% reported that if a friend/relative needed treatment they would be happy with the standard of care provided by the organisation and 58% of colleagues would recommend the organisation as a place to work.

Providing quality services is paramount and full details of our non-financial KPIs can be found in our Annual Quality Report, which is published on our website [www.cshsurrey.co.uk](http://www.cshsurrey.co.uk).

We have also started work on the implementation of our People Strategy. By focusing on realising our strategic priorities we will ensure that we achieve consistently well-led, fully resourced teams with people who feel valued, appreciated and motivated to provide a first class service to the people we care for.

Financial KPIs monitored on a monthly basis are;

- Deliver a financial surplus to invest into our people and the community, CSH achieved a surplus for the year of £6,645 (2019: £159,966).
- Maintain appropriate cash balances and liquidity ratio to ensure that we meet our financial obligations. CSH generated from operations of £3,780,201 (2019: £2,187,733) and had cash at bank and in hand of £9,063,741 (2019: £5,556,213) at the financial year end.

Detailed monthly financial reports are presented and discussed by the Executive team and subsequently the Finance Committee of the board. This ensures that key decision makers are kept up to date with progress and where appropriate correcting actions are mandated.

### Financial risk management objectives and policies

Financial risk is managed within the context of the Risk Management Strategy which sets out the overarching framework for identifying, monitoring and mitigating risks. It focuses on the organisational rather than individual perspective and summarises our commitment to minimise risk to our stakeholders through a comprehensive system of internal controls.

The Audit and Risk Committee, as a sub-committee of the Board, holds delegated responsibility for ongoing review of CSH assurance and risk management processes, advising the Board of any areas of concern. All strategic risks or operational risks with a current score of 15 or above are escalated through the overseeing director or forum to the Executive team for corporate oversight. The Executive formally reviews all risks with a current score 15 and above on a monthly basis.

The principle financial risk facing CSH is that if it does not secure or maintain financial income it will have insufficient cash flow funding to support and sustain the operational running of the business. Key factors in mitigating this risk include:

- CSH and NHS North West CCG are in discussion to rebase the Adults Community Services contract with the view to increasing available funding
- Children services contract is secure for two years to March 2022 at which point it will be due for retender
- The increase in net current liabilities mainly relates to accruals against NHS Property Services costs for which CSH have received funding together with firm assurances from commissioners that they will cover any funding shortfalls
- Funding secured to cover increased costs of the COVID-19 pandemic response
- Brexit has been assessed as having minimal impact to the financial sustainability and operations of business due to an immaterial effect on our supply chain

## STRATEGIC REPORT (continued)

In this context therefore the Directors consider CSH Surrey's exposure to price, credit, liquidity and cash flow risk to be low. In addition, the information relating to the financial risk management objectives and policies are sufficient to provide assurance as to the assessment of the assets, liabilities, financial position and profit of the company. The Directors will continue to review opportunities to deliver a high quality, efficient and effective health care service as well as growth through winning new contracts.

### Section 172 Statement

The Directors of CSH Surrey continue to have regard to the interests of patients, co-owners, commissioners and other stakeholders, including the impact of its activities on the community when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of CSH Surrey for the long term benefit of patients and the community which we serve.

The importance of giving due consideration to our stakeholders is not new. Stakeholder mapping is conducted on a regular basis with a view to identifying the impact of our decisions. The leadership teams take care to have regard to the likely consequences on all stakeholders of their decisions and actions. Where applicable, decisions are discussed with respective stakeholders so that they are fully understood and supported when taken.

Reports are regularly presented to the Executive team on strategy, performance and key decisions taken seeking assurance that stakeholder interests have been considered. In this way the Board is formally informed about the views of stakeholders and uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

### Co-owners (employees)

CSH is an employee owned organisation and as such places great emphasis on the representation and involvement of employees in decision making. There are several ways in which CSH engages with employees including through the annual staff survey, the regular Buzz newsletter, regular communications through emails and regular face-to-face briefings with a member of the Executive Team. The CEO maintains a dedicated email forum (Steve's inbox) to receive comments and feedback from employees which informs discussion and decisions of the executive team.

The most notable aspect of employee engagement is The Voice composed of a group of selected individuals who represent employee views and interests to the leadership. They attend key meetings of the executive team and board and have an influence on strategy and decision-making.

### Clinical Commissioning Groups (CCGs)

CCGs are critical stakeholders as they are responsible for purchasing the community services that we provide. We continued to build strong relationships with NHS North West Surrey, Surrey Downs and Guildford and Waverly CCGs, holding regular contract review meetings to listen to and understand their needs, discuss operational and performance issues and agree way to improve service provision in the long term. It is through these meetings that strategic intentions, service performance and reviews, new ways of working and funding implications are discussed. Evidence of our engagement with this stakeholder group includes;

- CEO appointed as Chair of the Restoration Board for all Surrey
- CSH's active participation in the North West Surrey Alliance

## STRATEGIC REPORT (continued)

### Section 172 Statement (continued)

#### Communities

CSH engages with the communities in which we operate to help understand issues that are important to them. We hosted the Social Enterprise Week from 9th to 13<sup>th</sup> September 2019 for organisations in Surrey. This was an opportunity to hear from like-minded stakeholders with a close link to local communities, to listen and appreciate their needs, and to provide thought leadership and influence the social enterprise agenda.

We continue our commitment to invest any surpluses we make into initiatives that support our people and the local community.

#### Partner organisations

Our vision is to be the organisation every partner aspires to work with. Key stakeholders in this aspect include Surrey and Borders Partnership NHS Trust, Epsom & St Helier University Hospital NHS Trust, First Community Health and Surrey County Council among others. We have worked closely with these partners to deliver community healthcare services, engagement with CCGs and local councils on continuous improvement. We continue to participate collectively in developing the health and social care strategy for the local health economy.

#### **Future developments**

- Engage with NHS Surrey Heartlands in rebasing the adults community services contract taking account of new and improved models of service delivery
- Continue to deliver quality children's community services in partnership with key stakeholders
- Develop effective partnership working with commissioners, local healthcare leaders and other provider organisations and fully engage in the design and implementation of integrated health and social care in Surrey
- Enable clinical teams to work more efficiently and effectively by introducing an information system (EMIS) that seamlessly integrates across healthcare pathways and organisations
- Continue to actively explore additional revenue generating activity with existing and new commissioners and partners
- Make available the full extent of resources possible to support the government and communities in responding to the COVID-19 pandemic

This report was approved by the board and signed on its behalf on 27 May 2021.

A handwritten signature in black ink, appearing to be 'S Flanagan'.

**S Flanagan**  
Director

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

The Directors present their report and the financial statements for the year ended 31 March 2020 for Central Surrey Health Limited (CSH, the Company)

### **Results and dividends**

The profit for the year, after taxation, amounted to £6,645 (2019 – £159,966).

After retaining adequate cover for business risk the retained profit will be reinvested in the improvement of nursing and therapy services or other activities which further the vision and mission of CSH. As a social enterprise CSH does not distribute any of its profits or pay any dividends to shareholders, but is able to reinvest all of its retained profits back into the improvement of services for patients and service users.

### **Directors**

The directors who served during the year

were:

W Caplan (Chair) resigned 30 Sep 2019

A Field (Chair) started 01 Oct 2019

S Flanagan

P Lock

C Shuldham

K Lowe

J Machin – appointed 1 April 2020

F Davies – appointed 1 April 2020

C Everard resigned 30 Sep 2019

### **Company's policy for payment of creditors**

The company negotiates payment terms with each of its suppliers and aims to abide by these terms, subject to satisfactory performance by the supplier.

At the year end, the aggregate amounts owed to trade creditors, expressed in terms of days, as a fraction of amounts invoiced by suppliers during the year and adjusted for the higher volumes of invoices processed in the fourth quarter amounted to 30 days (2019: 31 days).

### **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 year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

## **DIRECTORS' REPORT (continued)**

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies for the Company's financial statements and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### **Qualifying third-party indemnity provisions**

The Company maintains appropriate Directors' and Officers' Liability insurance on behalf of the Directors and Company Secretary. In addition, individual qualifying third-party indemnities are given to the Directors and Company Secretary which comply with the provisions of Section 234 of the Companies Act 2006, and were in force throughout the year and up to the date of signing the Annual Report and financial statements.

### **Charitable donations**

During the year the company made the following contributions:

- 2020 - £0
- 2019 - £10,000

### **Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the role can be adequately fulfilled by a disabled person. Where existing co-owners become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions.

### **Co-owner involvement**

The co-ownership model is key to the success of the organisation and all co-owners hold an equal share in the Company. They are represented on a co-ownership council called The Voice, whose 13 posts are filled via an election process based on geographical localities. The Voice appoints a non-executive director as a Board representative. The Voice holds the Board to account and works with the directors to ensure CSH meets its strategic aims.

The Company has four 'Guardian' shareholders who were appointed to represent employees in the ownership of the organisation. A guardian trust, Central Surrey Health Trustee Limited exists to

## **DIRECTORS' REPORT (continued)**

oversee these Guardian Shareholders with the Trustees charged with promoting the best interests of the employees.

The five year strategic plan has been reviewed and updated and CSH continues to seek to develop effective partnerships with organisations in health and other sectors, with the focus on making significant differences in the health of local communities and in particular to those disadvantaged areas where there are identified health inequalities.

### **Post Balance Sheet Events**

COVID-19 continues to impact CSH and the services CSH delivers across 2020/21. The pandemic will change the health economy and whilst it is not clear as to what the post COVID-19 health sector will look like, CSH has continued to receive payments as per National Guidance and increased funding where services have had to adapt.

The impact of leaving the EU "Brexit" has and continues to be assessed and has minimal impact to the financial sustainability and operations of the business with immaterial effect on our supply chain.

### **Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Directors and signed on its behalf on 27 May 2021.

A handwritten signature in black ink, appearing to be 'S Flanagan', written over a faint horizontal line.

**S Flanagan**  
Director

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CENTRAL SURREY HEALTH LIMITED**

### **Opinion**

We have audited the financial statements of Central Surrey Health Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

## **INDEPENDENT AUDITORS' REPORT (continued)**

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinion 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 year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement on page 12-13, 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.



## INDEPENDENT AUDITORS' REPORT (continued)

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.

### Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our Auditors' report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

DocuSigned by:

*Mark Hutton*

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Mark Hutton (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Guildford, UK  
27 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	<b>74,408,506</b>	79,876,148
Cost of sales		<b>(63,938,425)</b>	(68,863,876)
<b>Gross profit</b>		<b>10,470,081</b>	11,012,272
Administrative expenses		<b>(10,512,210)</b>	(10,869,434)
<b>Operating (loss) / profit</b>	5	<b>(42,129)</b>	142,837
Interest receivable and similar income		<b>52,551</b>	50,420
<b>Profit before tax</b>		<b>10,422</b>	193,257
Tax on profit	8	<b>(3,777)</b>	(33,291)
<b>Profit after tax</b>		<b>6,645</b>	159,966
Retained earnings at the beginning of the year		<b>2,389,727</b>	2,229,761
		<b>2,389,727</b>	2,229,761
Profit for the year		<b>6,645</b>	159,966
<b>Retained earnings at the end of the year</b>		<b>2,396,372</b>	2,389,727

The notes on pages 21 to 36 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2020**

		2020	2019 <i>Restated</i>
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	9	<b>1,515,092</b>	667,491
Tangible assets	10	<b>1,753,973</b>	631,560
Investments	11	<b>2</b>	12
<b>Total fixed assets</b>		<b><u>3,269,067</u></b>	<u>1,299,063</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	<b>6,297,404</b>	9,737,610
Cash at bank and in hand	13	<b>9,063,741</b>	5,556,213
<b>Total current assets</b>		<b><u>15,361,145</u></b>	<u>15,293,823</u>
Creditors: amounts falling due within one year	14	<b><u>(16,211,375)</u></b>	<u>(14,183,724)</u>
<b>Net current (liabilities) / assets</b>		<b><u>(850,230)</u></b>	<u>1,110,099</u>
<b>Total assets less current liabilities</b>		<b>2,418,837</b>	2,409,162
Deferred Tax	15	<b>(22,464)</b>	(19,434)
<b>Net assets</b>		<b><u><u>2,396,373</u></u></b>	<u><u>2,389,728</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	<b>1</b>	1
Profit and loss account		<b><u>2,396,372</u></b>	<u>2,389,727</u>
<b>Total capital and reserves</b>		<b><u><u>2,396,373</u></u></b>	<u><u>2,389,728</u></u>

Restated – refer note 13

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 May 2021.



**S Flanagan**  
Director

The notes on pages 21 to 36 form part of these financial statements.

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

	2020	2019 <i>Restated</i>
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	6,645	159,966
<b>Adjustments for:</b>		
Depreciation of tangible assets	484,011	318,615
Amortisation of intangible assets	84,095	-
Interest received	(52,551)	(50,420)
Taxation charge	3,777	33,291
(Decrease) in debtors	1,440,206	(1,926,359)
Increase in creditors	1,813,547	3,652,640
Corporation tax paid/received	471	-
<b>Net cash generated from operating activities</b>	<b>3,780,201</b>	<b>2,187,733</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,377,135)	(440,633)
Purchase of intangible fixed assets	(931,696)	(667,491)
Profit on disposal of current asset investments	10	-
Interest received	52,551	50,420
Cash invested in short term cash deposits	(1,000,000)	(3,000,000)
Cash received from short term cash deposits	3,000,000	7,300,000
<b>Net cash (used in)/generated from investing activities</b>	<b>(256,270)</b>	<b>3,242,296</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(16,403)	(4,655)
<b>Net cash used in financing activities</b>	<b>(16,403)</b>	<b>(4,655)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,507,528</b>	<b>5,425,373</b>
Cash and cash equivalents at beginning of year	5,556,213	130,840
<b>Cash and cash equivalents at the end of year</b>	<b>9,063,741</b>	<b>5,556,213</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	9,063,741	5,556,213
	<b>9,063,741</b>	<b>5,556,213</b>

Restated - In the previous year short term cash deposits of £3,000,000, which were accessible in more than 3 months, were incorrectly classified as cash and cash equivalents. This balance has been reclassified to debtors due within one year (See note 12 & 13)

The notes on pages 21 to 36 form part of these financial statements.

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

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### 1. General information

Central Surrey Health Limited is a private company limited by shares and is incorporated and domiciled in England with registration number 05700920.

The registered office is Dukes Court, Duke Street, 4<sup>th</sup> Floor, Woking, Surrey, GU21 5BH

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the entity. The following principal accounting policies have been applied:

#### 2.2 Going Concern

CSH are in a seven year contract with North West Surrey CCG to deliver adult services until March 2024 with a possible 2 year extension to March 2026. In addition the Surrey Downs Health and Care contract is for delivery until March 2022 with a rolling extension.

CSH also has a contract with Surrey and Borders Partnership delivering the Children and Family Health Surrey contract. The commissioners have exercised their option to extend the contract until March 2022, with this extension flowing to CSH as a result.

COVID-19 continues to impact CSH and the services we have delivered across the 2020/21 financial year, this pandemic has demonstrated the requirement for continued investment in community services. CSH has been significantly supported with our community services response to the pandemic across 2020/21 with increased funding received in all contract areas. This has enabled CSH to roll out improved digital solutions to enable minimal impact on patient care through remote virtual appointments and interventions, something which CSH will continue to utilise. The Directors believe this support will continue under the NHS restoration plans and will form a major part of the on-going collaborative partnerships and alliances being formed within Surrey Heartlands Integrated Care System ICS, of which CSH remains a significant community partner.

CSH's generated a surplus and positive operating cash flows for the financial year whilst continuing to deliver within a national healthcare landscape that is focused on delivering savings. The Directors have reviewed the organisation's income, expenditure, contract delivery and associated cash flows for the 12 months following approval of these financial statements and have concluded that CSH can continue to trade as a going concern for a period of at least 12 months from the date of these financial statements and therefore have prepared these financial statements on a going concern basis.

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

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**2. Accounting policies (continued)**

**2.3 Revenue recognition**

The turnover shown in the Statement of income and retained earnings represents the value of services provided in the year.

Turnover is recognised in the financial statements to the extent that the company fulfilled its contractual obligations to the client through the supply of therapy and community nursing services and where appropriate excludes VAT.

**2.4 Intangible and tangible fixed assets**

**Tangible Fixed Assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Repairs and maintenance associated with tangible fixed assets are charged to profit or loss during the period in which they are incurred.

**Intangible Fixed Assets**

Intangible fixed assets include software which is deemed as not critical for hardware to operate, but assets which generate future economic benefits and the cost can be reliably measured. Intangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The useful economic life of intangible software is set to 5 years, but reviewed to make sure that it continues to remain capable of operating in the manner intended.

**Depreciation and Amortisation**

Depreciation and Amortisation are charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Medical Equipment	- 3 Years
Fixtures and fittings	- 4 Years
Computer equipment	- 4 Years
Estates refurbishment	- The term of the lease
Software	- 5 Years

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**2.5 Joint ventures**

Joint ventures are stated at cost less any permanent diminution in value. Income from joint ventures is recognised in profit or loss when the Company becomes entitled to the receipt of the income.

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

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**2. Accounting policies (continued)****2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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

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**2. Accounting policies (continued)****2.8 Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased assets (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of income and retained earnings over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**2.9 Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**2.10 Defined benefit scheme**

The organisation is a member of the NHS pension scheme which is an unfunded final salary scheme administered by the Pensions Agency. As the Company cannot separately identify its share of assets and liabilities, contributions which are paid for staff who are members of the scheme are charged to the Statement of income and retained earnings as incurred. Refer to note 16 for further details on the scheme.

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:



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

**2. Accounting policies (continued)**

**2.11 Current and deferred taxation (continued)**

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires the Company to make estimates, judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

**Tangible and Intangible Fixed Assets**

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Property Accruals**

The Directors establish accruals relating to Rent and Facilities Management based on reasonable estimates. Factors considered in determining the accruals are based on previous contractual terms and discussions held with counterparties up to the balance sheet date. The values of the accrual is reviewed annually.

**4. Turnover**

The turnover is attributable to the one principal activity of the company

Analysis by business contract:	2020	2019
	£	£
North West Surrey Adults Contract	<b>28,590,386</b>	27,002,065
Children and Family Health Surrey Contract	<b>27,959,840</b>	27,190,984
Other	<b>17,858,280</b>	25,683,099
	<b>74,408,506</b>	79,876,148
	2020	2019
	£	£
United Kingdom	<b>74,408,506</b>	79,876,148
	<b>74,408,506</b>	79,876,148

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

**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	<b>484,011</b>	195,413
Amortisation of intangible fixed assets	<b>84,095</b>	-
Depreciation on assets under hire purchase	<b>19,021</b>	123,202
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements.	<b>35,000</b>	33,000
Auditor's remuneration for taxation services	<b>28,350</b>	1,850

**6. Employees**

Staff costs, including directors' remuneration , were as follows

	2020	2019
	£	£
Wages and salaries	<b>49,843,075</b>	51,720,967
Social security costs	<b>3,995,145</b>	3,890,831
Cost of defined contribution scheme	<b>5,225,317</b>	5,110,090
	<b><u>59,063,537</u></b>	<u>60,721,888</u>

A defined benefit pension scheme is operated by the Company on behalf of the employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £5,225,317 (2019: £5,110,090). Contributions amounting to £715,899 (2019: £4,419) were payable to the fund at year end and are included in creditors

The average monthly number of employees, including the Directors, during the year was as follows:

	2020	2019
	No.	No.
Staff	<b>1,642</b>	1,626
Executive Directors	<b>6</b>	6
	<b><u>1,648</u></b>	<u>1,632</u>

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

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**7. Directors' remuneration**

	2020	2019
	£	£
Directors' emoluments	<b>261,458</b>	324,396
Company contributions to defined benefit pension schemes	-	-
	<u><b>261,458</b></u>	<u>324,396</u>

During the year no retirement benefits were accruing for Directors (for 2019 this was £nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £212,292 (2019 - £135,275).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £nil (2019 - £nil)

**Key management personnel**

The total remuneration for key management personnel for the year totalled £773,279 (2019: £775,452). The Directors' remuneration disclosed above plus remuneration paid to members of the senior management team totalled £1,034,737 (2019 - £1,099,848).

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

**8. Taxation**

	2020	2019
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	-	(1)
Adjustments in respect of prior years	<u>747</u>	<u>          </u>
<b>Total current tax</b>	<u>747</u>	<u>(1)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,980	33,291
Adjustments in respect of prior years	(1,106)	1
Effect of tax rate change on opening balance	<u>2,156</u>	<u>-</u>
<b>Total deferred tax</b>	<u>3,030</u>	<u>33,292</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>3,777</u>	<u>33,291</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before tax	<u>10,422</u>	<u>193,257</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	1,980	36,719
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	747	(1)
Adjustments to tax charge in respect of prior periods – Deferred tax	(1,106)	-
Other permanent differences	-	488
Re-measurement of deferred tax for changes in tax rates	<u>2,156</u>	<u>(3,915)</u>
<b>Total tax charge for the year</b>	<u>3,777</u>	<u>33,291</u>

**Factors that may affect future tax charges**

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This will increase the Company's future tax charge accordingly.

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

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**9. Intangible Assets**

	Software	Total
<b>Cost or valuation</b>	£	£
At 1 April 2019	667,491	667,491
Additions	931,696	931,696
<b>At 31 March 2020</b>	<b>1,599,187</b>	<b>1,599,187</b>
<b>Depreciation</b>		
At 1 April 2019	-	-
Charge for the year	84,095	84,095
<b>At 31 March 2020</b>	<b>84,095</b>	<b>84,095</b>
<b>Net book value</b>		
<b>At 31 March 2020</b>	<b>1,515,092</b>	<b>1,515,092</b>
<i>At 31 March 2019</i>	667,491	667,491

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

**10. Tangible Fixed Assets**

	Medical Equipment	Computer Equipment Fixtures & Fittings	Estates Refurbishment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2019	277,458	1,813,429	-	2,090,887
Additions	55,558	476,690	1,074,175	1,606,423
<b>At 31 March 2020</b>	<b>333,016</b>	<b>2,290,119</b>	<b>1,074,175</b>	<b>3,697,310</b>
<b>Depreciation</b>				
At 1 April 2019	83,211	1,376,115	-	1,459,326
Charge for the year	68,987	242,779	172,245	484,011
<b>At 31 March 2020</b>	<b>152,198</b>	<b>1,618,894</b>	<b>172,245</b>	<b>1,943,337</b>
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>180,818</b>	<b>671,225</b>	<b>901,930</b>	<b>1,753,973</b>
<i>At 31 March 2019</i>	<i>194,246</i>	<i>437,314</i>	<i>-</i>	<i>631,560</i>

The net book value of tangible fixed assets for the company includes an amount of £228,248 (2019 - £nil) in respect of assets held under finance leases and hire purchase contracts.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the company has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount. The depreciation charged in the year in respect of such assets amounted to £19,021 (2019 - £nil).

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

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**11. Investments**

	Investments in subsidiary companies	Investment in joint ventures	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2019	2	10	12
Additions	-	-	-
Disposal		(10)	(10)
<b>At 31 March 2020</b>	<u>2</u>	<u>-</u>	<u>2</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of Shares	Holding	Principle Activity
CSH Homecare Limited	Ordinary shares	100%	Dormant

The registered office of CSH Homecare Limited is Dukes Court, Duke Street, 4<sup>th</sup> Floor, Woking , GU21 5BH

The aggregate of the share capital and reserves as at 31 March 2020 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves</b>
	£
CSH Homecare Limited	2
	<u>2</u>

CSH Homecare Limited did not trade during the year. Any balances remaining in the company have been considered immaterial for consolidation purposes.

**Participating interests**

From 1 April 2018 CSH entered into a 50% Joint Venture with Surrey and Borders Partnership NHS Foundation Trust named Surrey Healthy Children and Families LLP to jointly provide community nursing and therapy services for children and families across Surrey and parts of north east Hampshire. The £10 did represent the Company's capital account held with the LLP. Operating losses and gains were borne by the individual partners as subcontractors to the LLP

From 1 April 2019 CSH formally retired from the above LLP and no longer holds a participating interest. Surrey and Borders Partnership NHS Foundation Trust as the prime contract holder appointed CSH as a subcontractor.

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

**12. Debtors**

	2020 £	<i>Restated</i> 2019 £
Trade debtors	<b>2,883,818</b>	5,335,054
Other debtors (2019 includes tax debtor of £91,369)	<b>32,180</b>	97,885
Prepayments and accrued income	<b>2,381,406</b>	1,304,671
Short Term Cash Deposits*	<b>1,000,000</b>	3,000,000
	<b>6,297,404</b>	9,737,610

\* In the previous year short term cash deposits of £3,000,000, which were accessible in more than 3 months, were incorrectly classified as cash and cash equivalents. This balance has been reclassified to debtors due within 1 year. (see Note 13)

**13. Cash and cash equivalents**

	2020 £	<i>Restated</i> 2019 £
Cash at bank and in hand	9,063,741	5,556,213
Investments (Less than 3 month)**	-	-
	<b>9,063,741</b>	5,556,213

\*\* In the previous year short term cash deposits of £3,000,000, which were accessible in more than 3 months, were incorrectly classified as cash and cash equivalents. This balance has been reclassified to debtors due within 1 year. (See Note 12)

**14. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	<b>1,963,990</b>	574,501
Other taxation and social security	<b>1,248,051</b>	965,274
Obligations under finance lease and hire purchase contracts	<b>212,883</b>	-
Other creditors	<b>734,023</b>	4,419
Corporation tax	<b>1,221</b>	-
Accruals and deferred income	<b>12,051,207</b>	12,639,530
	<b>16,211,375</b>	14,183,724



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

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**15. Deferred taxation**

	2020 £
At beginning of year	(19,434)
Charged to profit or loss	<u>(3,030)</u>
<b>At end of year</b>	<b><u>(22,464)</u></b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset and short term timing differences	<u>(22,464)</u>	<u>(19,434)</u>
	<b><u>(22,464)</u></b>	<b><u>(19,434)</u></b>

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

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### 16. Employee benefits

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

### Defined benefit scheme

The amount recognised in profit or loss as an expense in relation to the NHS Pension Scheme plans was £5,225,317 (2019:£5,110,090).

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

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**17. Financial instruments**

Financial assets measured at amortised cost comprise trade and other debtors, accrued income and cash and cash equivalents less non-financial assets prepayments

Financial liabilities measured at amortised cost comprise trade and other creditors, hire purchase liabilities and accruals less non-financial assets deferred income

The Company has no financial assets or financial liabilities recorded at fair value through profit and loss or fair value through other comprehensive income.

**18. Share capital**

	2020	2019
	£	£
<b>Allotted, called up and fully paid</b>		
4 (2019 - 4) Ordinary shares of £0.25 each	1	1

Each shareholder shall only have one vote, even if more than one share is held. No share shall carry any entitlement to participate in the income or profits of the Company. Any income or profits of the Company shall either (a) be retained by the Company for working capital purposes, or (b) at the discretion of the Directors be distributed to such charity, charities or community interest companies (as incorporated in accordance with the community interest regulations 2005) as they may direct. The ordinary shares are not redeemable.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of changes in net debt**

	01 April 2019	Cash Flows	Other non-cash changes	31 March 2020
Cash at bank and in hand	5,556,213	2,939,412	568,116	9,063,741
Obligations under finance lease and hire purchase contracts	-	(16,403)	229,286	212,883
	<u>5,556,213</u>	<u>2,923,009</u>	<u>797,402</u>	<u>9,276,624</u>

Non-cash movements relate to:

Obligations under finance leases: during the year the Group entered into new finance leases in respect of assets with a total capital value at the inception of the leases of £664,000.

There are no restrictions over the use of the cash and cash at bank and in hand balances.

**20. Events after the end of the reporting period**

Other than the continued ongoing impact of COVID-19 as noted in Note 2 to the accounts, no other post balance sheet events have occurred.

**21. Controlling party**

The Directors are of the opinion that there is no ultimate controlling party.