

CSH
Surrey



Central Surrey Health Limited

Annual Report & Financial Statements

for the year ended 31 March 2024

Company Registration number: 05700920

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Central Surrey Health Limited (t/a CSH Surrey) Company Registration Number 05700920



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Welcome to our 16th annual report



Andy Field
Chair



Steve Flanagan
Chief Executive

Introduction by the Chair and Chief Executive

This year held special significance as it marked the 75th anniversary of the NHS. Since 2006, we have proudly partnered with the NHS and social care to transform local community health in people's homes, in clinics, hospitals and schools. In our 16th annual report, we reflect on how far the health service and Central Surrey Health Limited (CSH) have come.

Like every year, we have faced significant challenges. The demands for our services and on our workforce are greater than ever. It is humbling how colleagues across CSH have risen to meet these challenges with unwavering professionalism and dedication.

Our teams have continued to innovate in ways that better meet the needs of the people who are using our services. Our integrated community teams and community nursing services have continued to support people being discharged from hospitals and, in collaboration with our health and social care partners, have helped more people maintain their independence and remain at home.

With the general public struggling to access a range of NHS services, our walk-in centres have seen unprecedented demand, playing a key role in giving more people reassurance when they need it.

We have continued to be there at every stage for children and their families who rely on the outstanding care that we provide.

The pressure on our staff has been unrelenting, so it is heartening to see improvements in a number of areas in the 2023 Staff Survey, particularly around the support and encouragement colleagues get from their teams and managers. However, we recognise that more needs to be done to make CSH the best place to work.

CSH and our people played an instrumental role in challenging the government to support the payment of the non-consolidated element of the NHS pay deal, that we and others had been excluded from despite our people delivering care on behalf of the NHS. We were delighted when the decision to exclude us was reversed.

Despite shortages in key professions, we have made strides in recruitment and reducing the reliance on agency staffing, by working with our people in looking for continued innovation to support our patients.

We have, again, managed our finances very well despite significant cost pressures and constraints. We have also continued our programme of refurbishing and improving facilities across our multiple sites.

Reflecting on another extraordinary year, we extend our deepest thanks and appreciation to all those who have contributed to delivering care and improvement at CSH. At almost every stage of life, our amazing colleagues have been there for our community.

Looking ahead to 2025 and beyond, the transfer of the Children and Family Health Surrey contract to a new provider will have a profound impact on everyone at CSH. However, the care for our community will continue and we look forward to being part of the future of the NHS.

Andy Field
Chair

Steve Flanagan
Chief Executive

3 December 2024

Over the last year...

2023/24 (2022/23):



* (2022/23 report excluded walk-in centres due to Adastral outage 61,289)

** Following local agreement with commissioners the timeframe for a new birth visit was extended to 21 days from January 2024 - CSH achieved 89% in this quarter (January - March) within 21 days.

Company Information

Directors 2023/24

The directors who served during the year were:

Andy Field (Chair)
Stephen Flanagan
Eileen Fiona Clark – resigned 11 January 2024
Frances Davies
John Machin
Rasheed Meeran

Company registered in England and Wales

Company registration number:

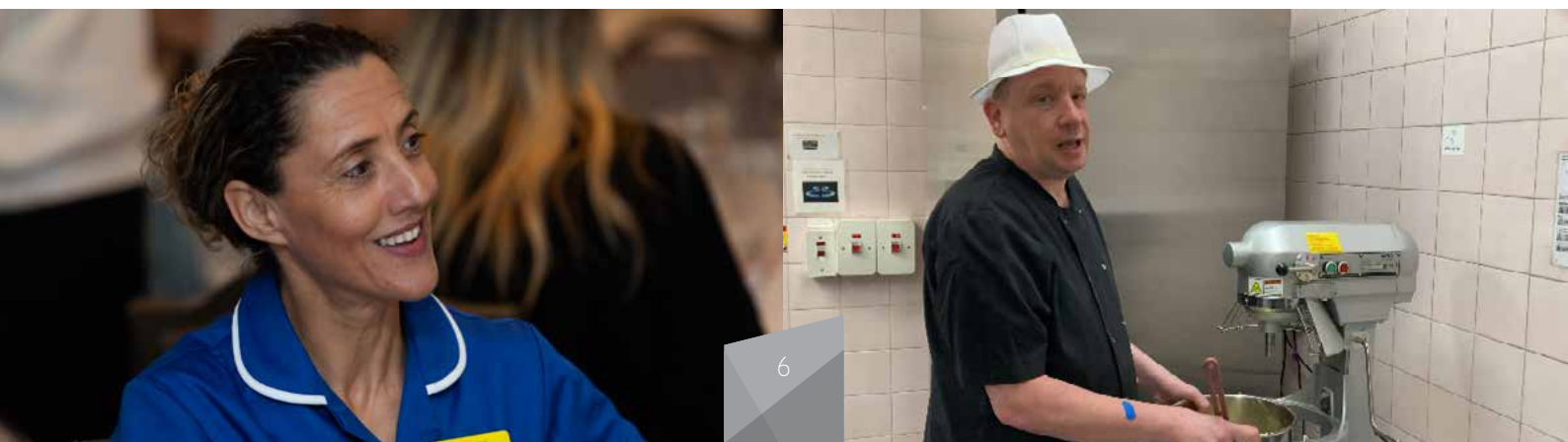
05700920

Registered office

Block A, 4th floor
Dukes Court
Duke Street
Woking
GU21 5BH

Independent auditors

BDO LLP
Bottle Works
The Barrs
Guildford
GU1 4LP



Strategic Report For The Year Ended 31 March 2024

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 2024, its principal contracts were with Surrey and Borders Partnership NHS Foundation Trust, NHS Surrey Heartlands Integrated Care Board (ICB) and Surrey County Council. In addition, it had several smaller contracts with a range of other local organisations including Ashford and St Peter's Hospitals NHS Foundation Trust, Epsom and St Helier University Hospitals NHS Trust, North West Surrey Integrated Care Services, and Woking and Sam Beare Hospices Limited.

Adult community services are provided for Surrey Heartlands ICB as a 10-year contract, commencing April 2017. The service covers all aspects of adult community care, including district nursing, walk-in centres, specialist nursing and therapy services, community hubs and bedded care in community hospitals.

CSH is part of the North West Surrey Alliance, a place-based partnership of 11 organisations across primary and secondary care, local authorities, and charities. The Alliance is a partnership of organisations united by a vision: to break down organisational boundaries to deliver the best, and most sustainable outcomes, for the local community.

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

CSH is currently subcontracted by Surrey and Borders Partnership NHS Foundation Trust, as part of the Children and Family Health Surrey (CFHS)

Partnership; contracted to deliver children's services to the whole of Surrey, across the former Guildford and Waverley, Surrey Downs, East Surrey and North West Surrey and Frimley Clinical Commissioning Groups (CCGs). From 1 April 2017, this contract includes aspects of child physical and developmental health, school nursing, health visiting and continuing health care services. The contract also provides a universal advice and support service to all parents and families, a public health and immunisation service to all school age children, along with the full range of therapy and intervention services.

The CFHS contract was extended to 31 March 2025, after which it will transfer to a new provider.

Having delivered more than 300,000 Covid-19 vaccinations to protect the people of Surrey, we closed the doors for the last time on our mass vaccination service in April 2023, ending a remarkable chapter in CSH's history.

The sustained and unprecedented strike action by junior doctors throughout the year as well as from nurses and ambulance staff placed additional pressure on all our services, as we gave support to our NHS partners.

Along with the rest of the NHS, this year has been one of recovery and transformation as we have looked at innovative ways to improve access to our services and empower the people we care for so that they can live the healthiest lives they can.

As the NHS celebrated its 75th birthday, on 5 July 2023, CSH proudly delivers NHS care to the people of Surrey as it has done since its foundation in 2006 and continues to work in partnership with the NHS and social care in homes, clinics, hospitals and schools to transform local community health services.

Strategic Report For The Year Ended 31 March 2024 (continued)

Adult services

The service we deliver for adults in North West Surrey is based on a contract established in 2017. There have been significant changes to the health and care needs of our community since then, not least because of the Covid-19 pandemic.

As one of the key partners in the North West Surrey Alliance, CSH has been able to evidence the need for change and is leading a partnership programme to transform community services.

This transformation is wide ranging, expanding capacity in the community, investing in preventative actions and working with partners to build the skills and infrastructure to intervene much earlier where needed. It is also linked closely to recruitment, career development and retention across the partnership.

It has been recognised that CSH needs assistance to drive this work forward and we are being supported by the North West Surrey Alliance in helping us to achieve our collective ambitions.

In January 2023, the North West Surrey Alliance Board accepted a recommendation from a panel of partners to take up the option to extend our adults' contract for a further three years from the current end date in March 2024, taking us through to March 2027. You can learn more about the Alliance and its transformational aims at <https://www.northwestsurrey-alliance.org/>

... our colleagues have not wavered in their dedication and professionalism to ensure that the children and families of Surrey have the best care possible ...

Children's services

CSH is part of the Children and Family Health Surrey (CFHS) partnership, led by Surrey and Borders Partnership NHS Foundation Trust.

A contract extension to March 2025 was confirmed and the CFHS partnership were invited to tender for a new six-year contract, to 2031, with a potential for a further two-year extension.

Following the receipt of an independent report into the finances supporting the current contract, commissioned by Surrey Heartlands ICB, the CFHS partnership chose to submit a bid outside of the financial envelope set within the tender but in line with the independent report's conclusions for a safe

and quality service. There was one bid submitted within the financial envelope set out in the tender, and therefore the contract will transfer to the new provider with effect from 1 April 2025.

Despite this uncertainty throughout much of the year, our colleagues have not wavered in their dedication and professionalism to ensure that the children and families of Surrey have the best care possible and that this will continue under the new contract.

You can read about some of the outstanding work our children's teams have delivered further in this report.

Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights

April 2023

While the doors may have closed on our mass Covid-19 vaccination programme, we continue to protect the people of Surrey. The Children and Family Health Surrey immunisations team gave the flu vaccine to 116,091 children across Surrey over the 2023/24 winter period.

We hosted a visit by a delegation of Government of Jamaica officials, led by their Minister of Finance. They were visiting the UK on a 'public sector transformation study tour' and CSH was suggested as a great example for them to learn about.



May 2023

The Children and Family Health Surrey Inclusion Health Team were named as winners at the Burdett Nursing Awards. They were winners of the Complex Needs in Primary Care category and overall winners of all award categories.

We launched our employee recognition app. Linked to our four CARE values it provides an easy and fun way of allowing our staff to thank their colleagues for their help or to mark a significant milestone and their work anniversary.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

May 2023 (cont)

The school nursing and specialist school nursing teams attended a nature and wellbeing training session at RHS Wisley Gardens. The day focused on how nature, gardening and plants can support children and young people's wellbeing. The session, which was provided by the RHS free of charge, helped us to meet one of the aims of our Green Plan 'to support the health and wellbeing of our patients, children, young people and families, colleagues and communities.' As well as learning a variety of techniques, skills and approaches to enhance wellbeing for children and young people, the attendees also learnt how nature can benefit their own and their team's health and wellbeing.



We launched our new objectives, setting out our ambitions and plans for the next few years as an organisation and which also form part of each colleague's annual personal development reviews.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

June 2023

From their arrival in Woking on a cold January morning at the beginning of 2023, our international recruits successfully passed their OSCE assessments (objective structured clinical examination). This means they are now UK registered nurses and are working across CSH as staff nurses. International recruitment is just one of many innovative ways we have used to attract new staff to work within CSH.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

June 2023 (cont)

June was also the month of our Star Awards event. These annual awards recognise the outstanding achievements of all colleagues, across the full range of job roles. With nominations judged by our employee council, The Voice, all finalists were invited to enjoy afternoon tea with colleagues at Oatlands Park Hotel, Weybridge. The winners in each category were announced and presented with sustainably sourced wooden star awards by members of the executive and board of directors, as well as special guests from some of our partner organisations.

This year the prestigious chair's cup was awarded to the walk-in centres team whose work really epitomised the CSH spirit and our CARE values and behaviours having overcome some significant challenges over the past year from dealing with a cyber-attack to moving from one clinical system to a new one all while maintaining their seven-day-a-week service.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

July 2023

Falguni Soni shared with the Nursing Times how she was supported through a CSH apprenticeship to fulfill her dream of becoming a registered nurse in the UK.



August 2023

Sarah Chalker-Beh, Speech and Language Therapist (North West Quadrant) was short-listed for an Allied Health Professional (AHP) innovation and improvement within integrated care systems (ICSs) award 2023.

This award recognises AHPs across health and social care who have worked collaboratively to achieve improvements in quality and service delivery through an ICS approach.



Strategic Report For The Year Ended 31 March 2024 (continued)

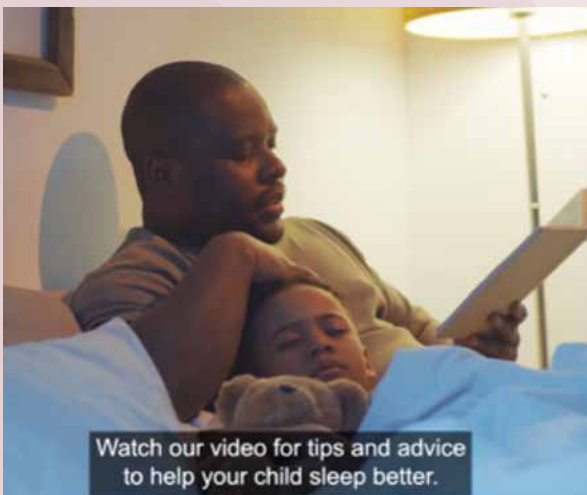
Our year in highlights (continued)

September 2023

The North West Surrey Alliance's Integrated Infection Prevention and Control (IPC) team were shortlisted for a Nursing Times Award.

The integrated IPC team was established in 2021 and is made up of staff working across both Ashford and St Peter's Hospitals NHS Foundation Trust and CSH Surrey.

Their work has focused on aligning the IPC patient pathway in North West Surrey through the Acute Trust, community hospitals and also over 100 care homes since 2022. The aim has been to reduce avoidable infections in the care environment, support safe and timely discharge from hospital and support patient flow across the system as a whole to ensure safe care for North West Surrey residents.



Children and Family Health Surrey launched a series of videos and web pages to support children and young people's sleep, coinciding with Better Sleep Week.

Many children and young people in Surrey have sleep difficulties. This series of four videos for parents and carers, jointly funded by Surrey County Council, aims to support the sleep of toddlers, children and teenagers including those with additional needs and learning disabilities.

Featuring Children and Family Health Surrey nurses and sleep experts, the videos provide advice, information and tips for families and can be viewed on the Children and Family Health Surrey website <https://childrenshealthissurrey.nhs.uk/>.

Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

September 2023 (cont)

We welcomed Lucy Booth, Policy Lead for Speech, Language and Communication (Early Years) from the Office for Health Improvement and Disparities (OHID) to Children and Family Health Surrey. Lucy was excited to hear about the joined-up transformation work happening to support children with speech, language and communication across the health visiting teams and speech and language therapy.

She was also interested to hear about the innovations we have developed locally including Advice Clinics (which Lucy was able to observe), Community Health Early Support as well as the work we have done to train practitioners and introduce new tools.



We were extremely proud of advanced specialist podiatrist James Welch who was awarded the Royal College of Podiatry Gold Medal Award. This award is granted to an individual podiatrist who has demonstrated excellence throughout their professional career ([The Royal College of Podiatry \(rcpod.org.uk\)](http://TheRoyalCollegeofPodiatry(rcpod.org.uk)))



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

November 2023

The Children's Continuing Care Team and Children's Complex Care (Voyage) were finalists for Laing Buisson's Celebrating Excellence in Healthcare and Social Care Awards. This is a testament to the incredible teamwork and dedication displayed while supporting a young person's transition to early adulthood. Although we did not take home the award, we were honoured to be amongst the nominees and attending the ceremony at the Crown Plaza in Westminster on 16 November was an unforgettable experience.



CSH achieved the highest level of accreditation for our work to protect against online threats. Cyber Essentials is a government-backed information assurance scheme operated by the National Cyber Security Centre (NCSC) that helps organisations to protect themselves against online threats. Cyber Essentials Plus is the highest level of certification offered under the Cyber Essentials scheme, involving a more stringent test on an organisation's systems by a third party.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

December 2023

CSH colleagues took part in a social media video campaign asking people to use the NHS wisely: <https://bit.ly/4gR45SM>



Walton Community Hospital's catering services had an unannounced visit from Elmbridge Borough Council Environmental Health Officer. An inspection was carried out of practices and procedures of the food safety systems to ensure compliance with the statutory obligations under the Food Safety Act and Food Hygiene Regulations. We were proud to report they were again awarded a Food Hygiene Rating 5 – Very Good.



Two of our nurses were awarded the prestigious title of Queen's Nurse. Amanda Jaimon and Ruth McCarthy were invited to the Queen's Nursing Institute's (QNI) annual award ceremony on 8 December at Friends House in London. Presentations were made by Dame Elizabeth Anionwu, QNI vice president and patron of the Mary Seacole Trust and campaigner on health inequalities.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

January 2024

Work begins for the diagnostic centre development at Woking Community Hospital. This is great news for the local community as well as for CSH, with such as significant investment in improving hospital facilities. CSH has been closely involved in shaping the development, which is part of the North West Surrey Alliance transformation.



February 2024

CSH colleagues volunteered with the RHS Community Outreach Team, with support from NHS Property Services, to transform a patch of ground into a new garden oasis for staff and patients at the Jarvis Centre.

The suggestion of a wellbeing garden at the Jarvis Centre was originally raised by children's services colleagues who wanted somewhere to have their lunch, take a break and the space to think and pray.



Strategic Report For The Year Ended 31 March 2024 (continued)

Our year in highlights (continued)

March 2024

Following staff engagement sessions, we shared exciting news explaining how we aim to deliver a future model of care together through five newly created business units, each running a range of services collectively on behalf of the North West Surrey Alliance. This innovative approach seeks to foster collaboration within NHS and wider wellbeing services, creating one resident journey. With single leadership across organisations and one identity for the team responsible for the health of a population, we are taking collective accountability for outcomes, access, and people's experience of using services.

Care Quality Commission

In accordance with requirements, CSH is registered with the Care Quality Commission (CQC) as an independent healthcare provider. The CQC last carried out a planned inspection of our core services during summer 2022 under the well-led framework. In their subsequent report, published in November 2022, the CQC rated CSH Surrey as 'good' overall in its key lines of enquiry. CSH Surrey received a 'good' rating for the categories of safe, effective, caring, responsive, well-led and the combined 'quality and resource' rating. CSH also received 'outstanding' for caring in community health services for children and young people. You can read the full report online at <https://www.cqc.org.uk/provider/1-199797673>

Following a Local Area SEND (special educational needs and/or disabilities) Inspection by Ofsted and the CQC in September, an outcome report was published on in November. You can view the full area SEND inspection report online at <https://files.ofsted.gov.uk/v1/file/50233738> or by searching the [Ofsted website](#).

The report notes that progress is being made to improve services for children with additional needs and disabilities, while highlighting that there is lots of work still to do. The report recognises the partnership's collective commitment to make a difference and the plans already in place for improvement.

Key Performance Indicators (KPIs)

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

In November 2022, we launched our new CSH behaviours framework, which takes each of our four CARE (Compassion, Accountability, Respect and Excellence) values and provides practical examples of associated behaviours that we should all aim to follow in our daily working lives.

During 2023/24, we continued our focus on our organisational CARE values as evidenced in our 2023 NHS staff survey results, and the comparisons with the 2022 survey responses.

Strategic Report For The Year Ended 31 March 2024 (continued)

Key Performance Indicators (KPIs) (continued)

The survey allows colleagues to comment on areas such as their job; their team; their managers as well as health, wellbeing and safety at work. In 2023 our response rate was 57%, an increase of 3% from 2022. A total of 118 questions were asked in 2023: 113 of those can be compared to 2022 and out of those 100 have been positively scored.

- We care with Compassion: we look after each other, speak kindly and work collaboratively:
 - 60% of colleagues often/always look forward to coming to work, 62% in 2022.
 - 81% believe their immediate manager takes a positive interest in their health and well-being, up from 79%.
 - 68% feel care of patients/service users is the organisation's top priority, down from 82%
- We take Accountability: we take responsibility, act with integrity, and speak with honesty:
 - 87% of colleagues know what their work responsibilities are, 88% previously.
 - 83% of colleagues say their immediate manager encourages them at work, same as 2022.
- We show Respect: we listen, value, trust and empower people and treat them with dignity:
 - 83% of colleagues say they receive the respect they deserve from their colleagues at work, up from 81%.
- We deliver Excellence: we are professional, aim high, value challenge, and never stop learning or innovating:
 - 87% feel that their role makes a difference to patients/service users, compared to 89% in 2022.

62% of colleagues said that if a friend or relative needed treatment they would be happy with the standard of care provided by CSH (71% in 2022).

76% of colleagues feel a strong attachment to their team, with 80% feeling valued by their team and 74% saying that team members often meet to discuss their effectiveness.

Disappointingly, 43% of colleagues who responded to the survey said that they would recommend the organisation as a place to work, down from 57% in 2022. We are aware that this may be in part due to uncertainty with the children's contract and the non-consolidated pay award which at the time of the survey were not resolved.

In response to the results of the survey we have developed organisational and local action plans involving colleagues from across CSH. Progress has been shared through a 'we said, we did' campaign so that colleagues are aware of the actions being taken as a result of their feedback. Details of some of these improvements can be found within the annual report with work ongoing in 2024. We have also run a number of pulse check surveys, so we can gather more timely feedback around specific areas, and share the results with colleagues along with our plans to make further improvements.

Providing quality services is paramount: 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

Strategic Report For The Year Ended 31 March 2024 (continued)

Freedom to Speak Up

CSH is committed to developing a culture of openness and accountability and making 'speaking up' business as usual. CSH takes all forms of malpractice, fraud, corruption or abuse very seriously. All employees should feel safe and confident to speak up about any concerns that they may have about patient care and organisational culture.

This commitment is supported by modelling the behaviours framework to promote a positive culture in the organisation: providing the resources required to deliver an effective Freedom to Speak Up function and having oversight to ensure the policy and procedures are being effectively implemented, such as a talk about Freedom to Speak Up providing awareness training for all new CSH employees.

The Freedom to Speak Up Guardian reports key themes and findings to the CSH executive team, and the CSH board via the putting people first committee. They also communicate any relevant findings to the service leads, as well as those who can directly influence the situation, as appropriate. CSH participates in the NHS staff survey, so that the issues that colleagues are dealing with can be assessed, understood and addressed where possible: recognising that some areas of colleagues' concerns are not within CSH's control to resolve.

Financial KPIs monitored on a monthly basis are:

- Delivering a financial surplus to invest in our people and the community, CSH had a pre-tax profit of £12,341 (2023 £11,488)
- Maintaining appropriate cash balances and investments to ensure that we meet our financial obligations. CSH cash flow from operations reflected an outflow of £2,360,320 following a increase in debtor balances with cash at bank and in hand of £8,187,574 (2023: £9,195,006) at the financial year end. Cash balances including current asset investments totalled £8,187,574 (2023: £10,695,006) at the financial year end.

Detailed monthly financial reports are presented and discussed by the executive team and subsequently the finance, digital and innovation committee, and the CSH board. This ensures that key decision makers are kept up to date with progress and where appropriate correcting actions are discussed and agreed.

All employees should feel safe and confident to speak up about any concerns that they may have about patient care and organisational culture.



Strategic Report For The Year Ended 31 March 2024 (continued)

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 selection of internal controls.

The audit and risk committee of the CSH board holds delegated responsibility for the ongoing review of CSH assurance and risk management processes, advising the board of any areas of concern. All strategic and operational risks are weighted with regards to likelihood and potential impact (5 point scoring for each scale, multiplied together). Those with a current score of 15 or above are escalated to the relevant board committee by the overseeing director or forum, or the executive team, for corporate oversight.

The principal 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 Surrey Heartlands ICB have reviewed the adults community services contract and increased the funding to reflect the importance of community services.
- Children services contract will end on 31 March 2025, at which point it will move to another provider.

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 CSH board is formally advised 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.

Strategic Report For The Year Ended 31 March 2024 (continued)

Co-owners (employees)

CSH is an employee-owned organisation, and places great emphasis on the representation and involvement of employees in decision making. There are several ways in which CSH engages with employees. These include through the annual NHS staff survey, staff app 'Blink' and weekly newsletter 'The Buzz'. All-staff meetings were held during the year on important themes, via MS Teams, where colleagues can hear directly from the CEO and members of the executive team and can put their questions to them.

The most notable aspect of employee engagement is The Voice, composed of a group of individuals, elected by their colleagues, who represent employee views and interests to the leadership. They attend key meetings of the committees and board and have an influence on strategy and decision-making. One of The Voice's biggest activities during the year is in overseeing the annual Star Awards. These awards aim to recognise the outstanding achievements of all colleagues, across the full range of job roles.

Integrated Care Boards

We continued to build strong relationships with Surrey Heartlands Integrated Care Board (ICB), holding regular contract review meetings to listen to and understand their needs, discuss operational and performance issues and agree ways 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 CSH's active participation in the North West Surrey Alliance.

Communities

CSH engages with the communities in which we operate to help understand issues that are important to them. We take an active role within the Social Enterprise UK organisation, attending many groups and seminars, working alongside other health care social enterprises, and with the North West Surrey Alliance.

We are proud to be one of the UK's Top 50 largest employee-owned organisations (number 16 in 2023 [Employee Ownership Top 50 2023 | The RM2 Partnership](#)).

As part of our social purpose objectives, we continue our commitment to invest any surpluses we make into initiatives that support our people and the local community.

One of The Voice's biggest activities during the year is in overseeing the annual Star Awards. These awards aim to recognise the outstanding achievements of all colleagues, across the full range of job roles.

Strategic Report For The Year Ended 31 March 2024 (continued)

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 Foundation Trust, Epsom and St Helier University Hospitals NHS Trust, Ashford and St. Peter's Hospitals NHS Foundation Trust, First Community Health and Care, and Surrey County Council and Borough Councils, primary care, and the local hospices among others. We have worked closely with these partners to deliver community healthcare services, engagement with CCGs (and their successor ICB) 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

- In April 2022 the North West Surrey Alliance and the ICB, with CSH, initiated a review of the core contract to ensure that service demand and capacity, skills, and delivery and interface with partner organisations, was aligned with demand pressures in key areas of community nursing, urgent care and bedded care. This has resulted in innovation, new pathways, new ways of delivering care and additional financial investment into the contract.
- Continue to deliver quality children's community services in partnership with key stakeholders and CFHS partners until the end of the contract, and ensure a smooth transition to the new provider from 1 April 2025.
- Further 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
- Continue to actively explore additional revenue generating activity with existing and new commissioners and partners
- Strengthen working with the new Surrey Downs Integrated Care Partnership and Surrey Heartlands Integrated Care Board
- Review CSH's business and structures in light of the loss of the children's community services.

This report was approved by the board and signed on its behalf on 3 December 2024



Steve Flanagan, CEO

We continue to participate collectively in developing the health and social care strategy for the local health economy.

Directors' Report For The Year Ended 31 March 2024

The directors present their report and the financial statements for the year ended 31 March 2024 for Central Surrey Health Limited (CSH, the Company).

Results and dividends

The deficit for the year, after taxation, amounted to £31,892 (surplus 2023 £141,777).

Directors

The directors who served during the year were:

Andy Field (Chair)
Stephen Flanagan
Eileen Fiona Clark – resigned 11 January 2024
Frances Davies
John Machin
Rasheed Meeran

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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.

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.

Directors' Report For The Year Ended 31 March 2024 (continued)

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.

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.

CSH Surrey has been awarded Disability Confident Employer status by the Department for Work and Pensions. This award recognises our ongoing work to enhance the support provided to all our colleagues who are living with a disability, health condition, or have caring responsibilities. This includes:

- Our Disability, Carer, and Allies staff network
- Our CSH Health Passport
- Growing a partnership with Surrey Choices
- Bespoke one-to-one sessions and team workshops run by the staff wellbeing and inclusion team
- Promotion of recording working carer and inclusion data on our Employee Staff Record system (ESR)

As we continue our journey to becoming a Disability Confident Leader, we recognise there is still much work to be done, but that together, each and every one of us can help ensure that CSH is fully inclusive.

Co-owner involvement and future developments

The co-ownership model is key to the success of the organisation. Co-owners are represented on a co-ownership council called The Voice across both clinical and non-clinical areas. The Voice appoints a non-executive director as a CSH board representative. The Voice holds the board to account and works with the directors to help ensure that CSH meets its strategic aims.

The company has four 'guardian' shareholders who were appointed to represent co-owners in the ownership of the organisation. A guardian trust, Central Surrey Health Trustee Limited, exists to oversee these guardian shareholders with the trustees charged with promoting the best interests of the employees in accordance with CSH's aims and objectives as a social enterprise.

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.

Sustainability report

CSH Surrey developed our [Green Plan](#) which we published on our website in February 2023, and outlines how we are working towards becoming a more sustainable healthcare provider and integrating sustainability into all aspects of our work to reach Net Zero Carbon by 2040.

Directors' Report For The Year Ended 31 March 2024 (continued)

Sustainability report (continued)

Our annual Star Awards introduced a new sustainability category in 2023 to encourage colleagues to bring their green ideas and initiatives into work where they can be supported to implement them. We were delighted to hold our 2024 awards at RHS Wisley Gardens in their new sustainably built RHS Hilltop venue. Our relationship with the RHS Wisley's Community Outreach Team has led to a number of other exciting sustainability and health and wellbeing projects. With their expert help, along with NHS Property Services and CSH volunteers, a patch of neglected land at the Jarvis Centre in Guildford has been transformed into a mini oasis where colleagues, patients and visitors can sit and enjoy the sustainable garden. The low maintenance plants are also a boost for biodiversity. Our school nursing and specialist school nursing teams enjoyed a fantastic day in June 2023 at RHS Wisley Gardens learning about how gardening, plants and nature can benefit children and young people's wellbeing as well as their own.

Our ongoing estates rationalisation is bringing a number of sustainability benefits, whilst improving the working conditions of colleagues. By consolidating teams and relocating into sites we have reduced our organisational carbon footprint. As a result of a move to agile and home working seen across the UK following Covid, we have reduced our clinical enabling office space by around half. In doing so we have reused over 70% of the original fixtures which not only reduced costs, but equally reduced waste production.

An estates marketplace, launched in August 2023 on our staff app Blink, allows our estates team to reuse various items, including cabinets, desks, chairs and other furniture and equipment reducing waste and saving buying brand new items with their associated environmental costs.

The company has not consumed more than 40,000 kWh of energy within the year and as such qualifies as a low energy user and is exempt from further disclosure.

Post-balance sheet events

The commissioners of the Children and Family Health Surrey contract have exercised their option to further extend the contract by 12 months to 31 March 2025, with the extension flowing to CSH Surrey. We have been advised by Surrey County Council and the ICB that there will be no further extensions, and that the service will be transferred to a new provider on 1 April 2025. This will reduce the turnover of CSH by circa 45%. After reviewing the finances of the residual organisation the CSH directors and management have developed a restructuring program to ensure that CSH remains viable into 2025/26.

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 3 December 2024.



Steve Flanagan
CEO

Independent auditors' report to the members of Central Surrey Health Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its loss 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.

We have audited the financial statements of Central Surrey Health Limited ("the Company") for the year ended 31 March 2024 which comprise the Statement of income and retained earnings, Statement of financial position, Statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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

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

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

Independent auditors' report to the members of Central Surrey Health Limited (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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

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, 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 auditors' report to the members of Central Surrey Health Limited (continued)

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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Financial Reporting Standard 102, the Companies Act 2006 and tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and the Bribery Act 2020.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Independent auditors' report to the members of Central Surrey Health Limited (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override over manual journals and manipulation of revenue through journals.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Review of unusual postings to revenue accounts and by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://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.

Mark Hutton

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

Date: 05 December 2024

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

Annual Report & Financial Statements
for the year ended 31 March 2024

Central Surrey Health Limited (t/a CSH Surrey) Company Registration Number 05700920

Statement of income and retained earnings for the year ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	72,878,128	73,291,675
Cost of sales		(59,936,446)	(61,101,955)
Gross profit		12,941,682	12,189,720
Administrative expenses		(13,274,497)	(12,178,232)
Operating (Loss) / Profit	5	(332,815)	11,488
Interest receivable and similar income		345,156	-
Profit before tax		12,341	11,488
Tax on profit	8	(44,233)	130,289
(Loss) / Profit after tax		(31,892)	141,777
Retained earnings at the beginning of the year		2,517,952	2,376,175
		2,517,952	2,376,175
(Loss) / Profit for the year		(31,892)	141,777
Retained earnings at the end of the year		2,486,060	2,517,952

The notes on pages 35 to 48 form part of these financial statements.

Statement of financial position for the year ended 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	9	1,397,047	1,900,652
Tangible assets	10	2,071,376	2,939,731
Investments	11	-	-
Total fixed assets		3,468,423	4,840,383
Current assets			
Debtors: amounts falling due within one year	12	4,340,165	2,881,569
Investments	13	-	1,500,000
Cash at bank and in hand	14	8,187,574	9,195,006
Total current assets		12,527,739	13,576,575
Creditors: amounts falling due within one year	15	(13,424,249)	(15,857,386)
Net current liabilities		(896,510)	(2,280,811)
Total assets less current liabilities		2,571,913	2,559,572
Deferred Tax	16	(85,852)	(41,619)
Net assets		2,486,061	2,517,953
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account		2,486,060	2,517,952
Total capital and reserves		2,486,061	2,517,953

The notes on pages 35 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the CSH board and were signed on its behalf on 3 December 2024.



Steve Flanagan
CEO

Annual Report & Financial Statements
for the year ended 31 March 2024

Central Surrey Health Limited (t/a CSH Surrey) Company Registration Number 05700920

Statement of cash flows for the year ended 31 March 2024

	2024	2023
	£	£
Cash flows from operating activities		
(Loss) / Profit for the financial year	(31,892)	141,777
Adjustments for:		
Depreciation of tangible assets	1,107,435	723,658
Amortisation of intangible assets	539,260	517,562
Loss on disposal of investment	-	2
Impairment of tangible assets	-	25,429
Interest received	(345,156)	-
Taxation charge / (refund)	44,233	(130,289)
(Increase) / Decrease in debtors	(1,458,596)	5,169,793
(Decrease) in creditors	(2,215,604)	(3,608,590)
Corporation tax paid / received	-	-
Net cash (used in) / generated from operating activities	<u>(2,360,320)</u>	<u>2,839,342</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(239,080)	(1,967,595)
Purchase of intangible fixed assets	(35,655)	(201,135)
Short term cash deposit	1,500,000	(1,500,000)
Interest received	345,156	-
Cash received from short term cash deposits	-	-
Net cash generates / (used) in investing activities	<u>1,570,421</u>	<u>(3,668,730)</u>
Cash flows from financing activities		
Repayment of finance leases	(217,533)	(273,257)
Net cash used in financing activities	<u>(217,533)</u>	<u>(273,257)</u>
Net (decrease) in cash and cash equivalents	<u>(1,007,432)</u>	<u>(1,102,645)</u>
Cash and cash equivalents at beginning of year	9,195,006	10,297,651
Cash and cash equivalents at the end of year	<u>8,187,574</u>	<u>9,195,006</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,187,574	9,195,006
	<u>8,187,574</u>	<u>9,195,006</u>

The notes on pages 35 to 48 form part of these financial statements.

Notes to the financial statements

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, 4th 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 (FRS) 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 NHS Surrey Heartlands CCG, and its successor Surrey Heartlands Integrated Care Board, to deliver adult services until March 2024 with a three-year extension to March 2027.

CSH also has a contract with Surrey and Borders Partnership NHS Foundation Trust delivering the Children and Family Health Surrey (CFHS) contract. The commissioners of the Children and Family Health Surrey contract have exercised their option to further extend the contract by 12 months to the 31 March 2025, with the extension flowing to CSH Surrey. We have been advised by Surrey County Council and the ICB that there will be no further extensions, and that the service will be transferred to a new provider on 1 April 2025.

As a result of the loss of the Children's contract as set out in note 21, the Board have taken steps to review its operating costs and have put plans in place to reshape the organisation accordingly. Cost reduction measures have been put in place and CSH are delivering a positive surplus post year end to offset the forecasted impacts and the loss of the contract.

CSH generated a pre-tax 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 and challenged the organisation's forecasted income, expenditure, cash flows and contract delivery which considers the loss and impact of the children's contract from 1 April 2025. Given the healthy cash position and surplus generated post year end, the directors are satisfied that CSH will 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.

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.

Notes to the financial statements (continued)

2.4 Intangible and tangible fixed assets (continued)

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 ranges between five to eight years, and is reviewed regularly 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	-	three years
Fixtures and fittings	-	four years
Computer equipment	-	five years
Estates refurbishment	-	the term of the lease
Software	-	five to eight 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 in the statement of income and retained earnings 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 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.

2.6 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 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.

Notes to the financial statements (continued)

2.6 Financial instruments (continued)

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.

2.7 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.

2.8 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.

2.9 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 17 for further details on the scheme.

Notes to the financial statements (continued)

2.10 Current and deferred taxation

The tax charge 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, the respective 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:

- 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 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 and intangible 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 a number of factors. In re-assessing asset lives, factors such as maintenance programmes 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 value of the accrual is reviewed annually.

Notes to the financial statements (continued)

4. Turnover

Analysis by business contract:

	2024	2023
	£	£
North West Surrey Adults Contract	35,369,566	34,252,176
Children and Family Health Surrey Contract	34,932,413	34,169,261
Covid-19 Funding	-	590,651
Other	2,576,149	4,279,587
	<u>72,878,128</u>	<u>73,291,675</u>

Analysis of turnover by country of destination:

	2024	2023
	£	£
All turnover is based in United Kingdom	<u>72,878,128</u>	<u>73,291,675</u>
	72,878,128	73,291,675

5. Operating (loss) / profit

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

	2024	2023
	£	£
Depreciation of tangible fixed assets	895,020	482,349
Amortisation of intangible fixed assets	539,260	517,562
Depreciation on assets under hire purchase	212,415	241,309
Loss on disposal of Investment	-	2
Impairment of tangible assets	-	25,429
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements.	91,665	84,893
Auditor's remuneration for other services	6,059	5,607

Notes to the financial statements (continued)

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2024	2023
	£	£
Wages and salaries	45,034,345	45,871,470
Social security costs	3,576,273	3,552,774
Cost of defined contribution scheme	4,687,858	4,617,666
	<u>53,298,476</u>	<u>54,041,910</u>

Within the wages and salaries values £45,034,345 (2023: £45,871,470) above, this includes agency costs of £5,330,580 (2023: £7,622,633). A defined contribution pensions scheme is operated by the company on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £4,687,858 (2023: £4,617,666). Contributions amounting to £609,067 (2023: £614,677) 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:

	2024	2023
	No.	No.
Staff	1,156	1,262
Executive directors	6	5
	<u>1,162</u>	<u>1,267</u>

7. Directors' remuneration

	2024	2023
	£	£
Directors' emoluments	288,434	276,119
Company contributions to defined benefit pension schemes	36,185	35,238
	<u>324,619</u>	<u>311,357</u>

During the year no retirement benefits were accruing at year end for directors (for 2023 this was £nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £242,973 (2023 - £233,463) inclusive of employer's national insurance costs and employer's pension.

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £36,185 (2023 - £35,238)

Key management personnel

The total remuneration for key management personnel for the year totalled £1,362,610 (2023 - £1,310,400).

Notes to the financial statements (continued)

8. Taxation

	2024	2023
	£	£
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	44,233	(130,313)
Adjustments in respect of prior years	-	24
Effect of tax rate change on opening balance	-	-
Total deferred tax	<u>44,233</u>	<u>(130,289)</u>
Taxation charge / (credit) on profit on ordinary activities	<u><u>44,233</u></u>	<u><u>(130,289)</u></u>
Factors affecting tax charge / (credit) for the year		
	2024	2023
	£	£
Profit on ordinary activities before tax	<u>12,341</u>	<u>11,488</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (prior year 19%)	3,085	2,183
Effects of:		
Adjustments to tax charge in respect of prior periods	4,100	-
Adjustments to tax charge in respect of prior periods – deferred tax	-	24
Fixed asset timing differences	36,538	(101,227)
Expenses not deductible for tax purposes	510	6
Remeasurement of deferred tax for changes in tax rates	-	(31,275)
Total tax charge / (credit) for the year	<u><u>44,233</u></u>	<u><u>(130,289)</u></u>

Notes to the financial statements (continued)

9. Intangible Assets

	Software	Total
Cost or valuation	£	£
At 1 April 2023	3,445,143	3,445,143
Additions	35,655	35,655
Disposals	(242,159)	(242,159)
At 31 March 2024	<u>3,238,639</u>	<u>3,238,639</u>
Amortisation		
At 1 April 2023	1,544,491	1,544,491
Charge for the year	539,260	539,260
Disposals	(242,159)	(242,159)
At 31 March 2024	<u>1,841,592</u>	<u>1,841,592</u>
Net book value		
At 31 March 2024	<u>1,397,047</u>	<u>1,397,047</u>
At 31 March 2023	1,900,652	1,900,652

Notes to the financial statements (continued)

10. Tangible Fixed Assets

	Medical Equipment	Computer Equipment Fixtures & Fittings	Estates Refurbishment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2023	260,714	3,669,631	1,187,468	5,117,813
Additions	34,237	204,843	-	239,080
Impairment	(135,332)	-	(866,323)	(1,001,655)
At 31 March 2024	159,619	3,874,474	321,145	4,355,238
Amortisation				
At 1 April 2023	190,851	1,162,455	824,776	2,178,082
Charge for the year	33,484	751,282	322,669	1,107,435
Disposals	(135,332)	-	(866,323)	(1,001,655)
At 31 March 2024	89,003	1,913,737	281,122	2,283,862
Net book value				
At 31 March 2024	70,616	1,960,737	40,023	2,071,376
At 31 March 2023	69,863	2,507,176	362,692	2,939,731

The net book value of tangible fixed assets for the company includes an amount of £347,633 (2023 - £553,574) 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 £212,415 (2023 - £241,309).

Notes to the financial statements (continued)

11. Investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2023	-
Additions	-
Disposals	-
At 31 March 2024	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

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

CSH Homecare Limited was dissolved 21 June 2022.

The registered office of CSH Homecare Limited was Dukes Court, Duke Street, 4th Floor, Woking, GU21 5BH.

12. Debtors

	2024	2023
	£	£
Trade debtors	1,113,294	1,272,530
Other debtors including tax debtor	26,538	48,978
Corporation tax	747	747
Prepayments and accrued income	3,199,586	1,559,314
	4,340,165	2,881,569

13. Investments

	2024	2023
	£	£
Fixed Term Deposit Account	-	1,500,000
	-	1,500,000

Notes to the financial statements (continued)

14. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	8,187,574	9,195,006
	<u>8,187,574</u>	<u>9,195,006</u>

15. Creditors amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,983,147	2,219,464
Other taxation and social security	852,202	846,228
Obligations under finance lease and hire purchase contracts	347,633	565,166
Other creditors	618,036	615,466
Accruals and deferred income	9,623,231	11,611,062
	<u>13,424,249</u>	<u>15,857,386</u>

16. Deferred taxation

	2024
	£
At beginning of year	41,619
Debited to profit or loss	44,233
At end of year	<u>85,852</u>

The deferred tax liability is made up as follows:

	2024	2023
	£	£
Fixed asset and short-term timing differences	85,852	41,619
	<u>85,852</u>	<u>41,619</u>

Notes to the financial statements (continued)

17. 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. 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 financial reporting manual (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 2024, is based on valuation data as at 31 March 2016, updated to 31 March 2024 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, however, on 30 January 2019 the Government announced a pause to the cost control mechanism which was to form part of the valuation. This was due to the Court of Appeal in December 2018 relating to the transitional protection offered to some members in the 2015 pension reforms. On 4 February 2021, the Government announced that the cost cap mechanism calculations would be completed allowing for the transitional protection remedy costs.

Defined benefit scheme

The amount recognised in profit or loss as an expense in relation to the NHS Pension Scheme plans was £4,671,063 (2023: £4,599,575).

Notes to the financial statements (continued)

18. Financial instruments

Financial assets measured at amortised cost comprise trade and other debtors, accrued income, investment on deposit 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.

19. Share Capital

	2024 £	2023 £
Allotted, called up and fully paid		
4 (2022 - 4) Ordinary shares of £0.25 each	<u>1</u>	<u>1</u>

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.

20. Analysis of changes in net debt

	01 April 2023 £	Cash Flows £	Other non-cash changes £	31 March 2024 £
Cash at bank and in hand	9,195,006	(1,007,432)	-	8,187,574
Obligations under finance lease and hire purchase contracts	565,166	(217,533)	-	347,633
	<u>9,760,172</u>	<u>(1,224,965)</u>	-	<u>8,535,207</u>

Non-cash movements relate to:

Obligations under finance leases: during the year the group did not enter into any new finance leases.

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

Notes to the financial statements (continued)

21. Events after the end of the reporting period

The commissioners of the Children and Family Health Surrey contract have exercised their option to further extend the contract by 12 months to 31 March 2025, with the extension flowing to CSH Surrey. We have been advised by Surrey County Council and the ICB that there will be no further extensions, and that the service will be transferred to a new provider on 1 April 2025. This will reduce the turnover of CSH by circa 45%. After reviewing the finances of the residual organisation the CSH directors and management have developed a restructuring program to ensure that CSH remains viable into 2025/26.

22. Controlling party

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

Annual Report & Financial Statements
for the year ended 31 March 2024

Central Surrey Health Limited (t/a CSH Surrey) Company Registration Number 05700920





CSH
Surrey



www.cshsurrey.co.uk

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