

Surrey Choices Ltd

Registered number: 08931490

Annual Report Surrey Choices Ltd

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For the year ended 31 March 2024

Company Information

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Directors	M.E. Farrow (appointed 3 rd July 2023) J.M. Earl S. Nahajski R.E. Wigley Mette Le Jakobsen (resigned 31 st May 2023) R. Khan (resigned 21st May 2024)
Company Secretary	K.G. Chandler
Registered number	08931490
Registered office	Fernleigh Day Centre Fernleigh Close Walton- on- Thames Surrey England KT12 1RD
Independent auditor	UHY Hacker Young LLP Chartered Accountants & Statutory Auditor Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	HSBC Bank plc Level 30 8 Canada Square Canary Wharf London E14 5HQ

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Directors' Report

For the year ended 31 March 2024

The directors present their report, the strategic report, and the financial statements for the year ended 31 March 2024.

Principal activities

The Company is principally engaged in the provision of adult social care services across Surrey, along with residential care for adults with learning difficulties, mental health, and disability.

Results and dividends

The profit for the year, after taxation, amounted to £43,475 (2023: £37,757).

No dividend was declared for the year.

Directors

The directors who served during the year were:

J.M. Earl
S. Nahajski
R.E. Wigley
R. Khan (resigned 21st May 2024)
M.L. Jakobsen (resigned 31st May 2023)
M.E. Farrow (appointed 3rd July 2023)

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company's policy is to consult and discuss with employees, through unions and at staff meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through staff briefings and reports that seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Directors' responsibilities statement

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

Directors' Report

For the year ended 31 March 2024

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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 and then apply them consistently;
- make judgements 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; and
- 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 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. The directors have confirmed that appropriate Directors and Officers insurance cover is in place.

Disclosure of information to the Company's auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

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

This report was approved by the Board on 15th July 2024 and signed on its behalf.

Martin Farrow
Managing Director

Strategic Report

The directors present their strategic report for the year ended 31 March 2024.

Business review

Surrey Choices Limited was incorporated on 10 March 2014 and began to trade on 18 August 2014. The Company is wholly owned by Surrey County Council and was established to create innovative new models of delivery that would improve the quality and affordability of services for existing and new customers.

Fair review of business

The results for the business for the year, which are set out in the statement of comprehensive income, show turnover for the period of £14,251,539 (2023: £13,370,459) and a total comprehensive income for the financial period of £43,475 (2023: £37,757). At 31 March 2024, the company had net liabilities of £824,114 (2023: £867,590). The directors of the company consider that the financial position at the period end is satisfactory, being in line with the business plan.

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development and performance of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Future developments

The external commercial environment is expected to remain competitive going forward. However, the directors remain confident and presently see no reason why the company should not continue to perform positively in the future as it innovates new products and services for a significantly unserved market for a range of younger, older and disabled people in Surrey.

Principal risks and uncertainties

The directors remain focused on protecting the employees and the Company's ability to maintain high-quality services and stability for its customers. At the time of approving the financial statements, and after giving due consideration and making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, with the support of Surrey County Council. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continuation of trading with Surrey County Council and achieving satisfactory negotiations with Surrey County Council regarding both new and existing contracts to ensure the quality and continuity of both services to the people being supported and staff working in the organisation.

Objectives and policies

The directors constantly monitor the Company's trading results and revise projections as appropriate to ensure that the Company can meet its future obligations as they fall due.

Strategic Report continued

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

This report was approved by the Board on 15th July 2024 and signed on its behalf.

Martin Farrow
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SURREY CHOICES LIMITED

Opinion

We have audited the financial statements of Surrey Choices Limited (“the company”) for the year ended 31 March 2024 which comprise the Profit and Loss Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, and the notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statement 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 entity'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.

Other information

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

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 directors' report. We have nothing to report in respect of the following matters where 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, 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Jessica Moorghen
(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

Date:

Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £	2023 £
Turnover	3	14,251,539	13,370,459
Cost of Sales		<u>(11,502,776)</u>	<u>(10,570,316)</u>
Gross Profit		2,748,763	2,800,143
Administrative Costs		<u>(2,631,083)</u>	<u>(2,706,601)</u>
Operating Profit	4	117,680	93,542
Interest Payable and Financial expenses	8	<u>(58,530)</u>	<u>(61,670)</u>
Profit before tax		59,150	31,872
Tax on Profit	9	<u>(15,675)</u>	<u>5,885</u>
Profit for the year		<u><u>43,475</u></u>	<u><u>37,757</u></u>
Other Comprehensive Income for the Year			
Profit for the financial period		<u>43,475</u>	<u>37,757</u>
Total Comprehensive Income for the Year		<u><u>43,475</u></u>	<u><u>37,757</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31st March 2024

	Note	2024 £	2023 £
Tangible Assets	10	<u>337,135</u>	<u>211,527</u>
Current Assets			
Debtors	11	820,923	1,900,609
Cash at Bank and in Hand	12	<u>1,502,665</u>	<u>767,905</u>
		2,323,588	2,668,514
Amounts Falling due within one year	13	<u>(1,833,371)</u>	<u>(1,997,631)</u>
Net Current Assets		<u>490,217</u>	<u>670,883</u>
Total Asset less current Liabilities		827,352	882,410
Creditors: Amount falling due after more than one year	14	(1,645,000)	(1,750,000)
Provision for liabilities	22	<u>(6,467)</u>	<u>-</u>
Net Liabilities		<u>(824,115)</u>	<u>(867,590)</u>
Capital and Reserves			
Called-up Share Capital	18	100	100
Profit and Loss Account	17	<u>(824,215)</u>	<u>(867,690)</u>
		<u>(824,115)</u>	<u>(867,590)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Martin Farrow
Director

Statement of cash flows

For the year ended 31 March 2024

	2024	2023
	£	£
Cash flow from operating activities		
Profit for the financial year	43,475	37,757
Adjustments for:		
Depreciation of tangible assets	206,160	200,978
Interest paid	119,392	91,046
Decrease/(Increase) in trade and other debtors	1,079,686	(839,348)
(Decrease) in trade and other creditors	(157,793)	(1,195,927)
Net cash generated from operating activities	1,290,920	(1,705,494)
Cash flows from investing activities		
Improvement of Lease property	(10,686)	(9,212)
Purchase of other fixed assets	(321,082)	(89,005)
Net cash from investment activities	(331,768)	(98,217)
Cash flows from Financing activities		
Loan repaid	(105,000)	(350,000)
Interest accrual	(119,392)	(91,046)
Net cash used by financing activities	(224,392)	(441,046)
Net Increase/(Decrease) in cash and cash equivalents	734,760	(2,244,757)
Cash and cash equivalents at the beginning of the year	767,905	3,012,662
Cash and cash equivalents at the end of the year	1,502,665	767,905

Statement of Changes in Equity

For the year ended 31 March 2024

	Share Capital	Profit and loss account	Total Equity
	£	£	£
At 31 March 2022	100	(905,447)	(905,347)
Profit for the year		37,757	37,757
At 31 March 2023	100	(867,690)	(867,590)
Profit for the year		43,475	43,475
At 31 March 2024	100	(824,215)	(824,115)

Notes to the Financial Statements

For the year ended 31 March 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgement in applying the Company's accounting policies (see note 2).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The following principal accounting policies have been applied:

1.2 Going concern

The Company relies on a contract with Surrey County Council to provide certain services to the Council. This has recently been renewed to run to 31 March 2025. Whilst there is no minimum commitment to contract volumes from the Council, the directors maintain close contact with the Council and have no reason to believe that reasonable purchasing volumes would not continue in the foreseeable future.

The Company funds its working capital requirements through an agreed ten-year credit facility with its parent entity. The Directors have reviewed the Company's forecasts for the following 12 months from the date of formally approving the annual report and financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, with the support of Surrey County Council. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts chargeable in respect of the provision of social care services, exclusive of VAT and is recognised when the services are rendered.

1.4 Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost less any estimated residual value, on a straight-line basis over their expected useful economic life. Assets are assessed for impairment on at least an annual timeframe.

The estimated useful lives range as follows:

Leasehold property	-	over 3 years
Improvement	-	over 3 years
Furniture, fixtures & equipment	-	over 3 years
Computer equipment	-	over 3 years
Motor vehicles	-	over 3 years

Notes to the Financial Statements

For the year ended 31 March 2024

1.5 Operating leases

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight-line basis over the lease term.

1.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 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.

1.8 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 payables or receivables, 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 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 Comprehensive Income.

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.

Notes to the Financial Statements

For the year ended 31 March 2024

Financial instruments (continued)

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, 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 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. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

1.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation and are measured at the best estimate at the statement of the financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Notes to the Financial Statements

For the year ended 31 March 2024

Provisions for Liabilities (continued)

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

1.13 Taxation

A tax liability will be recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

A deferred tax liability or asset is recognised for the additional tax that will be incurred or deductible in the future based on assets and liabilities that are recognised in a business combination.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of asset, income and expenses is provided below.

2.1. Improvement of Lease Property

Improvement Expenditure is capitalised in accordance with the accounting policy of fixed asset given above. Management review the cost incurred on the property to ensure it meets the criteria of capital cost and has foreseeable economic use. The entity recognises the costs of day to day servicing of an item of property, plant and equipment in the income and expenditure in the period in which the costs are incurred.

2.2. Pension and other post-employment benefits

The cost of defined benefit pension plan and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future

Notes to the Financial Statements

For the year ended 31 March 2024

pension increase. This valuation is subject to significant uncertainty due to the complexity of the calculation and the long-term nature of the plan.

2.3 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date on the expected utility of the assets to the Company. The carrying amounts are analysed in note 10. Actual results however, may vary due to technical obsolescence, particularly for computer equipment.

3. Turnover

The whole of the turnover in the current and prior period is attributable to providing adult social care and support services and is wholly undertaken in the United Kingdom.

4. Operating Profit

This is stated after charging:

	2024 £	2023 £
Operating leases - property	500,056	641,651
Depreciation of owned assets	206,159	200,978
Auditor's remuneration	24,800	23,885
Other scheme contribution pension cost	<u>610,689</u>	<u>562,704</u>

5. Auditor's remuneration

The remuneration of the auditors and its services is further analysed as follows:

Audit of financial statements	20,800	20,000
Other audit related service: certification of Teachers' Pensions	<u>4,000</u>	<u>3,885</u>
	<u>24,800</u>	<u>23,885</u>

* Taxation compliance service in 2024 was provided by an independent company, RSM UK Tax and Accounting, for a fee of £3,000.

Notes to the Financial Statements

For the year ended 31 March 2024

6. Particulars of employees

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

	2024	2023
	£	£
Wages and salaries	7,734,861	6,956,421
Social security	681,734	620,427
Pension cost	610,689	562,704
	<u>9,027,284</u>	<u>8,139,552</u>

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

	2024	2023
	No.	No.
Support workers and operational staff	330	297
Managers	21	25
	<u>351</u>	<u>322</u>

7. Directors' remuneration

	2024	2023
	£	£
Wages and salaries	106,348	119,769
Social security Cost	9,597	14,284
Other Pension costs	8,664	5,158
	<u>124,609</u>	<u>139,211</u>

8. Interest payable and similar charges

	2024	2023
	£	£
Bank interest payable	119,392	91,046
Bank Interest Received	(60,862)	(29,376)
	<u>58,530</u>	<u>61,670</u>

Notes to the Financial Statements

For the year ended 31 March 2024

9. Taxation	2024	2023
	£	£
Current tax		
United Kingdom Corporation tax	-	21,579
Adjustments in respect of prior periods	<u>155</u>	<u>(1)</u>
Total current tax charge/ (credit)	<u>155</u>	<u>21,578</u>
Deferred tax		
Origination and reversal of timing differences	15,724	(27,463)
Prior year deferred tax adjustment	<u>(204)</u>	-
Total deferred tax (expenditure)/ income on ordinary activities	15,675	(5885)
Provision for deferred tax		
Fixed Asset Timing Differences	45,625	7,390
Short term Timing Differences	(18,764)	(16,443)
Losses and other deductions	<u>(20,394)</u>	-
Total deferred tax (asset)/liability	<u>6,467</u>	<u>(9,053)</u>
Movement in provision		
Provision at start of period	(9,053)	18,410
Deferred tax charged to the income statement in the period	<u>15,520</u>	<u>(27,463)</u>
Provision at end of period	<u>6,467</u>	<u>(9,053)</u>
Factors affecting tax charge for the year/period	2024	2023
	£	£
Profit on ordinary activities before tax	59,150	31,872
Profit/(loss) on ordinary activities multiplied by standard rate of Corporation tax in the UK of 25% for 2024 and 19% PY	14,788	6,056
Effects of:		
Fixed asset differences	395	(4,736)
Expenses not deductible for tax purposes	338	-
Other permanent Differences	204	
Additional deduction for land remediation expenditure	-	(613)

Notes to the Financial Statements

For the year ended 31 March 2024

Adjustment to tax charge in respect of previous periods	155	(1)
Adjustment to tax charge in respect of previous periods – deferred tax	(204)	-
Remeasurement of deferred tax for changes in tax rates	-	(6,591)
Unexplained difference	(1)	-
Tax on results on ordinary activities	15,675	(5,885)

10. Tangible Assets

	Leasehold property Improvements £	Furniture, Fixtures & Equipment £	Former Council Fixtures & Fittings £	Computer Equipment £	Motor Vehicles	Total £
Cost						
At 1 April 2023	487,761	218,037	411,504	794,044	231,075	2,142,421
Additions	10,686	28,864	-	63,996	228,222	331,768
Disposal	-	-	-	-	-	-
At 31 March 2024	498,447	246,901	411,504	858,040	459,297	2,474,189
Depreciation						
At 1 April 2023	477,124	191,605	411,504	650,202	200,459	1,930,894
Provided in the year	8,379	23,445	-	105,141	69,195	206,160
Disposal	-	-	-	-	-	-
At 31 March 2024	485,503	215,050	411,504	755,343	269,654	2,137,054
Net Book amount						
At 31 March 2024	12,944	31,851	-	102,697	189,643	337,135
Net Book amount						
At 31 March 2023	10,637	26,432	-	143,842	30,616	211,527

Notes to the Financial Statements

For the year ended 31 March 2024

	2024 £	2023 £
11. Debtors		
Trade debtors	441,812	1,699,420
Prepayments and accrued income	379,111	192,135
Deferred tax	-	9,054
	<u>820,923</u>	<u>1,900,609</u>
12. Cash and cash equivalents		
	2024 £	2023 £
Cash at bank and in hand	<u>1,502,665</u>	<u>767,905</u>
	<u>1,502,665</u>	<u>767,905</u>
13. Creditors: Amount falling due within one year		
	2024 £	2023 £
Trade creditors	251,932	189,687
Other taxes and social security	715,819	707,118
Other creditors	580,771	668,093
Accruals	284,849	432,733
	<u>1,833,371</u>	<u>1,997,631</u>

Notes to the Financial Statements

For the year ended 31 March 2024

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

Maturity of Debt

Surrey Choices Ltd	Loans and overdrafts	
	2024	2023
	£	£
In two to five years	1,295,000	1,050,000
In more than five years	<u>350,000</u>	<u>700,000</u>
	<u>1,645,000</u>	<u>1,750,000</u>

Loans included within creditors, are analysed as follows:

	2024	2023
	£	£
2.5% above base revolving loan	1,233,750	1,312,500
4.24% set-up loan facility	<u>411,250</u>	<u>437,500</u>
	<u>1,645,000</u>	<u>1,750,000</u>

These loans are secured by fixed charges over various assets of the company.

The Company's parent has provided a revolving loan facility of £2,100,000 of which currently £2,100,000 has been drawn down; this was originally due to mature in June 2019, and also a set-up loan of £700,000 due for repayment in August 2019.

The Company received confirmation from SCC that these terms would be extended. They will be paid in annual instalments of £350k from 2021/22, to be fully repaid by 2028/29.

Surrey Choices was able to repay the first three annual instalments of the loan a year earlier than required under the agreed terms.

The interest term for the revolving loan is to be paid quarterly in arrears.

The interest term for the set-up loan is six monthly in arrears.

Notes to the Financial Statements

For the year ended 31 March 2024

15. Leasing commitments

The company's future operating lease payments are as follows:

	2024 £	2023 £
Within one year	82,880	115,301
Between one and five years	<u>92,715</u>	<u>175,675</u>

16. Financial instruments

Financial instruments are measured at amortised cost

	2024 £	2023 £
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Financial assets

Debtor	441,812	1,699,420
Cash	<u>1,502,665</u>	<u>767,905</u>
	<u>1,944,477</u>	<u>2,467,325</u>

Financial liabilities

Trade creditors	251,932	189,687
Other creditors	1,581,439	1,807,944
Loan	<u>1,645,000</u>	<u>1,750,000</u>
	<u>3,478,371</u>	<u>3,747,631</u>

17. Profit and Loss Account

	2024 £	2023 £
Opening balance	(867,690)	(905,447)
Profit/(Loss) for the period	43,475	37,757
Closing Balance at 31 March	<u>(824,215)</u>	<u>(867,690)</u>

18. Share Capital

	2024 £	2023 £
Allotted, called up and fully paid 100 - Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes to the Financial Statements

For the year ended 31 March 2024

19. Related party transactions

The Company has taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group.

The company has determined that key management includes all members of the Executive Team.

	2024	2023
	£	£
Remuneration paid to key management	346,084	356,406

20. Ultimate controlling party

The ultimate controlling party of Surrey Choices Ltd is Surrey County Council, which owns the entire issued share capital

21. Company information

Surrey choices Limited is a company incorporated in England and Wales with registered office at Fernleigh Day Service, Fernleigh Close, Hersham Road, Walton-on-Thames, KT12 1RD.

22. Provision for liabilities

	2024	2023
	£	£
Deferred Tax Liability	<u>6,467</u>	<u>-</u>

23. Analysis of changes in net debt

	At 31 March 2023	Cash Flows	Other non-cash changes	At 31 March 2024
	£	£	£	£
Cash and cash equivalents:				
Cash	767,905	734,760	-	<u>1,502,665</u>
Borrowings:				
Intra-group debt	<u>(1,750,000)</u>	105,000	-	<u>(1,645,000)</u>
Total	<u>(982,095)</u>	839,760	-	<u>(142,335)</u>

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