

SURREY & KENT COMMERCIAL SERVICES LLP

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FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2023



INFORMATION

Designated Members

Commercial Services Kent Limited

Surrey County Council

LLP registered number OC439317

Registered office 1 Abbey Wood Road
Kings Hill
Kent
West Malling
ME19 4YT

Independent auditors Bishop Fleming LLP
Chartered Accountants
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

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**MEMBERS' REPORT
FOR THE PERIOD ENDED 28 MARCH 2023**

The members present their annual report together with the audited financial statements of Surrey & Kent Commercial Services LLP (the "LLP") for the period ended 28 March 2023.

PRINCIPAL ACTIVITIES

The LLP was incorporated on 28 September 2021 and commenced trading on 1 February 2022.

The principal object of the LLP is to provide temporary staff to customers, including Surrey County Council.

DESIGNATED MEMBERS

Surrey County Council and Commercial Services Kent Limited were designated members of the LLP throughout the period.

MEMBERS' CAPITAL AND INTERESTS

Capital requirements are determined by the designated members and all members are required to subscribe a proportion of that capital.

Capital is repaid only by prior written approval of all members or on winding up of the LLP and hence is classified as equity.

Details of changes in members' capital in the period ended 28 March 2023 are set out in the Reconciliation of Members' Interests.

Members do not receive drawings during the period.

Profits are determined, allocated and divided between members only after finalisation of the financial statements and a decision is made about whether to allocate such. Prior to the allocation of profits and their division between members, unallocated profits are included within equity as members' others interests.

RESULTS AND PERFORMANCE

The results of the LLP for the period are set out on page 7 and show a loss for the period of £373,000. Total members' interests are (£48,000).

This report was approved by the members on 15 September 2023 and signed on their behalf by:

H Lock
Director of designated member

**MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 28 MARCH 2023**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members is required to:

- select suitable accounting policies for the LLP's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OPINION

We have audited the financial statements of Surrey & Kent Commercial Services LLP (the 'LLP') for the period ended 28 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Reconciliation of Members' Interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 28 March 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008..

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the members's 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 LLP'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 members 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 Auditors' Report thereon. The members is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which Companies Act 2006, as applicable to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

RESPONSIBILITIES OF MEMBERS

As explained more fully in the Members' Responsibilities Statement on page 2, the members 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 members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and members in relation to their own identification and assessment of the risks of irregularities within the LLP; and
- We have considered any matters we identified having obtained and reviewed the LLP's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory framework that the LLP operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Reporting Standard 102, Statement of Recommended Practice "Accounting by Limited Liability Partnerships" and UK tax legislation. In addition, we considered the provision of other laws and regulations that do not have a direct effect on the financial statements, but compliance with which may be fundamental for the LLP's ability to operate or avoid a material penalty. These included health and safety regulations, employment legislation, and data protection laws.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board minutes;
- Identifying and testing journal entries, evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud; and
- Challenging assumptions and judgements made by management in the significant accounting estimates.

We also communicated identified laws and regulations and potential fraud risks to all members of the

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURREY & KENT COMMERCIAL SERVICES LLP (CONTINUED)

engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the LLP's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body for our audit work, for this report, or for the opinions we have formed.

Nathan Coughlin FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

18 September 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 MARCH 2023**

	Note	2023
Turnover		29,191
Cost of sales		<u>(28,749)</u>
Gross profit		442
Administrative expenses		<u>(813)</u>
Operating loss		(371)
Interest receivable and similar income	4	<u>17</u>
Loss before tax		(354)
Loss for the period before members' remuneration and profit shares		<u>(354)</u>
Loss for the period before members' remuneration and profit shares		(354)
Members' remuneration charged as an expense		<u>(19)</u>
LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u><u>(373)</u></u>

There was no other comprehensive income for 2023.

The notes on pages 11 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 28 MARCH 2023

	Note	2023 £000
Fixed assets		
Tangible assets	5	6
		<u>6</u>
Current assets		
Debtors	6	831
Cash at bank and in hand		1,744
		<u>2,575</u>
Creditors: amounts falling due within one year	7	<u>(2,629)</u>
Net current liabilities		<u>(54)</u>
Total assets less current liabilities		<u>(48)</u>
Net liabilities		<u>(48)</u>
Represented by:		
Loans and other debts due to members within one year		
Other amounts		325
		<u>325</u>
Members' other interests		
Other reserves classified as equity		(373)
		<u>(48)</u>
Total members' interests		<u>(48)</u>
Loans and other debts due to members		325
Members' other interests		(373)
		<u>(48)</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 15 September 2023.

H Lock

Director of designated member

The notes on pages 11 to 17 form part of these financial statements.

SURREY & KENT COMMERCIAL SERVICES LLP
REGISTERED NUMBER:OC439317

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 MARCH 2023

Surrey & Kent Commercial Services LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of Changes in Equity.

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE PERIOD ENDED 28 MARCH 2023**

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Other reserves £000	Other amounts £000	Total £000
BALANCE AT 27 SEPTEMBER 2021	-	-	-
Members' remuneration charged as an expense	-	19	19
	(373)		(373)
Loss for the period available for discretionary division among members	-	-	-
MEMBERS' INTERESTS AFTER PROFIT FOR THE PERIOD	(373)	19	(354)
Amounts introduced by members	-	306	306
Amounts due to members		325	
BALANCE AT 28 MARCH 2023	(373)	325	(48)

Amounts due to members who are unsecured creditors will rank pari passu with other unsecured creditors in the event of a winding up. In such circumstances, the members have subordinated their rights to payments of amounts owed to them in respect of the amounts standing to their current accounts and capital contributions in preference to external creditors.

Members capital (classified as equity) is £2.

Other amounts are the initial loans made by the members which carry interest at a rate of 5% per annum. The initial loans and interest thereon are repayable on demand of the members jointly in writing after January 2025 and in any event, by January 2028.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other Interests.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023**

1. GENERAL INFORMATION

Surrey & Kent Commercial Services LLP ("the LLP") provides temporary recruitment services to customers, including Surrey County Council.

The LLP is incorporated in the United Kingdom and registered in England. The address of its registered office is 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 1985 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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 LLP's accounting policies.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The LLP made a loss in its first period of trading, which was partly due to initial set up costs. The members have provided appropriate cashflow support through this period and the LLP's forecast and projections for 12 months after the signing of these accounts, taking account of reasonably possible changes in trading performance, show that the LLP should be able to operate without any additional borrowing facilities being required. The members have committed to providing short term cash flow support if required. As a consequence, the members believe that the LLP is well placed to manage its business risk successfully.

Therefore, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The members have therefore adopted the going concern basis in preparing the financial statements for the period ended 28 March 2023.

2. ACCOUNTING POLICIES (continued)

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The LLP operates a recruitment agency. Revenue from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff, is recognised when the service has been provided. Revenue from permanent placements is typically based on percentage of the candidates remuneration package and is recognised when a candidate commences employment.

2.4 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.5 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in profit or loss 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 LLP in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.6 EMPLOYEE BENEFITS

The LLP provide a range of benefits to employees, including commission and bonus arrangements and paid holiday arrangements

i. Short term benefits

Short term benefits, including holiday pay, and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

ii. Commission and bonus plans

The LLP operates a number of commission and bonus plans for employees. An expense is recognised in the statement of comprehensive income when the LLP has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

2.7 MEMBERS' REMUNERATION

Profits attributable to members are determined, allocated and divided between members after a decision is made about whether to allocate and until that time are included in equity within members' other interests.

The term of the members' agreement requires that capital is repaid by prior written approval of all members or on winding up of the LLP. Capital is accordingly accounted for as equity.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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 by management.

Depreciation is 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:

Computer equipment	- 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023

2. ACCOUNTING POLICIES (continued)

2.10 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.

2.11 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.

2.12 FINANCIAL INSTRUMENTS

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023

3. EMPLOYEES

	2023 £000
Wages and salaries	1,292
Social security costs	135
Cost of defined contribution scheme	18
	<u>1,445</u>

The average monthly number of persons (including members with contracts of employment) employed during the period was as follows:

	2023 No.
Recruitment team	7
Temporary staff	13
	<u>20</u>

4. INTEREST RECEIVABLE

	2023 £000
Bank interest receivable	17
	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023

5. TANGIBLE FIXED ASSETS

	Computer equipment £000
COST OR VALUATION	
Additions	9
At 28 March 2023	<u>9</u>
DEPRECIATION	
Charge for the period on owned assets	3
At 28 March 2023	<u>3</u>
NET BOOK VALUE	
At 28 March 2023	<u><u>6</u></u>

6. DEBTORS

	2023 £000
Other debtors	48
Prepayments and accrued income	783
	<u>831</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £000
Trade creditors	15
Other taxation and social security	37
Other creditors	7
Accruals and deferred income	2,570
	<u><u>2,629</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2023

8. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £18,000. Contributions totaling £2,000 were payable to the fund at the balance sheet date and were included within creditors.

9. RELATED PARTY TRANSACTIONS

The LLP's related party transactions were with Surrey County Council, Kent County Council and entities controlled by Kent County Council and so have not been disclosed under FRS 102 paragraph 33.11.

10. CONTROLLING PARTY

The LLP does not have a parent undertaking. The ultimate controlling party of the LLP is considered to be the members in aggregate.

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