
ESSEX COMMUNITY SUPPORT LTD

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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ESSEX COMMUNITY SUPPORT LTD

COMPANY INFORMATION

Directors	J T Coogan M A McDonagh B J Moore P Fairley
Company secretary	Essex Legal Services Limited
Registered number	06725268
Registered office	Seax House Victoria Road South Chelmsford Essex CM1 1QH
Accountants	Grant Thornton UK LLP Chartered Accountants Priory Place New London Road Chelmsford Essex CM2 0PP

ESSEX COMMUNITY SUPPORT LTD

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ESSEX COMMUNITY SUPPORT LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

For the year ended 31 March 2023.

Principal activities

The principal activities of the company and the group are those of providing social care services.

Business review

2022/23 has seen ECL Community Support continue with the delivery of the social care reablement service to meet the contract, which is of a block nature that allows for marginal recognition for over-delivery of the contractual hours, however, under-delivery does contain a reduction in income below certain thresholds. This has been bolstered by the development of Ward-Led Enablement projects in several of the Essex hospitals.

Staff costs have risen to provide cost of living increases to the frontline services, however, a particularly challenging recruitment and retention meant that not all vacancies were filled generating lower spend against the prior year. Pension interest income has partially offset this increase in costs, however, it has still resulted in a loss for the year.

System and organisational development have also remained key this year to create further efficiencies within the business – we have commenced programmes to refresh the learning management and recruitment systems as well as in-housing further payroll tasks. The central services have also undertaken changes to further strengthen the support to the operational parts of the business.

Principal risks and uncertainties

The subsidiary's main risk going forward is ECL's ability to secure the extension of the contract with the current end date in March 2024. Discussions are currently ongoing to continue the strategic partnership to deliver this core service in Essex.

Financial key performance indicators

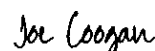
KPIs for the financial year 2022/23 show that Income has decreased from £12.513m to £12.235m, a reduction of 2.3%. This is due to the lower marginal income recognised in the year against prior hours delivery.

Loss before tax of (£524k) has decreased from the previous year (2021/22: (£726k) due mainly to the additional pension interest income recognised from the LGPS actuarial report.

This report was approved by the board on

13/12/2023

and signed on its behalf.



J T Coogan
Director

ESSEX COMMUNITY SUPPORT LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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.

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 and 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;
- 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £524,000 (2022: loss £726,000).

Directors

The directors who served during the year and since the year end were:

J T Coogan (appointed 19 April 2023)
M A McDonagh (appointed 19 April 2023)
P Fairley (appointed 19 September 2023)
B J Moore (appointed 19 April 2023)
C L Shuter (appointed 19 April 2023) (resigned 19 September 2023)
K Lynch (resigned 19 April 2023)

ESSEX COMMUNITY SUPPORT LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Future developments and going concern

ECL continues to have financial protection in the material contracts within its portfolio, which is crucial in order to remain viable when there has been capacity issues due to recruitment struggles and the ever decreasing impact that Coronavirus has on the ability to deliver our contractual obligations through staff absence. A small level of central government funding has helped in this regard as well as support for frontline PPE equipment that is continuing in 2023/24. Demand in the market is always outstripping supply in all our operational regions and this is not expected to reduce in the future.

Our income continues to be largely derived from multi-year contracts, with amendments and negotiations where necessary and throughout the past financial year, we continue to deliver successful and efficient services given the challenging circumstances amid the cost of living crises affecting the economy. We have maintained our reputation for high quality care, and the drift towards more community provided services instead of residential care is continuing so we look to optimise more opportunities and strive to meet the demand in the Essex system and across other borders. In 2022/23 we have developed some new business areas with NHS commissioners including ward-led enablement.

Based on the above factors, the financial statements have been prepared and approved on a going concern basis of accounting.

Any further contract plans that are outside the scope of Essex County Council direct awards are not considered appropriate to disclose due to their commercially sensitive nature.

Engagement with employees

The group has established a strong practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. The directors have monthly updates for their teams to disseminate downwards and to address any issues that might be affecting areas of the business. In addition, the Directors attend monthly staff meetings and issue regular monthly newsletters.

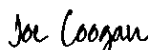
Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees. Essex Cares Limited is an equal opportunities employer.

Post balance sheet events

For this subsidiary, there are no significant post balance sheet events to disclose.

This report was approved by the board on 13/12/2023 and signed on its behalf.



J T Coogan
Director



Report to the directors on the preparation of the unaudited statutory financial statements of Essex Community Support Ltd for the year ended 31 March 2023

We have compiled the accompanying financial statements of Essex Community Support Ltd based on the information you have provided. These financial statements comprise the Statement of Financial Position of Essex Community Support Ltd as at 31 March 2023, the Statement of Comprehensive Income for the year then ended, the Statement of Changes in Equity, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Board of Directors of Essex Community Support Ltd, as a body, in accordance with the terms of our engagement letter dated 7 June 2023. Our work has been undertaken solely to prepare for your approval the financial statements of Essex Community Support Ltd and state those matters that we have agreed to state to the Board of Directors of Essex Community Support Ltd, as a body, in this report in accordance with our engagement letter dated 7 June 2023. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Essex Community Support Ltd and its Board of Directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Chelmsford

Date: 13/12/2023

ESSEX COMMUNITY SUPPORT LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Administrative expenses		(12,235,360)	(12,512,867)
Other operating income		11,532,360	11,727,867
Operating loss		(703,000)	(785,000)
Other finance income		179,000	59,000
Loss before tax		(524,000)	(726,000)
Loss for the financial year		(524,000)	(726,000)
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		12,303,000	5,552,000
Other comprehensive income for the year		12,303,000	5,552,000
Total comprehensive income for the year		11,779,000	4,826,000

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 8 to 15 form part of these financial statements.

ESSEX COMMUNITY SUPPORT LTD
REGISTERED NUMBER:06725268

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Current assets			
Debtors: amounts falling due within one year	7	100	100
		<u>100</u>	<u>100</u>
Total assets less current liabilities		100	100
Creditors: amounts falling due after more than one year	8	(331,482)	(331,482)
Pension asset		18,636,000	6,857,000
Net assets		18,304,618	6,525,618
Capital and reserves			
Called up share capital		100	100
Profit and loss account	10	18,304,518	6,525,518
		<u>18,304,618</u>	<u>6,525,618</u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
13/12/2023

Joe Coogan

J T Coogan
Director

The notes on pages 8 to 15 form part of these financial statements.

ESSEX COMMUNITY SUPPORT LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	100	1,699,518	1,699,618
Comprehensive income for the year			
Loss for the year	-	(726,000)	(726,000)
Actuarial gains on pension scheme	-	5,552,000	5,552,000
Other comprehensive income for the year	-	5,552,000	5,552,000
Total comprehensive income for the year	-	4,826,000	4,826,000
At 1 April 2022	100	6,525,518	6,525,618
Comprehensive income for the year			
Loss for the year	-	(524,000)	(524,000)
Actuarial gains on pension scheme	-	12,303,000	12,303,000
Other comprehensive income for the year	-	12,303,000	12,303,000
Total comprehensive income for the year	-	11,779,000	11,779,000
At 31 March 2023	100	18,304,518	18,304,618

The notes on pages 8 to 15 form part of these financial statements.

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Essex Community Support Ltd is a private company limited by shares and registered in England and Wales. Registered number 06725268. The registered office is located at Seax House, Victoria Road South, Chelmsford, Essex, CM1 1QH.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Essex Cares Limited as at 31 March 2023 and these financial statements may be obtained from Seax House, Victoria Road South, Chelmsford, Essex, CM1 1QH.

2.3 Going concern

At the year end the company had net assets of £18,304,618 (2022: £6,525,618), inclusive of an amount totalling £331,482 (2022: £331,482) owed to Essex Cares Limited. The directors of Essex Cares Limited have confirmed that they will not seek repayment of this debt for twelve months from the signing of these financial statements should such payment mean that the company cannot meet its liabilities as they fall due. In light of this, the directors consider it appropriate to prepare the financial statements on a going concern basis.

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 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.

2.5 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, loans from banks and other third parties and loans to related 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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.

ESSEX COMMUNITY SUPPORT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Pensions

Defined benefit pension plan

The company participates in the Essex Pension Fund, which is a defined benefit plan, for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Comprehensive Income as a 'finance expense'.

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

In determining these financial statements, the directors have made the following judgements:

The Company participates in the Essex Pension Fund which has a number of inputs into the valuation. Note 8 shows the assumptions used in arriving at the valuation disclosed. The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Other operating income

	2023 £	2022 £
Fees receivable	<u>11,532,360</u>	<u>11,727,867</u>

5. Employees

	2023 £	2022 £
Wages and salaries	<u>12,235,360</u>	<u>12,512,867</u>

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

	2023 No.	2022 No.
Staff	<u>657</u>	<u>756</u>

During the year, no director received any emoluments (2022: £Nil).

6. Other finance costs

	2023 £	2022 £
Net interest on net defined benefit liability	<u>179,000</u>	<u>59,000</u>

7. Debtors

	2023 £	2022 £
Called up share capital not paid	<u>100</u>	<u>100</u>

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

	2023 £	2022 £
Amounts owed to group undertakings	<u>331,482</u>	<u>331,482</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Share capital

	2023	2022
	£	£
Allotted, called up and unpaid		
100 (2022: 100) Ordinary shares of £1 each	100	100

10. Reserves**Profit & loss account**

This reserve includes all current and prior period retained profits and losses.

11. Pension commitments

The Company operates a defined benefit pension scheme.

The assets of the scheme are held separately from those of the group and are administered by trustees. No other post-retirement benefits are provided. The scheme is a funded scheme. The assets and liabilities are recognised by each employer according to its individual employees.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a weighted average rate of spot yields on AA corporate bonds.

The key FRS 102 assumptions used for the scheme are set out below along with details of amounts included within the accounts in respect of the pension scheme.

Reconciliation of present value of plan liabilities:

	2023	2022
	£	£
Reconciliation of present value of plan liabilities		
At the beginning of the year	35,438,000	36,072,000
Current service cost	788,000	853,000
Interest income	916,000	716,000
Actuarial gains	(14,296,000)	(1,640,000)
Contributions	128,000	107,000
Benefits paid	(607,000)	(744,000)
Experience loss on defined benefit obligation	1,789,000	74,000
Change in demographic assumptions	(539,000)	-
At the end of the year	23,617,000	35,438,000

Reconciliation of present value of plan assets:

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Pension commitments (continued)

	2023 £	2022 £
At the beginning of the year	42,295,000	38,992,000
Administration expenses	(20,000)	(19,000)
Interest income	1,095,000	775,000
Return on assets less interest	(560,000)	3,097,000
Other actuarial gains/losses	(183,000)	-
Contributions	233,000	194,000
Benefits paid	(607,000)	(680,000)
Settlement prices paid	-	(64,000)
At the end of the year	42,253,000	42,295,000

Composition of plan assets:

	2023 £	2022 £
Equities	24,134,000	25,396,000
Gilts	582,000	1,009,000
Other bonds	1,873,000	1,852,000
Property	3,380,000	3,469,000
Cash	1,393,000	1,073,000
Alternative assets	6,533,000	5,226,000
Other managed funds	4,358,000	4,270,000
Total plan assets	42,253,000	42,295,000

	2023 £	2022 £
Fair value of plan assets	42,253,000	42,295,000
Present value of plan liabilities	(23,617,000)	(35,438,000)
Net pension scheme asset	18,636,000	6,857,000

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2023	2022
	£	£
Current service cost	(788,000)	(653,000)
Interest on obligation	179,000	59,000
Administrative expenses	(20,000)	(19,000)
Total	(629,000)	(613,000)

The Company expects to contribute £NIL to its defined benefit pension scheme in 2024.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2023	2022
	%	%
Discount rate	4.80	2.60
Future salary increases	3.65	4.00
Future pension increases	2.90	3.25
Mortality rates		
- for a male aged 65 now	21.1	21.6
- at 65 for a male aged 45 now	22.3	23.0
- for a female aged 65 now	23.5	23.7
- at 65 for a female member aged 45 now	25.0	25.1

ESSEX COMMUNITY SUPPORT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2023 £	2022 £	2021 £	2020 £	2019 £
Defined benefit obligation	(23,617,000)	(35,438,000)	(36,072,000)	(28,051,000)	(29,603,000)
Impact of asset ceiling	-	-	-	-	-
Scheme assets	42,253,000	42,295,000	38,992,000	30,653,000	32,022,000
Surplus	18,636,000	6,857,000	2,920,000	2,602,000	2,419,000

12. Ultimate controlling party and related party transactions

The company's immediate parent undertaking is Essex Cares Limited. The ultimate parent undertaking and controlling party is Essex County Council. Both parent undertakings produce consolidated financial statements which include the results of the company. The consolidated financial statements of Essex Cares Limited can be obtained from its registered office at Seax House, Victoria Road South, Chelmsford, Essex, CM1 1QH. The accounts of Essex Cares Limited can be obtained from Companies House. The accounts of Essex County Council are published on its website at www.essex.gov.uk.

As a wholly owned subsidiary of Essex Cares Limited, the Company adopts the exemption outlined at FRS 102.33.1A from disclosing transactions with other members of the group.