

Company registration number 12595771 (England and Wales)

NEMS COMMUNITY BENEFIT SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

NEMS COMMUNITY BENEFIT SERVICES LIMITED

COMPANY INFORMATION

Directors	A McWilliam A Sbardella-Walton A Hall A Morton A Bloor C Packham A Buchanan J Mandhar L Dadge	(Appointed 1 April 2023) (Appointed 1 October 2024)
Secretary	Mr Andrew Morton	
Company number	12595771	
Registered office	Forward House Station Street Nottingham England NG2 3AJ	
Auditor	BHP LLP One Waterside Place Basin Square Brimington Road Chesterfield Derbyshire S41 7FH	

NEMS COMMUNITY BENEFIT SERVICES LIMITED

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NEMS COMMUNITY BENEFIT SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

Review of the business

NEMS Community Benefit Services (NEMS) is an independent not-for-profit Company Limited by Guarantee. It was founded 25 years ago and delivers the Clinical Assessment Service (CAS) and GP Out of Hours (GP OOH) service across the Nottingham & Nottinghamshire (N&N) ICS. It also provides the onsite urgent primary care service for patients presenting at ED at two acute hospital trusts – Nottingham University Hospitals (NUH) at the Queens Medical Centre, and Sherwood Forest Hospitals (SFH) at Kings Mill Hospital.

Its workforce numbers approx 400, being a split of contractor sessional GPs, employed clinical staff, and shift based operational staff. It operates 24/7, being most active in the OOH period (evenings, weekends and bank holidays) when it deputises for GP Practices when they are not open. It has 200,000 patient contacts annually and operates out of four sites in Nottinghamshire – Platform One, Queens Medical Centre, Kings Mill Hospital, and Newark Hospital.

NEMS' primary role is to provide urgent primary care across Nottinghamshire, crucially to reduce pressure on ED through clinical interventions to minimise ED attendance and acute trust admissions.

As well as its core services, NEMS also provides pathways services for Nottinghamshire GPs for conditions such as suspected DVT to provide clinical assessment that may avoid the need for admission to hospital. It also provides the influenza prophylaxis and treatment service for care homes, the special allocation service (formerly the 'violent patients scheme'), GP OOH cover for all Nottinghamshire prisons, and GP OOH cover for two community hospitals in Nottinghamshire.

Additionally, NEMS is the host organisation for the Nottinghamshire Alliance Training Hub (NATH) to meet the educational needs of the primary and community care workforce.

During the year, NEMS was commissioned to deliver two new services. One is the Covid Medicine Delivery Unit (CMDU) for consideration of antiviral medication for covid positive patients who fall within the high-risk vulnerable category, and who have tested positive for Covid within the last 5 days.

The other is the Urgent Care Co-Ordination Hub (UCCH), which is a single point of assessment that navigates patients to the right place first time across the Nottingham & Nottinghamshire ICS. Initially, the new service provides clinical assessment for 999 Cat 3 and 5 calls. It also refers cases to Urgent Community Response (UCR) teams to provide urgent care to people in their homes, which helps to avoid hospital admissions and enable people to live independently for longer.

NEMS have also purchased its main Out of Hours operating site at Platform One in Nottingham. This has opened up the ability to offer space to the local NHS system to provide other services outside of a main hospital site. So far, NEMS are hosting a mobile MRI on site and have plans to rent clinical space to NHS partners to deliver clinics away from the busy hospital environment.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial Performance

During the year, NEMS has improved its financial performance, with Turnover increasing by 7% from £15.6m to £16.8m, and has generated a modest profit of £0.3m, which is an improvement of £0.5m from the previous year.

This improved financial outturn is as a result of

- The development of new services, through our UCCH and CMDU offering
- Improved management reporting and scrutiny of our performance compared to budget and last year
- A more detailed understanding of our cost drivers and ensuring we step up and step down resource as a reaction to increase and reduction in demand
- Focusing on recruitment and retention of staff thereby reducing our reliance on agency staffing.

By investing in its own main Out of Hours operating site at Platform One, it now means that it has the opportunity to shape the building to continue to deliver exceptional services for the population of Nottinghamshire.

Corporate Social Responsibility

NEMS is committed to be a good employer, offering a balance of full time, part time and casual worker opportunities with fair pay across all roles.

As a result of the improved financial performance, NEMS is in the process of establishing a 'Community Fund' to invest in community work through potential partnerships with charities and our workforce. Our Community Fund is supported by employees and is looking to offer 'health and wellbeing' benefits to the community, and potentially opportunities for staff to volunteer time and be encouraged to support wider fundraising.

Principal risks and uncertainties

The company regularly monitors the risks and uncertainties facing NEMS and are confident policies and procedures are in place to protect against known eventualities and there are no material risks and uncertainties which have not been considered.

Operating within the NHS market, there are a few key risks which include:

- Workforce Risk

NEMS continues to operate in a challenging financial environment and sizeable efficiencies are required each year within our main contracts. The continued demand for clinical staff is exceeding supply throughout the NHS and this places an increasing upward pressure on the cost of our workforce. We will continue to work to provide a better working environment and make NEMS a great place to work.

- Financial Risk

NEMS is reliant on one main organisation, Nottingham and Nottinghamshire ICB for its income. While it has a good working relationship with the ICB, we are reliant on receiving continuing contract renewals to ensure we can continue to deliver the services.

- Liquidity Risk

NEMS ensures sufficient liquidity is available to meet foreseeable needs. This is provided by retained reserves and NEMS has never required any borrowings although current bankers have confirmed a willingness to support if required. Cashflow has been enhanced by the contract arrangement with the local NHS commissioners such that funds are now received in the same month that the expenditure falls. This creates a positive cashflow and the reserves provides a comfortable buffer.

Development and performance

The company continues to develop its offering to the local NHS system and continues to work with commissioner colleagues and service provider partners around enhancements to the service provision. We have been working several new services since the previous year that have helped to reduce the financial reliance on the main contract. Performance is managed and measured through regular internal reviews and regular discussions with commissioners.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Key performance indicators

NEMS has set a strategic target to achieve an annual Profit Before Tax of between 4-5%. To achieve this, NEMS has set a challenging budget to continue to deliver efficiencies within the Core contract and to develop the new services to ensure they deliver a minimum of 5% return after allocation of central costs.

Income levels are tracked against budget and contract to ensure that our income budgets are achieved.

Costs are reviewed on a monthly basis against budget and key variances are reviewed to ensure that costs are controlled.

NEMS also reports on a weekly basis a snapshot of estimated costs and income by service line, together with rota fill rates to ensure that all services are being delivered in line with plan and that variances can be explained. This analysis splits the hours and cost in the following categories:

- Independent GP services
- Clinicians
- Other Direct Staff costs
- Overheads

Other performance indicators

Operationally, the key indicators relate to the compliance of the service to its patients, in line with commissioner expectations, together with patient feedback.

On behalf of the board



Signer ID: WZ2QZMYX7J...

A Morton

Director

Date: 21/11/2024 GMT

NEMS COMMUNITY BENEFIT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

Principal activities

The principal activity of the company is that of general medical activities.

Results and dividends

The results for the year are set out on page 9.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A McWilliam

A Sbardella-Walton

A Griffiths

(Resigned 30 September 2024)

A Hall

A Morton

A Bloor

C Packham

A Buchanan

J Mandhar

(Appointed 1 April 2023)

L Dadge

(Appointed 1 October 2024)

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

A N Morton

Signer ID: WZ2QZMYX7J...
A Morton

Director

Date: 21/11/2024 GMT

NEMS COMMUNITY BENEFIT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEMS COMMUNITY BENEFIT SERVICES LIMITED

Opinion

We have audited the financial statements of NEMS Community Benefit Services Limited (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its surplus 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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 annual report. 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 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.

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.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEMS COMMUNITY BENEFIT SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 entity through discussions with Directors and other management, and from our knowledge and experience of the sector;
- 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 entity, including safeguarding legislation, health and safety and GDPR;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEMS COMMUNITY BENEFIT SERVICES LIMITED (CONTINUED)

We assessed the susceptibility of the entity'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;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- 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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our 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.



Signer ID: B7IXQS3DFV...

Adrian Staniforth

Senior Statutory Auditor

For and on behalf of BHP LLP

Date: 21/11/2024 GMT

Chartered Accountants

Statutory Auditor

One Waterside Place
Basin Square
Brimington Road
Chesterfield
Derbyshire
S41 7FH

NEMS COMMUNITY BENEFIT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover		16,755,152	15,573,819
Cost of sales		(12,302,400)	(11,383,842)
Gross surplus		4,452,752	4,189,977
Administrative expenses		(4,272,954)	(4,447,634)
Operating surplus/(deficit)	3	179,798	(257,657)
Interest receivable and similar income	6	114,155	23,536
Surplus/(deficit) before taxation		293,953	(234,121)
Tax on surplus/(deficit)	7	(30,000)	4,259
Surplus/(deficit) for the financial year		263,953	(229,862)

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Intangible assets	8		15,244		23,250
Tangible assets	9		1,786,906		184,274
			<u>1,802,150</u>		<u>207,524</u>
Current assets					
Stocks	10	39,358		-	
Debtors	11	556,786		288,348	
Cash at bank and in hand		2,739,712		4,386,453	
		<u>3,335,856</u>		<u>4,674,801</u>	
Creditors: amounts falling due within one year	12	<u>(2,855,697)</u>		<u>(2,893,969)</u>	
Net current assets			<u>480,159</u>		<u>1,780,832</u>
Total assets less current liabilities			<u>2,282,309</u>		<u>1,988,356</u>
Provisions for liabilities					
Deferred tax liability	13	<u>38,002</u>		<u>8,002</u>	
			<u>(38,002)</u>		<u>(8,002)</u>
Net assets			<u>2,244,307</u>		<u>1,980,354</u>
Reserves					
Income and expenditure account			<u>2,244,307</u>		<u>1,980,354</u>
Members' funds			<u>2,244,307</u>		<u>1,980,354</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 21/11/2024 GMT and are signed on its behalf by:



Signer ID: WZ2QZMYX7J...

A Morton
Director

Company registration number 12595771 (England and Wales)

NEMS COMMUNITY BENEFIT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Income and expenditure £
Balance at 1 April 2022	2,210,216
Year ended 31 March 2023: Deficit and total comprehensive income	(229,862)
Balance at 31 March 2023	1,980,354
Year ended 31 March 2024: Surplus and total comprehensive income	263,953
Balance at 31 March 2024	<u>2,244,307</u>

NEMS COMMUNITY BENEFIT SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	16		(77,238)		(918,277)
Income taxes refunded			-		10,261
			<u> </u>		<u> </u>
Net cash outflow from operating activities			(77,238)		(908,016)
Investing activities					
Purchase of intangible assets		-		(24,017)	
Purchase of tangible fixed assets		(1,683,658)		(99,170)	
Proceeds from disposal of tangible fixed assets		-		150	
Interest received		114,155		23,536	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,569,503)		(99,501)
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(1,646,741)		(1,007,517)
Cash and cash equivalents at beginning of year			4,386,453		5,393,970
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			2,739,712		4,386,453
			<u> </u>		<u> </u>

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

NEMS Community Benefit Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Forward House, Station Street, Nottingham, NG2 3AJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements; this is consistent with FRS 102. The company includes a going concern statement in the Directors Strategic Report annually to address any material circumstances which may give rise to question the company as a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	25-50 years straight line
Fixtures and fittings	3 years straight line
Computers	3 years straight line
Motor vehicles	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating surplus/(deficit)

	2024	2023
	£	£
Operating surplus/(deficit) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	13,510	12,865
Depreciation of owned tangible fixed assets	81,026	55,964
(Profit)/loss on disposal of tangible fixed assets	-	88
Amortisation of intangible assets	8,006	767
	<u> </u>	<u> </u>

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2024 Number	2023 Number
199	182

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	6,019,966	5,754,663
Social security costs	527,314	413,106
Pension costs	848,700	653,668
	<u>7,395,980</u>	<u>6,821,437</u>

5 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	639,195	646,944
Company pension contributions to defined contribution schemes	75,337	60,421
	<u>714,532</u>	<u>707,365</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024 £	2023 £
Remuneration for qualifying services	<u>185,466</u>	<u>157,015</u>

6 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	114,155	23,396
Other interest income	-	140
	<u>114,155</u>	<u>23,536</u>

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

(Continued)

6 Interest receivable and similar income

	2024	2023
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through surplus or deficit	114,155	23,396
	<u>114,155</u>	<u>23,396</u>

7 Taxation

	2024	2023
	£	£
Current tax		
Adjustments in respect of prior periods	-	(10,259)
	<u>-</u>	<u>(10,259)</u>
Deferred tax		
Origination and reversal of timing differences	30,000	6,000
	<u>30,000</u>	<u>6,000</u>
Total tax charge/(credit)	<u>30,000</u>	<u>(4,259)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit/(loss) before taxation	293,953	(234,121)
	<u>293,953</u>	<u>(234,121)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	73,488	(44,483)
Tax effect of expenses that are not deductible in determining taxable profit	2,370	678
Tax effect of income not taxable in determining taxable profit	-	(114)
Re-measurement of deferred tax for changes in tax rates	-	(15,018)
Fixed asset differences	1,844	(3,638)
Adjustments to tax charge in respect of previous periods	-	(10,259)
Movement in deferred tax not recognised	(47,702)	68,575
	<u>(47,702)</u>	<u>68,575</u>
Taxation charge/(credit) for the year	<u>30,000</u>	<u>(4,259)</u>

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Intangible fixed assets

	Software £
Cost	
At 1 April 2023 and 31 March 2024	24,017
Amortisation and impairment	
At 1 April 2023	767
Amortisation charged for the year	8,006
At 31 March 2024	8,773
Carrying amount	
At 31 March 2024	15,244
At 31 March 2023	23,250

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2023	-	3,890	134,871	111,668	250,429
Additions	1,630,348	9,319	9,137	34,854	1,683,658
At 31 March 2024	1,630,348	13,209	144,008	146,522	1,934,087
Depreciation and impairment					
At 1 April 2023	-	216	50,394	15,545	66,155
Depreciation charged in the year	9,117	2,615	46,492	22,802	81,026
At 31 March 2024	9,117	2,831	96,886	38,347	147,181
Carrying amount					
At 31 March 2024	1,621,231	10,378	47,122	108,175	1,786,906
At 31 March 2023	-	3,674	84,477	96,123	184,274

10 Stocks

	2024 £	2023 £
Raw materials and consumables	39,358	-

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	425,643	109,650
Other debtors	850	2,451
Prepayments and accrued income	130,293	176,247
	<u>556,786</u>	<u>288,348</u>

12 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	730,165	577,267
Taxation and social security	159,961	123,515
Other creditors	137,357	67,849
Accruals and deferred income	1,828,214	2,125,338
	<u>2,855,697</u>	<u>2,893,969</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2024	2023
	£	£
Balances:		
Accelerated capital allowances	<u>38,002</u>	<u>8,002</u>
Movements in the year:		2024
		£
Liability at 1 April 2023		8,002
Charge to profit or loss		30,000
		<u>38,002</u>
Liability at 31 March 2024		<u>38,002</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

NEMS COMMUNITY BENEFIT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	75,337	60,421

The company operates a defined benefit pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

16 Cash absorbed by operations

	2024	2023
	£	£
Surplus/(deficit) for the year after tax	263,953	(229,862)
Adjustments for:		
Taxation charged/(credited)	30,000	(4,259)
Investment income	(114,155)	(23,536)
(Gain)/loss on disposal of tangible fixed assets	-	88
Amortisation and impairment of intangible assets	8,006	767
Depreciation and impairment of tangible fixed assets	81,026	55,964
Movements in working capital:		
Increase in stocks	(39,358)	-
Increase in debtors	(268,438)	(25,585)
Decrease in creditors	(38,272)	(691,854)
Cash absorbed by operations	(77,238)	(918,277)

17 Analysis of changes in net funds

	1 April 2023	Cash flows 31 March 2024	
	£	£	£
Cash at bank and in hand	4,386,453	(1,646,741)	2,739,712