

iFM Bolton

Clean Safe and Sustainable

A wholly owned subsidiary of Bolton NHS Foundation Trust



INTEGRATED FACILITIES MANAGEMENT BOLTON LIMITED

Annual report and financial statements

Registered number 10278178

Year End 31 March 2020

TH SATURDAY



AA604LW0

A05	05/06/2021	#123
COMPANIES HOUSE		
AA1HSG94		
A11	01/04/2021	#130
COMPANIES HOUSE		

<u>Contents</u>	Page No.
Officers and professional advisers	3
Strategic report	4
Directors' report	5 - 6
Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements	7
Independent auditors report to the members of IFM Bolton Limited	8 - 9
Profit and Loss Account and Other Comprehensive Income	10
Balance Sheet	11
Statement of change in equity	12
Notes to the accounts	13-27

Officers and Professional Advisers

Directors

Phillip John Webster, Managing Director
Lesley Anne Wallace, Finance Director
Rebecca Jane Hilde Ganz, Director
Esther Barbara Steel, Company Secretary

Registered Office

Trust Headquarters
Royal Bolton Hospital
Minerva Road
Bolton Foundation NHS Trust
Bolton
BL40JR

External Auditor

KPMG LLP
1 St Peter's Square
Manchester
M23AE

Bankers

National Westminster Bank PLC
Government Banking Service Branch
Southern House
7th Floor Wellesley Grove
Croydon
Surrey
CR91WW

Legal Advisers

Bond Dickenson
St Ann's Wharf
112 Quayside Newcastle upon Tyne
NE1 3DX

Strategic Report

The Directors present their Strategic Report for the year ended 31st March 2020.

Review of the business

The principal activities of the Company are to provide Bolton NHS Foundation Trust, under a 25 year lease arrangement, a managed facility in which it can provide clinical services. The Company's activities include the provision of a fully serviced and compliant health care facility, maintenance of medical equipment and the provision of soft services inclusive of catering, portering, cleaning and waste management.

Key Performance Indicators

Results for the year end to 31st March 2020 was an operating profit of £493k. The profit resulted from turnover of £26.09m, cost of sales and administrative expenses of £25.94m and interest receivable of £0.49m net. Profit after tax for the period was higher than anticipated due to the deferred tax of £3.11m, the one off adjustment was due to the tax treatment of the assets impacting positively on the profit for the year. Revenue and Cost of Sales have reduced in year due to a reduction in the volume of capital works undertaken on behalf of the Trust. It is expected that the performance in future years will be broadly in line with the period performance, excluding the one-off deferred tax benefit.

Principal Risks and Uncertainties

The Company's risk management strategy has been presented to the iFM Bolton Board. The expansion with further phases and the transfer of staff and services to the company, emphasises the importance of a risk awareness culture across the organisation. It is important that the iFM Bolton management strategy dovetails with the risk management strategy for the Trust as assurance is inextricably linked to Trust performance and compliance requirements.


The Company previously experienced a period of unrest and heightened Union intervention due to the lack of pay parity amongst staff that had TUPE transferred from ISS and staff that had TUPE transferred from NHS. With financial support from the Trust, a 3 year pay deal for the period 2018/19 to 2020/21 was reached with both Trade Unions and Staff. Future business plan strategies will need to incorporate any future pay deals for TUPE staff and those employed directly by iFM Bolton.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Further details regarding going concern can be found in the accounting policies in Note 1 to the financial statements.

Post Balance Sheet Events

Review of the post balance sheet date identified no material events.



Mrs Lesley Anne Wallace
Finance Director

Directors' Report

The Directors present their report and financial accounts for the year ended 31st March 2020.

Principal Activities

The company was incorporated on 14 July 2016 and started trading 1st January 2017. The company's principal activity is to provide an Operated Healthcare Facility, providing the NHS with innovative solutions to help improve their efficiency and effectiveness.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 2 months from the date of this report. The Directors, do not foresee any liquidity issues as the company has regular cash inflows which will allow it to meet its liabilities as they fall due. For this reason, the Directors have adopted the going concern basis in the preparation of the accounts.

Financial Risks

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

Credit risk

The Company's principal financial assets are bank balances and cash, finance lease receivables and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of any allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. No impairments have been recognised in the period, and substantially all receivables are due from the Company's parent undertaking.

The Company does not consider there to be a significant risk from concentration of credit risk, given the nature of the Company's relationship and transactions with Bolton NHS Foundation Trust.

Liquidity risk

The Company maintains liquidity to ensure that sufficient funds are available for on-going operations and future developments. Further details regarding liquidity and going concern can be found in the accounting policies in Note 1 to the financial statements.

Directors

The following persons served as Directors during the year:

John Coyne (Non-Executive Director)

(appointed 1st July 2018,
resigned 30th June 2019)

Rebecca Jane Hilde Ganz (Non-Executive Director)

(appointed 25th February 2019)

James Robert Tarry (Non-Executive Director)

(appointed 6th April 2017,
resigned 30th June 2019)

Lesley Anne Wallace (Finance Director)

(appointed 1st April 2019)

Philip John Webster (Managing Director)

(appointed 1st April 2019)

Shares

On 01/04/2017 class A Ordinary shares of £1 nominal value were issued.

Dividends

The Directors did not propose or pay any dividends in the period.

Political and Charitable Donations

The Company did not make any political or charitable donations during the period.

Disclosure of Information to the Auditors

Each person who was a Director at the time this report was approved confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP was appointed as the Company's first auditors. Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed in future years and KPMG LLP will therefore continue in office.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Integrated Facilities Management Bolton Limited

Opinion

We have audited the financial statements of Integrated Facilities Management Bolton Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatement in the Strategic Report and the Directors' Report;
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.

Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
30 March 2021

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Turnover	2	26,087	33,999
Cost of Sales	4	(24,653)	(32,964)
Gross Profit		1,434	1,035
Administrative expenses	5	(1,288)	(1,231)
Other operating income		-	-
Operating loss		145	(196)
Interest receivable and similar income	6	1,282	1,337
Interest payable and similar charges	6	(935)	(962)
Profit/(loss) on ordinary activities before taxation		493	179
tax on profit/(loss) on ordinary activities	7	3,107	-
Profit/(loss) on ordinary activities after taxation		3,600	179
Other comprehensive income for the period net of income tax			
Unrealised surplus on revaluation of investment properties		-	-
Total comprehensive profit/(loss) for the period		3,600	179

All results are derived from continuing operations

There are no recognised gains or losses for the financial period other than as stated in the profit and loss account above.

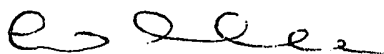
The notes on pages 13 to 27 form an integral part of the financial statements.

BALANCE SHEET

		For the year ended 31 st March 2020 £000	For the year ended 31 st March 2019
	Notes		
Fixed Assets			
Tangible assets	11	110	93
Non Current Assets			
Debtors: amounts falling due after more than one year	13	37,845	36,343
Current Assets			
Inventories	10	391	403
Debtors: amounts falling due within one year	12	3,200	3,069
Cash at bank and in hand		5,699	4,368
		<u>9,290</u>	<u>7,841</u>
Creditors: amounts falling due within one year	16	<u>(5,363)</u>	<u>(5,168)</u>
Net current assets		3,928	2,673
Total assets less current liabilities		<u>41,883</u>	<u>39,109</u>
Creditors: amounts falling due after more than one year	17	(25,876)	(26,702)
Net assets		<u>16,008</u>	<u>12,408</u>
Capital and reserves			
Called up share capital	18	12,435	12,435
Retained Earnings	20	(27)	(206)
Profit and loss reserve account	20	3,600	179
Shareholders' funds		<u>16,008</u>	<u>12,408</u>

The notes on pages 13 to 27 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 25/11/2020 and were signed on its behalf by:



Mrs Lesley Anne Wallace
Finance Director

STATEMENT OF
CHANGES IN EQUITY

	Called up share capital £'000	Profit and (loss) account £'000	Total Equity £'000
As at 1 st April 2019	12,435	(27)	12,408
Profit/(loss) for the year	-	3,600	3,600
Transactions with owners recorded directly in equity - Issue of shares	-	-	-
Equity dividends paid	-	-	-
As at 31st March 2020	12,435	3,573	16,008

INTEGRATED FACILITIES MANAGEMENT BOLTON LIMITED – ANNUAL ACCOUNTS 2019/2020

The Company is a wholly owned subsidiary of Bolton NHS Foundation Trust, a public benefit entity which heads the largest and smallest group in which results of the Company are consolidated. The consolidated financial statements of Bolton NHS Foundation Trust are available from the following website: www.boltonft.nhs.uk.

1 Accounting policies

Statement of Compliance

Integrated Facilities Management Bolton Limited ("the Company") is a company incorporated and domiciled in the UK. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of Integrated Facilities Management Bolton Limited for the year ended 31st March 2020.

Significant Judgements and Accounting Estimates

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the period.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for the preparation of the accounts.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules for plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Under FRS 102 paragraphs 1.11 and 1.12 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by Bolton NHS Foundation Trust, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements for Bolton NHS Foundation Trust, within which this company is included, can be obtained from the Trust website.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared a medium term financial plan, including cash flow forecast for a period of at least 12 months' cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, including changes arising from the COVID-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for the period.

The directors therefore continue to adopt the going concern basis in preparing the annual financial statements

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The risks and rewards regarding ownership of the Trust estate is judged to be with the Trust, hence the land and buildings are not held on the Balance Sheet of the Company. The Company has entered into an arrangement with its parent undertaking to provide operated healthcare facilities. Under the terms of the agreement the Company has granted a license to occupy the Royal Bolton Hospital Site to its parent undertaking. The Directors have therefore applied IFRIC4 determining whether an arrangement contains a lease, and have separately accounted for a lease element within this arrangement.

The Directors have assessed the above embedded lease as being a finance lease as they consider that substantially all of the economic benefit of the underlying asset are transferred by the arrangement. Accordingly, an asset has been recognised as a receivable equal to the net investment in the lease.

Finance lease debtor

The Company has entered into an arrangement with its parent entity, Bolton NHS Foundation Trust, to provide an Operated Healthcare Facility on the Royal Bolton Hospital Site and other such various Trust sites owned or leased by Bolton NHS Foundation Trust with effect from 1st April 2017. Legal title to the land, buildings and equipment on this site has been transferred to the Company as part of the 1st April 2017 Operated Healthcare Agreement. The finance lease debtor included within the accounts of the Company relates to the embedded lease of these assets back to Bolton NHS Foundation Trust under the operated healthcare facility agreement.

Amounts receivable under the agreement with Bolton NHS Foundation Trust relating to the hospital facilities transferred are included in debtors and represent the total amount outstanding under the agreement less unearned interest. Finance lease income is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease.

Turnover

Turnover represents the value of work completed and invoiced in the financial period and includes estimates of amounts not invoiced. Turnover represents net invoices, excluding Value Added Tax (VAT). Accrued revenue is recognised into the relevant months' Profit and Loss account where appropriate. Any deferred revenue will be deferred and recognised in the relevant month.

1 Accounting policies continued

Taxation

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

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits as at the balance sheet date.

Deferred tax assets are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures. Deferred tax assets arising from deductible temporary differences with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and that they are expected to reverse in the foreseeable future.

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 based

on tax laws and rates that have been enacted as at the balance sheet date. Deferred tax is charged or credited to the Profit and loss account, except when it relates to items charged or credited in other comprehensive income, in such case the deferred tax is also dealt with in comprehensive income.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value of each asset on a systematic basis over its expected useful life as follows:

Information Technology	8 years
Equipment	9 years

Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Employee benefits

Salaries, wages and employment related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Pension costs

NHS Pension Scheme

Present employees under TUPE regulations are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the Company to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Company commits itself to the retirement, regardless of the method of payment.

NEST Pension Scheme

For new employees under IFM Bolton terms and conditions the Company operates a National Employment Savings Trust (NEST) defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2. Turnover

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Analysis of turnover:		
Operating healthcare facility income	25,469	33,456
<u>Other income:</u>		
Vending machine income	39	19
Hospice SIA	61	55
Non patient care services	22	30
Other income	187	163
Estate recharges	204	170
Other property rentals	106	106
Total income	26,087	33,999

All of the above income arises in the UK

3. Operating Profit/ (loss)

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
The operating profit/(loss) is stated after		
charging: Depreciation - owned assets	12	5
Directors remuneration	135	159
Auditors' fees	16	9

4. Cost of Sales

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Wages and salaries	13,372	13,102
Dressings	14	21
Medical and surgical equipment purchases	737	647
Medical and surgical equipment maintenance EBME	179	201
Medical and surgical equipment maintenance	130	108
Laboratory equipment-purchases	2	2
Provisions and kitchen	1,163	1,218
Soft services	57	43
Uniforms and clothing	163	160
Laundry and cleaning equipment	550	656
Bedding and linen	968	884
Postage	430	510
Telephones	201	201
Electricity	1,108	420
Gas	625	820
Other fuels	148	157
Water & sewerage	376	610
Building and engineering equipment	2,956	11,599
Building and engineering contracts	757	923
Other	715	682
Total costs of sales	24,653	32,964

5. Administrative expenses	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Printing and stationery	60	56
Advertising	-	14
Travel, subsistence and removal expenses	172	113
Other transport costs	178	212
External general service contracts	58	79
Furniture office and computer equipment	198	175
Service level agreements	419	420
Computer hardware maintenance and contracts	5	15
Business rates	19	19
Rent	40	20
External maintenance	70	83
Depreciation	12	5
Audit fees – External	16	9
Audit fees – Internal	15	10
Bad debts	27	-
Total administrative expenses	1,288	1,231

6. Interest payable and interest receivable

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Interest payable	(935)	(962)
Interest receivable	1,282	1,337
Total income	347	375

7. Taxation

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019** £000
Current tax:		
UK corporation tax on profits for the year	189	-
Adjustment in respect of previous years	76	-
Total current tax	265	

Deferred tax	105	
Origination and reversal of timing differences	(3,111)	
Adjustment in respect of previous years	(366)	
Effect of changes in tax rates		
Total deferred tax	(3,372)	
Tax per profit and loss statement	(3,107)	

The charge for the year can be reconciled to the profit per the profit and loss statement as follows:-

Profit for the year	493	
Tax on profit at standard UK rate of 19% (2019:19%)	94	
Effects of:		
Expenses not deductible	1	
Adjustments from previous years	(3,035)	
Tax rate changes	(366)	
Leases	200	
Tax credit for the year	(3,107)	
Income tax expense reported in the profit and loss statement	(3,107)	

** no comparative figures due to making a loss in the year ended 31st March 2019

8. Staff costs

The average monthly number of employees WTE (including Executive Directors) was:

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Senior Management and Exec's	7	9
Administration	157	169
Maintenance	33	30
Other (including cleaning and portering)	285	262
	<u>482</u>	<u>470</u>

Their aggregate remuneration comprised:

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Wages and salaries	9,952	9,693
Social security costs	2,531	2,446
Pension costs	890	963
	<u>13,372</u>	<u>13,102</u>

9. Directors' remuneration and transactions

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Emoluments	135	159
Company contributions to defined benefit pension scheme	1	11
	<u>136</u>	<u>170</u>

The Company currently does not operate a performance related bonus scheme. No further emoluments to the Company Directors are due or owing.

10. Inventories

	For the year ended 31 March 2020	For the year ended 31 March 2019
	£000	£000
Staff uniforms	34	47
Mattresses	3	5
Pillows	0	-
Fuel	32	32
HSDU	37	44
Franking machine	26	19
Estates	238	230
Domestics/cleaning	22	26
	<u>391</u>	<u>403</u>

11. Tangible Fixed Assets

	Information Technology	Property Plant & Equipment	Assets Under Construction	Total
2019/20	£000	£000	£000	000
Cost or valuation at 1 April 2019	41	57	-	98
Additions purchased	8	-	21	29
Disposals				
At 31 March 2020	49	57	21	127
Depreciation at 1 April 2019	(5)	-	-	(5)
Disposals	-	-	-	-
Impairments	-	-	-	-
Provided during the year	(1)	(11)	-	(12)
Depreciation at 31 March 2020	(6)	(11)	-	(17)
Net book value				
NBV – Owned at 31 March 2019	36	57	-	93
Total at 31 March 2020	36	57	-	93
Net book value	43	46	21	110
	43	46	21	110

Depreciation is not charged in the period of acquisition, but is charged in the period of disposal.

12. Debtors: due within one year

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Trade debtors	110	347
Amounts owed by Group undertakings	936	693
Other debtors	92	56
Provision for bad debts	(34)	(6)
Accrued income	80	5
Prepayments	146	362
Finance debtor	1,669	1,613
Deferred tax asset	201	-
	3,200	3,069

Note 14

13. Debtors: due more than one year

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Deferred tax asset	3,171	-
Finance debtor	34,674	36,343
	37,845	36,343

14. Deferred tax asset

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Deferred tax (assets)/liabilities:		
Adjustment in respect of prior years	(3,111)	
Deferred tax charge to profit and loss statement for the year	(261)	
Provision at the end of the year	(3,372)	-
Fixed asset timing differences	(3,363)	
short term timing differences - trading	(9)	
	(3,372)	-
Deferred tax (assets)		
Recoverable within 12 months	(3,372)	-

15. Finance lease receivables

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Amounts receivable under finance leases:		
In one year or less	2,895	2,895
In more than one year but not more than two	2,895	2,895
In more than two years but not more than five	4,564	5,177
In more than five years	41,072	43,353
	<u>51,425</u>	<u>54,320</u>
Less: unearned finance income	(15,082)	(16,364)
	<u>36,343</u>	<u>37,956</u>
Amounts receivable under finance leases:		
In one year or less	1,669	1,613
In more than one year but not more than two	1,728	1,669
In more than two years but not more than five	2,371	2,893
In more than five years	30,576	31,782
	<u>36,343</u>	<u>37,956</u>
Analysed as:		
Non-current finance lease receivables	34,674	36,343
Current finance lease receivables	1,669	1,613
	<u>36,343</u>	<u>37,956</u>

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted is 3.5% per annum.

The finance lease relates to assets on site at Bolton NHS Foundation Trust. On completion the Company has entered into an arrangement with Bolton NHS Foundation Trust under which the Company will operate and maintain an Operated Healthcare Facility on behalf of Bolton NHS Foundation Trust. Bolton NHS Foundation Trust will use the assets to provide healthcare provision.

The agreement transfers substantially all the risks and rewards incidental to ownership of the assets to Bolton NHS Foundation Trust. Accordingly, the tangible fixed assets have been derecognised in these financial statements and replaced by a finance lease receivable.

Finance lease receivable balances are secured over the assets leased. The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee.

16. Creditors: amounts falling due within one year

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Group loans	826	798
Trade creditors	1,825	2,386
Amounts owed to Group undertakings	25	4
Other taxes and social security costs	992	1,069
Other creditors	311	160
Provisions	520	12
Accruals and deferred income	599	739
Corporation tax	265	-
	5,363	5,168

17. Creditors: amounts falling due more than one year

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Group loans	25,876	26,702

Borrowings are repayable as follows:

Group loans		
Between one and two years	855	826
Between two and five years	2,748	2,655
After five years	22,273	23,220
	25,876	26,702

18. Called up share capital

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Allotted, called-up and fully paid 12,435,255 ordinary shares of £1 each	12,435	12,435
	12,435	12,435

On 1st April 2017, £12,435,255 Class A Ordinary shares of £1 nominal value were issued.

19. Reconciliation of movements in shareholders' funds

	For the year ended 31 March 2020 £000	For the year ended 31 March 2019 £000
Profit/ (loss) for the financial period	3,600	179
New shares issued	-	-
Net addition to shareholders' funds	3,600	179
opening shareholders' funds	12,408	12,229
Closing shareholders' funds	16,008	12,408

20. Reserves

	Profit and loss account £000
At 1 April 2019	(27)
profit for the year	3,600
At 31st March 2020	<u>3,573</u>

21. Subsequent Events

There are no subsequent events to the year end accounts.

22. Related party transactions

The Directors are taking advantage of the exemptions in Financial Reporting Standard 8 relating to the disclosure of transactions with group companies as a wholly owned subsidiary of Bolton NHS Foundation Trust and have elected not to disclose full details of transactions with Bolton NHS Foundation Trust.

23. Ultimate controlling party

The Company is controlled by and a wholly owned subsidiary of Bolton NHS Foundation Trust, a public benefit corporation.

The consolidated financial statements of Bolton NHS Foundation Trust are available from the following website:

www.boltonft.nhs.uk