

# **iFM Bolton**

**Clean Safe and Sustainable**

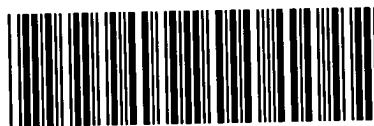
A wholly owned subsidiary of Bolton NHS Foundation Trust



## **INTEGRATED FACILITIES MANAGEMENT BOLTON LIMITED**

**Annual report and financial statements**  
**Registered number 10278178**  
**Year End 31 March 2021**

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**Officers and Professional Advisers**

**Directors**

Lesley Anne Wallace, Finance Director  
Rebecca Jane Hilde Ganz, Director  
Esther Barbara Steel, Company Secretary

**Registered Office**

Trust Headquarters  
Royal Bolton Hospital  
Miherva Road  
Bolton Foundation NHS Trust  
Bolton  
BL4 0JR

**External Auditor**

KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

**Bankers**

National Westminster Bank PLC  
Government Banking Service Branch  
Southern House  
7<sup>th</sup> Floor Wellesley Grove  
Croydon  
Surrey  
CR9 1WW

**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 2021.

### **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 2021 was an operating profit of £522k. The profit resulted from turnover of £37.49m, cost of sales and administrative expenses of £37.26m and interest receivable of £0.32m net. Revenue and Cost of Sales have increased in year due to an increase 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 2020/2021 performance.

### **Principal Risks and uncertainties**

The Company's risk management strategy has been presented to the iFM Bolton Board. The expansion of the Company with further phases of the operated healthcare facilities 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. The business plan strategy incorporates a further pay deal and pay harmonisation 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 31<sup>st</sup> March 2021.

### Principal Activities

The company was incorporated on 14 July 2016 and started trading 1<sup>st</sup> 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 12 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:

Rebecca Jane Hilde Ganz (Non-Executive Director)	(appointed 25th February 2019)
Lesley Anne Wallace (Finance Director)	(appointed 1st April 2019)
Philip John Webster (Managing Director)	(appointed 1st April 2019, resigned 23rd July 2021)

**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.



Mrs Lesley Anne Wallace

**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 the year. 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 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 the 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 2021, which comprise the Profit and Loss Account, the Balance Sheet, the 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the Group audit committee, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by infrequent users and those posted to unusual accounts.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.



Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

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

Our responsibility is to read 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 misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report. 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](http://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

20 December 2021

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**

	Notes	For the year ended 31st March 2021 £000	For the year ended 31st March 2020 £000
Turnover	2	37,493	26,087
Cost of Sales	4	(35,843)	(24,653)
<b>Gross Profit</b>		<b>1,650</b>	<b>1,434</b>
Administrative expenses	5	(1,417)	(1,288)
Other operating income		-	0
<b>Operating profit</b>		<b>233</b>	<b>145</b>
Interest receivable and similar income	6	1,226	1,282
Interest payable and similar charges	6	(907)	(935)
<b>Profit on ordinary activities before taxation</b>		<b>552</b>	<b>493</b>
tax on profit/(loss) on ordinary activities	7	(315)	3,107
<b>Profit on ordinary activities after taxation</b>		<b>237</b>	<b>3,600</b>
<b>Other comprehensive income for the period net of income tax</b>			
Unrealised surplus on revaluation of investment properties		-	0
<b>Total comprehensive profit for the period</b>		<b>237</b>	<b>3,600</b>

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.

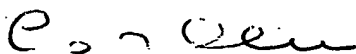
The notes on pages 13 to 27 form an integral part of the financial statements.

BALANCE SHEET

		For the year ended 31st March 2021 £000	For the year ended 31st March 2020 £000
	Notes		
<b>Fixed Assets</b>			
Tangible assets	11	259	110
<b>Non Current Assets</b>			
Debtors: amounts falling due after more than one year	13	36,197	37,845
<b>Current Assets</b>			
Inventories	10	393	391
Debtors: amounts falling due within one year	12	6,958	3,200
Cash at bank and in hand		8,835	5,699
		<u>16,186</u>	<u>9,290</u>
Creditors: amounts falling due within one year	16	<u>(11,375)</u>	<u>(5,363)</u>
<b>Net current assets</b>		<b>4,811</b>	<b>3,928</b>
<b>Total assets less current liabilities</b>		<u><b>41,267</b></u>	<u><b>41,883</b></u>
Creditors: amounts falling due after more than one year	17	(25,021)	(25,876)
<b>Net assets</b>		<u><b>16,245</b></u>	<u><b>16,008</b></u>
<b>Capital and reserves</b>			
Called up share capital	18	12,435	12,435
Retained Earnings	20	3,573	(27)
Profit and loss reserve account	20	237	3,600
<b>Shareholders' funds</b>		<u><b>16,245</b></u>	<u><b>16,008</b></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 2021 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 1st April 2020	12,435	3,573	16,008
Profit/(loss) for the year	-	237	237
Transactions with owners recorded directly in equity - Issue of shares	-	-	-
Equity dividends paid	-	-	-
As at 31st March 2021	<u>12,435</u>	<u>3,810</u>	<u>16,245</u>

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](http://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 2021.

### *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 cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds during this period.

Since those forecasts are potentially dependent on Bolton NHS Foundation Trust providing additional financial support during that period, Bolton NHS Foundation Trust has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities there is no guarantee that the support will continue, although the Directors have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

### *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 licence to occupy the Royal Bolton Hospital Site to its parent undertaking. The Directors have therefore applied IFRIC 4 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 2021 £000	For the year ended 31 March 2020 £000
<b>Analysis of turnover:</b>		
Operating healthcare facility income	37,105	25,469
<u>Other income:</u>		
Vending machine income	(12)	39
Hospice SLA	55	61
Non patient care services	8	22
Other income	137	187
Estate recharges	127	204
Other property rentals	74	106
<b>Total income</b>	<b>37,493</b>	<b>26,087</b>

All of the above income arises in the UK.

**3. Operating Profit/(Loss)**

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
The operating profit/(loss) is stated after charging:		
Depreciation - owned assets	13	12
Directors remuneration	157	135
Auditors fees	13	16



**INTEGRATED FACILITIES MANAGEMENT BOLTON LIMITED - ANNUAL ACCOUNTS 2020/2021**

**4. Cost of Sales**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
Wages and salaries	13,650	13,372
Dressings	10	14
Medical and surgical equipment purchases	1,288	737
Medical and surgical equipment maintenance EBME	319	179
Medical and surgical equipment maintenance	176	130
Laboratory equipment-purchases	4	2
Provisions and kitchen	1,301	1,163
Soft services	413	57
Uniforms and clothing	242	163
Laundry and cleaning equipment	123	550
Bedding and linen	965	968
Postage	394	430
Telephones	307	201
Electricity	765	1,108
Gas	859	625
Other fuels	130	148
Water & sewerage	461	376
Building and engineering equipment	11,097	2,956
Building and engineering contracts	1,768	757
Other	1,572	715
<b>Total costs of sales</b>	<b>35,843</b>	<b>24,653</b>

**5. Administrative expenses**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
Printing and stationery	218	60
Travel, subsistence and removal expenses	83	172
Other transport costs	154	178
External general service contracts	58	58
Furniture office and computer equipment	210	198
Service level agreements	443	419
Computer hardware maintenance and contracts	5	5
Business rates	19	19
Rent	40	40
External maintenance	105	70
Depreciation	13	12
Audit fees - External	13	16
Audit fees - Internal	33	15
Bad debts	22	27
<b>Total administrative expenses</b>	<b>1,417</b>	<b>1,288</b>

6. Interest payable and interest receivable

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
Interest payable	(907)	(935)
Interest receivable	1,226	1,282
<b>Total income</b>	<b>319</b>	<b>347</b>

7. Taxation

	For the year ended 31 March 2021 £000	For the year ended 31 March 2021 £000
Current tax:		
UK corporation tax on profits for the year	183	189
Adjustment in respect of previous years	174	76
<b>Total current tax</b>	<b>356</b>	<b>265</b>
Deferred tax:		
Origination and reversal of timing differences	129	105
Adjustment in respect of previous years	(170)	(3,111)
Effect of changes in tax rates	-	(366)
<b>Total deferred tax</b>	<b>(42)</b>	<b>(3,372)</b>
<b>Total tax per profit and loss statement</b>	<b>315</b>	<b>(3,107)</b>

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

Profit for the year	<b>552</b>	<b>493</b>
Tax on profit at standard UK rate of 19% (2019: 19%)	105	94
Effects of:		
Expenses not deductible	-	1
Adjustments from previous years	3	(3,035)
Tax rate changes	-	(366)
Leases	207	200
Tax credit for the year	<b>315</b>	<b>(3,107)</b>
<b>Income tax expense reported in the profit and loss statement</b>	<b>315</b>	<b>(3,107)</b>

**8. Staff costs**

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

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
Senior Management and Exec's	7	7
Administration	74	157
Maintenance	44	33
Other (including cleaning and portering)	342	285
	<u>467</u>	<u>482</u>

Their aggregate remuneration comprised:

	For the year ended 31 March 2021 £000	For the year ended 31 March 2021 £000
Wages and salaries	10,236	9,951
Social security costs	2,581	2,531
Pension costs	834	890
	<u>13,650</u>	<u>13,372</u>

**9. Directors' remuneration and transactions**

	For the year ended 31 March 2021 £000	For the year ended 31 March 2021 £000
Emoluments	157	135
Company contributions to defined benefit pension scheme	1	1
	<u>159</u>	<u>136</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 2021 £000	For the year ended 31 March 2020 £000
Staff uniforms	16	34
Mattresses	3	3
Fuel	32	32
HSDU	37	37
Franking machine	26	26
Estates dept supplies	257	238
Domestics/cleaning	22	22
	<b>393</b>	<b>391</b>

**11. Tangible Fixed Assets**

	Information Technology	Property Plant & Equipment	Assets Under Construction	Total
2020/2021	£000	£000	£000	£000
Cost or valuation at 1 April 2020	49	57	21	127
Additions purchased		55	107	162
Disposals				-
<b>At 31 March 2021</b>	<b>49</b>	<b>112</b>	<b>128</b>	<b>289</b>
Depreciation at 1 April 2020	(6)	(11)	-	(17)
Disposals				-
Impairments				-
Provided during the year	(3)	(11)		(13)
<b>Depreciation at 31 March 2021</b>	<b>(9)</b>	<b>(21)</b>	<b>-</b>	<b>(30)</b>
<b>Net book value</b>				
NBV - Owned at 31 March 2020	43	46	21	110
<b>Total at 31 March 2020</b>	<b>43</b>	<b>46</b>	<b>21</b>	<b>110</b>
<b>Net book value</b>				
NBV - Owned at 31 March 2021	40	91	128	259
<b>Total at 31 March 2021</b>	<b>40</b>	<b>91</b>	<b>128</b>	<b>259</b>

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

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**12. Debtors: due within one year**

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
Trade debtors	130	110
Amounts owed by Group undertakings	4,699	936
Other debtors	7	92
Provision for bad debts	(34)	(34)
Accrued income	0	80
Prepayments	264	146
Finance debtor	1,728	1,669
Deferred tax asset	163	201
	<u>6,958</u>	<u>3,200</u>

Note 14

**13. Debtors: due more than one year**

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
Deferred tax asset	3,251	3,171
Finance debtor	<u>32,947</u>	<u>34,674</u>
	<u>36,197</u>	<u>37,845</u>

**14. Deferred tax asset**

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
<b>Deferred tax (assets)/liabilities:</b>		
Provision at the start of the year	(3,372)	(3,111)
Adjustment in respect of prior years	(170)	(261)
Deferred tax charge to profit and loss statement for the year	129	
Provision at the end of the year	<u>(3,414)</u>	<u>(3,372)</u>
 <b>Fixed asset timing differences</b>	 (235)	 (41)
Lease premiums	(3,171)	(3,322)
short term timing differences - trading	(8)	(9)
	<u>(3,414)</u>	<u>(3,372)</u>
 <b>Deferred tax (assets)</b>		
Recoverable within 12 months	<u>(3,414)</u>	<u>(3,372)</u>

**15. Finance lease receivables**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
<b>Amounts receivable under finance leases:</b>		
In one year or less	2,895	2,895
In more than one year but not more than two	2,282	2,895
In more than two years but not more than five	4,564	4,564
In more than five years	<u>38,790</u>	<u>41,072</u>
	<u>48,530</u>	<u>51,425</u>
 Less: unearned finance income	 (13,856)	 (15,082)
	<u><u>34,674</u></u>	<u><u>36,343</u></u>
 <b>Amounts receivable under finance leases:</b>		
In one year or less	1,728	1,669
In more than one year but not more than two	1,165	1,728
In more than two years but not more than five	2,454	2,371
In more than five years	<u>29,328</u>	<u>30,576</u>
	<u>34,674</u>	<u>36,343</u>
 <b>Analysed as:</b>		
Non-current finance lease receivables	32,947	34,674
Current finance lease receivables	1,728	1,669
	<u><u>34,674</u></u>	<u><u>36,343</u></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**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
Group loans	855	826
Trade creditors	1,602	1,825
Amounts owed to Group undertakings	96	25
Other taxes and social security costs	217	992
Other creditors	6,030	311
Provisions	281	520
Accruals and deferred income	2,008	599
Corporation tax	244	265
Deferred income	43	-
	<b>11,375</b>	<b>5,363</b>

**17. Creditors: amounts falling due more than one year**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2021 £000</b>
Group loans	<b>25,021</b>	<b>25,876</b>

**Borrowings are repayable as follows:**

Group loans		
Between one and two years	885	855
Between two and five years	2,844	2,748
After five years	21,292	22,273
	<b>25,021</b>	<b>25,876</b>

**18. Called up share capital**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
Allotted, called-up and fully paid 12,435,255 ordinary shares of £1 each	<b>12,435</b>	<b>12,435</b>
	<u><b>12,435</b></u>	<u><b>12,435</b></u>

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

**19. Reconciliation of movements in shareholders' funds**

	<b>For the year ended 31 March 2021 £000</b>	<b>For the year ended 31 March 2020 £000</b>
Profit/(loss) for the financial period	<b>237</b>	<b>3,600</b>
New shares issued	<b>-</b>	<b>-</b>
Net addition to shareholders' funds	<u><b>237</b></u>	<u><b>3,600</b></u>
opening shareholders' funds	<b>16,008</b>	<b>12,408</b>
Closing shareholders' funds	<u><b>16,245</b></u>	<u><b>16,008</b></u>

## 20. Reserves

	Profit and loss account £000
At 1 April 2020	3,573
profit for the year	237
At 31st March 2021	<u>3,810</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](http://www.boltonft.nhs.uk)