

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited

(Registered Company 08570544)

Directors' report and financial statements for the year ended 31 March 2020

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# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

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# **Hampshire Hospitals Contract Services Ltd**

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## **Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020**

### **Company information**

Hampshire Hospitals Contract Services Limited is a private company limited by shares.

#### **Directors**

Gary McRae  
Steve Erskine  
Lauren Wagner  
Robert Houston (resigned 26 March 2020)  
Malcolm Ace (appointed 26 March 2020)

Certain directors benefited from qualifying third party indemnity provision in place during the financial period.

#### **Company secretary**

Lauren Wagner

#### **Registered office**

Basingstoke and North Hampshire Hospital  
Aldermaston Road  
Basingstoke  
Hampshire RG24 9NA

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Strategic report

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

#### Principal activity

The principal activity of the company (HHCS) is the operation of outpatient pharmacy services.

#### Business model

The company was established to explore and take advantage of commercial opportunities in the operation of healthcare facilities, initially for the parent NHS organisation. The company operates two facilities, both of which are run according to NHS standards including all statutory compliance requirements. Costs incurred are passed onto the client organisation through a 'cost-plus' model to avoid unnecessary risk.

In May 2016, the company opened two outpatient pharmacies who prescribe drugs to members of the public and recharge the costs of these drugs to the parent NHS organisation together with a dispensing fee.

#### Business review and results

The turnover of the company increased to £9.6m (2019 - £8.1m) with a 23% increase in the drugs dispensed through the outpatient pharmacies to £7.8m (2019 - £6.3m). It is anticipated that pharmacy turnover will continue to increase in the next financial year. The turnover arising from the operation of healthcare facilities remained static though the company continues to consider future investment opportunities.

Total operating profit decreased by 27% in the year. This fall was caused by an increase in depreciation on the reduction of the useful economic lives of the investment property at the end of March 2019, and an increase in outpatient pharmacy staff costs.

The profit for the year, after taxation, is £54,000 (2019 - £48,000).

#### Key performance indicators

Key performance indicators are designed around the functioning of the facilities to an agreed quality and availability which have been delivered consistently through the year.

In addition to the company monitoring the operating margin of the business to assess its' profitability, it measures payments to Non NHS trade creditors under the BPPC to ensure continuity of drug supplies to the company. The % of invoices passed for payment to terms was 92.11% (2019 – 88.09%).

#### Risks and uncertainties

Financial risk is mitigated by the preparation of monthly accounts which are reviewed by the finance department of the parent company and a full reconciliation pack is produced in support of the financial position.

Liquidity risk is managed through monthly and three monthly cashflow predictions which are prepared and reviewed to ensure that the company has sufficient liquidity to meet its' financial obligations.

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Directors' report

The directors present their directors' report and financial statements of Hampshire Hospitals Contract Services Limited (Registered Company 08570544) for the year end 31 March 2020.

#### Directors

The directors in office during the year were:

Gary McRae  
Steve Erskine  
Lauren Wagner  
Robert Houston (resigned 26 March 2020)  
Malcolm Ace (appointed 26 March 2020)

#### Proposed dividend

The directors do not recommend the payment of a dividend (2019-£nil).

#### Future developments

The company has expanded its' future operations through the opening of two outpatient pharmacies in May 2016. Once these have been fully established the management are keen to explore further commercial opportunities in the wider NHS and beyond.

#### Covid-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market activity is being impacted across sectors and consequently at the approval date of these financial statements there are inherent uncertainties presented by COVID-19 on the impacts in the economy in the foreseeable future.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic and have assessed that the Group has sufficient resources to allow it to trade through this period without any additional working funding required.

#### Political contributions

There were no political contributions made during the year (2019- £nil).

#### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



Steve Erskine  
Chairman

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 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 101 'Reduced Disclosure Framework'.

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 estimates that are reasonable and prudent;
- 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.

By order of the board



Steve Erskine

Chairman

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Independent auditor's report to the members

#### Opinion

We have audited the financial statements of Hampshire Hospitals Contract Services Limited for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, 'Reduced Disclosure Framework'.

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 its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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.

### 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 set out on page 5, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 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.



Jamie Lane (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors

Midland House  
2 Poole Road  
Bournemouth  
Dorset  
BH2 5QY

Date: 11 December 2020

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited

### Annual Report and Accounts for the year ended 31 March 2020

#### Statement of Financial Activities for the year ended 31 March 2020

|  |      | 2020<br>£000      | 2019<br>£000     |
|--|------|-------------------|------------------|
|  | Note |                   |                  |
| Turnover   |      | 9,645             | 8,067            |
| Cost of sales  |      | <u>(7,802)</u>    | <u>(6,298)</u>   |
| <b>Gross Profit</b>                                    |      | 1,843             | 1,769            |
| Operating expenses                                     | 2    | (1,746)           | (1,662)          |
| Administrative Expenses                                |      | <u>(46)</u>       | <u>(36)</u>      |
| <b>Operating profit</b>                                |      | 51                | 71               |
| Interest receivable and other similar income           |      | <u>3</u>          | <u>1</u>         |
| <b>Profit before tax</b>                               |      | 54                | 72               |
| Tax on profit  | 4    | (63)              | (24)             |
| <b>Profit after tax and other comprehensive income</b> |      | <u><u>(9)</u></u> | <u><u>48</u></u> |

All results relate to continuing operations.

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Balance Sheet as at 31 March 2020

|   |      | 2020<br>£000  | 2019<br>£000  |
|---|------|---------------|---------------|
|   | Note |               |               |
| <b>Fixed assets</b>                                   |      |               |               |
| Intangible assets                                     | 6    | 35            | 41            |
| Tangible assets                                       | 5    | 2,518         | 1,673         |
| Investment property                                   | 7    | 6,608         | 6,800         |
|   |      | <u>9,161</u>  | <u>8,514</u>  |
| <b>Current assets</b>                                 |      |               |               |
| Stocks  | 8    | 935           | 832           |
| Debtors   | 9    | 2,547         | 3,945         |
| Cash at bank  |      | 966           | 381           |
|   |      | <u>4,448</u>  | <u>5,158</u>  |
| <b>Creditors: Amounts falling due within one year</b> | 10   | (1,682)       | (1,800)       |
| <b>Net current assets</b>                             |      | 2,766         | 3,358         |
| <b>Total assets less current liabilities</b>          |      | <u>11,927</u> | <u>11,872</u> |
| <b>Net Assets</b>                                     |      | <u>11,927</u> | <u>11,872</u> |
| <b>Capital and reserves</b>                           |      |               |               |
| Share capital   | 12   | 10,890        | 10,890        |
| Profit and loss account                               | 13   | 1,037         | 982           |
| <b>Shareholder's funds</b>                            |      | <u>11,927</u> | <u>11,872</u> |

These financial statements were approved by the directors on 10 December 2020 and are signed on their behalf by:



Steve Erskine  
Chairman

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### Statement of Changes in Equity

|   | <b>Called<br/>up<br/>share<br/>capital<br/>£'000</b> | <b>Profit<br/>and<br/>loss<br/>account<br/>£'000</b> | <b>Total<br/>equity<br/>£'000</b> |
|---|--|--|-----------------------------------|
| Balance at 1 April 2019                 | 10,890   | 982  | 11,872                            |
| Profit for the year                     | -  | 54   | 54                                |
| Total comprehensive income for the year | -  | 54   | 54                                |
| Balance at 31 March 2020                | <b>10,890</b>  | <b>1,036</b>   | <b>11,926</b>                     |

|   | <b>Called<br/>up<br/>share<br/>capital<br/>£'000</b> | <b>Profit<br/>and<br/>loss<br/>account<br/>£'000</b> | <b>Total<br/>equity<br/>£'000</b> |
|---|--|--|-----------------------------------|
| Balance at 1 April 2018                 | 10,890   | 934  | 11,824                            |
| Profit for the year                     | -  | 48   | 48                                |
| Total comprehensive income for the year | -  | 48   | 48                                |
| Balance at 31 March 2019                | <b>10,890</b>  | <b>982</b>   | <b>11,872</b>                     |

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020 Notes to the accounts

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The company has taken advantage of the exemptions under FRS101 not to disclose Cash Flow, Financial Instruments and Related Parties.

#### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

#### ***Accounting judgments and estimates***

In the course of preparing the financial statements, the directors have assessed the useful economic life of the investment property and other tangible fixed assets. Other than this, no other significant judgements or estimates have been made in the process of applying the Company's accounting policies.

#### ***Going concern***

These financial statements are prepared on a going concern basis.

#### ***Covid-19***

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market activity is being impacted across sectors and consequently at the approval date of these financial statements there are inherent uncertainties presented by COVID-19 on the impacts in the economy in the foreseeable future.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic and have assessed that the Group has sufficient resources to allow it to trade through this period without any additional working funding required.

#### ***Revenue***

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

#### ***Rendering of services***

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

- the amount of revenue can be measured reliably; and
- it is probable that the Company will receive the consideration due under the contract;

#### ***Tangible fixed assets***

Depreciation is provided on all tangible fixed assets so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

Plant and equipment .....5 - 15 years

Assets are valued at historic cost less accumulated depreciation.

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 1. Accounting policies (continued)

#### *Intangible fixed assets*

Amortisation is charged to the Statement of Financial Activities on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software .....10 years

#### *Investment property*

The Candover Clinic is an investment property held to earn rentals and for capital appreciation. Depreciation is provided on all investment property so as to write off the cost on a straight line basis over the expected useful economic life as follows:

Buildings .....23 - 48 years

Investment property is valued at historic cost less accumulated depreciation.

#### *Stock*

Stock is valued at the lower of cost or net realisable value using the latest invoice price.

#### *Finance leases*

Where the company enters into a lease which transfers substantially all the risks and rewards incidental to ownership, the lease is treated as a finance lease.

#### *Pensions*

The company contributes to a defined contribution pension scheme on behalf of its employees. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the scheme. The assets of the plan are held separately from the Company in independently administered funds.

#### *Taxation*

The tax expense for the year comprises current and deferred tax. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted by the reporting date in the country where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are not reversed if and when all conditions for retaining associated tax allowances have been met.

#### *Changes in significant accounting policies*

The company adopted IFRS 15 on 1 April 2018 using the fully retrospective method, utilising the practical expedients available. Based on the company's assessment, the application of IFRS 15 has not resulted in any significant impact.

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 2. Operating Expenses

|                                   | 2020<br>£'000       | 2019<br>£'000       |
|-----------------------------------|---------------------|---------------------|
| Recharges from group undertakings | 737                 | 737                 |
| Depreciation                      | 627                 | 578                 |
| Staff costs                       | 245                 | 207                 |
| Other operating expenses          | <u>137</u>          | <u>140</u>          |
|                                   | <u><b>1,746</b></u> | <u><b>1,662</b></u> |

Auditors remuneration consists of the statutory audit fee £12,000 (2019-£11,000) and there has been no non-audit fees paid in the current or prior year.

### 3. Staff Costs and Numbers

|                       | 2020<br>£'000     | 2019<br>£'000     |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 215               | 182               |
| Social security costs | 20                | 18                |
| Other pension costs   | <u>10</u>         | <u>7</u>          |
|                       | <u><b>245</b></u> | <u><b>207</b></u> |

The average number of persons employed by the company during the year was 7 (2019- 7). The directors did not receive any remuneration during the year (2019- nil)

### 4. Taxation

|                                      | 2020<br>£'000    | 2019<br>£'000    |
|--------------------------------------|------------------|------------------|
| UK corporation tax                   | -                | -                |
| Deferred tax                         | -                | -                |
| Tax on profit on ordinary activities | <u>63</u>        | <u>24</u>        |
|                                      | <u><b>63</b></u> | <u><b>24</b></u> |

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 4. Taxation (continued)

*Factors affecting the tax charge/(credit) for the current period:*

The current tax charge for the period is calculated using the standard rate of corporation tax in the UK of 19% (2019 - 19%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

|  | 2020<br>£000s | 2019<br>£000s |
|--|---------------|---------------|
| Analysis of tax charge/credit for the period                           |               |               |
| Current tax  |               |               |
| UK corporation tax at 19% (2018- 19%)                                  | -             | -             |
| Deferred tax   |               |               |
| Origination and reversal of timing differences                         | 31            | 24            |
| Adjustments in respect of prior periods                                |               |               |
| Effect of tax rate change on opening balance                           | 32            |               |
| Tax on profit on ordinary activities                                   | 63            | 24            |
| Provision for deferred tax   |               |               |
| Accelerated capital allowances   | 423           | 281           |
| Tax losses carried forward and other deductions                        | -84           | -5            |
| Total deferred tax liability   | 339           | 276           |
| Movement in provision:   |               |               |
| Provision at start of the period                                       | 276           | 252           |
| Deferred tax charged in the SOFA for the period                        | 63            | 24            |
| Provision at end of period   | 339           | 276           |
|  | 2020<br>£000s | 2019<br>£000s |
| Reconciliation of current tax charge                                   |               |               |
| Profit on ordinary activities before tax                               | 54            | 72            |
| Current tax@ 19% (2019- 19%)   | 10            | 14            |
| Effects of:  |               |               |
| Fixed asset differences  | 20            | 13            |
| Adjustment to tax charge in respect of previous periods - deferred tax |               |               |
| Adjust closing deferred tax to average rate of 19%                     | -             | -33           |
| Adjust opening deferred tax to average rate of 19%                     | -             | 30            |
| Remeasurement of deferred tax for changes in tax rates                 | 33            | -             |
| Current tax charge   | 63            | 24            |



# Hampshire Hospitals Contract Services Ltd

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## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 5. Tangible fixed assets

|                       | Plant &<br>equipment<br>£000 | Assets under<br>Construction<br>£000 | Total<br>£000 |
|-----------------------|------------------------------|--------------------------------------|---------------|
| <b>Cost</b>           |                              |                                      |               |
| At 1 April 2019       | 4,032                        | -                                    | 4,032         |
| Additions             | -                            | 1,274                                | 1,274         |
| Reclassification      | -                            | -                                    | -             |
| At 31 March 2020      | 4,032                        | 1,274                                | 5,306         |
| <b>Depreciation</b>   |                              |                                      |               |
| At 1 April 2019       | 2,359                        | -                                    | 2,359         |
| Charge for year       | 429                          | -                                    | 429           |
| At 31 March 2020      | 2,788                        | -                                    | 2,788         |
| <b>Net book value</b> |                              |                                      |               |
| At 31 March 2020      | 1,244                        | 1,274                                | 2,518         |
| At 31 March 2019      | 1,673                        | -                                    | 1,673         |

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 6. Intangible fixed assets

|                       | Software<br>£000 |
|-----------------------|------------------|
| <b>Cost</b>           |                  |
| At 1 April 2019       | 59               |
| Additions             | <u>-</u>         |
| At 31 March 2020      | <u>59</u>        |
| <b>Depreciation</b>   |                  |
| At 1 April 2019       | 18               |
| Charge for year       | <u>6</u>         |
| At 31 March 2020      | <u>24</u>        |
| <b>Net book value</b> |                  |
| At 31 March 2020      | <u><u>35</u></u> |
| At 31 March 2019      | <u><u>41</u></u> |

# Hampshire Hospitals Contract Services Ltd

A Subsidiary of Hampshire Hospitals NHS Foundation Trust

## Hampshire Hospitals Contract Services Limited Annual Report and Accounts for the year ended 31 March 2020

### 7. Investment Properties

|                       | Investment<br>properties<br>£000 |
|-----------------------|----------------------------------|
| <b>Cost</b>           |                                  |
| At 1 April 2019       | 7,401                            |
| Additions             | -                                |
| Reclassification      | -                                |
| At 31 March 2020      | <u>7,401</u>                     |
| <b>Depreciation</b>   |                                  |
| At 1 April 2019       | 601                              |
| Charge for year       | 192                              |
| Impairment            | -                                |
| At 31 March 2020      | <u>793</u>                       |
| <b>Net book value</b> |                                  |
| At 31 March 2020      | <u><u>6,608</u></u>              |
|                       |                                  |
| At 31 March 2019      | <u><u>6,800</u></u>              |

Investment properties consist of the Candover Clinic (£6,700,000), MRI building (£501,250) and Pharmacy building works (£200,096) and is held at cost less accumulated depreciation. The fair value of Candover is £6,600,000. No rental income has been received in the current or prior year from investment properties. Operating expenses totaling £21,000 were incurred in the current year (2019-£11,000).

# Hampshire Hospitals Contract Services Ltd

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### 8. Stock

|       | 2020<br>£'000 | 2019<br>£'000 |
|-------|---------------|---------------|
| Drugs | 935           | 832           |
|       | <u>935</u>    | <u>832</u>    |

### 9. Debtors : Amounts due within one year

|                                     | 2020<br>£'000 | 2019<br>£'000 |
|-------------------------------------|---------------|---------------|
| Amounts due from group undertakings | 2,038         | 3,538         |
| Prepayments                         | 2             | 13            |
| VAT and other taxes                 | 506           | 394           |
|                                     | <u>2,546</u>  | <u>3,945</u>  |

### 10. Creditors : Amounts falling due within one year

|                   | 2020<br>£'000 | 2019<br>£'000 |
|-------------------|---------------|---------------|
| Trade creditors   | 752           | 302           |
| Capital creditors | 141           | 13            |
| Accruals          | 506           | 1,202         |
| Other creditors   | 7             | 7             |
| Deferred tax      | 339           | 276           |
|                   | <u>1,745</u>  | <u>1,800</u>  |

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### 11. Called up share capital

|   | 2020<br>£'000        | 2019<br>£'000        |
|---|----------------------|----------------------|
| <b>Issued share capital</b>             |                      |                      |
| Ordinary Shares of £1 each - 10,890,100 | <u>10,890</u>        | <u>10,890</u>        |
|   | <u><b>10,890</b></u> | <u><b>10,890</b></u> |

The company has one class of ordinary shares which carries no rights to fixed income.

### 12. Profit and loss account

|                                | 2020<br>£'000     | 2019<br>£'000     |
|--------------------------------|-------------------|-------------------|
| At the beginning of the period | 982               | 934               |
| Profit for the year            | <u>(9)</u>        | <u>48</u>         |
|                                | <u><b>973</b></u> | <u><b>982</b></u> |

### 13. Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is controlled by Hampshire Hospitals NHS Foundation Trust as a wholly owned subsidiary. The only group financial statements in which these financial statements are consolidated is headed by Hampshire Hospitals NHS Foundation Trust. The consolidated financial statements of Hampshire Hospitals NHS Foundation Trust can be obtained from the Company Secretary, Basingstoke and North Hampshire Hospital, Aldermaston Road, Basingstoke, RG24 9NA.

### 14. Events after the reporting date

These financial statements were authorised for issue by the Board of Directors on 10 December 2020.