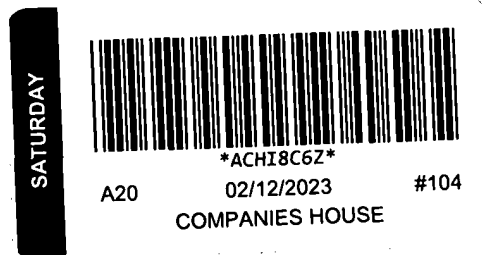


Registration number: 10942013

AGH Solutions Limited

Annual report and financial statements

for the year ended 31 March 2023



Company information	1
Strategic report	2-3
Directors' report	4-8
Directors' responsibilities statement	9
Independent auditor's report to the members of AGH Solutions Limited	10-13
Profit and loss account	14
Balance sheet	15
Statement of changes in equity	16
Notes to the financial statements	17-37

AGH Solutions Limited

Company information

Directors M T Hudson
M A Atherton
M S Chandler (appointed 30/10/2023)

Company reg no. 10942013

Registered office Airedale General Hospital
Skipton Road
Steeton
Keighley
West Yorkshire
BD20 6TD

Auditors Cowgill Holloway LLP
Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

AGH Solutions Limited

Strategic report For the year ended 31 March 2023

The directors present their strategic report on the affairs of the company for the year ended 31 March 2023.

Principal activities and review of the business

AGH Solutions Limited ("the company") is a company wholly owned by Airedale NHS Foundation Trust. The company's registered office is Airedale Hospital, Skipton Road, Steeton, Keighley, BD20 6TD.

The company was formed on 1st September 2017 with trading commencing on 12th February 2018. These accounts represent the year ended 31st March 2023.

The principal activity of the company is to provide managed hospital estates, facilities, procurement, and other related services. As part of the agreement to provide managed healthcare services, the company operates a long-term lease arrangement with Airedale NHS Foundation Trust for its healthcare buildings and land. Legal title of the land and properties is held by this company, whilst the lease agreement substantially transfers all of the risks and rewards incidental to ownership of the assets to Airedale NHS Foundation Trust and therefore this asset has been recognised as a finance lease receivable in these financial statements.

The company also receives rental income from other shorter term leases which are located in the hospital properties, as well as income related to delivery of services to other NHS Trusts in relation to Sterile Services and Procurement Services.

During the year ended 31 March 2023 the company's results are in line with management expectations. The directors are confident that these results together with the strong balance sheet and secure contractual position with Airedale NHS Foundation Trust mean that the company is well positioned for the future.

Principal risks and uncertainties

AGH Solutions Board review key risks on a monthly basis. The company is not aware of any risks that would affect its ability to operate.

AGH Solutions is required to ensure that any key risks are aligned with the risk management arrangements for Airedale NHS Foundation Trust to ensure that compliance with national regulation is adhered to on a consolidated level.

Future developments

In the next financial year, the company will continue to work with Airedale NHS Foundation Trust on remedial work to maintain the hospital buildings, along with supporting its long term Estates strategy. This will include the development of additional new-build facilities, which the company will take long-term responsibility for, through the extension of the existing contracts with the Trust. The company will also support bidding for any substantial capital money that becomes available, particularly in support of sustainability. It was also announced in May 2023 that Airedale Hospital would be rebuilt as part of the Government's New Hospital Programme. It is expected that AGH Solutions will support the Trust as required to facilitate the delivery of this new provision.

Further relevant service tenders will be explored to provide similar services to other NHS bodies, along with comprehensive Profit Improvement Plan focused on margin enhancement. A further key strategic aim of the company is to grow its footprint outside the current major contracts, and this will be explored further in 23/24 and beyond through strategic discussions with both local authorities and other NHS organisations in the local area regarding future shared developments and provision of facilities. The establishment of local Integrated Care Systems (ICS) also provides potential opportunities, through collaboration with other local service providers and the potential for development of shared-use facilities.

AGH Solutions Limited

Strategic report For the year ended 31 March 2023 (continued)

Key performance indicators

The financial results for the period are set out in detail in the following accounts. All results relate to the year ended 31 March 2023.

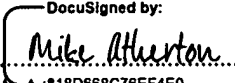
The focus of the Board of Directors is balanced across a number of key metrics in order to assess financial performance against expectations on a monthly basis. These are Gross Profit Margin, Net Profit, Net Profit Margin and Current Ratio.

	2023	2022
Gross Profit Margin	7.1%	9.9%
Net Profit (£000)	851	1,664
Net Profit Margin	2.9%	6%
Current Ratio	2.11	2.81

The gross profit of £2,082,060 (2022: £2,738,849) resulted from turnover of £29,380,024 (2022: £27,721,000) and cost of sales of £27,297,964 (2022: £24,982,151). Corporation tax charge for the year was £358,817 (2022: £425,593) and profit for the year was £851,198 (2022: £1,664,351). The final cash position was a balance of £10,208,800 (2022: £5,767,903) at the end of the year.

The directors also consider key non-financial Key Performance Indicators, including staff vacancy rates and absence rate reports.

Approved by the Board on 30/11/2023 at 12:53 PM GMT and signed on its behalf by:

DocuSigned by:

M A Atherton
Director

AGH Solutions Limited

Directors' report For the year ended 31 March 2023

The directors present their audited financial statements of AGH Solutions Limited for the year ended 31 March 2023.

Results and dividends

The results for the year ended 31 March 2023 are set out on page 14. The profit for the year ended 31 March 2023 amounted to £851,198 (2022: £1,664,351) per the profit and loss account. The directors do not recommend the payment of a dividend (2022: £nil).

Financial instruments

The company is exposed to credit risk, cash flow and liquidity risk in relation to financial instruments. Credit risk is primarily related to trade receivables. Any amounts presented in the balance sheet are net of provision made for doubtful debt. The substantial element of receivables due is from the parent company (Airedale NHS Foundation Trust) therefore the directors do not consider there to be a significant credit risk.

Cash flow risk for the company is primarily around fluctuations in inflation and interest rates. Interest applied to assets and liabilities are at a fixed rate to reduce uncertainty in this area.

Liquidity risk and going concern are covered in the financial statements.

Directors of the company

The directors, who held office during the year and up to the date of signing of the financial statements except as noted, were as follows:

D R Moss (resigned 02/09/2022)

M T Hudson

M A Atherton

T Murch (resigned 13/07/2023)

A Rahman (resigned 03/10/2023)

M S Chandler (appointed 30/10/2023)

Political donations

The company made no political donations nor incurred any political expenditure during the year (2022: £nil).

Employment of disabled persons

The directors are committed to providing reasonable assistance to employees who are or who become disabled, making reasonable adjustments wherever possible, and where appropriate obtaining specialist advice.

The directors give full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and

AGH Solutions Limited

Directors' report

For the year ended 31 March 2023 (continued)

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006 (continued)

(f) the need to act fairly as between members of the company.

Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent advisor.

The directors confirm that, during the year, it has had regard to the matters set out above. Further details as to how the directors have fulfilled their duties, together with references to relevant areas within these financial statements are set out below.

Risk management

As we continue to grow, it is vital that we effectively identify, evaluate, manage and mitigate the risks we face. For details of our principal risks and uncertainties, and how we manage our risk environment, please see note 25. The directors are also aware that an understanding of the future prospects of the company is of vital importance to all stakeholders.

Our employees

Following on from the Recognition Agreement, March 2019, with our Trade Union partners, we continue to engage, share and consult upon various employment practices at regular staff partnership forums. Terms of Reference for this forum were approved in May 2019. We work with regional and local representatives employed by AGH Solutions from the three Trade Unions, GMB, Unison and Unite.

We engage with our employees on a regular basis. One example of this is via our Staff Voice, which is a staff reference group made up of representatives from across AGH Solutions and which meets bi-monthly. The Staff Voice group helps us understand staff concerns and find new ways to improve the work environment as well as engaging with employees on areas of business development and performance. As part of the group we have representation from each team, and regular meetings are held, and we continue to receive feedback from the group on our people plan. We will be working with the group to develop our Staff Survey action plan for 2023/24.

Regular group listening sessions have continued to take place across the organisation. The sessions attended by members of the Senior Management Team take place at times which include differing shift patterns, including weekends and evenings to ensure true engagement with our workforce. The sessions have helped us in improving how we lead, manage and support our staff. Our leaders are visible, approachable and ensure staff have opportunities to provide feedback.

Business relationships

The directors endeavour to forge strong relationships with suppliers built on honesty, fairness, and mutual respect. We meet with key suppliers on a regular basis and take reasonable steps to ensure our suppliers comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights, and ethics. We also aim to act responsibly in our engagement with regulators and insurers, we respond quickly and fully to any queries.

AGH Solutions Limited

Directors' report

For the year ended 31 March 2023 (continued)

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006 (continued)

Community and environment

The company's approach is to use its position of strength to create positive change for the people and communities with which we interact, giving back wherever it can. We want to leverage our expertise and enable our people to support the communities around us. We recognise our responsibilities to achieve good environmental practice and to continue to strive for improvement in areas of environmental impact. We are committed to energy efficiency improvement and continue to take steps in a continuous improvement strategy.

Culture and values

The directors recognise the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our employees, customers and other stakeholders. Our mission for transforming the standards within the healthcare environment across the globe through innovation and manufacturing excellence and our vision of reducing risk and enhancing dignity. We have carefully developed a common set of expected behaviours based on our corporate values which are embedded within the day-to-day activities of the company.

Employee involvement

All staff are informed about matters of concern to them, and the financial position of the company, through a number of communication channels including face-to-face team meetings and 1:1s, communication briefings, newsletters, listening sessions, and email announcements.

The directors encourage employees' involvement in the company's performance through an incentive bonus scheme linked to the achievement of service delivery.

Going concern

The company is funded primarily by loans from its parent undertaking, Airedale NHS Foundation Trust. The company has long term contracts in place which are expected to generate income and cash will be more than sufficient to pay its liabilities as they are due.

Covid-19 has brought with it some new challenges that were not previously foreseen, however due to the primary purpose of the company the financial forecasts remain positive.

The directors review the financial forecasts over a rolling 12 month period into the future and they remain consistent with the performance expected as part of its financial plan. The directors are confident that it will continue to generate sufficient income to offset its liabilities over the rolling 12 month period and into the future.

The directors therefore, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the annual report and accounts on a going concern basis.

AGH Solutions Limited

Directors' report For the year ended 31 March 2023 (continued)

Directors' indemnities

As permitted by the Articles of Association, the company has made third party indemnity provisions for the benefit of its directors which were made during the year and remain in force.

Independent auditors

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Post balance sheet events

Details of the post balance sheet events can be found in note 27.

Streamlined carbon and energy reporting

During the 2022-23 financial period, AGH Solutions produced 7,068,026 kg of co2 through the usage of gas, electricity and work related travel. This gives an intensity ratio of 110 kg co2 per m2 of AGH Solutions site. This is shown below.

	Unit of Output		Kg Co2		Total carbon	
	2023	2022	2023	2022	2023	2022
Electricity usage (kWh)	1,792,564	1,213,399	0.23104	0.23104	414,154	280,344
Gas usage (kWh)	28,072,838	28,985,542	0.20374	0.20374	5,719,560	5,905,514
Oil consumed (Litres)	282,555	72,450	3.17133	3.17133	896,075	229,763
Work miles travelled diesel	2,886	2,709	0.26478	0.26478	764	717
Work miles travelled petrol	2,886	2,709	0.29920	0.29920	863	810
Transport vehicles miles					25,465	34,032
Estates vehicles miles					11,145	200,246
Total carbon					7,068,026	6,651,426

The basis for these calculations are from metered usage for utilities, plus details of miles travelled, for both company owned and private vehicles used for work related journeys. The carbon emissions of the company owned vehicles is based on vehicle type, with a private vehicle usage based on that of an average car, split between petrol and diesel.

During the year, work has been undertaken to look at the most carbon efficient way of replacing works vehicles. An additional two EV vehicles have been ordered, replacing current diesel vehicles, further efficiencies are planned as and when vehicles become due for replacement.

During the year, AGHS has overseen the construction of an additional admin block on the hospital site. This has been built to modern building standards, including high levels of insulation, solar generating capacity and heating/cooling through heat pumps. This is a considerable improvement when compared to the rest of the hospital site, which in the main dates back to the 1970s.

Travel mileage in personal vehicles for work is constantly reviewed to minimise the need for travel. A continuous travel survey is in now in place to monitor the views of all commuting staff as well as additional on site facilities to promote active travel. An active travel day was complete in June and saw additional take up in the bike to work schemes and use of public transport for commuting. Additional to active travel the Trust has completed its guidance on agile working and promotes agile working where applicable to roles, reducing the overall commuting to AGH site. During the year, more meeting have been set up using video technology, meaning a considerable reduction in miles travelled compared to the previous year. Future plans include a review of the car lease scheme, to include contracts which are compliant to all environmental PPN's and a review of the car parking charges to incentivise more active travel to site.

AGH Solutions Limited


Directors' report For the year ended 31 March 2023 (continued)

Statement as to disclosure to auditors

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

Approved by the Board on 30/11/2023 | 12:53 PM GMT
..... and signed on its behalf by:

DocuSigned by:

.....
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M A Atherton

Director

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of AGH Solutions Limited

Opinion

We have audited the financial statements of AGH Solutions Limited (the 'company') for the year ended 31 March 2023, which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The 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.

Independent auditor's report to the members of AGH Solutions Limited (continued)

Opinion 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 discussions 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.

Independent auditor's report to the members of AGH Solutions Limited (continued)

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. 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: laws related to health and safety and employment.

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. Through these procedures we did not become aware of any actual or suspected non-compliance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

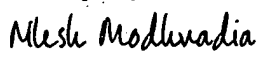
- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report to the members of AGH Solutions Limited (continued)

DocuSigned by:

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.....
Nilesk Modhvadia
Senior Statutory Auditor
For and on behalf of Cowgill Holloway LLP,
Regency House,
45-53 Chorley New Road
Bolton
BL1 4QR

30/11/2023 | 2:15 PM GMT
Date:.....

AGH Solutions Limited

Profit and loss account

For the year ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Turnover	5	29,380,024	27,721,000
Cost of sales		(27,297,964)	(24,982,151)
Gross profit		<u>2,082,060</u>	<u>2,738,849</u>
Administrative expenses		(1,039,228)	(1,410,624)
Operating profit		<u>1,042,832</u>	<u>1,328,225</u>
Interest receivable and similar income	6	780,507	820,606
Interest payable and similar expenses	7	(626,600)	(646,754)
Profit before taxation		<u>1,196,739</u>	<u>1,502,077</u>
Tax on profit	11	(345,541)	162,274
Profit for the year	12	<u>851,198</u>	<u>1,664,351</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year other than the results above, therefore no separate statement of comprehensive income has been presented.

AGH Solutions Limited

Balance sheet

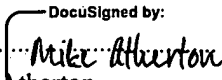
As at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Non-current assets			
Right-of-use assets	14	50,332	35,150
Finance lease receivables	15	<u>21,450,328</u>	<u>22,252,041</u>
		<u>21,500,660</u>	<u>22,287,191</u>
Current assets			
Finance lease receivables	15	764,484	1,500,029
Stocks	16	1,564,504	1,428,399
Debtors: amounts falling due within one year	17	9,375,942	7,725,564
Cash and cash equivalents	18	<u>10,208,800</u>	<u>5,767,903</u>
		<u>21,913,730</u>	<u>16,421,895</u>
Current liabilities			
Creditors: amounts falling due within one year	19	10,394,780	5,819,018
Finance lease liabilities	21	<u>-</u>	<u>26,517</u>
		<u>10,394,780</u>	<u>5,845,535</u>
Net current assets		<u>11,518,950</u>	<u>10,576,360</u>
Total assets less current liabilities		<u>33,019,610</u>	<u>32,863,551</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	20	17,203,395	17,837,809
Finance lease liabilities	21	-	-
Provisions for Liabilities	23	<u>179,380</u>	<u>240,105</u>
		<u>17,382,775</u>	<u>18,077,914</u>
Net assets		<u>15,636,835</u>	<u>14,785,637</u>
Equity			
Called-up share capital	24	8,891,108	8,891,108
Retained earnings	24	<u>6,745,727</u>	<u>5,894,529</u>
Total equity		<u>15,636,835</u>	<u>14,785,637</u>

The financial statements of AGH Solutions Limited (registration number: 10942013) were approved by the

Board of Directors and authorised for issue on 30/11/2023 | 12:53 PM GMT

They were signed on its behalf by:

DocuSigned by:

 M A Atherton
 Director

The notes on pages 17 to 37 form an integral part of these financial statements.

AGH Solutions Limited

Statement of changes in equity For the year ended 31 March 2023

	Called-up share capital £	Retained earnings £	Total £
Balance at 1 April 2021	8,891,108	4,230,178	13,121,286
Profit for the period	-	1,664,351	1,664,351
Total comprehensive income	-	1,664,351	1,664,351
Balance at 31 March 2022	8,891,108	5,894,529	14,785,637
	Called-up share capital £	Retained earnings £	Total £
Balance at 1 April 2022	8,891,108	5,894,529	14,785,637
Profit for the year	-	851,198	851,198
Total comprehensive income	-	851,198	851,198
Balance at 31 March 2023	8,891,108	6,745,727	15,636,835

The notes on pages 17 to 39 form an integral part of these financial statements.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023

1 General information

AGH Solutions Limited ("the company") is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Airedale General Hospital

Skipton Road

Steeton

Keighley

West Yorkshire

BD20 6TD

The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2 Adoption of new and revised Standards

General impact of initial application of other amendments to International Financial Reporting Standards ('IFRS') and Interpretations

In the previous year, the company had applied a number of amendments to International Accounting Standards ('IAS'), IFRS Standards and International Financial Reporting Interpretations Committee ('IFRIC') and Interpretations issued by the International Accounting Standards Board ('IASB') that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IFRIC 23 'Uncertainty of Tax Treatments' (effective date 1 January 2019);
- IFRS 9 (amendments) 'Financial Instruments - Prepayment Features with Negative Compensation and modifications of financial liabilities' (effective date 1 January 2019);
- Amendments to IAS 19 'Employee Benefits' - Amendments to Plan Amendment, Curtailment and Settlements (effective date 1 January 2019);
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective date 1 January 2019).

3 Accounting policies

Statement of compliance

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

Summary of disclosure exemptions (continued)

- business combinations;
- financial instruments;
- capital management;
- presentation of comparative information in respect of certain assets;
- presentation of a cash-flow statement;
- standards not yet effective; and
- impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the company accounts of the Airedale NHS Foundation Trust. The company accounts of Airedale NHS Foundation Trust are available to the public and are available at <http://www.airedale-trust.nhs.uk/about-us/corporate-publications/>.

Going concern

The company is funded primarily by loans from its parent undertaking, Airedale NHS Foundation Trust. The company has long term contracts in place which are expected to generate income and cash will be more than sufficient to pay its liabilities as they are due.

Covid-19 has brought with it some new challenges that were not previously foreseen, however due to the primary purpose of the company the financial forecasts remain positive.

The company reviews its financial forecasts over a rolling 12 month period into the future and they remain consistent with the performance expected as part of its financial plan. The company is confident that it will continue to generate sufficient income to offset its liabilities over the rolling 12 month period and into the future.

The directors therefore, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the annual report and accounts on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

In line with IFRS 15, revenue by type is recognised as below:

- Income from Patient Care Services - This relates to the OHCF contract and has been assessed as recognised over time;
- Service Provision - This relates to the EMSA contract and has been assessed as recognised over time; and
- Support Services - This includes the contracts with Bradford District Care NHS Foundation Trust and Integrated Laboratory Solutions LLP and has been assessed as recognised over time.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Tax

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the Profit and loss account, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Right-of-use assets

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

Stocks held include medical equipment, parts held for maintenance of equipment and items used for the provision of patient care in a healthcare setting. At each reporting date, stocks are assessed for impairment. Stocks are impaired if they have become obsolete and have no net realisable value. At this point the carrying value is reduced to zero, and the impairment loss is recognised in profit or loss.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Leases

The company has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.

Policies applicable from 1 April 2019

Initial application

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as mobile phones and photocopiers). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Leases (continued)

Right of use asset

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right of use asset, the costs are included in the related right-of-use asset.

The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the balance sheet.

The company applies IAS 36 to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Administrative expenses' in the income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Policies applicable prior to 1 April 2019

All leases are operating leases and the rental charges are taken to the income statement on a straight line basis over the life of the lease.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial risk management

The company's activities expose it to a variety of financial risks, such as market risk (including foreign currency, price risk and interest rate risk), credit risk and liquidity risk.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Financial risk management (continued)

Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Foreign exchange risk

The company does not hold any balances at year end in currencies other than Sterling, the presentational and functional currency of the company, and therefore does not have an exposure to foreign exchange risk.

Price risk

The company does not actively trade in markets and therefore is not exposed to either commodity price or equity price risks.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs or reduced income from the company's interest bearing financial assets and liabilities. As the loan is fixed interest there is no risk associated with changes in interest rates. The interest rate risk arising on interest income is immaterial and the company does not currently consider it necessary to actively manage interest rate risk.

Credit risk

Credit risk is the risk of suffering financial loss should the company's customers, clients or counterparties fail to fulfil their contractual obligations to the company. The company's core business is primarily the supply of an Operated Healthcare Facility to its parent company. As a result, the company is not exposed to any material third party credit risk as the majority of receivables are from related companies.

Liquidity risk

Liquidity risk is the risk that the company is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments or other cash flows. The company manages liquidity by maintaining sufficient cash with banks to meet its on-going commitments.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Expenditure on employee benefits

Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Expenditure on employee benefits (continued)

Pension costs (continued)

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these is as follows:

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 Trust commits itself to the retirement, regardless of the method of payment.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are illustrated below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the scheme or the specific conditions that must be met before these benefits can be obtained.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Accounting policies (continued)

Expenditure on employee benefits (continued)

Pension costs (continued)

Annual pensions

The 1995 and 2008 schemes are 'final salary' schemes. Annual pensions are normally based on 1/80th for the 1995 section and on the best of the last three years pensionable service and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as 'pension commutation'.

With effect from 1 April 2015 the 2015 Pension scheme was introduced for all employees currently in the NHS pension Scheme. Except for employees who at 1 April 2012 were already over their normal pension age or 10 years or less from their normal pension age and in active membership on both 1 April 2012 and 31 March 2015 who received full protection in their previous scheme. For employees who were more than 10 years but less than 13 years and 5 months from their normal pension age at the 1 April 2012 and in active membership on both 1 April 2012 and 31 March 2015, tapering relief was applied. The Scheme is based on a 1/54th of the annual salary index linked to the employees State retirement age.

Pensions indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971.

Lump sum allowance

A lump sum is payable dependent on the scheme or schemes the employee is a member of at the date of retirement.

Ill health retirement

Early payment of a pension, with enhancement in certain circumstances, is available to members of the scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity.

Death benefits

A death gratuity for death in service will be paid dependent on the scheme or schemes the employee is a member of at the date of death.

Transfer between funds

Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

Alternative Pension Scheme - National Employment Savings Trust

Following the Pensions Act 2008, AGH Solutions had a duty to provide a pension scheme for employees who are ineligible to join the NHS Pension Scheme. This includes all employees who did not transfer under TUPE at the formation of the company.

AGH Solutions has selected NEST as its partner to meet the duty. The scheme operated by NEST on the AGH Solution's behalf is a defined contribution scheme, employers contributions are charged to operating expenses as and when they become due. The combined contribution rate is 8% from 1st April 2019.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

There are no critical judgements to report when applying the Company's accounting policies.

5 Turnover

The analysis of the company's turnover for the year/period from continuing operations is as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Income from patient care activities	24,941,675	22,436,398
Service provision	2,970,421	2,603,080
Rental income	83,394	107,032
Support services	1,384,534	2,574,490
	<u>29,380,024</u>	<u>27,721,000</u>

The turnover was wholly derived from operations undertaken in the United Kingdom.

At year end, the company had unsatisfied performance obligations of £nil (2022: £nil)

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

6 Interest receivable and similar income

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Interest receivable on finance leases with group undertakings	772,708	820,606
Bank interest received	<u>7,799</u>	<u>-</u>
Total interest receivable	<u>780,507</u>	<u>820,606</u>

7 Interest payable and similar expenses

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Interest payable on borrowings	<u>626,600</u>	<u>646,754</u>

8 Staff costs and numbers

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Wages and salaries	11,221,440	9,486,356
Social security costs	777,640	640,391
Pension costs, defined benefit scheme	766,681	755,575
Other - agency staff costs	<u>1,093,282</u>	<u>1,143,856</u>
	<u>13,859,043</u>	<u>12,026,178</u>

The average number of persons employed by the company (including directors) during the year/period, analysed by category was as follows:

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

8 Staff costs and numbers (continued)

	Year ended 31 March 2023	Year ended 31 March 2022
	No.	No.
Admin & clerical	43	69
Apprentices	0	0
Executive directors	2	2
Healthcare scientist	7	7
Maintenance	45	36
Non-executive director	2	2
Support staff	230	207
	<u>329</u>	<u>323</u>

9 Directors' remuneration

During the year/period the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
	No.	No.
The number of directors who:		
Are members of a defined benefit pension scheme	<u>2</u>	<u>2</u>

The directors' remuneration for the year/period was as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Directors' remuneration		
Emoluments	230,478	267,659
Employers pension contributions	<u>18,010</u>	<u>33,500</u>
	<u>248,488</u>	<u>301,159</u>

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

9 Directors' remuneration (continued)

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

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Remuneration for qualifying services	143,667	145,558
Company pension contributions to defined contribution schemes	<u>4,310</u>	<u>30,101</u>

10 Auditors' remuneration

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Fees payable to the company's auditor for the audit of the company's accounts	<u>23,500</u>	<u>20,500</u>

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

11 Tax on profit

Tax charged in the profit and loss account

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Current taxation		
UK corporation tax	358,817	425,593
Deferred taxation		
Current period	(13,276)	(587,867)
Effect of changes in tax rates	-	-
Total deferred taxation	(13,276)	(587,867)
Tax charge/(credit) in the profit and loss account	345,541	(162,274)

The tax on profit before tax for the year/period is lower than the standard rate of corporation tax in the UK of 19% (2022: 19%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Profit before tax	1,196,739	1,502,077
Tax on profit at standard UK rate of 19% (2022: 19%)	227,380	285,395
Income not taxable	-	-
Tax rate changes	-	-
Effect of finance lease	206,799	209,629
Taxable adjustments	(75,362)	(69,431)
Total tax expense	358,817	425,593

AGH Solutions Limited**Notes to the financial statements
For the year ended 31 March 2023 (continued)****12 Profit for the year/period**

Profit for the year/period has been arrived at after charging:

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Staff costs	13,859,043	12,026,178
Auditors remuneration	23,500	20,500
Operating lease rentals	69,510	82,409
Depreciation on right-of-use assets	99,479	9,774

13 Deferred tax

	Deferred tax £
At 1 April 2022	2,457,062
Charge to the profit and loss account	13,276
At 31 March 2023	2,470,338

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Temporary differences trading	65,936	63,830
Lease premiums	1,814,707	1,803,537
Change in tax rate	589,695	589,695
	<u>2,470,338</u>	<u>2,457,062</u>

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

14 Right-of-use assets

	Motor vehicles £	
Cost		
At 1 April 2022	175,960	
Additions	114,661	
At 31 March 2023	290,621	
Accumulated depreciation		
At 1 April 2022	140,810	
Charge for the year	99,479	
At 31 March 2023	240,289	
Carrying amount		
At 31 March 2023	50,332	
At 31 March 2022	35,150	
	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Amounts recognised in profit and loss account		
Depreciation expense on right-of-use assets	99,479	9,774

15 Finance lease receivables

	Minimum lease payments	
	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Amounts receivable under finance leases:		
Within one year	764,484	1,500,029
In the second to fifth years inclusive	3,485,688	5,280,807
After five years	17,964,640	16,971,234
	22,214,812	23,752,070

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

15 Finance lease receivables (continued)

	Minimum lease payments	
	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Amounts receivable under finance leases:		
Analysed as:		
Non-current finance lease receivables (recoverable after 12 months)	21,450,328	22,252,041
Current finance lease receivables (recoverable within 12 months)	764,484	1,500,029
	<u>22,214,812</u>	<u>23,752,070</u>

The group enters into finance leasing arrangements for certain of its buildings and equipment. The average term of finance leases entered into is 25 years.

Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at £26.7 million.

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 approximates 3.50% per annum.

The directors of the company estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collaterals held over these finance lease receivables, the directors of the company consider that no finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

16 Stocks

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Finished goods and goods for resale	<u>1,564,504</u>	<u>1,428,399</u>

No stock was written down in the year ended 31 March 2023 (2022: £nil).

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

17 Debtors: amounts falling due within one year

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Trade debtors	181,940	150,539
Provision for impairment of trade debtors	(10,411)	(9,316)
Net trade debtors	<u>171,529</u>	<u>141,223</u>
Amounts owed by group undertakings	4,701,207	4,268,592
Amounts owed by related party	79,710	192,225
Accrued income	783,927	80,047
Prepayments	383,280	511,454
Other receivables	785,952	74,961
Deferred tax (see note 13)	<u>2,470,337</u>	<u>2,457,062</u>
Total trade and other debtors	<u>9,375,942</u>	<u>7,725,564</u>

Amounts owed by group undertakings are unsecured, repayable on demand and do not bear interest.

The directors consider the carrying value and the fair value of the above receivables to be the same.

18 Cash and cash equivalents

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Cash at bank	<u>10,208,800</u>	<u>5,767,903</u>

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

19 Creditors: amounts falling due within one year

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Trade creditors	2,759,655	842,038
Accrued expenses	3,751,423	776,400
Social security and other taxes	2,889,969	1,964,619
Other creditors	199,559	1,402,014
Corporation tax	159,759	220,984
Loans and borrowings	634,415	612,963
Total trade and other creditors	<u>10,394,780</u>	<u>5,819,018</u>

Amounts owed to group undertakings are unsecured, repayable on demand and do not bear interest.

The directors consider the carrying value and the fair value of the above creditors to be the same.

20 Creditors: amounts falling due after one year

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Loans and borrowings	<u>17,203,395</u>	<u>17,837,809</u>

This reflects a loan held with the parent organisation, secured against the lease held by AGH Solutions Ltd. The loan is to be repaid over a period of 25 years, and incurs interest at a rate that is fixed for the duration of the loan.

AGH Solutions Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

21 Finance lease liabilities

	Minimum lease payments	
	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Amounts payable under finance leases:		
Within one year	-	26,517
In the second to fifth years inclusive	-	-
	<u>-</u>	<u>26,517</u>
Analysed as:		
Non-current finance lease liabilities (payable after 12 months)	-	-
Current finance lease liabilities (payable within 12 months)	-	26,517
	<u>-</u>	<u>26,517</u>

22 Operating lease arrangements

The total future value of minimum lease payments is as follows:

	Motor vehicles		Equipment	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
	£	£	£	£
Within one year	30,344	22,322	8,941	61,517
In the second to fifth years	<u>9,603</u>	<u>31,623</u>	<u>-</u>	<u>41,881</u>
	<u>39,947</u>	<u>53,945</u>	<u>8,941</u>	<u>103,398</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £69,510 (2022: £82,409).

23 Provisions for Liabilities

	Year ended 31 March 2023	Year ended 31 March 2022
	£	£
Provisions made during the year	<u>179,380</u>	<u>240,105</u>

AGH Solutions Limited

Notes to the financial statements For the year ended 31st March 2023 (continued)

24 Equity

Allotted, called up and fully paid shares

	Year ended 31 March 2023		Year ended 31 March 2022	
	No.	£	No.	£
Ordinary shares of £1 each	8,891,108	8,891,108	8,891,108	8,891,108

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserve is as follows:

Retained earnings:

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

25 Financial risk management

Credit risk

Cash is held by one financial institution. In the event that the financial institution is unable to fulfil its obligations, the parent company would be readily available to make capital infusions to fulfil its obligations.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

Foreign currency sensitivity analysis

The company does not hold any balances at year end in currencies other than Sterling, the presentational and functional currency of the company, and therefore does not have an exposure to foreign exchange risk.

26 Parent and ultimate parent undertaking

The immediate and ultimate controlling parent of the company is Airedale NHS Foundation Trust, a company with registered office of Airedale General Hospital, Skipton Road, Steeton, Keighley, West Yorkshire, BD20 6TD.

Airedale NHS Foundation Trust, whose principal place of business is Airedale General Hospital, Skipton Road, Steeton, Keighley, West Yorkshire, BD20 6TD, is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2023. The financial statements of Airedale NHS Foundation Trust are available at <http://www.airedale-trust.nhs.uk/about-us/corporate-publications/>.

27 Post balance sheet events

There were no material events after the balance sheet date.