

Registered Number: OC393296

FACILITIES FIRST LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



FACILITIES FIRST LLP

PARTNERSHIP INFORMATION

DESIGNATED MEMBERS

IPP Facilities Limited
Southend University Hospital NHS Foundation Trust
Basildon and Thurrock University Hospitals NHS Foundation Trust

REGISTERED NUMBER

OC393296

REGISTERED OFFICE

2 Portman Street
London
W1H 6DU
United Kingdom

INDEPENDENT AUDITORS

Deloitte LLP
Statutory Auditor
United Kingdom

FACILITIES FIRST LLP

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FACILITIES FIRST LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The members present their annual report and the audited financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the Partnership comprise the provision of facilities for pathology services.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

The Partnership provides services through long term contracts and strategic partnerships with the National Health Service and other providers of healthcare services. The performance of the Partnership was in line with the expectations of the members for the financial year to 31 March 2019.

The designated members consider that the principal key performance indicator relating to the Partnership is its turnover included in these financial statements. During the year the Partnership had a turnover of £13,712,220 (2018: £13,350,184).

The following table shows certain line items from the Statement of Comprehensive Income for the year ended 31 March 2019 and for the year ended 31 March 2018. Turnover has increased by 2.7% and is due to a tariff increase of 2.1% and an incremental growth in test volumes.

	2019 £'000	2018 £'000
Turnover	13,712	13,350
Cost of sales	<u>(13,712)</u>	<u>(13,350)</u>
Gross profit	-	-
Administrative expenses	5	(20)
Other operating income	<u>(5)</u>	<u>20</u>
Operating result	-	-

PRINCIPAL RISKS AND UNCERTAINTIES

Economic risk

Following the referendum held on 23 June 2016 and the UK's intention to leave the EU there are risks and uncertainties to the Partnership. The Partnership's key business partner is the National Health Service, which is funded by central government and therefore sales demand is expected to be largely unaffected by the decision to leave the EU. Any potential weakening in the value of pounds sterling is expected to have minimal impact on the Partnership. This is due to the Partnership transacting a very low volume of purchases in foreign currencies.

DESIGNATED MEMBERS

IPP Facilities Limited, Southend University Hospital NHS Foundation Trust and Basildon and Thurrock University Hospitals NHS Foundation Trust were designated members of the Partnership throughout the year.

FACILITIES FIRST LLP

**MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

MEMBERS' CAPITAL AND INTERESTS

The level and timing of drawings is decided by the Partnership's Members Board after taking into account the Partnership's cash requirements for operating and investment activities. Undistributed profits are shown in 'other reserves' in the statement of changes in members' interests on page 9.

GOING CONCERN

The financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Partnership to continue as a going concern.

FUTURE DEVELOPMENTS

There are no future developments that will affect the operations of the Partnership.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- as far as the member is aware, there is no relevant audit information of which the Partnership's auditor is unaware;
- the member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



IPP Facilities Limited
Designated Member

Date: 4 December 2019

FACILITIES FIRST LLP

**MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Partnership's profit or loss for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Partnership continues in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships.

They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

FACILITIES FIRST LLP

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Independent auditor's report to the members of Facilities First LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Facilities First LLP (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in members' interests; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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.

We have nothing to report in respect of these matters.

FACILITIES FIRST LLP

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Other information

The members 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 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 respect of these matters.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the matters 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

FACILITIES FIRST LLP

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

S. Tubridy

Signature

Sara Tubridy FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London (UK)

Date: 4 December 2019

FACILITIES FIRST LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £'000	2018 £'000
Turnover	4	13,712	13,350
Cost of sales		<u>(13,712)</u>	<u>(13,350)</u>
Gross profit		-	-
Administrative expenses		5	(20)
Other operating Income		<u>(5)</u>	<u>20</u>
Operating result and result for the financial year		-	-
Other comprehensive income for the year net of tax		<u>-</u>	<u>-</u>
Result for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>

Turnover and operating result are all derived from continuing operations.

The notes on pages 10 to 13 form part of these financial statements..

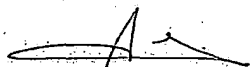
FACILITIES FIRST LLP

REGISTERED NUMBER: OC393296
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

	Note	2019 £'000	2018 £'000
Current assets			
Debtors: amounts due within one year	8	4	15
Cash at bank and in hand	9	<u>598</u>	<u>598</u>
		<u>4</u>	<u>613</u>
Current liabilities			
Creditors: amounts due within one year	10	(4)	(613)
Net current assets			
Total assets less current liabilities			
Net assets			
Represented by:			
Members' other interests			
Other reserves			

The notes on pages 10 to 13 form part of these financial statements.

The financial statements of Facilities First LLP (registered number: OC393296) were approved by the members and authorised for issue. They were signed on its behalf by:



IPP Facilities Limited
Designated Member

Date: 4 December 2019

FACILITIES FIRST LLP

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Other Reserves £ '000
Members' interests at 1 April 2017	-
Result for the financial year available for discretionary division among members	-
Drawings	-
Members' interests at 31 March 2018	<hr/>
Result for the financial year available for discretionary division among members	-
Drawings	-
Members' interests at 31 March 2019	<hr/> <hr/>

The notes on pages 10 to 13 form part of these financial statements.

FACILITIES FIRST LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. GENERAL INFORMATION

Facilities First LLP (the Partnership) is registered and incorporated in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on the Partnership information page. The nature of the Partnership's operations and its principal activities are set out in the members' report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2017).

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

The Partnership meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement and remuneration of key management personnel.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied.

(a) Going concern

The financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the partnership to continue as a going concern.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Partnership 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 also 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 in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Partnership will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year / period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

(c) Taxation

The taxation payable on the Partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the Partnership on behalf of the members. Consequently, neither Partnership taxation nor related deferred taxation are accounted for in the financial statements.

FACILITIES FIRST LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

SIGNIFICANT ACCOUNTING POLICIES (continued):

(d) Debtors

Short term debtors are measured at transaction price, less any impairment.

(e) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

(f) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are measured at transaction price.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subject to impairment review on an annual basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Partnership's accounting policies, which are described in note 2, the members 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical accounting estimates

Revenue Recognition

A key area of estimation in respect of revenue is the timing of recognition, specifically the recognition and deferral of NHS contract revenue which is billed in advance and subsequently amended based on actual activity.

The Partnership does not have any critical accounting judgements.

4. TURNOVER

The whole of the turnover is attributable to the provision of pathology services within the United Kingdom.

FACILITIES FIRST LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. AUDITOR'S REMUNERATION

	2019 £'000	2018 £'000
Fees payable for the audit of the Partnership's financial statements	<u>2</u>	<u>2</u>

6. MEMBERS

	2019	2018
The average number of members during the year	<u>3</u>	<u>3</u>

7. STAFF COSTS

There are no employees of the Partnership for both current year and prior year.

8. DEBTORS

<i>Amounts falling due within one year</i>	2019 £'000	2018 £'000
Other debtors	<u>4</u>	<u>15</u>

9. CASH AT BANK AND IN HAND

	2019 £'000	2018 £'000
Cash at bank	<u>598</u>	<u>598</u>

10. CREDITORS

<i>Amounts falling due within one year</i>	2019 £'000	2018 £'000
Trade creditors		598
Other creditors		
Accruals and deferred income	<u>4</u>	<u>15</u>
	<u>4</u>	<u>613</u>

FACILITIES FIRST LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. RELATED PARTY TRANSACTIONS

Trading transactions

During the year, the Partnership entered in to the following trading transactions with related parties:

Sale of services under the companies standard trading terms of 30 days

	2019 £'000	2018 £'000
Basildon and Thurrock University Hospitals NHS Foundation Trust	6,702	6,573
Southend University Hospital NHS Foundation Trust	7,010	6,777
	<u>13,712</u>	<u>13,350</u>

Receipt of Services under standard trading terms of 30 days

	2019 £'000	2018 £'000
IPP Facilities Limited	<u>13,712</u>	<u>13,350</u>

The following amounts were outstanding at the Statement of Financial Position date:

Amounts owed by

	2019 £'000	2018 £'000
IPP Facilities Limited	<u>-</u>	<u>15</u>

Amounts owed to

	2019 £'000	2018 £'000
IPP Facilities Limited	<u>-</u>	<u>598</u>

The Partnership is owned 49% by IPP Facilities Limited, 25.5% by Basildon and Thurrock University Hospitals NHS Foundation Trust and 25.5% by Southend University Hospital NHS Foundation Trust.

12. CONTROLLING PARTY

The Partnership considers the immediate and ultimate controlling party to be the NHS. Copies of the annual report are available from the Department of Health, Richmond House, 79 Whitehall, Westminster, London SW1A 2NS.