



NHS Property Services Limited **Annual Report** 2024/25

Contents

Chair's foreword.....	4
Chief Executive Officer's introduction.....	5
About us	6
Strategic report	8
Our corporate strategy	9
Corporate objectives	10
Building a better estate, fit for the future	11
Brilliant service every time	20
Unlocking value	24
Responsible Business.....	33
Greener NHS	34
Smarter buildings	37
Information governance	38
Social impact	39
Climate-related Financial Disclosure Report.....	42
Foreword.....	43
Introduction	45
Governance	47
Strategy	49
Risk management	55
Metrics and targets	57
Conclusion	59
Chief Financial Officer's Report 2024/25	61
Our qualitative results.....	62
Our results in figures	66
Accountability Report.....	68
Corporate Governance Report.....	70
Risk Management Report	79
Directors' Report	92
Remuneration Report	98
Independent Auditor's report to the members of NHS Property Services Limited.....	107
Annual Accounts.....	111
Notes to the financial statements	116
Appendix	160
Corporate advisors 2024/25	160

Chair's foreword



It's a privilege to introduce myself as the new Chair of NHS Property Services Limited. Having served as a Non-Executive Director over the past few years, I've seen first-hand the dedication and impact of our people on the NHS and the communities we serve.

While it's arguably the most challenging time for the NHS and its estate, it's also an incredible opportunity too. NHS Property Services Limited has a vital role to play in supporting the 10-year plan and delivering more integrated, efficient, and patient-focused care.

It's reassuring then that our long-term strategy, launched in 24/25 closely aligns with the Government's reform agenda which is based around the three shifts of moving care from hospitals to communities, making better use of technology and focussing on preventing sickness, not just treating it. Our own strategy is built around three pillars: Creating a better estate; Delivering brilliant service; and Unlocking more value. As we evidence throughout this report, each of these pillars is packed with countless transformative projects and initiatives that are helping our NHS partner organisations to solve their biggest challenges around space, unlocking funding, innovation, building compliance and helping the NHS make better use of its estate.

In doing so, we're helping to realise each of the three shifts – from transforming high street spaces to healthcare facilities and optimising vacant spaces through technology and a whole range of solutions, to delivering Community Diagnostic Centres (CDCs) in key towns around the country.

I'd like to take this opportunity to welcome Ian Playford to the Board as a Non-Executive Director. Ian brings a wealth of experience in property and public service, and since his appointment in October is already making a valuable contribution to our work.

Finally, I want to thank all our colleagues for their hard work and commitment over the past year. Your efforts have helped us deliver real progress and build even stronger relationships with our customers. To our customers, thank you for your continued trust and collaboration. Together, we are building a stronger, more resilient NHS estate that will serve patients and communities for years to come.

I look forward to working with you all in the year ahead.

A handwritten signature in blue ink, reading "Nick Moberly". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Nick Moberly
Chair

This has been one of our most significant years in terms of progress, transforming the estate and making a meaningful impact on the NHS. We achieved 100% of our performance targets across our three strategic pillars: Better Estate, Brilliant Service and Unlocking Value – in some cases far exceeding the high targets agreed with our Board and the DHSC. Our new strategy has fuelled momentum and strengthened partnerships with customers, many of whom are now advocates – reflected in a +19 net promoter score.

Through our Healthy Places and Open Spaces programmes, we've positively impacted the lives of over 3 million patients. These initiatives have helped create environments that support health and wellbeing, from improved clinical spaces to accessible green areas that benefit both patients and communities.

We've made great progress in reducing 27,000m² of vacant space across the estate. By working closely with NHS partners, we've brought more space back into productive use, helping reduce costs and ensuring buildings support patient care.

We've also advanced our journey to net zero. By reducing carbon emissions across our portfolio by 7.7%, we're helping tackle climate change and create a more sustainable NHS. This includes investing in energy-efficient technologies and supporting greener ways of working.

Our relationships with Integrated Care Boards (ICBs) have grown stronger. We now actively support 11 ICBs, working in close partnership to align estate strategy with local health priorities. This collaboration ensures the NHS estate supports joined-up, community-based care across the regions we serve.

At a time of high-cost pressures, we've unlocked £217m in value for the NHS. This includes savings, efficiencies, unlocked funding and capital receipts that can be reinvested into frontline services.

Looking ahead, our work will continue to support the Government's long-term plan for the NHS. We're helping bring care closer to home by creating and managing spaces that support integrated, community-based services. We're also enabling environments that promote proactive, person-centred care and embracing innovation through technology and data to support smarter, more efficient care.

None of this would be possible without the dedication of our colleagues and the trust of our customers. Thank you to every team member and NHS partner – together, we've delivered an incredible year and look forward to building on this success.



Martin Steele
Chief Executive Officer

Chief Executive Officer's introduction





About us

NHS Property Services Limited provides strategic estates services to enable excellent patient care. As part of the NHS, we help Integrated Care Boards, Trusts and GP practices to better assess, adapt and manage around 3,000 buildings – safely and sustainably.

As part of the NHS, we know how it works and understand the challenges our customers face. Whether that's negotiating funding or keeping buildings compliant, we help our customers navigate the system more easily. Last year, we unlocked more than £217m for them to reinvest or reimagine their spaces.

With over 5,500 experts, our local teams make the real difference by understanding individual estates and communities. Looking after thousands of NHS buildings means we've seen the full range of estates projects that our NHS needs. In fact, we've completed over 330 refurbishments or new builds in recent years – each one giving us new insights and ideas to help transform estates while keeping costs down and patients safe.

From estate strategy and town planning to cleaning, asset disposal, and reinvestment - our comprehensive, end-to-end service supports every stage in the lifecycle of an NHS building. By streamlining operations and eliminating the need to manage multiple providers, we help our customers reduce costs and focus more time on delivering outstanding patient care.

Because we're part of the NHS, every penny stays within the health system and is reinvested across the NHS. That way we can continue to focus on delivering brilliant service and building an NHS estate that's fit for the future.

NHS Property Services Limited in numbers



c.3,000

buildings maintained and compliant for your patients



5,500

experts on hand to help you assess, adapt and maintain your estate



1,850

customers supported by local teams across England



6m

patients visiting your buildings every day and receiving excellent care



10%+

of the NHS estate kept running smoothly every day



£217m

unlocked in funding and value to optimise your space



Strategic report

Over the past year, we've made significant strides in delivering our strategic objectives of creating a better estate, providing brilliant service, and unlocking value for the NHS. Our estate transformation initiatives have enhanced the functionality, sustainability, and efficiency of our facilities, aligning closely with NHS priorities. We've consistently delivered exceptional service standards, evidenced by improved satisfaction metrics and operational responsiveness. Central to this success has been our dedicated team, whose collaborative approach and deepening relationships with the NHS have solidified our role as a trusted and proactive estates partner.

Our corporate strategy

Our new strategy sets out the next phase of our journey to help transform the NHS estate and be the first-choice estate service delivery organisation for the NHS.

It offers a refreshed focus for our organisation, with three new strategic pillars capturing our key priorities. To create a better estate and deliver a brilliant service, which will allow us to proactively help unlock more value from the NHS estate for the NHS. Each pillar is supported by three goals, to help us focus on what we need to do to drive these outcomes and create meaningful, positive change across the NHS estate. For customers, patients and their communities.

Why we're here

Our Purpose: Enable excellent patient care

Our Vision: To be the first choice NHS estate service delivery organisation

What we'll deliver

Our Strategy: Use our expertise to help transform the NHS estate

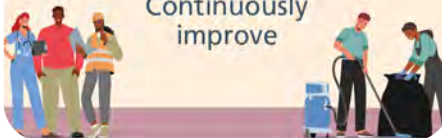
Better estate fit for the future

Invest, optimise, rationalise
Smarter, greener,
more efficient
Support communities in safe
and compliant facilities



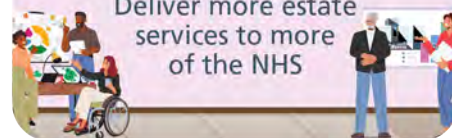
Brilliant service every time

Always place customers
at the heart
Respond quickly
and collaboratively
Continuously
improve



Unlock value across more of the NHS estate

Understand customer priorities
and help deliver them
Innovative, efficient
estate services
Deliver more estate
services to more
of the NHS



How we'll do this



Our culture:

Get, grow, keep great colleagues | Empower high performing teams | Act responsibly

We value:

Community

Colleagues

Commitment

Collaboration

Enablers:



Diverse, talented
people



Digitally enabled,
data-driven



Commercial
capability



Innovation

Corporate objectives

Our 2024/2025 Corporate Scorecard reflects our new strategy and is closely aligned with our objectives for enhanced performance and growth. It features key targets such as Net Promoter Score (NPS) and Customer Effort, which assess customer loyalty and the ease of doing business with us; Net Zero, demonstrating our commitment to eliminating carbon emissions; and Statutory Technical Compliance, ensuring we meet all legal and regulatory requirements.



Better estate fit for the future

Goal	Objective	Target	Result
Space rationalised and optimised	Reduce vacant space	20,000m ²	26,000m ²
Net Zero	Achieve reduction in carbon emissions	5%	7.7%
Statutory technical compliance	Maintain high compliance	95%	98%



Brilliant service every time

Goal	Objective	Target	Result
Net promoter score	Customer loyalty improvement	+10	+19
Colleague engagement	Maintain Your Voice engagement score	8	8.4
Customer journey improvement	Customer effort score	+12	+18



Unlock value across more of the NHS estate

Goal	Objective	Target	Result
ICB relationships	Actively engage as a strategic partner	10	11
Unlock value	Maximising estate efficiency and community benefit	£150m	£217m



Building a better estate, fit for the future

We want patients and local communities to have safe, accessible, and future-ready buildings and spaces that support care closer to home and promote wellbeing within the community. We are responsible for around 10% of the NHS estate and invest £150m every year into it. We identified a pipeline of disposal opportunities over the next five years with a total value of £230m. We reinvest sales proceeds in our properties to help deliver ICB estate strategies. This helps to ensure our core estate is good quality, fit-for-purpose and future-proofed. We continue to work with ICBs to identify properties where significant investment may not be appropriate. While some of these properties may benefit from short term investment, others will form part of our disposal programme, enabling reinvestment in our estate.

Investing in, optimising and rationalising our estate

We continue to define investment requirements for our estate, unlocking value from surplus estate for reinvestment through our Aged Estate strategy. We work with local planning authorities to secure capital contributions, unlocking funds set aside by developers. And we enable better property utilisation across our own estate and the wider system with utilisation sensor technology and our Open Space platform

Optimise and rationalise vacant space

As part of our strategic focus on improving efficiency and delivering greater value to our customers, we set a target to reduce 20,000m² of vacant space across our estate. We exceeded this, achieving a total reduction of 26,000m². This milestone enabled us to deliver substantial cost savings and operational efficiencies for our customers, ensuring better use of resources and improved service environments.

A key component of this success was the disposal of surplus freehold properties, such as Stamford Brook Health Centre, and the redevelopment of underutilised sites like Northwood Cottage Hospital. These initiatives not only freed up valuable space but also released capital for reinvestment into frontline services and contributed to our sustainability goals by reducing CO₂ emissions.

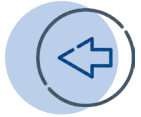
In parallel, our Healthy Places programme drove further transformation across our estate. Through this initiative, we rationalised 18,000m² – removing inefficient or redundant space – and optimised 24,000m² to better support modern healthcare delivery. These improvements are helping to create more functional, patient-focused environments that



support better outcomes for both staff and service users.

Other key achievements included the successful relocation of patients from Devizes Community Hospital to the newly opened Devizes Integrated Care Centre (ICC) at Marshall Road, marking a significant step in modernising local healthcare delivery. Additionally, nearly 2,000m² at Spencer Close was let to Princess Alexandra Hospital NHS Foundation Trust, and Devizes Community Hospital was formally disposed of. These actions have contributed to the creation of modern, efficient clinical spaces and a better working environment for NHS colleagues, ultimately supporting improved patient care.

Case Study: Chiswick Health Centre, London



Background

Chiswick Health Centre, owned by NHS Property Services, houses multiple healthcare occupants. The project involves collaboration among various NHS Property Services Limited teams and external partners.

NHS Property Services Limited Commitment to Sustainable Developments:

In October 2020, the NHS committed to achieving carbon net zero by 2040. NHS Property Services Limited supports this goal by embedding sustainability in all projects. The Chiswick Health Centre project created a modern, sustainable health facility and 55 affordable homes primarily for NHS key workers.



Solution

The scheme incorporates low carbon technologies such as:

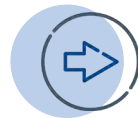
- Mechanical Ventilation Heat Recovery
- Air Source Heat Pumps
- LED lighting with sensors
- Solar photovoltaic arrays
- Electric Vehicle charging points



Challenge

The project must comply with the London Borough of Hounslow's Development Plan, which includes:

- Achieving a minimum 35% CO₂ emission improvement over Part L 2013 Building Regulations.
- Following the Mayor's Energy Hierarchy to achieve the Net 'Zero Carbon' Standard.
- Achieving a BREEAM 'Excellent' rating.



Results

The development has achieved a 77% reduction in carbon dioxide emissions, saving approximately 59.8 tonnes of CO₂ annually. The project exceeds Building Regulation Part L 2013 compliance through a 'fabric first' approach and includes a nominal cash-in-lieu payment to offset any surplus.

Overall, these efforts have positively impacted patient care by providing modern, fit-for-purpose clinical spaces and enhancing the working conditions for NHS staff. The released capital will be reinvested to further improve healthcare services, demonstrating our commitment to creating healthier places for our communities.



Developing a sustainable investment approach

We have continued to proactively engage with Integrated Care Boards (ICBs) to agree on the categorisation of our properties into Core, Flex, and Tail. This is a key planning activity that ensures we prioritise investment in Core properties—those essential for long-term, strategic service delivery; maintain Flex properties that offer adaptable space for evolving healthcare needs; and responsibly phase out Tail properties that are underused, outdated, or no longer fit for purpose

Our new Aged Estate Strategy takes a long-term, data-driven approach to addressing backlog maintenance across the NHS Property Services Limited estate. This strategy is underpinned by insights from our Forward Maintenance Register, which is continually updated through a rolling programme of asset surveys. By aligning capital investment with the Core, Flex, and Tail categorisation, we can work collaboratively with our customers to optimise future investment decisions.

This year, we successfully developed our strategic plan, focused on making sustainable investment decisions guided by four key drivers:

1. An estate strategy aligned with ICS estate needs
2. Policy alignment
3. Data-driven insights
4. Maximising the impact of every £1 invested

We have also shared backlog maintenance data with ICBs to support the development of their estate infrastructure strategies.

Ultimately, this strategy benefits communities by ensuring well-maintained healthcare facilities, enhancing patient care, and supporting long-term sustainability.





Smarter, greener, more efficient

As managers of 10% of the NHS estate, we play a key role in reducing emissions, helping the NHS adapt to climate change and building healthier communities. Delivering our 'Greener NHS' programme milestones as we work towards meeting Net Zero by 2040, implementing smarter building technology to add further insight and intelligence.

Net Zero: Reduction in carbon emissions

As part of our commitment to achieving Net Zero, we are proud to report a 7.7% reduction in carbon emissions this year – significantly surpassing our target of 5%. This achievement reflects our continued investment in sustainable practices and our dedication to reducing our environmental impact. We remain focused on accelerating our progress toward a low-carbon future.

Support communities in safe and compliant environments

We are dedicated to helping the NHS get the most from its estate – through our Healthy Places programme, and through NHS Open Space. We keep buildings safe for customers and patients, making sure equipment is safe and buildings are compliant with the latest legislation. And we are committed to developing and maintaining a strong health and safety culture.

Positively impact patients through Healthy Places programme and NHS Open Space

Our focus is to work with the NHS to maximise the value of its estate by creating environments that are not only accessible and flexible, but above all, safe and compliant. Through initiatives like the Healthy Places programme and NHS Open Space, we ensure that buildings meet current legislation, equipment is properly maintained, and a strong health and safety culture is embedded throughout. These efforts support the delivery of high-quality care, while also enabling greater capacity and adaptability to meet the evolving needs of patients, staff, and communities.

NHS Property Services Limited successfully combined the efforts of Healthy Places and NHS Open Space to positively impact 3.6m patients – surpassing the corporate objective of 3.25m patients. This achievement underscores the effectiveness of our initiatives and our commitment to enhancing patient outcomes and community health.

The Healthy Places programme completed the delivery of 88 projects, which included new builds and refurbishments. These were funded from various sources, including national NHS programme priorities such as CDC, SARC, STP programmes, and initiatives funded by ICBs or NHS Property Services Limited through our disposal recycling initiative.

Notable projects completed included:



Morton Suite, Gainsborough

Completion of a £4.5m redevelopment of the Morton Suite at John Coupland Hospital



Kings Lynn Health Hub

Development of a new £11.5m Health Hub



Chiswick Health Centre

Redeveloping a health centre with sustainability at its core



Preston Healthport

Completion of the Community Diagnostic Centre which will provide an additional 105,000 appointments each year

Additionally, key projects such as several Community Diagnostic Centres (CDCs) - Royal South Hants Hospital, Hinckley, Brocklebank, Trowbridge, Rackheath and Catterick were progressed for completion in FY25/26.

The programme contributed approximately £105m towards the Unlocking Value target, demonstrating significant investment in new and improved health infrastructure to support the communities served by these properties.

NHS Open Space delivered a positive impact to over 2.2m patients, surpassing the target by positively impacting an additional 200,000 patients. This was achieved by expanding the offering of NHS Open Space across NHS Property Services Limited properties, particularly in new localities across the country.

The programme aimed to attract new service providers to support more localised care delivery and enabled other NHS landlords to adopt the system for managing their own facilities, culminating in a successful trial with CHP.

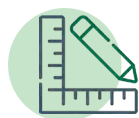
Key initiatives and outcomes included:



Launching NHS Open Space in **18 new buildings and 88 new rooms**, enabling new and more services to be delivered locally to patients.



Attracting **new service providers** such as Hartlepool and Stockton FT and Optegra to offer services to patients.



Conducting space utilisation and optimisation studies to identify **opportunities for increasing service provision in under-utilised spaces** while delivering refurbished, fit-for-purpose spaces for patient care.



Delivering **1.1m consultation hours** for patients, providing a significant volume and choice of services locally.



Providing **67,500 hours of additional GP consultations** to reduce system pressures and waiting times.



Identifying value generation opportunities, including consolidating services locally to dispose of redundant properties, **reducing yearly property costs by £500,000 per annum, and saving the NHS £1.5m** on a potential extension.



Statutory technical compliance

This year we surpassed our targets of 98% for overall Statutory Technical Compliance, and 97% for High Risk Remedials – month on month. Our Compliance performance is summarised below:



We achieved these figures, and improved our customer experience, through the following key initiatives which have also reduced our risk and exposure:

We created safer customer environments via an extensive **Radon programme**. Establishing effective monitoring regimes that significantly reduce the health risks associated with Radon exposure.

Advancements in **statutory certification digitisation** provided clear and concise documentation. Ensuring customers are confident in their legal and regulatory compliance.

The Hard FM compliance framework is already well established, and we have now integrated Environmental Compliance as an extension of this framework. This enhancement supports the implementation of a robust Hard FM Compliance model, combining Planned Preventive Maintenance (PPM) and remedial works. It ensures environmental considerations are integrated into operations, promoting sustainability and reducing environmental impact.

We implemented an **Authorising Engineer audit strategy**. This ensures thorough and effective compliance audits, giving customers confidence in building safety and the reliability of our services.

Organisational Health and Safety culture

We achieved a Health and Safety Culture Maturity Score of 7.2, surpassing our corporate scorecard target of 7. The maturity score was derived from a combination of our annual Health and Safety culture survey and our performance against various leading and lagging indicators, including the number of RIDDOR reportable accidents, reported near misses and safety observations, health and safety audit scores, and the completion of mandatory training.

We implemented key initiatives and programmes:

Health and safety events

Held in each region, focusing on Health and Safety Culture and addressing violence and aggression.

Contractor Management Programme

Included inspections of both national and local suppliers to ensure safety compliance.

Immunisation Programme

Launched for Hepatitis A and B for frontline colleagues, providing additional protection against infectious diseases.

Health and safety surveys and focus groups

Conducted across various functions to gather insights and feedback.

International Health and Safety Award

Received from the British Safety Council at the distinction level.

Training courses

Delivered IOSH Managing Safely and Working Safely courses, emergency first aid, ladder safety training, Conflict Resolution training, and bespoke Behavioural Safety training for the Senior Leadership Team.

Accreditation

Achieved for our internal Asbestos Awareness training.

We moved from a 'Dependent' safety culture to a 'Proactive' one, improving contractor safety performance on our sites and ensuring the safety of both colleagues and customers. The immunisation programme was designed to protect colleagues working in high-risk areas, while all training initiatives supported compliance with Health and Safety regulations and increased awareness of workplace risks. Alongside these efforts, we remained focused on keeping our people healthy, safe, and well, embedding wellbeing into our safety culture and operational practices.

The outcomes of these initiatives were significant:



Proactive safety culture

Made notable progress towards a proactive safety culture, driven by our health and safety events and bespoke training.



Contractor safety checks

Colleagues completed over a thousand checks, ensuring safe working conditions and halting unsafe practices.



Colleague vaccinations

Over 350 colleagues received vaccinations near their workplaces, enhancing their protection against infectious diseases.

Brilliant service every time

Our Net Promoter Score has continued to improve over the past few years, and Customer Satisfaction remains a positive score of 9/10. As a dynamic and customer-led organisation, we continue to make progress in improving our Customer Journeys.

We listen to customer feedback to make sure we are easier to deal with, drive trust through consistent and transparent customer interactions, and that our service offer continues to evolve and maximise value for our customers and the wider NHS.





Always place customers at the heart

We continue to make great progress, improving both customer and colleague experiences by developing better systems and processes, resulting in a customer-led culture. We achieved a Net Promoter Score (NPS) of +19, surpassing our corporate scorecard target of +10. This accomplishment underscores our commitment to excellent service, benefiting the community and positively impacting patient care.



Customer insights

We run a variety of surveys to gather feedback on recent customer interactions, such as support cases, work orders and overall perception. We encourage openness but Customers can also choose to keep their responses confidential, helping us gain honest insights to improve our services.



CRM system enhancement

We worked closely with colleagues to update and enhance our CRM system, ensuring that our customer contact data is accurate.



Actionable feedback

For those who did not opt out, their feedback was shared with the customer owner, who recorded any actions taken in response.

Our customer survey highlighted three key themes for improvement, which continue to be our focus:



1. Communication

Enhancing how we communicate with our customers.



2. Issue resolution time

Reducing the time it takes to resolve issues.



3. Billing/invoices/budgets

Improving processes related to billing, invoices, and budgets.

Respond quickly and collaboratively

In January 2025, our Colleague Engagement Score reached 8.4, marking a 0.3 increase from the previous year. Our colleague Net Promoter Score also rose by 10 points to 55 - a strong result on a scale that ranges from -100 to +100, reflecting a growing number of colleagues who would actively recommend our workplace.

We exceeded our SLA for calls answered within 20 seconds and increased requests via Connect, our customer self-service platform. Key initiatives included improving Connect functionality and publishing the Customer Complaints Policy.

Corporate scorecard target

We surpassed the previous year's engagement score, converting passives and detractors to an all-time high of 66% promoters. Colleague participation in our survey increased to 71%, up by 1% from 2024.

Key initiatives and projects

Throughout the year, several initiatives contributed to this success:



Annual Roadshow Series

Enhanced colleague engagement through discussions on relevant topics and regular interaction with senior leaders, boosting confidence to share.



Lived experience/listening sessions:

Offered a platform for diverse colleague cohorts to share views and suggest improvements.



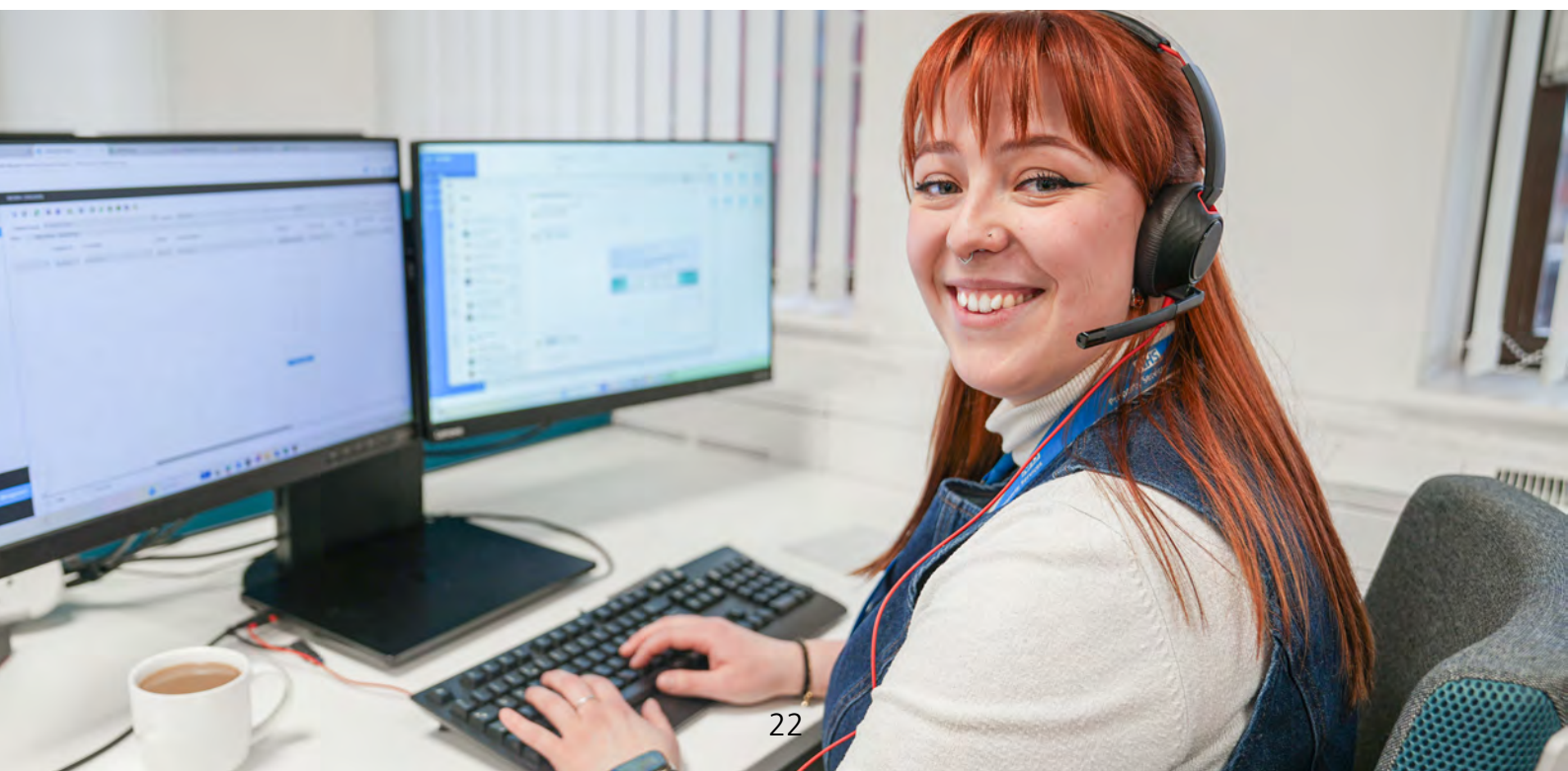
'You Said, We Did' updates

Provided regular touch points with colleagues on the progress of matters raised at roadshows.



Regional Colleague Forums:

Introduced across the Delivery function for regular discussions of local importance.



Continuously improve

This year, we introduced improvements for both customer and colleague journeys, delivering 230 recommendations (**142% against a target of 95%**). This increased our customer effort score to **+18**. Enhanced journeys included:

- colleague onboarding,
- managing performance and misconduct,
- general colleague support,
- customer billable works,
- and client management.

Activities and programmes delivered

We focused on improving colleague journeys based on feedback from the People Team, fostering a proactive wellbeing culture, and improving the onboarding process with a focus on Social Impact.

We also enhanced the Customer Billable Works experience and ensured compliance with the green plan and legislation.

Outcomes and benefits

Colleague journey improvements indirectly boosted customer effort scores by ensuring frontline colleagues are ready from day one.



We implemented a new uniform ordering portal with a stock agreement and a 48-hour turnaround SLA.



We improved colleague understanding of Customer Relations.



We introduce new colleagues to the importance of Social Impact at NHS Property Services Limited as part of their joining journey.

To help speed up payments, our Horizon invoices now clearly show the name of the customer requestor and the Core work order ID, making it simpler to track and process.

We've also launched a new Clinical Waste dashboard, giving better visibility and helping ensure full compliance with waste disposal regulations. Plus, we've enhanced our reporting tools to give clearer insights into recent lease events, transactions, costs, and property types.

Digitally enabled, data driven

In 2024/25, we continued to strengthen our position as a digitally enabled, data-driven organisation. We achieved Cyber Essentials Plus, significantly improving our digital security and reducing exposure to threats. Our data strategy focuses on building a culture where data is part of everyone's role, supported by Data Literacy training - our largest training programme yet - and the introduction of new governance frameworks. We enhanced the digital workplace by rolling out over 3,000 devices and delivering training to more than 1,000 colleagues, helping teams stay connected and work more efficiently.

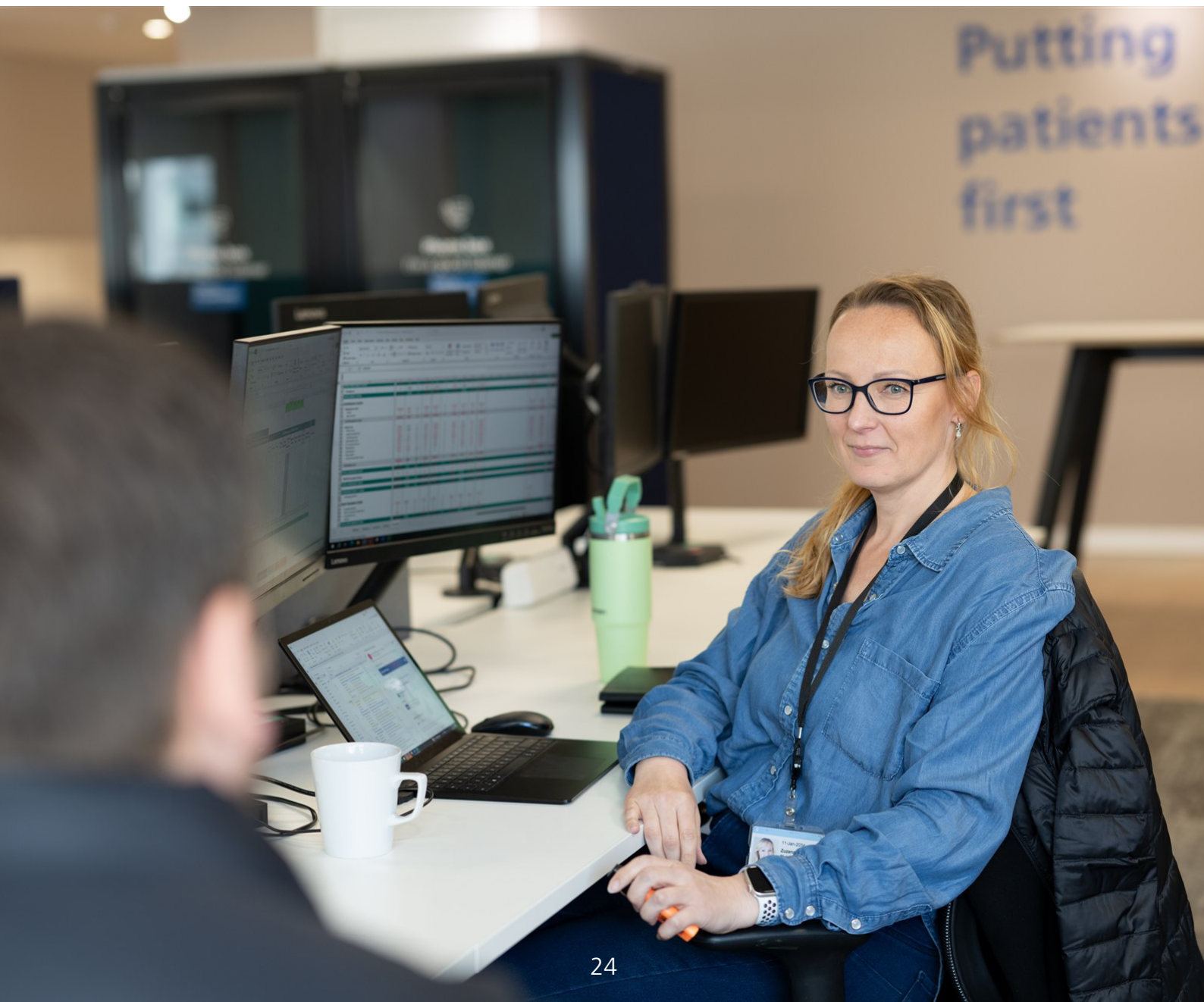
We also introduced a responsible AI framework and piloted new tools that saved around 200 hours in analytics, showing the potential of AI to support everyday tasks. Through our Digital Strategies Programme, we laid the foundations for modernising our core systems, mapping over 100 processes with input from more than 90 colleagues. Continuous platform improvements led to over 350 enhancements, including data cleansing and customer journey updates, resulting in record system stability and adoption by customers and colleagues. Finally, we launched a new Property Dashboard that brings together key data in one place, saving time and supporting better decision-making. These achievements reflect our commitment to working smarter, safer, and more effectively.

Unlocking value

Unlocking value refers to the wide range of strategic actions we take to maximise the benefit of the NHS estate—financially, operationally, and socially. This includes initiatives such as disposing of surplus land, providing expert lease and asset management advice, enabling capital investment by customers (including the NHS), and reinvesting NHS Property Services Limited funds into modernising healthcare facilities. While these activities may appear distinct, they are united by a common goal: to release resources, whether financial, physical, or strategic, that can be redirected to improve patient care and community health outcomes.

We continued to use our expertise to partner with customers, helping unlock value opportunities now and in the future. During 2024/25, we unlocked £217m of value for customers through strategic initiatives including ICB infrastructure strategy developments and customer disposals, far exceeding our target of £150m.

These initiatives have a significant impact on the community and patient care. We've been able to reinvest in the healthcare estate, ensuring facilities are modern, efficient, and fit for purpose. This has led to the development of new integrated health centres, diagnostic facilities, and increased primary care capacity, contributing to improved patient access, outcomes, and enhanced service delivery



Increasing, releasing asset value (including disposals)

We successfully unlocked significant value through various asset management activities. This achievement was driven by a series of strategic programmes and projects, showcasing our commitment to working with NHS partners, excellence and innovation.



Key initiatives included:



Disposal Programme

The sale of surplus properties, generating significant funds for reinvestment.



Property Development Programme

Developing new facilities and refurbishing existing ones to meet modern healthcare standards.



Customer Projects

Collaborations with NHS trusts and other stakeholders to deliver tailored property solutions.

Notable projects included:

- **Northwood and Pinner refurbishment:**
Unlocking £20m through the redevelopment of outdated health facilities.
- **Chiswick Health Centre:**
Unlocking £10.2m through strategic property management.
- **Brocklebank disposal and acquisition:**
Unlocking £4.3m by integrating disposal and acquisition processes.
- **Upton CDC:**
Unlocking £25m by granting agreements for lease and alterations, enabling the construction of a new Community Diagnostic Centre (CDC).
- **Rackheath Medical Centre:**
Delivering a new 1,500m² health centre, unlocking £11.4m plus VAT savings.
- **Livingstone CDC:**
Unlocking £19.6m by developing a new CDC in partnership with Dartford and Gravesham NHS Trust.
- **Kings Lynn Medical Centre:**
Unlocking £2m plus VAT savings, delivering a BREEAM Outstanding facility.
- **Sleaford Street:**
Unlocking £13m through the development of a modern health centre.
- **Hinckley Hospital and Health Centre:**
Unlocking £17.6m plus VAT savings by developing a new clinical diagnostic centre and endoscopy suite.
- **Trowbridge Integrated Care Centre (ICC):**
Unlocking £13.3m plus VAT savings by developing a new integrated care centre.

Healthy Places programme – customer funded developments

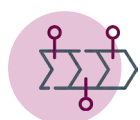
Our innovative and efficient estate services aim to deliver more estate services to the NHS, benefiting the community and positively impacting patient care.

Key initiatives and projects:



Completed schemes

- Kings Lynn Health Centre
- Chiswick Health Centre
- Redcar PFI Community Diagnostic Centre (CDC)



Ongoing projects

- Trowbridge Integrated Care Centre
- Northwood and Pinner
- Hinkley Hospital (new day care unit and CDC)
- Rackheath Health Centre



National programmes

- Delivery of four Community Diagnostic Centres and two Sexual Assault Referral Centres (Fareham, Crawley – on site, Kings Hill – in design stages).



Acquisitions and disposals

Released underutilised properties and reinvested capital into the retained estate (Chiswick, Brocklebank, Northwood, and Pinner).



Capital initiatives

- Generated £7.6m through VAT election.

Customer benefits:

During the FY24/25 we completed 88 projects for our customers supporting several key NHS strategic programmes and initiatives. This new and repurposed space has the potential to support a population of over 1.4m people. Examples of these benefits include:

SARCs:

Capacity for 7,500 appointments per annum in Kings Hill, Fareham, and Crawley.

Health Centres:

Expanded primary care services and potential for secondary care outreach. Rackheath contributed capacity for 29,715 registrations; Kings Lynn added capacity for 7,704 registrations.

CDCs:

Additional appointment capacities:

- Hinkley (89,000)
- Redcar (15,486)
- Preston (150,000)
- Royal South Hants (140,203)

Chiswick Health Centre:

Brand new, fully compliant facility of 2,348m² for over 20,000 patients.

These initiatives have demonstrated our commitment to enhancing healthcare infrastructure, ensuring that more estate services are available to the NHS, benefiting the community and improving patient care.

Lease Advisory

We unlocked an impressive £28.6m in value through Lease Advisory activity, far exceeding the target of £10m. Throughout the year, we identified numerous revenue and capital savings opportunities for ICBs, Trusts, and GPs. Our strategic advice on freehold and leasehold acquisitions supported ICB estate strategies, while the acquisition of new headleases aligned with ICB requirements.

Key initiatives and projects:



Income and savings opportunities

Identified revenue and capital savings opportunities for Integrated Care Boards (ICBs), Trusts, and General Practitioners (GPs).



Strategic advice

Provided expert advice on freehold and leasehold acquisitions to support ICB estate strategies.



New headleases

Acquired new headleases in alignment with ICB requirements.



Healthy Places GP Surgery Scheme

Assisted in delivering the new GP surgery scheme at Halstead X-Ray Block 5 with lease advisory input.



Community Diagnostic Centre

Supported the delivery of a new CDC in Hinckley through lease advisory services.



Primary Care Estate support

Offered lease advisory support for ICB primary care estates in South East London and Manchester.



Lease restructuring

Re-structured leases to release value for GP tenants, securing funding against the lease.



Our efforts resulted in significant capital receipts, revenue savings, and additional income. We created a database of SEL ICB provider estates, identifying opportunities to exit tail estates and deliver associated savings, such as dilapidations claims. Our strategic asset management and lease advisory advice, often provided at preferential rates, were tailored to ICB estate strategies and commissioning objectives. We also completed lease events and delivered savings on ICB primary care estates, enabling GP tenants to refinance by releasing value through lease restructuring.

Town Planning

We successfully unlocked £13 million in value through town planning initiatives for our customers. This includes secured Section 106 (S106) and Community Infrastructure Levy (CIL) contributions, as well as savings on professional fees. Of this total, £3 million relates to the Trowbridge Integrated Care Centre.

Key initiatives and projects:



We engaged in extensive policy lobbying, submitting joint representations to national planning policy consultations.

The team:

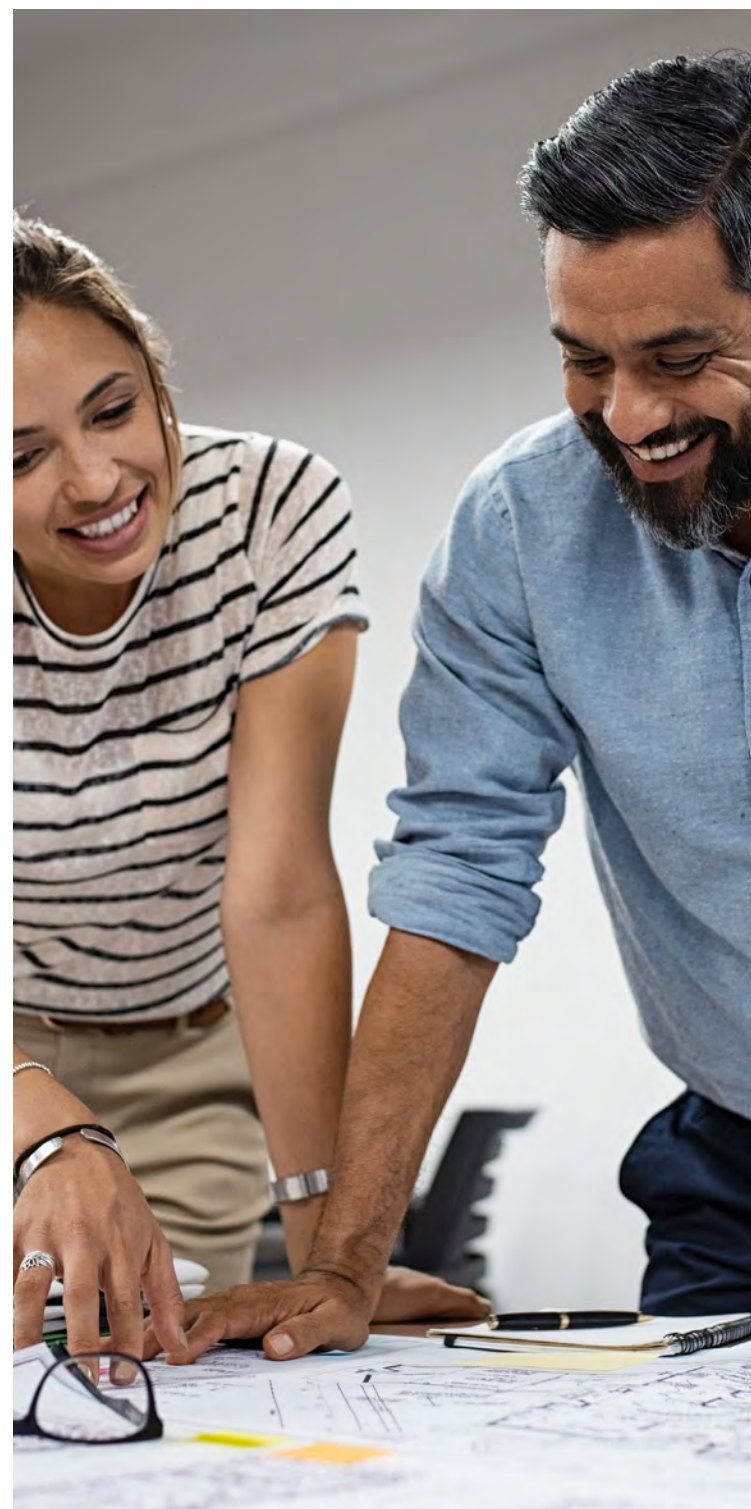
- reviewed 500 planning policy consultations
- provided 148 formal representations
- submitted 17 site promotions
- produced 53 planning appraisals, along with 48 planning applications/pre-applications
- secured £12.5m in developer contributions through Section 106 and CIL



To expand town planning expertise, the team formed partnerships to represent ICBs across approximately 20% of local planning authorities in England. They continued to represent the NHS Property Services Limited portfolio across nearly all local planning authorities in England, participated in the DHSC town planning working group, and collaborated with the Ministry of Housing, Communities and Local Government to shape national planning policy for the NHS.

Community and NHS impact:

Significant projects included planning applications in Trowbridge, SARC Sites, and CDC Hinckley, along with successful S106 negotiations, such as those at Bourn Airfield.





Spotlight: Trowbridge

Collaborating with Bath and North East Somerset, Swindon, Wiltshire (BSW) ICB, we developed plans for the new Integrated Care Centre in Trowbridge, offering services like business case development, lease advisory, town planning, facilities management, and construction project management. The Trowbridge Integrated Care Centre (TICC) aimed to address local health needs and inequalities.

Despite securing national funding in 2018, various challenges made the funding insufficient. A successful Community Infrastructure Levy (CIL) bid was crucial, and the funding had to be spent by March 2025, requiring expedited planning approvals. In December 2023, NHS Property Services Limited submitted a reserved matters application for an 1,880m² facility. Realising the funding was insufficient for a single-phase delivery, NHS Property Services Limited's Town Planning Team recommended phasing the project. This allowed for a 1,350m² facility in Phase 1, with the remainder to be completed in Phase 2, an approach agreed upon by the local authority.



Delivering value

Driving impact, delivering results

Our focus remains on making every effort count. By unlocking £217m of value opportunities, driving efficiencies and empowering our colleagues, we've maximised impact for customers and the communities we serve. This achievement is a result of our collaborative efforts with NHS partners to deliver smarter solutions.



Healthy Places £103m

- **Customer Funded Developments (£76m)**
We engage as a trusted partner, using our expertise to deliver new healthcare facilities for the community using customer funding.
- **NHS Property Services Limited funded (£26m)**
Using NHS Property Services Limited capital "disposal enabling and recycling" for investment in projects that support our customer requirements of improved/expanded health infrastructure.



Optimising asset value £71m

- Releasing value from our estate through portfolio renewal including preparation of surplus land for sale, so that best value can be realised for reinvestment in the NHS and facilitate housing development in line with Government policy.



Lease advisory £28m

- We offer dedicated expertise in this specific discipline, supporting customers to identify opportunities to drive forward, coordinate and oversee the completion of head lease and sub lease events (lease exit, lease renewals, rent reviews and break options) in a timely manner.



Town planning £13m

- We offer specialist advice, supporting planning appraisals and applications, protecting NHS rights to our buildings, and monitoring and responding to emerging planning policies.



Estate office rationalisation £3m

- We collaborate with trusts to ensure the estate is occupied, fit for purpose, and delivers maximum value through space efficiencies and financial savings.



Driving value: maximising efficiencies and savings

We've strengthened our internal focus, achieving significant cost savings and cost avoidance.

Our Driving Value initiatives delivered £41m, exceeding our target of £28m. This was achieved through:



Leasehold exits and disposals

Leasehold exit savings were generated by 44 exits undertaken during the year. Freehold disposal savings were generated by 24 exits.



Rates

We reviewed and challenged rates based on the previous year's rates payments, saving £6m.



Utilities management

Our flexible utilities procurement model allows us to trade our electricity and gas at different times throughout the year. The value delivered is the difference between the price we would have paid had we bought our energy at a fixed price at the start of the year.



LEDs

We continued to upgrade lighting systems to LEDs across our estate, while also delivering financial value through lower electricity costs – which are passed back to customers.



Other – efficiency and effectiveness

We collaborated with our suppliers to secure the best value, achieving savings on software licences, and efficiency and effectiveness measures.

Non-financial value

Creating value within our organisation isn't limited to activities that influence the bottom line. Our colleagues are driving initiatives that bring meaningful, non-financial impact. Here are some inspiring examples.

Enhancing accessibility at Crediton Hospital

We delivered a significant improvement to Crediton Hospital by installing an accessible toilet and baby changing facilities. This initiative was driven by a commitment to enhance the experience of patients and visitors, particularly those with additional needs. The project aimed to align the hospital's infrastructure more closely with customer priorities, ensuring that the environment is inclusive and supportive for all users.

The new facilities have significantly improved accessibility within the property, offering greater comfort and dignity to patients and families. By responding to local needs and investing in practical enhancements, we've demonstrated our dedication to delivering non-financial value across the estate. This project reflects our broader mission to create safe, welcoming spaces that support the wellbeing of NHS staff, patients, and visitors alike.

Enhancing patient spaces at Okehampton Hospital

As part of ongoing maintenance at Okehampton Hospital, our Hard FM team took the initiative to redecorate the hospital's quiet room, a space used by patients and staff for reflection and respite. Though not part of the original scope of works, the team recognised the room's tired condition and acted to improve it. This small but meaningful enhancement has significantly uplifted the environment, contributing to patient wellbeing and staff morale.

The project demonstrates how everyday maintenance can be an opportunity to go further in supporting the NHS.



Clare Sprague, Senior Facilities Manager, commented: *"The team saw an opportunity to make a difference and took it. It's a great example of how we can add value beyond the brief."*

Turning an empty ward into a comedy set – and cash for the NHS

This year, we gave a long-vacant ward at Holme Valley a new lease of life – by turning it into a filming location for Channel 4's new comedy series Disability Benefits. The Marple Ward, which hadn't been in use for years, became the perfect backdrop for the show. We worked closely with the production team to make it happen, all without disrupting NHS services or incurring extra costs. The result? A £15,250 boost straight back into the NHS. It's a great example of how we're thinking creatively about unused spaces, turning what was once a quiet corner into something that supports both the arts and public health. Plus, it was a fun way to show that even empty buildings can still deliver value!



Responsible Business

NHS Property Services Limited is an organisation that takes pride in being part of the healthcare system in England; we want to be recognised as the best property and facilities management provider to the NHS. Our focus is always on what we can do to improve and how we can work together with our colleagues and customers to achieve our common goals.

That's what being a responsible business is all about for us. It's at the core of changes we've made and will continue to make as we respond to the demands of the times we live in, and our customers', patients', communities' and colleagues' needs.

Greener NHS

Our Greener NHS key achievements 24/25:



7.7%

reduction in carbon footprint
against a corporate target of 5%



£7.8m

funding secured for environmental
improvements over the next 3 years.



£10m

value transformation
realised



£11.5m

funding spent on
2024/25 decarbonisation
and energy efficiency
projects



£11.6m

capital funding secured
for 2025/26 and allocated
to decarbonisation and
energy efficiency projects



Green Plan

finalised for the next
three years



Net Zero Strategy

plan approved with capital for the
next three years



We focused on three main areas: energy, utilities and environment.

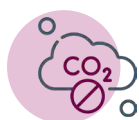
Energy

We've continued to prioritise our net-zero carbon goals, allocating £11.5m towards energy efficiency and decarbonisation projects. And created a strategy to help keep us on track.



Planning for net zero

We finalised our net zero carbon strategy focusing on decarbonisation, finance, awareness and training and emissions metrics. We completed research with UCL that will guide future building performance analysis and net-zero project delivery.



Decarbonising our estate

We delivered 23 decarbonisation projects with the help of our Regional Energy and Environment Fund (REEF). Including installing EV charge points at 4 sites to support greener travel. We also secured £121,000 Section 106 funding to make Soho Hospital more sustainable and contributed to the smarter buildings programme by running trials to measure data and carbon savings.



Being energy efficient

We completed 170 LED lighting projects and 633 building management system (BMS) upgrades across our estate. Our Regional Energy and Environment Managers (REEMs) have received carbon literacy training and are working closely with site teams to quickly identify low-cost/no-cost energy saving opportunities, resulting in savings of £70,000 to date.

Environment

As part of being more environmentally sustainable, we're reducing the impact of environmental risks, while making responsible and ethical sourcing a priority.



Reducing risks of emergency spillages

We trained 220 engineers as spill first responders, issued 333 spill kits and appointed a national emergency spill response contractor – making sites with fuel or oil heating tanks safer and less prone to emergency spillages.



Improving air emissions monitoring

We secured the first EA environmental permit for generator operation under the Medium Combustion Plant Directive (MCPD) at a site to better monitor air emissions and maintain regular compliance.



Adapting to climate changes

We carried out 12 flood risk assessments at high-risk sites to mitigate risks, installing flood risk doors where needed. We also completed the overheating risk assessment at 2 pilot sites to make sure they remain safe during extreme weather as well as establish our ongoing strategy for the wider estate.



Procuring sustainably

Our new approach makes sure that any contracts worth more than £5m are in line with our commitment to responsible and ethical sourcing. These will also help us deliver more social value through supply chain.



Encouraging biodiversity

We launched a biodiversity enhancement catalogue with practical guides to make our sites greener and more wild-life friendly. We also established a biodiversity working group to implement biodiversity net gain legislation.

Utilities

We've improved how we monitor and manage utilities across our estate – having better data to make more cost savings.



Improving energy monitoring

We developed a detailed property database which improved our data sets by 150% – giving us a better understanding of energy consumption patterns, emissions reporting and accurate customer billing. Improvements in data analysis and reporting capabilities to proactively identify and prioritise sites with the highest consumption and carbon emissions.



Making cost savings

We saved £8.2m through improving our utilities management and energy procurement strategy. Having better data analysis and reporting capabilities have allowed us to prioritise sites with the highest consumption and carbon emissions.



Operating smoothly

We've effectively resolved 732 utilities cases to keep all our utilities running smoothly and supporting our customers.



Smarter buildings

Our smarter buildings programme helps us understand how our buildings are being used so we can make faster and better decisions about managing our estate.

In 2022, we built a platform that provides a real-time analysis on our building usage with information collected, stored, archived and analysed, all in one place. This year, we're focused on integrating this system in our everyday lives, while continuing to make improvements.

Key achievements from last year include:



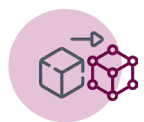
Installing sensors

We installed sensors (occupancy, environmental, energy efficiency) across multiple sites. This helps gather better data on our building usage, environmental conditions and energy efficiency.



Maintaining water compliance

We implemented a solution for monitoring water temperature at pilot sites to help make sure that site water is compliant with legionella regulations.



Developing digital twins

We created digital twins to have 3-D visualisations of some of our key sites, including Knowle Clinic. Being able to envision the building's usage and environmental conditions has helped us better manage and plan.



Real-time reporting

We implemented real-time reporting, giving us transparent and up-to-date insights on building conditions to make more informed decisions.



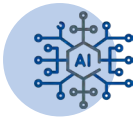
Improving building management

We've integrated building management systems (BMS) at several pilot sites. This has helped us improve how we use resources like lighting, security, and more.

Information governance

Our information governance team is responsible for protecting our colleagues' and customers' personal information. And making sure that we remain compliant with relevant legislation.

Key achievements from last year include:



Launching an Artificial Intelligence (AI) framework

Our data protection impact assessment now includes AI, helping us assess risks and protect people's data from the start.



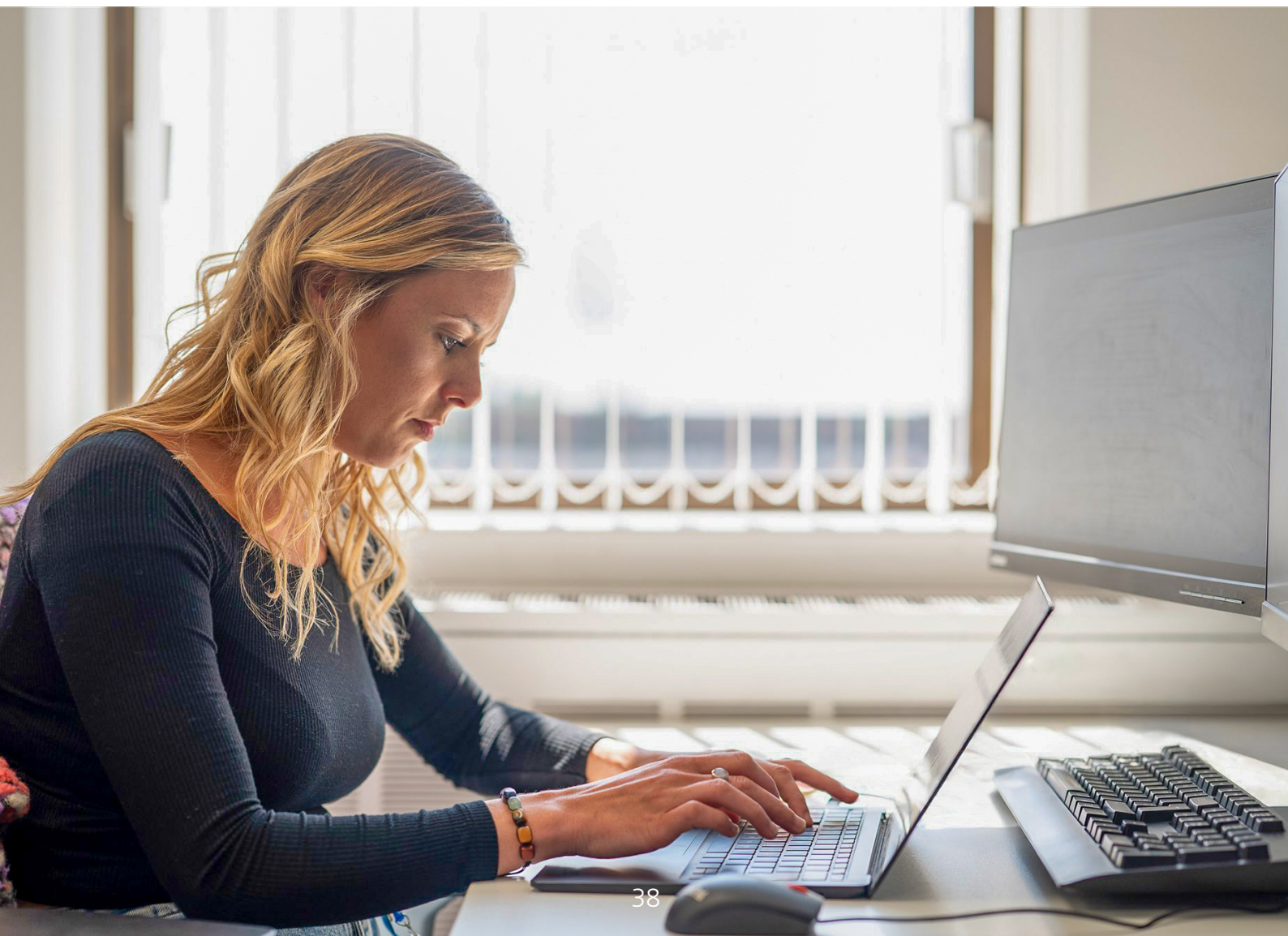
Improving data protection

We saw a 54% increase in our data protection impact assessment score.



Archiving old records

Our records management team reviewed paper records held across our sites and securely destroyed 61% of archived boxes. This not only improves our compliance but also saves money on file storage costs.





Social impact

As part of our commitment to help the NHS in achieving its Long-Term Plan and in alignment with our strategy to operate as a responsible business, we protect and promote the communities we operate in through our social impact strategy. We do this by reducing demand on NHS services through supporting community-based health initiatives and addressing social issues to improve overall population health.

Social prescribing

Social prescribing is a non-clinical approach connecting people with community-based services. These partnerships with the voluntary sector help relieve pressure off the NHS by providing an alternative way of improving health and wellbeing.

Key achievements include:



15 new social prescribing sites (4 hubs and 11 green spaces) and 14 sites improved.



9.5 customer satisfaction score for social prescribing.



New charging policy means it's easier for the voluntary and community sector to deliver social prescribing through our vacant space.



We've set ourselves an ambitious target to create 100 more social prescribing hubs and green spaces by 2030.

Social and health inequalities

We're actively tackling social and health inequalities both within and outside our organisation.

Our four key focus areas include:



Social prescribing

We positively impacted over 90,000 patients through our social prescribing and accessibility programmes – with 75% of our capital improvement fund invested in areas with mid to very-high levels of deprivation.



Wellbeing

We scored 8.4 in this year's employee 'Your Voice' survey for health and wellbeing, showing an increase of +0.3 from the previous year.



Culture and inclusion

We scored 8.9 in this year's 'Your Voice' survey for diversity and inclusion, showing an improvement in employee satisfaction from the year before. We implemented 95% of workplace adjustments within 4 weeks of assessment, reducing barriers at work for disabled colleagues. We also launched social impact champions across the business, helping us improve through advocacy and engagement.



Community partnerships

We achieved our target of 20% colleague community contribution through volunteering opportunities. We developed our new community fund – launching in 2025/26 – which enables colleagues to fundraise and volunteer for 27 charities and community projects most important to them locally.



Workforce diversity

We're building a workplace where everyone feels respected, supported, and able to thrive. This year, our colleagues told us they see us as a truly inclusive organisation, as we achieved:



Top 5% for diversity and inclusion

We scored 8.9 (+0.1 from last year) in our employee 'Your Voice' survey for our efforts to maintain a diverse workforce. This combined with a net promoter score of +55 and 71% participation rate, places us in the top 5% of organisations for diversity and inclusion on the survey platform.



Launch of inclusion learning pathways

We helped colleagues and managers improve their understanding on supporting a diverse workforce. We held various webinars on topics such as women in leadership, imposter syndrome, disability awareness and more.



Great feedback from colleagues

Our workplace adjustments reduced barriers for many disabled colleagues, making them feel supported and valued.

Health, safety and wellbeing

We're committed to protecting the health, safety and wellbeing of our colleagues, customers and patients. This year, we've prioritised our colleague's mental health and received positive feedback putting us in the top 10% of organisations for valuing health and wellbeing, as per the latest employee 'Your Voice' survey.

Key improvements included:



Faster workplace adjustments

95% of workplace adjustments were implemented within four weeks of assessment ensuring colleagues feel safe, supported, and empowered to speak openly about disability and long-term health conditions.



Launch of mental health first aider network

We trained and qualified over 40 colleagues as mental health first aiders – making it easier for anyone who needs support.



Climate-related Financial Disclosure Report

Foreword

This report is our second climate-related financial disclosure, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We want to share with you how NHS Property Services Limited are managing the risks and opportunities that climate change poses to our organisation. And how we are aligning our strategy, governance, and operations with the UK's net-zero emissions target by 2050.

We provide strategic estates services to enable excellent patient care. As part of the NHS, we help ICB's, Trusts and GPs to better assess, adapt and manage circa 2,500 buildings – safely and sustainably. Last year our team of 5,500 experts helped customers unlock over £150m to transform spaces across England.

In this report, we cover the following aspects of our climate-related financial disclosure:



Governance

How our board and senior management oversee and assess the climate-related risks and opportunities, and how they integrate them into the decision-making process.



Strategy

How we identify, evaluate, and prioritise the climate-related risks and opportunities, and how they affect our business model, strategy, and financial planning. We also describe our scenario analysis approach and the main outcomes of applying two scenarios (a 1.5°C and a 4°C warming scenario) to our portfolio.



Risk management

How we manage the climate-related risks and opportunities, and how we integrate them into our overall risk management framework. We also provide an overview of the key climate-related risks and opportunities that we face. Such as:

- Physical risks (e.g., extreme weather events, flooding, heat stress).
- Transition risks (e.g., policy and regulatory changes, technological innovation, market shifts).
- Positive opportunities (e.g., energy efficiency, renewable energy, green procurement, carbon offsetting).



Metrics and targets

How we measure and monitor our climate-related performance, and how we set and track our targets and objectives. We disclose our greenhouse gas (GHG) emissions inventory, our carbon footprint reduction target, our energy consumption and efficiency indicators, and our progress towards achieving the UK Green Building Council's (UKGBC) net-zero carbon buildings framework.



Conclusion

A summary of our main achievements and challenges in addressing the climate-related risks and opportunities and our future plans and commitments to enhance our climate-related financial disclosure and performance.



"Climate related financial risks are now becoming part of the way we look at this existential crisis. Organisations are preparing themselves for a variety of impacts and outcomes in a manner they have not done before. The ongoing pursuit of understanding and mitigating these risks gives us hope that we are making a meaningful difference."

We trust this report provides valuable, relevant information for all our stakeholders: our customers, colleagues, suppliers, investors, regulators, and the public.

We would welcome feedback on enhancing our climate-related financial disclosure and performance.

Please contact us at sustainability@nhsp.s.uk with your suggestions.

A handwritten signature in black ink, reading "Shamir Ghumra".

Dr Shamir Ghumra
Executive Director of Responsible Business

Introduction



Global climate context and UK commitments

2024 has proven to be another year of extreme weather events, underscoring the urgent need for climate action on a global scale. The UK experienced its third warmest year on record, with sustained heatwaves, intense rainfall, and significant flooding, particularly in low-lying and coastal areas. Globally, the impact of climate change was felt through catastrophic events such as the wildfires in California, which devastated vast areas of land and had far-reaching consequences on air quality, public health, and infrastructure. These incidents highlight the escalating risks that climate change poses to both communities and economies worldwide.

In response to these mounting challenges, the UK government has reinforced its climate ambitions. In 2024, the Prime Minister announced a new climate target as part of the UK's updated Nationally Determined Contribution (NDC), which aims for a 68% reduction in carbon emissions by 2035. This ambitious target, building on the UK's commitment to achieving net zero by 2050, represents a significant step in strengthening the country's climate resilience and ensuring the transition to a low-carbon economy.



Advancement in global reporting standards and corporate responsibility

A key aspect of the transition to a low-carbon economy is the development of consistent and robust climate-related financial disclosures. The 2024 progress report from the International Financial Reporting Standards (IFRS) Foundation on corporate climate-related disclosures underscores the importance of a unified global approach. Businesses must

be transparent about their climate-related risks and opportunities, enabling investors and other stakeholders to assess long-term sustainability and resilience.

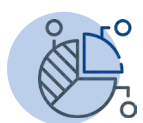
Sustainability reporting has become increasingly essential as driven by both national and international regulation. Companies are now expected to not only address climate change mitigation but also integrate adaptation strategies in their operation and decision making to enhance resilience. At NHS Property Services Limited, we are committed to embedding climate considerations into our business operations, ensuring our estate remains fit for purpose for the sustained delivery of healthcare services.



Our approach to climate resilience

We understand how growing climate risks directly impacts our estate and service offer. This report outlines the proactive steps we've taken to assess and mitigate our most material risks. One of our key initiatives is the development of a geospatial data analysis tool to further enhance our climate risk assessments, prioritising flooding which is our highest physical risk. This tool will also enable data sharing with other relevant government bodies, enabling more informed decision making.

In addition, we're working on a climate adaptation management pathway, which will provide our colleagues with a structured approach to identifying, assessing, and managing climate risks as they emerge. Empowering our colleagues will allow us to better prepare for climate-related challenges such as extreme weather events and ensures we protect our assets and most importantly, continue to deliver essential services to the NHS.



Focus on metrics, targets, and future disclosures

In FY24/25, a significant emphasis is being placed on the development of our climate-related metrics and targets. We are shifting our focus to more quantitative targets that will guide our progress in reducing carbon emissions, improving climate resilience, and achieving net-zero objectives. This will allow us to not only disclose our core targets in future reports but gradually expand them to demonstrate performance against our wider sustainability agenda.



Commitment to sustainability and long-term resilience

As demonstrated through our Net Zero by 2040 strategy and Green Plan, NHS Property Services Limited is actively implementing measures to reduce carbon emissions and bolster climate resilience across our properties. For instance, we are upgrading

our facilities with energy-efficient systems and incorporating renewable energy sources. These initiatives not only help us meet our sustainability goals but also ensure that our operations are future proofed against environmental challenges. By embedding sustainability, resilience, and adaptability into our core operations, we are paving the way for a greener, more sustainable future.

This report provides an overview of our progress in assessing flood and overheating risks, developing climate adaptation strategies, and setting the foundation for clear, actionable targets. We're committed to reducing carbon emissions by 5% each year and completing 90 decarbonisation projects over the next three years. By prioritising these actions, we've contributed to the UK's broader transition to a low-carbon economy, ensuring that our properties and services are resilient, sustainable, and prepared for future climate impacts.



Governance

We've implemented internal processes and measures to manage and disclose climate-related risks and opportunities. This is integral to the ongoing sustainability of our organisation.



Governance structure and responsibilities

We have a clear governance structure in place to oversee climate-related risks and opportunities and report progress on our core targets and metrics. The governance structure was established to:

- Provide oversight of the climate adaptation strategy.
- Challenge assumptions.
- Be held accountable for the delivery of the climate adaptation strategy.

The climate adaptation strategy sits within our Delivering a Greener NHS Programme (The Programme). The Programme is overseen by the Director of Responsible Business, with the Head of Energy & Environment as his direct report. It also has board oversight through the Audit and Governance Committee.



Programme focus areas and management

The Programme has three focus areas (utilities, energy, and environment) and works to deliver a series of strategic objectives as set out in our Green Plan. The Programme is overseen by the Programme Management Office (PMO), which organises The Programme leadership meetings and reports into the Delivering a Greener NHS Steering Committee (SteerCo).

SteerCo members include the following Executive Leadership Team (ELT) members - Chief Operating Officer, the Director of Responsible Business, Director of Advisory Services, Head of Energy and Environment and other Senior Leadership Team (SLT) members. The SteerCo was established to provide governance for the delivery, implementation and embedding of our Delivering a Greener NHS Programme as well as to sponsoring the required changes that would lead to the benefits outlined in The Programme plan. Meetings are conducted bi-monthly and are guided by updates from our programme leadership meetings.

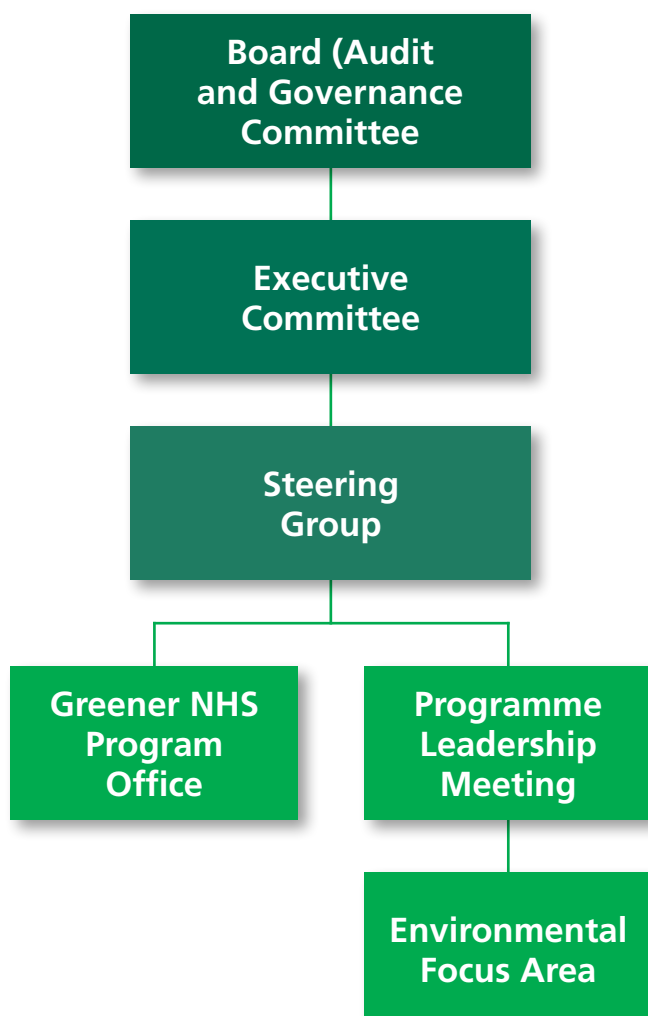


Climate adaptation projects and environmental team responsibilities

Climate adaptation projects sit within our environmental focus area as a workstream. Progress is tracked by the Senior Environmental Compliance Manager, the Project Manager and the various governance forums.

The environmental team ensures the day-to-day delivery of the climate adaptation project plan and provides direction and validation of our climate change strategy and action plans. Key issues are raised with the PMO and SteerCo as required. The SteerCo evaluates these issues and escalates material climate risks to the executive committee for consideration.

Governance structure within the Climate Adaptation Strategy and wider Delivering a Greener NHS Programme:



What's next

- Undertake CRFD training with our SLT members in Q1 of FY25/26 to provide them with awareness of our overall climate adaptation strategy and their contribution towards it.
- Implementation of our Climate Adaptation Management Plan in FY25/26.
- Review of our Climate Adaptation Policy Statement for continued application and relevance.
- Continue to foster discussions on climate-related matters at SteerCo, to further guide our climate adaptation strategy, policies, and the implementation of key changes across the organisation



Strategy

Physical climate risks and transition risks are the two categories into which climate-related risks are classified under the TCFD recommendations. Physical risks refer to the event-driven hazards to physical assets arising from climatic changes. Transition risks relate to shifting an economy from fossil fuels to low-carbon energy sources. Transition risks may arise from the application of legislation or from changes to energy pricing and may also provide possible opportunities. The principal risks and opportunities are outlined below, along with assessments of financial impacts.

Physical risk

In 2023, we appointed external consultants to undertake a physical and transition risk assessment to identify and assess the climatic risks and transition risks faced by NHS Property Services Limited's portfolio through to 2080. A climate warming scenario over 2°C was used in this assessment as it provides a conservative approach to understanding the greatest likely physical climate risk to NHS Property Services Limited properties. The assessments main conclusions are that, up until the middle of the century, flood risk represented the biggest threat to our organisation. Heat stress is also a major risk that our properties will face beyond 2050, with the whole estate forecast to be at high risk of heat-related damage by 2080.



Heat risk

As heat risk is, at this stage, deemed to only become a material risk in the medium term and so has been excluded from the following financial impact analysis.



Flood risk and its financial impact

The initial assessment identified 99 of our sites with a high risk of flooding by 2030. A site is considered to be at high risk if there is a 98% probability in exceeding the 1% threshold in in any given year for a coastal or riverine flood event to occur. 15 sites that are long term holds have been selected for a detailed review regarding a financial assessment of flood risk. In house expertise and benchmarking data was used to determine an estimate of the likely costs NHS Property Services Limited would incur in the event of floods occurring at these sites, considering the size and nature of each building. This covered the repair and make good costs, temporary tenant relocation costs during the repairs and insurance excess on equipment. Figures are inclusive of VAT (on the basis sites are not opted to tax so VAT is not recoverable).

	15 sites	Avg per site	£/m ² GIA
Repair/clean-up cost	£2.9m	£0.2m	£159/m ²
Temporary accommodation cost	£14.1m	£0.9m	£758/m ²
Total	£17.8m	£1.2m	£962/m²

The table doesn't account for any insurance excess costs or recoveries on the repairs or temporary accommodation as they are dependent on loss thresholds. However, we are part of the NHS Resolution Risk Pooling Scheme Arrangements that would provide a level of financial cover, subject to excess and total loss terms. To the extent that tenants are documented via leases, there may also be separate insurance coverage from tenants' own policies.



Insurance claims

There have been 17 weather-related insurance claims since 2013 with a claims value of £2.1m, of which £0.5m relates to ongoing claims. Weather-related incidents mainly relate to property damage caused by flooding and heavy storms. Note, there is a £20,000 excess for any property damage claim.










Transition risk

The two risks that were identified as potentially having the highest likelihood and the highest material impact to NHS Property Services Limited are:

1. increased costs of compliance with increased energy efficiency standards, and
2. impacts to NHS Property Services Limited business model from the increased demand for low carbon heating.

In 2023 our Board endorsed the Greener NHS Programme, to substantially reduce NHS Property Services Limited's carbon footprint and meet NHS and wider UK government net zero targets. We have several Net Zero Initiatives in line with the wider plan to deliver a net zero NHS by 2040.

The cost of all transition risks to NHS Property Services Limited are deemed to be captured in the cost of delivering our own Net Zero Plan by 2040. The principal elements of our net zero plan are:

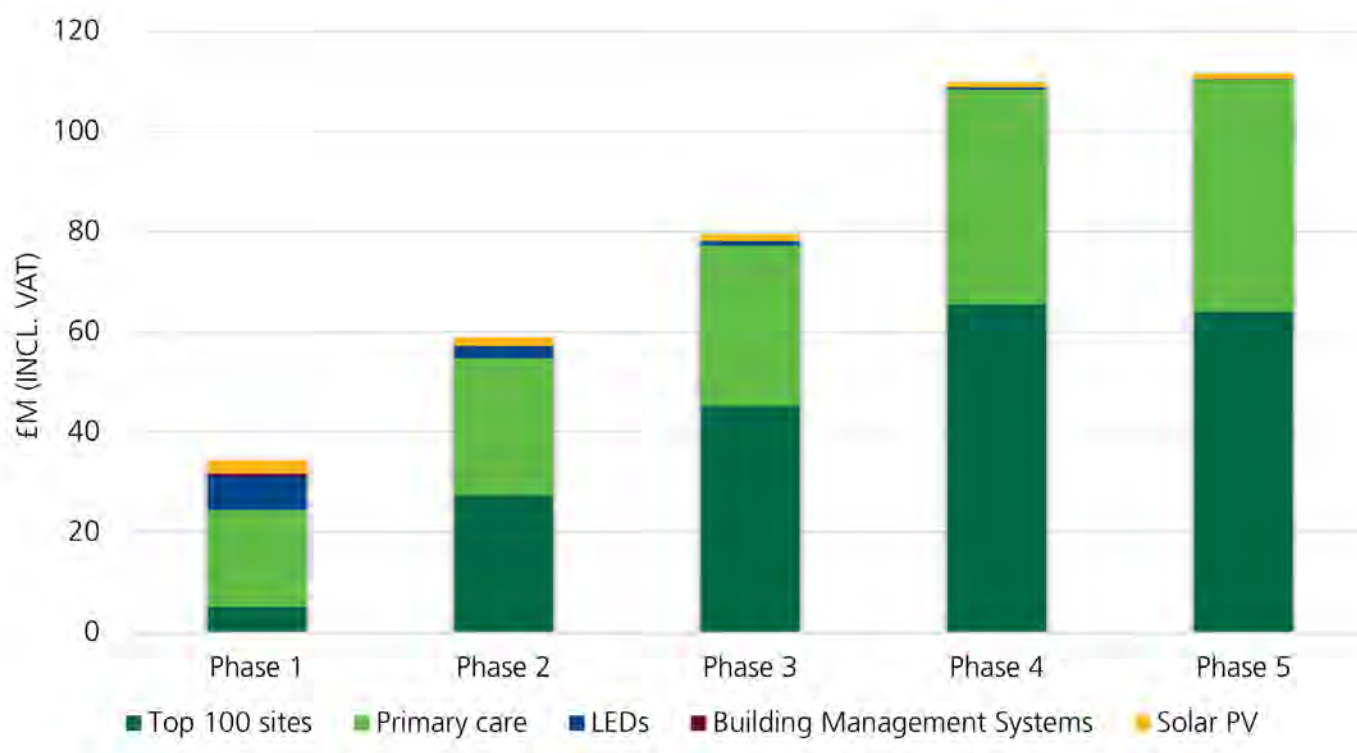
Net Zero initiative	Detail	Capital cost impact	Emissions reduction contribution
 Grid decarbonisation	National grid aims to fully decarbonise by 2030, thereby removing emissions from energy use	None	High
 Estate strategy	Disposal of Tail sites	None	Medium
 Top 110 sites	Energy efficiency works at these sites which account for 50% of our total gas emissions alone	High	High
 Primary care	Energy efficient works, including backlog works	High	Medium - High
 LEDs	Reduced energy usage from LED upgrades	Low	Medium
 Building Management Systems	Improved energy efficiency/control	Low	Medium
 Solar	Emission free energy supply	Low	Medium

Capital cost of the Net Zero Plan

Estimations of the costs and spend profile required to implement each initiative in the Net Zero Plan were made internally. Costs are at today's prices with no inflationary or deflationary (e.g. due to economies of scale) pressures built in.

The total capital cost of implementing the Net Zero Initiatives by 2040 is estimated to be c£394m (2024: £284m). The increase on the prior year estimate is driven primarily by a reassessment of the cost to reduce each tonne of carbon dioxide equivalent (£/tCO₂e) across the Top 100 sites (c£75m) to better reflect the complexity and nature of initiatives required. A revised methodology for calculating costs across Primary Care sites has contributed a further increase of approximately £35m. The spend by type of initiative and phasing is shown in the following graph. Each phase is a 3-year cycle, with phase 1 beginning in FY 25/26.

Capital cost of net zero initiatives



Opportunity

Our Net Zero Carbon Strategy provides associated potential cost savings due to the improved energy performance from the Net Zero Carbon Initiatives. Any cost benefit to NHS Property Services Limited will be driven by reductions in consumption, the energy mix, as well as relative pricing of gas vs electric (as heating switches to electric). Gas and electricity costs are predicted to fluctuate over the period to 2040 as we reach a carbon net zero position.

Current tariffs and forecast consumption data for gas and electricity (as a result of the Net Zero Initiatives) have been used to forecast future annual energy costs. This assumes no inflationary costs.

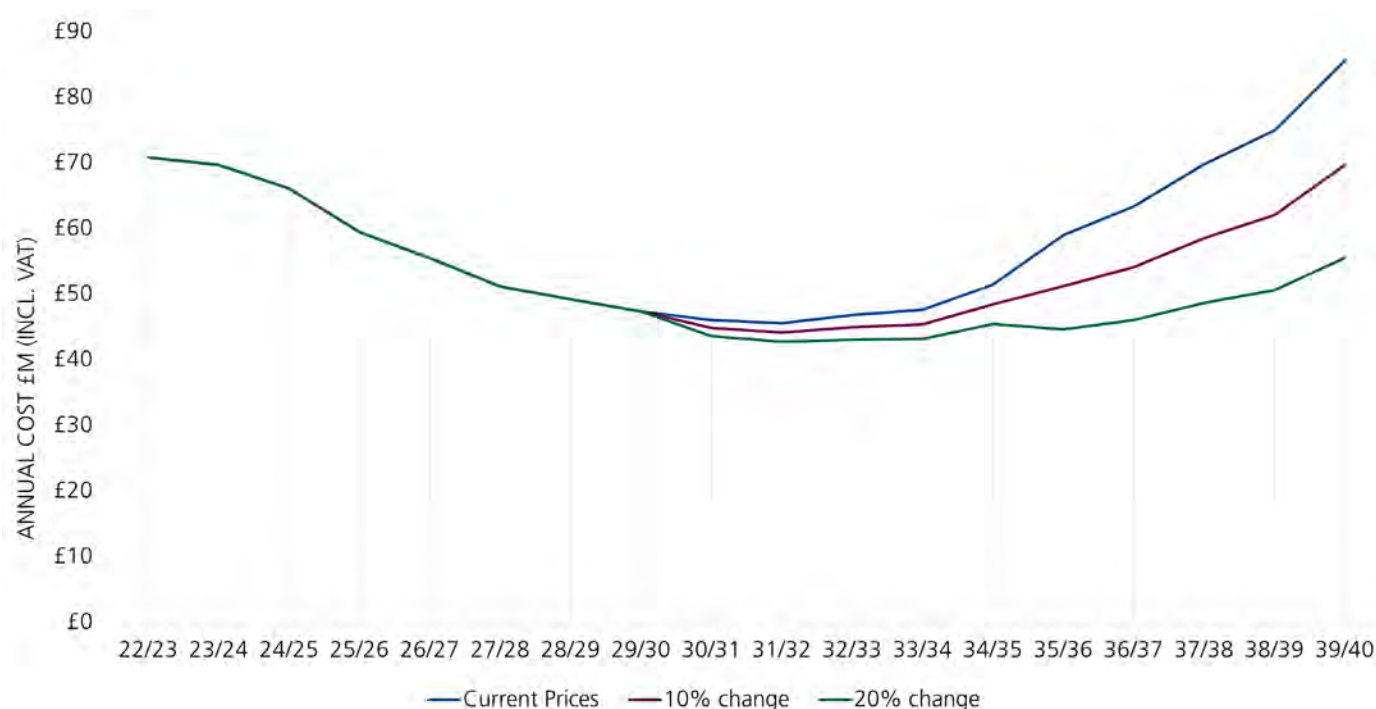
Sensitivity analysis

Three scenarios have been modelled to account for sensitivities to gas and electricity prices. Scenarios 2 and 3 are on the basis that government intervention and market drivers reduce the relative price of electricity.

Scenario 1: No change to current gas and electricity prices, through to 2040;

Scenario 2: A 10% increase to current gas prices and a 10% decrease to current electricity prices, applied at both 2030 and 2035;

Scenario 3: A 20% increase to current gas prices and a 20% decrease to current electricity prices, applied at both 2030 and 2035.



Results

Scenario 1: Annual energy costs will increase by 21% (2024: 54%) in 2040 as a result of decarbonisation, which is equivalent to c£15m (including VAT). Increased costs will be recovered through customer charges except for costs for NHS Property Services Limited's own occupations.

Scenario 2: Energy costs will decrease by 2% (2024: increase by 26%) by 2040.

Scenario 3: Energy costs will decrease by 22% (2024: broadly maintained at the same level) by 2040.

The updated cost forecast varies from that presented in the 2023/24 CRFD report due to the incorporation of an additional year of actual data, as well as adjustments to reflect the evolving scale and timing of capital initiatives expected to reducing consumption over the period to 2040 as we reach a carbon net zero position.

Any changes to costs will be recovered through customer charges except for costs relating to NHS Property Services Limited's own occupations.



Points to note

- Based on current prices, energy costs are forecast to decrease to 2032 but then increase thereafter to 2040.
- This is due to the Net Zero Initiatives planned in the shorter term resulting in improved energy efficiency, which reduces overall consumption of gas and electricity, and thus reduces overall costs (e.g. LEDs, insulation and solar).
- After 2032 the Net Zero Initiatives result in improved energy efficiency but mean a heavier relative use of electricity for heat energy (e.g. heat pumps).
- Electricity is 3-4 times more expensive than gas, resulting in increased overall costs based on current prices.

What's next

- In our subsequent reports, we will continue to evaluate the long-term financial implications of climate change on our business, such as the financial impact on heat stress within healthcare services. We will analyse trends, forecast future project costs, and provide insights into the potential impact.
- Furthermore, our future reports will delve into the financial implications that are based on several climate scenarios including financial impact of new and evolving regulatory climate-related frameworks. This exploration will help our stakeholders understand the cost dynamics under different conditions and prepare for the economic shifts that updated regulations might bring.



Risk management

Risk assessment and key findings

In 2023, we appointed external consultants to undertake a physical and transition risk assessment to identify and assess the climatic risks faced by all properties within our portfolio, through to 2080.

A business-as-usual (BAU) emissions scenario, in line with higher degrees of projected climatic changes, was used in this assessment to provide a conservative approach to understanding the greatest likely physical climate risk to NHS Property Services Limited properties.

The key findings of the assessment indicated flooding as the most immediate 'material' risk facing our organisation until 2050. Beyond 2050, heat stress becomes the most common 'chronic' risk faced by NHS Property Services Limited properties. In

the long term, almost all properties in the portfolio face a 'high risk' or greater from heat. We will be re-assessing the climate risks to NHS Property Services Limited in the coming financial year, utilising our enhanced building information. The assessment could also evaluate the financial impact of climate risks and opportunities.

Refining risk assessment approach

We are currently refining our risk assessment approach to better plan and prioritise our mitigation efforts. This involves enhancing our methodologies and tools to ensure we accurately identify and address the most pressing climate risks. By improving our risk assessment processes, we aim to allocate resources more effectively and implement targeted interventions where they are needed most.

Flood and overheating risk assessments

We conducted detailed flood risk assessments at 7 sites in addition to the 16 completed in 2023 at high-risk sites, these assessments provide a comprehensive understanding of the flood risks each site faces, including the potential severity and frequency of flooding events. The assessment reports offer valuable insights into the actual impact of flooding on these sites and include specific recommendations for mitigation measures. This year, we installed a flood-proof door at Phoenix House, which is currently at risk from surface water flooding. The flood-proof door is a passive technique designed to prevent the ingress of surface water into the building, thereby enhancing the site's resilience to future flooding events.

We also conducted overheating risk assessments at 2 at-risk sites this year. These assessments evaluate the potential for excessive indoor temperatures and identify the factors contributing to overheating. The resulting reports suggest a range of mitigation measures tailored to different climate scenarios, such as improving ventilation, installing shading devices, and enhancing insulation. We are now planning to secure funding for these mitigation works in the coming financial year to ensure these sites remain comfortable and safe for occupants.

Climate adaptation strategy

Additionally, we have developed a draft of our climate adaptation strategy, which outlines the pathways for managing climate risks across our portfolio. This strategy includes both short-term and long-term actions to enhance our resilience to climate change. It will be further developed and refined in the coming financial year, with the goal of integrating it into our business-as-usual (BAU) processes. By doing so, we aim to ensure that climate risk management becomes an integral part of our organisational operations, guaranteeing business readiness and resilience in the face of evolving climate challenges.

What's next

- In 2025/26, we plan to expand our efforts in flood and overheating mitigation to enhance the climate resilience of at-risk sites.
- In 2025/26, we will upskill our colleagues in GIS and develop an internal GIS tool to identify climate risks within our portfolio.
- In 2025/26, we will continue to identify overheating risks at our sites, working together with the Energy team to actively manage these risks.
- We will continually integrate the assessment of climate risks into our overall risk management processes, treating climate risks as we would any other risks that could potentially disrupt our organisation.

Metrics and targets

Green Plan and CRFD Report

To assess and manage climate risks and opportunities, the CRFD Working Group reviewed the new 2025-2028 Green Plan and adapted it to form the metrics and targets for the CRFD report. The overall vision of the Green Plan is to achieve net zero carbon emissions by 2040, with a target of achieving a 5% carbon reduction every year.

From this revised Green Plan, we have identified a number of key targets to report against. The selected metrics will be used to monitor and evaluate performance annually throughout the 2025–2028 implementation period.

Table 1: Climate-related targets and associated metrics (2025–2028)

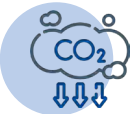




Climate-related target		Metrics
	Reduce our carbon emissions by 5% each year	Annual percentage reduction in carbon emissions
	Complete 90 decarbonisation projects	Number of successful completed projects
	60% increase in the quality of data used for carbon foot printing	Percentage of improvement in the accuracy, and completeness of the data
	Identified and have an action plan associated with key climate risks across the portfolio	Progress on action plan implementation
	80% of new (April 2025) FM contracts over PCR threshold have adhered to policy and reporting requirements	Percentage of new (FM) contracts that comply with the specified policies and reporting standards

Table 2 in the Appendices outlines the additional targets established across the four key focus areas: Energy, Utilities and Data, Environment, and Waste. These targets support the delivery of four strategic missions:

1. Achieve net zero carbon emissions by 2040 through decarbonisation and enhanced energy efficiency;
2. Reduce costs, carbon emissions, and environmental impact through data-driven strategies;
3. Continuously improve environmental performance and ensure compliance with regulatory obligations;
4. Deliver sustainable waste management services that minimise environmental impact.

The establishment of clear metrics and targets enables NHS Property Services Limited to assess and manage climate-related risks, monitor progress, and make evidence-based decisions to strengthen organisational resilience to climate change. This approach also promotes transparency and accountability, ensuring regulatory compliance and reinforcing our commitment to stakeholders.

Net Zero Carbon Strategy and performance metrics

To manage the transition risk towards a low-carbon economy, NHS Property Services Limited developed a Net Zero Carbon Strategy to achieve Net Zero by 2040. The plan includes the estimated capital cost required to deliver it and interim carbon reduction targets, split into five phases.

Table 3 is a summary of our past 3 year's performance metrics for total energy use, carbon dioxide emissions, and intensity ratio based on our 2017/18 baseline data.

Table 3: FY24/25 performance metrics summary

Annual stats	2017/18	2022/23	2023/24	2024/25	% variance since previous year (2023/24)	% variance since baseline (2017/18)
Energy use(kWh)	603,957,213	454,114,589	438,050,448	417,786,598	-4.60%	-31%
Associated Carbon Dioxide emissions (tCO ₂ e)	156,351	85,306	84,272	80,464	-4.50%	-49%
Intensity Ratio (tCO ₂ e/m ²)	57.46	40.03	41.07	40.26	-2%	-30%

*2021/22, 2022/23 and 2023/24 emissions and energy use have been restated due to improvements in data quality

Greenhouse gas emissions reporting

NHS Property Services Limited annually reports our greenhouse gas emissions, according to the GHG Reporting Protocol Accounting and Reporting Standard. These emissions fall into two main categories:

Scope 1: Covers emissions directly produced by NHS Property Services Limited activities

Scope 2: Includes indirect emissions from the electricity we purchase

We consider all the areas we control and where we can influence energy procurement. This includes leased buildings where we pay energy bills. However, emissions from certain other leased properties categorised as Category 8 Upstream Leased Assets are excluded. To calculate emissions, we use Location Based emission factors based on the type of fuel used. Estimations are made when exact data is unavailable, using factors like property size and expected energy use.



Renewable energy opportunities

The opportunities of climate change include generating renewable energy across our estate. We are endeavouring to produce renewable energy through the installation of Solar PV panels (photovoltaics) and other renewable sources. There is 0.75% of self produced renewable energy production in total consumption. In the future, we will investigate installing renewable electricity systems on site to reduce costs, enhance price stability, and reduce carbon intensity.

Conclusion

The escalating impacts of climate change underscores the critical need for robust climate action and resilience. The UK's reinforced climate commitments and the global push for consistent climate-related financial disclosures highlight the importance of transparency and proactive adaptation.

We're dedicated to integrating climate considerations into our operations, enhancing our resilience to climate risks, and contributing to the UK's transition to a low-carbon economy. Our initiatives, including advanced flood risk assessments and the development of a climate adaptation management pathway, demonstrate our commitment to sustainability and long-term resilience.

By setting clear, measurable targets and prioritising climate resilience, NHS Property Services Limited is well-positioned to face future climate challenges. Our ongoing efforts will ensure that our properties and services remain sustainable, resilient, and prepared for the impacts of climate change, supporting the broader goal of a sustainable and resilient future for all.

What's next

- We will track the Green Plan targets and will be able to disclose the performance of the first year of the 2025-2028 Green Plan in our upcoming CRFD report.
- Longer term, we will continue to work on our Scope 3 emission process to further understand the emissions of upstream and downstream activities. This would also include water consumption on NHS Property Services Limited estates.
- In future, we will assess the potential to increase on-site electricity generation using technologies like Solar Photovoltaics (Solar PV) across our estate, wherever feasible. This initiative will enable cost reduction, stabilise prices and lower the carbon intensity of our electricity consumption.

Appendices

Table 2: Strategic focus areas, missions, workstreams, and Green Plan targets (2025–2028)

Focus area	Mission	Workstream	Green Plan goals 2025-28
 Energy	Achieve net zero carbon by 2040 through decarbonisation and energy efficiency	Net Zero strategy and implementation	Embed the processes and activities across all target NHS Property Services Limited Functions to reach the NHS target of Net Zero Carbon by 2040
		Decarbonisation delivery	Define the plan and deliver the projects we need to enable us to reach Net Zero by 2040
		Energy efficiency	Improve the energy efficiency of our buildings and operations through technology deployment and changing culture to support our Net-Zero carbon targets
 Utilities and data	Reduce costs, carbon emissions, and environmental impact by using data-driven strategies	Carbon reporting	Improve our carbon accounting processes to include additional emission sources (including scope 3) and increase data quality
		Customer reporting	Provide customers with more data sets to improve accuracy of onward emission reporting and enable customers to influence carbon emissions, whilst delivering efficient query resolution
		Data analysis and insight	Deliver analysis and reporting to empower stakeholders to influence and reduce environmental impact. Establish and measure key metrics and progress towards Net Zero targets.
 Environment	Continuously improve environmental impact and meet compliance obligations.	Environmental compliance	Reduce the risks associate with environmental compliance by embedding processes at NHS Property Services Limited
		Climate risk and adaptation	Improve climate resilience at high-risk sites across the estate
		Biodiversity	Enhance the biodiversity across the estate
		Sustainability	Sustainable travel and procurement strategies developed
 Waste	Provide sustainable waste management services to minimise environmental impact	Waste	Align our services to the NHS clinical waste strategy, supporting the required targets/outcomes

Note: These apply to the Green Plan period – spanning three years from FY25/26 – and are not intended as annual targets.



Chief Financial Officer's Report 2024/25

Our qualitative results

Our financial vision is always to provide efficient, effective and economic business services that place the customer at the heart of everything we do. This includes:

- Putting the customer experience at the forefront of how we operate,
- Optimising end-to-end service delivery,
- Embedding accountability and ownership in the way we work, and
- Always considering value for money and striving to improve it

At the start of the 24/25 year the leadership community put together aligned five-year functional plans based around the corporate strategy. This renewed focus on collaboration has produced a remarkable year, clearly demonstrated through achieving or exceeding all our targets and expectations, from carbon reductions, to customer net promoter score, to cash collections. In a year characterised by uncertainty and complexity these results reflect not just our resilience but also the great potential we're beginning to unlock.

The stellar financial results we've achieved also give us confidence in the path we're pursuing: in investing in transformative systems, in embracing and exploiting data in our decision making, and in empowering colleagues to innovate and find new and better ways to work together, all driving towards delivering greater value to our customers and stakeholders.

This report will highlight some of the key achievements and initiatives we've delivered in 2024/25, under the following themes:



Collaborative solutions that unlock value



Enhancing commercial capability



Technology-enabled, data-driven decision making



Operational excellence

Collaborative solutions that unlock value

Our focus on collaborative solutions has delivered substantial improvements in debt management, collections, and funding, creating meaningful benefits for our organisation and stakeholders.



Tenant Improvement Request (TIR) Lease Pilot

This pilot project fostered new levels of communication with our customers and enhanced our understanding of their issues and complaints, particularly in relation to our service billing. While the pilot is ongoing and did not meet the initial ambitions within the year, it has successfully widened our dialogue, increased engagement, and deepened our insight.



Cash collections

Collections increased year-on-year, and exceeded our full year target by more than 7.5%. This achievement was underpinned by a revised approach, including a structured framework for credit controllers, systematic post-billing phone calls, and a push for direct payments — resulting in over 500 GPs customers adopting direct payment methods.



Tax and funding

The decision to opt to tax newbuild and refurbished sites—electing to charge VAT on properties that would otherwise be exempt—enabled the recovery of VAT on associated costs such as construction and professional services. This strategic move generated total savings of £19.8m, with a healthy pipeline for future projects. In most instances, these funds have been instrumental in enabling critical system schemes. Additionally, we secured £13m in Community Infrastructure Levy (CIL) and Section 106 funding, supporting the ongoing transformation of the NHS estate.



Business improvement initiatives

Our customer journey-driven improvement programme delivered 230 recommendations, each designed to enhance the overall customer experience and internal efficiency.



Value Programme

Through the Driving Value and Unlocking Value initiatives, we secured over £40m and £217m, respectively. These programmes not only delivered tangible results but also fostered a greater understanding of value across the management community, facilitated by dedicated workshops.

Enhancing commercial capability

We have made notable strides in strengthening our commercial processes, improving approvals, and fostering robust procurement relationships.



Approval efficiency

We achieved significant improvements in the efficiency and effectiveness of our governance processes relating to real estate transactions. Approximately 1,000 Internal Approval Process (IAP) transactions were processed in 2024/25, with an average completion time of just 16 days (down from 22 days in 2023/24) and 90% of IAPs approved within 30 days (up from 83% in 2023/24). This contributes directly to improved customer satisfaction as their requests are progressed more swiftly.



Procurement transformation

- The procurement team educated themselves and key partners on the requirements of Transforming Public Procurement and implemented processes to comply with the new Procurement Act.
- Closer collaboration with between Procurement and Construction teams is ensuring that our practices are more efficient, transparent, and commercially sound. We continue to build knowledge, drive agreed actions, and enable procurement to proactively support project pipelines, creating greater value than prior practices.

Technology-enabled, data-driven decision making

This year, we have laid the groundwork for a digitised, data-driven finance function, enabling better decision-making and performance monitoring.



Digital Strategy Programme (DSP)

The finance workstream progressed in step with wider organisational priorities. With significant investment planned in new systems, a rigorous process of appointing digital subject matter experts, discovery phases, requirements refinement, Senior leadership has engaged directly with vendors, reviewing market offerings to inform readiness and procurement decisions.



Advanced analytics and self-service reporting

Finance Shared Services continued to deliver more relevant and customer-focused analytics, enhancing key performance indicators (KPIs). High-impact self-service reports—such as those for travel and customer debt—have been developed to increase transparency, support budget management, and facilitate productive customer conversations.



Portfolio model

We completed the concept phase for the Portfolio Model, that will ultimately enable asset-level forecasting over extended periods. This will provide invaluable insight for strategic decision-making and plays a key role in shaping our aged estate strategy.



Data governance and literacy

A huge data literacy training programme was rolled out, targeting the four different data personas that exist across our organisation. Supported by the onboarding of over 70 data stewards, owners, and mentors, these initiatives are cultivating a culture where data is everyone's responsibility.

Operational excellence and service expansion

We continue to pursue operational excellence and expand shared services to drive long-term growth and value.



Shared services integration

The Finance shared services team is actively integrating and enhancing services, employing a “fix-lift-shift” approach—exemplified by improvements to the FMR Accrual model and Credit Rating process. Billing has been consolidated into the Order to Cash team, providing a comprehensive end-to-end service offering.



Process automation and resilience

With increased technology integration, manual payments and vendor updates are now more efficient, workflow controls have been strengthened, and resilience has improved. Notably, “zero touch” invoice processing exceeded 36% for three consecutive months at the end of the year, up 8% from the twelve-month average.



Finance and Commercial team optimisation

Recognising the need to evolve to maximise the impact of our planned investments, leadership initiated a review of our finance and commercial function, focusing on alignment, capability, and performance management. This includes deploying a new business alignment tool to survey budget holders and key stakeholders, identifying future roles and competencies that integrate finance, digital, and data science skills, reviewing our organisational structure for optimal business alignment, and defining critical success factors to assess performance and enhance colleague contributions. The leadership team has agreed on key principles to guide all teams, emphasising expertise, collaboration, and collective ownership, with realignments planned where necessary to ensure consistency and optimal performance.

Conclusion

We have continued to pursue our vision of being the first-choice estate service delivery provider to the NHS, and our mission of unlocking value for the NHS. We have also made significant progress in improving our capabilities, processes, and systems, to enable us to deliver more value to our customers and stakeholders, and to support the wider NHS agenda of integration, transformation, and sustainability.

I am very proud of what we have achieved in 2024/25, and I would like to thank all our colleagues, customers, and partners for their hard work, dedication, and support.

We are cautiously optimistic for the years ahead. While there are challenges and uncertainties on the horizon, we are prepared, agile, and unwavering in our commitment to support the NHS and build a service fit for the future. Our achievements this year are a testament to the dedication and collaboration of our teams, and we look forward to continuing on this path of progress and value creation.



Our results in figures

Income

In 2024/25, NHS Property Services Limited's incoming resources excluding finance income were £811m which is a £3m (0.3%) increase on prior year (2023/24: £808m). Income has increased while direct property expenses have decreased. This improvement is primarily due to enhanced revenue assurance activities, where we have strengthened processes to improve income levels on our freehold estate through rent reviews and cost recovery levels on leasehold estate.

This year, the main focus has been on rent reviews for occupied freehold properties. We have also worked closely with customers to ensure associated costs of the leasehold estate are recovered and on a timelier basis.

Additionally, customers have increasingly engaged NHS Property Services Limited for support on professional services, estates strategy development and implementation, lease advisory and planning being key incremental income drivers. The engagement and willingness to pay for this expertise, reflecting the continued growth and maturity of our professional service offering.

Expenditure

Total operating expenditure for the year was £898m (2023/24: £890m), an increase of £8m (1%). This is made up of an increase of £23m in other operating expenses, a £4m increase in administrative expenses, partially offset by a £3m decrease in direct property expenses, and a £17m decrease in expected credit loss allowances expenditure.

Increases in other operating expenses of £23m are primarily due to increased dilapidation expense due to a change in dilapidation settlement rate from £100 to £117 per m². Increase in administrative expenses of £4m was driven by an increase in Staff costs. Decreases in direct property expenses of £3m are made up of decreases in utilities due to value savings delivered in year, primarily in electricity, and lower rental expenses due to lease exits.

Loss for the year

NHS Property Services Limited makes a loss predominantly due to the level of nontrading expenditure such as expected credit loss allowance expenses and unwinding of discounts on provisions. The position this year is in line with the budget set by our parent organisation DHSC.

In 2024/25, NHS Property Services Limited reported a loss of £138m, an improvement

of £27m (17%) compared to the previous year. This was mainly due to a £32m (33%) reduction in finance costs, following changes to accounting treatment in 2023/24 that had temporarily increased costs by replacing contingent rent with PFI interest and capital repayments. With no further remeasurement in 2024/25, finance costs now reflect only interest on PFI and lease liabilities. The improvement was partially offset by a £25m increase in dilapidation expenses, resulting from the reclassification of previously capitalised provision balances to align with current accounting standards.

Property revaluations

The annual revaluation exercise generated a net unrealised gain in the revaluation reserve of £68m (2023/24: £127m) and £9m (2023/24: £5m) in the profit and loss.

We are in the first year of our new revaluation cycle. We continue to work alongside our professional advisors to get additional insight into our properties. In the first year of the new cycle, we have revalued 202 sites which represents 21% of sites which make up the revaluation population.

The £77m increase to Fixed Assets represents an overall 2.4% increase to NBV of the entire revaluation portfolio and an overall 11% increase to NBV of the 2024/25 sample.

As well as the annual revaluation exercise, we have applied indexation to the remaining properties in our portfolio due to the increase in build costs. The indexation led to a further increase in NBV of £42m, £37m was recognised in the revaluation reserves and £5m impacted the profit and loss.

At 31 March 2025, there was an overall impairment movement per the statutory accounts of £18m – there were additional charges during the year in relation to assets transferring to held for sale, AUC impairments and lease exits offsetting the credits above.

The 2025 revaluation exercise resulted in a closing value of the company's portfolio of £4,383m (2024 £4,431m).

Capital receipts and investment in our estate

During the year, NHS Property Services Limited completed sales of surplus properties which realised capital proceeds of £34m (2023/24: £34m) generating an accounting profit of £6m (2023/24: £4m).

NHS Property Services Limited increased its investment in the estate during the year with total capital investments of £200m (2023/24: £154m).

The programme delivers improvements to the property portfolio for our customers and ensures that the estate is consistently fit for purpose, so that healthcare professionals can focus on delivering excellent patient care.

Debt positioning and funding

At year-end, we had trade receivables of £451m (2023/24: £473m), a decrease of £22m. Of the 2024/25 year-end trade receivables, £329m was past due, which is a decrease of £120m compared to the prior year (2024/25: £449m).

In 2024/25, the organisation did not require any withdrawals from the available flexible loan facility extended by the Secretary of State for Health and Social Care, demonstrating improved operational cash flow and financial stability. The organisation successfully repaid the full £30m outstanding balance from the previous year's borrowing, reflecting strong liquidity management and operational performance.



Emma Dexter
Chief Financial Officer
07 November 2025

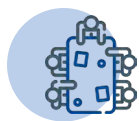
Registered Address: Regent House, Heaton Lane, Stockport, Cheshire, United Kingdom, SK4 1BS
Company Registration Number: 07888110



Accountability Report

We're committed to achieving high standards of governance and business integrity in all its activities.

This Accountability Report comprises the following key sections:



Corporate Governance Report

The Corporate Governance Report sets out the structure and governance framework of our organisation, providing details of the Board, roles and responsibilities, Board Committees, Directors' appointment, tenure, induction and training and directors ability to seek independent advice.



Risk Management Report

The Risk Management Report details our approach to risk management and internal controls.



Remuneration Report

The Remuneration Report sets out our remuneration policies for Non-Executive Directors and Executive Directors and how these policies have been reviewed and implemented for the reporting period, including salary information and pension liabilities.



Modern Slavery and Human Trafficking Statement

The Modern Slavery and Human Trafficking Statement provides details of how NHS Property Services Limited fully supports the Government's objectives to eradicate modern slavery and human trafficking.



Section 172 Statement

The Section 172 Statement provides a description of how directors have had regard to the matters set out in s.172(1)(a) to (f) in the Companies Act 2006 when performing their duties under that section.

Corporate Governance Report



Company structure

NHS Property Services Limited was incorporated under the laws of England and Wales on the 20 December 2011 with the Company Registration Number 07888110 and has a registered office address of Regent House, Heaton Lane, Stockport, Cheshire SK4 1BS. We are a Private Limited Company owned by the Secretary of State for Health and Social Care.

The Board has implemented standards of corporate governance and policies applicable to the Company's position as a private company wholly owned by a government body. The latest Articles of Association (Articles) were approved by the sole member of the Company by special resolution on 25 May 2023 and provide guidance on Directors powers and responsibilities, and Shareholder Reserve Powers. In addition, the Secretary of State appointed a Department Director to the Board, and all Board Resolutions require the approval of that Director.

The Board

As of the financial year end 31 March 2025, the Board of NHS Property Services Limited was composed of four executive and eight non-executive members (including the Chair and Shareholder Director).



Independent Non-Executive Director and Chair
(retired 31 Jul 2024)

Committee membership:

- Strategy and Investment
- Nomination and Remuneration



Independent Non-Executive Director
(retired 31 Aug 2024)

Committee membership:

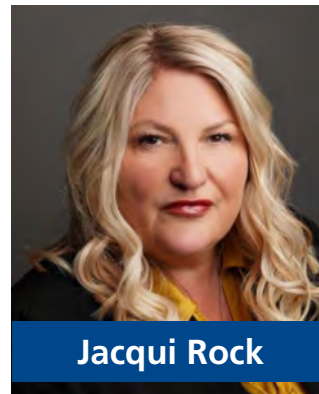
- People, Chair
- Nomination and Remuneration



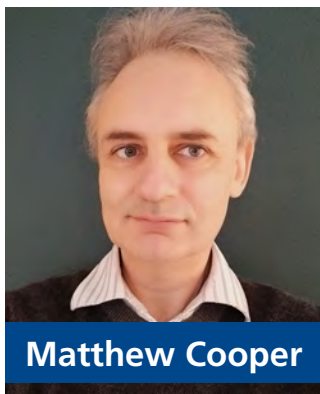
Independent Non-Executive Director

Committee membership:

- Customer, Chair
- Nomination and Remuneration, Chair



Independent Non-Executive Director
(retired 30 Apr 2024)



Non-Executive Shareholder Director
(appointed 1 Apr 2025)

Committee membership:

- Nomination and Remuneration



Non-Executive Shareholder Director
(resigned 31 Mar 2025)

Committee membership:

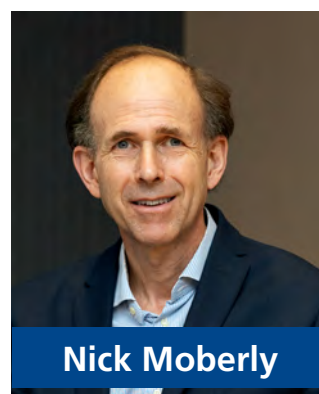
- Nomination and Remuneration



Independent Non-Executive Director
(appointed 1 Aug 2024)

Committee membership:

- Strategy and Investment
- Audit and Governance



Independent Non-Executive Director and Chair
(appointed Chair on 1 Oct 2024)

Committee membership:

- Nomination and Remuneration
- Customer



Independent Non-Executive Director
(appointed 1 Oct 2024)

Committee membership:

- Strategy and Investment, Chair
- Customer

Ian Playford



Chief Executive Officer and Executive Director

Committee membership:

- Strategy and Investment
- Customer

Martin Steele

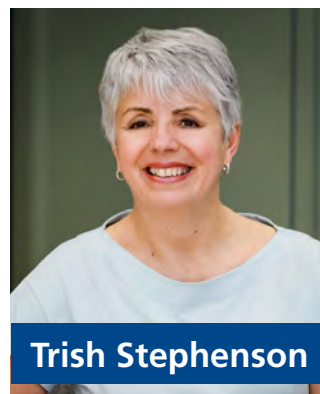


Independent Non-Executive Director

Committee membership:

- People, Chair

Caroline Wehrle



Chief Operating Officer and Executive Director

Committee membership:

- People

Trish Stephenson

Board diversity*

Age

57-67	5	
46-56	2	
68-78	1	

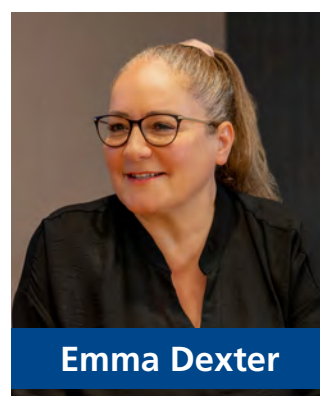
Gender

Female (incl. Chair)	4	
Male	4	

Ethnicity

Not specified	5	
White	3	

* 31 March 2025. Includes Non-Executive Directors only – diversity information for Executive members can be found on page 75.

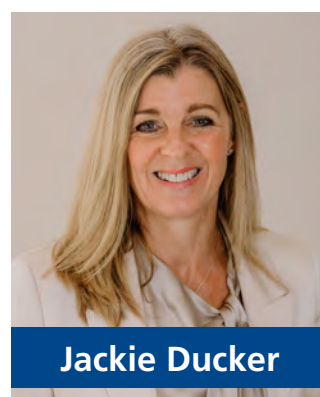


Chief Financial Officer and Executive Director

Committee membership:

- Strategy and Investment

Emma Dexter



Chief Customer Officer and Executive Director

Jackie Ducker

Biographies for the Board of Directors can be found at [property.nhs.uk/about/the-board-of-directors](https://www.nhs.uk/about/the-board-of-directors)

Roles and responsibilities

The Board

The Board is the senior decision-making body of NHS Property Services Limited and has a responsibility to support our strategic direction. It delegates day-to-day responsibility to Executive Management, although a number of matters are reserved for the Shareholder Director and the Board.

To support its strategic leadership to the organisation and the Shareholder Director, the Board:

- approves the Annual Strategic Business Plan and monitors NHS Property Services Limited's performance against it
- ensure high standards of corporate governance and personal conduct
- approves the annual budget and capital expenditure budgets
- approves large capital expenditure and proposals over £10m, and
- approves matters of major strategic importance.

The roles and responsibilities of the Board Members are as follows:



Chair

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company.



Shareholder Director

The Secretary of State appointed a Departmental Director to the NHS Property Services Limited Board from the Company's formation.



Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day operational management of NHS Property Services Limited and is the senior Executive Director on the Board.



Non-Executive Director

The Non-Executive Directors provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.



Company Secretary

The Company Secretary has a direct reporting line to the Chair, and the Chair and the Company Secretary meet periodically.

Board Committees

The Board has delegated specific responsibilities to five Board Committees focusing on specific areas of the Board's responsibilities.



Audit and Governance Committee

Provides assurance to the Board on the adequacy and effectiveness of the Company's risk framework, its systems and culture of internal control, corporate governance processes and the integrity of its financial statements. It also oversees the functions of both internal and external audit.



Customer Committee

The Committee is responsible for ensuring our customers are receiving a value service from NHS Property Services Limited by overseeing the operational and business delivery priorities. It also ensures that NHS Property Services Limited is executing in-line with the agreed Strategic Business Plan.



Nomination and Remuneration Committee

Reviews the medium and long-term strategic intent of the company to help ensure it remains fit for purpose by monitoring both the internal and external environments. It also provides assurance on all material and strategic investment case decisions across all aspects of the Delivery, Advisory functions and Business Operations to optimise value from the NHS Property Services Limited estate.

The committee also leads the process for appointments to the Board, ensuring that the skills match the ambition and requirements of the business, the shareholder and our customers.



People Committee

Supports the delivery of our customer plans and helps the NHS transform.

To get, grow, keep great people to support our culture of an engaged, enabled high-performing team, placing the customer at the heart of everything we do.



Strategy and Investment Committee

Reviews the medium and long-term strategic intent of the company to help ensure it remains fit for purpose by monitoring both the internal and external environments. It also provides assurance on all material and strategic investment case decisions across all aspects of the Delivery, Advisory functions and Business Operations to optimise value from the NHS Property Services Limited estate.

Executive Management Committee

The Board has delegated the operational running of NHS Property Services Limited to the Chief Executive Officer (CEO). Except for the reserved matters as stated within the company's Articles of Association and/or matters which are reserved for the Board, and delegated authorities as updated from time to time by the Department of Health and Social Care.

The CEO is responsible to the Board in relation to the operations of our organisation. He may delegate any of his powers to the Executive Committee members, who may in turn sub-delegate. The Executive Committee is not a formal committee of the Board but is critical to the operational effectiveness of NHS Property Services Limited.

The CEO, Chief Financial Officer (CFO), Chief Operating Officers (COO) and Chief Customer Officer (CCO) are members of the Board and attend Board Meetings, other Executive Management Committee members are not part of the Board decision making process but do attend Board meetings as and when required to report on specific operational matters.

The Executive Committee consists of the CEO, CFO, COO, CCO and the following Executive Members:



Director of Communications and Marketing



Chief Information Officer



Director of Advisory Services



Chief People Officer



Director of Responsible Business

Executive Committee diversity*

Gender

Female	5	
Male	4	

Ethnicity

White British or Irish	6	
Other	3	

* As of 31 March 2025.

Biographies for the Executive Committee can be found at property.nhs.uk/about/the-executive-team



Board and Committee membership and attendance during the financial reporting period:

Number of times NHS Property Services Limited Board met during the financial year: 6		
Name	Number of meetings attended	Total number of meetings
Jane Hamilton	2	2
Nick Moberly	6	6
Eleanor Mason	2	2
Matthew Cooper	4	4
Adrian Belton	6	6
Caroline Wehrle	6	6
Mark Lomas	1	2
Lakh Jemmett	5	6
Ian Playford	4	4
Martin Steele	6	6
Emma Dexter	6	6
Trish Stephenson	5	6
Jackie Ducker	6	6

The following tables detail membership and the number of meetings attended by each member during the financial reporting period:

	Name	Meetings attended	Total number of meetings
 Audit and Governance Committee	Number of times Committee met during the financial year: 6		
	Caroline Wehrle	6	6
	Jennifer Nicholls*	6	6
	Matthew Cooper	6	6
	Adrian Belton	5	5
	Lakh Jemmett	2	2
 Customer Committee	Number of times Committee met during the financial year: 4		
	Nicholas Moberly	2	2
	Matthew Cooper**	2	2
	Lakh Jemmett	2	2
	Martin Steele	3	4
	Rina Pandya	3	4
	Ian Playford	2	2
	Emma Addy	2	2
 Nomination and Remuneration Committee	Number of times Committee met during the financial year: 1		
	Nicholas Moberly	1	1
	Jane Hamilton	1	1
	Mark Lomas	1	1
	Ellie Mason	1	1
 People Committee	Number of times Committee met during the financial year: 3		
	Mark Lomas	1	1
	Caroline Wehrle	3	3
	Trish Stephenson	3	3
	Shamir Ghumra	3	3
 Strategy and Investment Committee	Number of times Committee met during the financial year: 6		
	Adrian Belton	5	4
	Jane Hamilton	1	1
	Lakh Jemmett	6	6
	Matthew Cooper**	3	3
	Emma Dexter	6	6
	Martin Steele	5	6
	Ian Playford	3	3
	Alex Fullerton	3	3

* Independent Director.

** Shareholder Representative

Director conflicts

The 2006 Companies Act provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may conflict, with a company's interests. Any potential conflict of interest between the role of an officer working for the Department of Health and Social Care and their role as either the Shareholder Director or his representative in the company is registered and managed in an appropriate way.

All Board members have completed and signed a declaration of interest form and are required to notify and record any interests relevant to their role on the Board. As part of NHS Property Services Limited's commitment to openness and transparency, a Register of Members' Interests, is maintained. The register is reviewed at each Board meeting. In addition, members of the Board and the executive are required at the commencement of each Board meeting, and whenever relevant matters are raised, to declare any personal interest they may have in any business on the agenda and abstain from related Board discussion as required.

Openness and transparency statement

NHS Property Services Limited is committed to openness and transparency and provides information in a way which reflects the needs of our key stakeholders wherever possible. Both our public website and our intranet provide information around how we are governed, our policies, our finances and how we deliver services to help the NHS deliver their long-term plan. We continue to monitor the provision of information and update where appropriate in a timely manner.

Directors' and Officers' liability insurance

NHS Property Services Limited is a member of the NHS Risk Pooling Scheme which includes Directors' and Officers' liability as permitted by the Companies Act 2006. The Shareholder has granted rolling indemnity to the Chairman, Executive Directors and Non-Executive Directors in relation to certain losses and liabilities which they may incur while acting as officers of the company.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Risk Management Report



Risk governance

The Board is responsible for the company's systems of internal control and risk management and for reviewing each year the effectiveness of those systems. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The system can provide only reasonable, and not absolute, assurance against material misstatement or loss. The process in place for reviewing the systems of internal control includes procedures designed to identify and evaluate failings and weaknesses.

Risk management framework

Risk management enables NHS Property Services Limited to identify the possibility of future events happening which will impact the achievement of our objectives, as well as the controls in place to mitigate this and develop action plans which will enable us to make better business decisions that consider the effect of uncertainty.

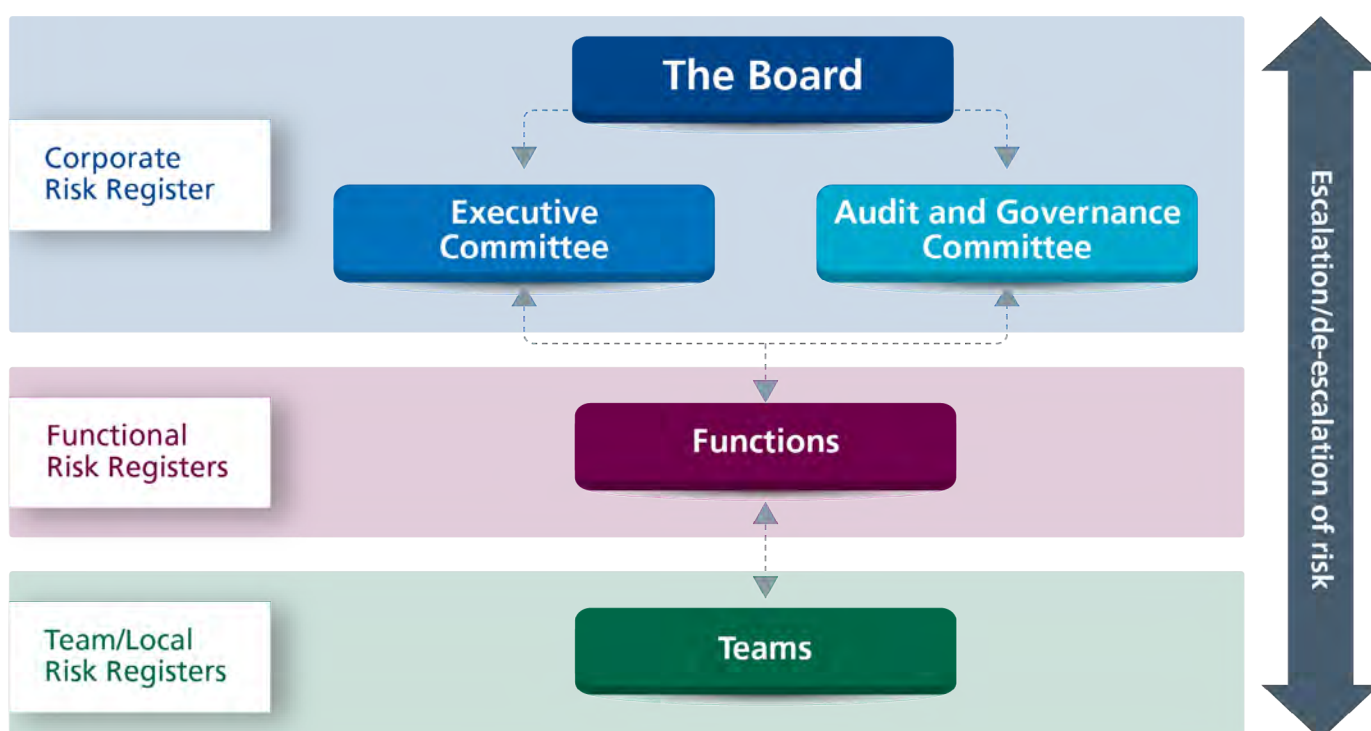
We continue to review our risk framework to enhance awareness and focus on our Directorate Risk Registers that feed into our Corporate Risk Register. The Board also recognises the importance of a framework for risk management and review the full Corporate Risk Register every six months.

The Executive Directors are responsible for delivering our organisation's strategy, and managing risks which may stop this being achieved. The Executive Directors in turn place reliance on their teams to monitor and manage operational risks on an ongoing basis, as well as identifying emerging risks. All risks on the Corporate Risk Register are owned by an Executive Director and the Executive Committee is committed to review and approve that Corporate Risk Register on a quarterly basis.

Functional risk registers provide a framework for teams to feed into this process, recognising all colleagues have shared responsibility for effective management of risk in delivering our strategy. At an operational level, risks are reviewed together with the level of control necessary to mitigate, where possible, the level of risk.

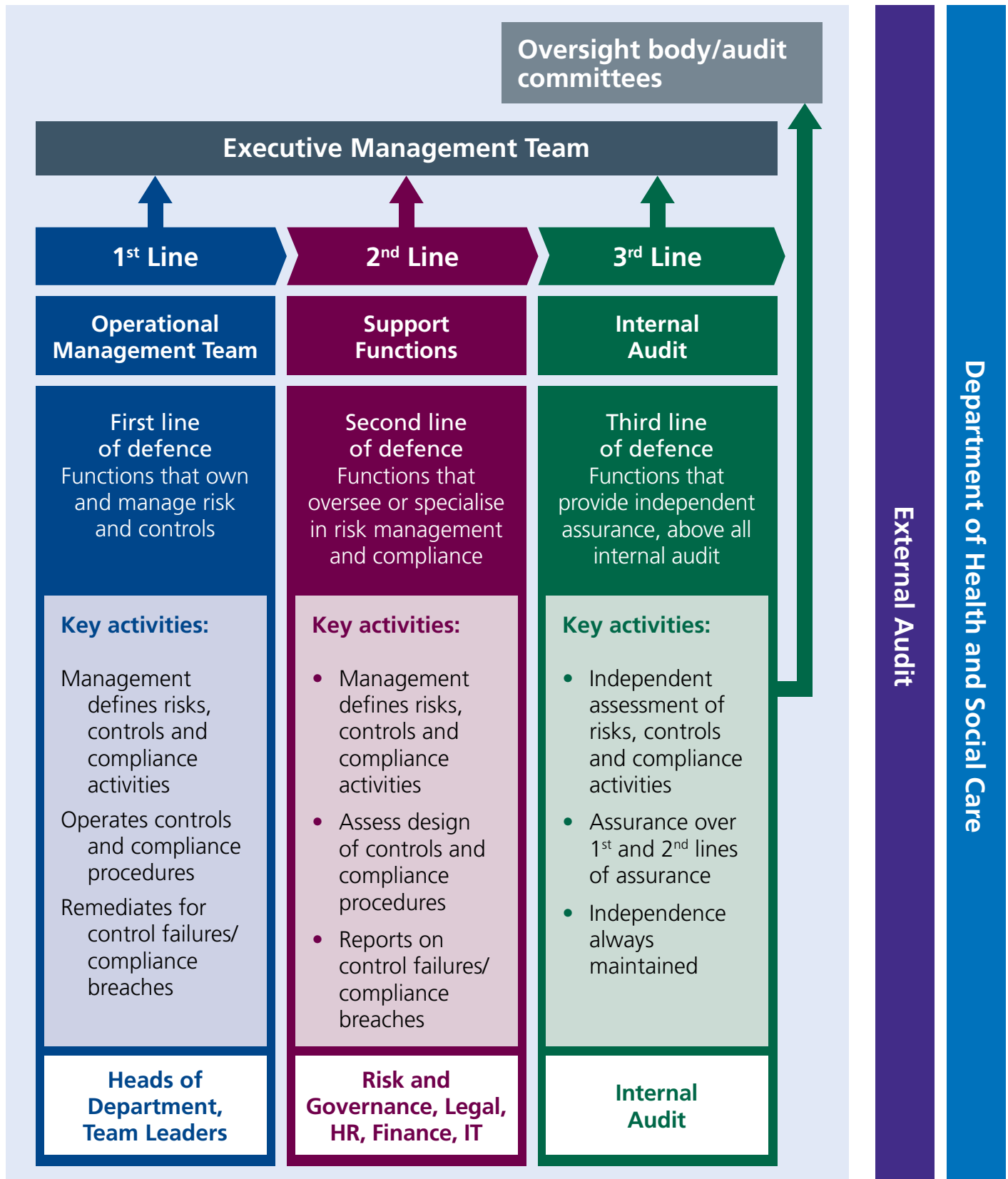
Two Risk Forums operate below the Corporate Risk level, one at functional level which reviews functional risk registers and discusses cross-functional risks, and the second forum which focuses on financial risks across the different teams in the Finance function. This ensures that our approach to risk management is integrated, embedded and proactive, and that risk management is a driver for improvement in controls and performance across the organisation.

The financial impact of certain risks has been transferred through insurance arrangements. The company is a member of the NHS Resolution Risk Pooling Scheme (Previously NHS Litigation Authority), which covers third party and employer liabilities, and property-related risk exposure.



Three lines of defence






NHS Property Services Limited's Risk Management Framework provides for continuous and reliable assurance on organisational stewardship and the management of the major risks to organisational success and delivery of improved, cost effective, public services. The Three Lines of Defence model as illustrated below has been adopted to manage risk and control as well as provide assurance over the delivery of services.



Principal risks

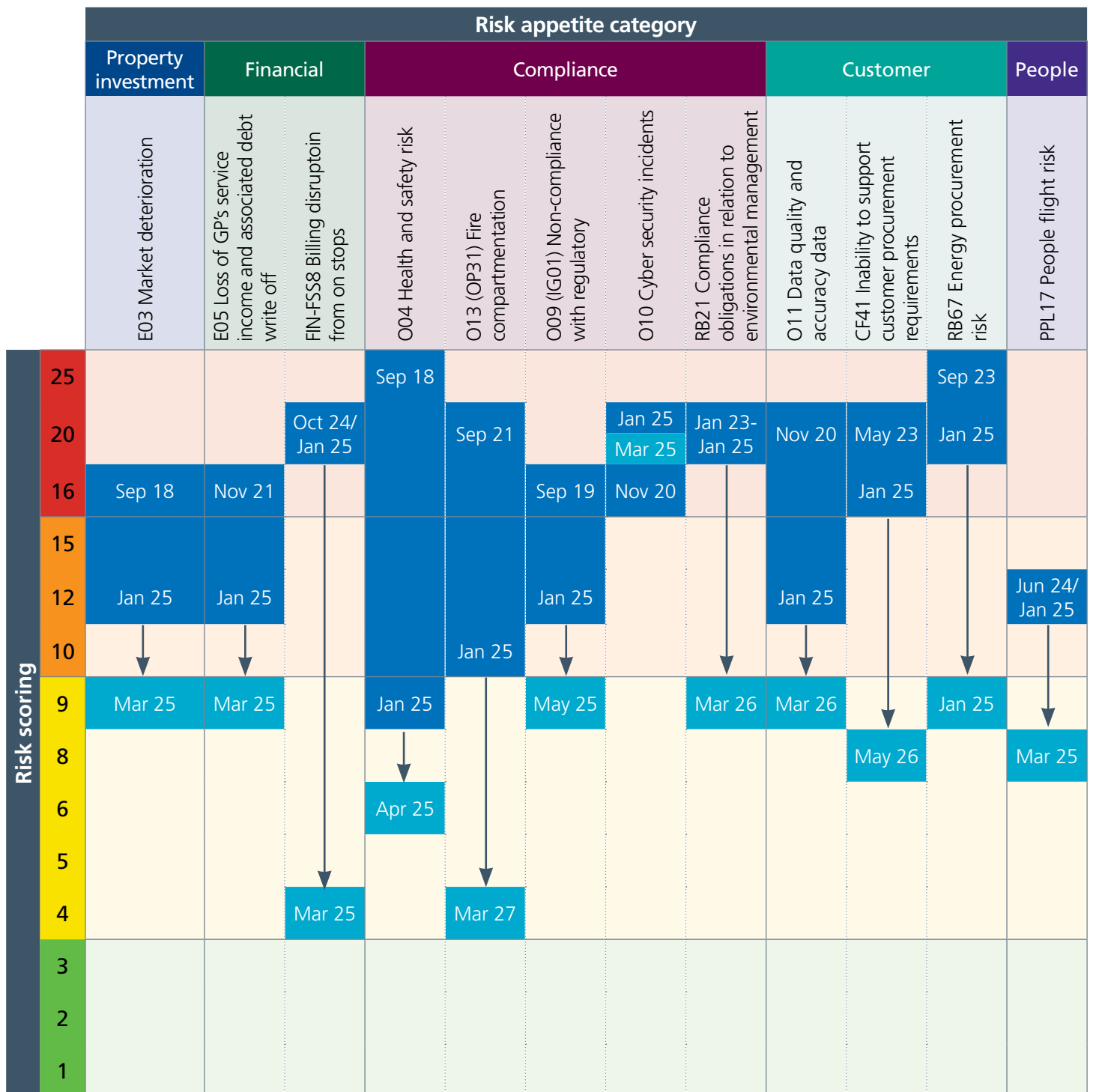
NHS Property Services Limited's financial performance and operations are influenced by a range of risk factors. We aim to mitigate the exposure through appropriate risk management strategy and internal controls.

Principally, the key risks of NHS Property Services Limited fall in the financial, operational, capability and people.

Risk type	Risk	Detail	Mitigation	Risk trend
Property Investment	Market deterioration	Market deterioration impacting corporate disposal programme and reducing funds for reinvestment.	<ul style="list-style-type: none"> Continuous market review Tailor disposal strategy to changing market conditions 	 Risk is increasing
Financial	Business liquidity	Customers do not pay, impacting the liquidity of the business.	<ul style="list-style-type: none"> Strategic Debt Management approach endorsed by DHSC Enhanced customer relationship management 	 Risk is decreasing
Compliance	Health and safety	NHS Property Services Limited Health and Safety Management System and the embedment of a company-wide safety culture.	<ul style="list-style-type: none"> Implementation of a new Health and Safety Management system Increased focus on training and communication Increased risk assessment for high risk activities 	 Risk is decreasing
	Fire compartmentation	There is a risk of non compliant buildings due to fire safety as a result of compartmentation breaches over the years.	<ul style="list-style-type: none"> Fire Compartmentation Survey Programme significantly advanced to understand compliance across the estate Where identified, remedial works have been completed or are underway 	 Risk is decreasing
	Environmental compliance	There is a risk NHSPS is exposed to significant levels of monetary fines and reputational damage due to areas of non-compliance relating to environment management.	<ul style="list-style-type: none"> Expand Environmental Compliance Team Environmental inspection programme rolled out across the estate 	 Risk is decreasing

Risk type	Risk	Detail	Mitigation	Risk trend
Compliance	Data and information governance	<p>Inaccurate and undocumented data, combined with a lack of understanding of governance and assurance protocols, may adversely impact operational performance.</p> <p>Non-compliance with Information Governance Regulations may also result in financial penalties and reputational risk.</p>	<ul style="list-style-type: none"> • Data awareness and mapping • GDPR Policy and wider IG policies developed and launched • Retention scheduling • Development and delivery of a data strategy for NHS Property Services Limited 	<p>↓</p> <p>Risk is decreasing</p>
	Cyber security	<p>There is a risk of cyber security incidents occurring because existing systems or processes are either ineffective or a new circumvention has been found. This could lead to a detrimental impact on the confidentiality, integrity and/or availability of NHS Property Services Limited systems and data.</p>	<ul style="list-style-type: none"> • Improved and verifiable security posture. • Upgraded detection Analysis tooling • Secure Cyber Essentials accreditation • Proactive cyber awareness campaigns 	<p>↔</p> <p>Risk is stable</p>
Customer	Procurement assurance	<p>There is a risk that NHS Property Services Limited may be unable to support customer procurement requirements through lack of market driven, external assurance of NHS Property Services Limited services.</p>	<ul style="list-style-type: none"> • Develop and implement a Quality Policy Programme to provide quality assurance protocols on NHS Property services services. • Enhance capabilities of the Quality Management Team 	<p>↓</p> <p>Risk is decreasing</p>
People	People leaving NHS Property Services Limited	<p>There is a risk that NHSPS is unable to attract and retain talent due to interrelated factors such as low unemployment, high wage inflation and uncertainty on job security due to wider changes in the NHS ecosystem.</p>	<ul style="list-style-type: none"> • Improve communications on NHS Property Services Limited pay and benefits • Improve understanding of learning, development and promotional opportunities within the business 	<p>↑</p> <p>Risk is increasing</p>

Risk waterfall



Extreme risk
High risk



Medium risk
Low risk



Risk score
Target risk score

The diagram shows, for corporate risks, the progress and effectiveness of controls/mitigation plans (since escalation date) that led the risk scoring to move deep down the blue column towards the target score.

In some cases, small blue columns over long periods of time may suggest that existing controls or mitigating actions are not as effective as they could be. This could be related to the feasibility of target risk score and date or potential lack of confidence from management to review the risk scoring and ensure the rationale for escalation is still valid.

Internal controls

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives.

We continue to work with our Internal and External Audit partners to strengthen our internal control framework. The 2023/24 internal audit plan has been focussed on key risk areas, covering the efficiency and effectiveness of the governance, risk management and internal control frameworks.

Internal audit plays a key role in providing independent assessment and challenge of the governance, risk, and internal control frameworks at NHS Property Services Limited. A key objective of the internal audit function through its assurance and investigation activities, is to safeguard value by protecting our assets, reputation, and sustainability in relation to our organisation's objectives.

The internal audit plan for the year ending 31 March 2025 focused on known risk areas for the organisation as per the Corporate and Functional Risk Registers and was approved by the Audit and Governance Committee at the start of the year. Seven audits were completed in year;

- **Partial assurance audits** – managing contractors onsite, business continuity (Technology) and Employee lifecycle processes
- **Significant assurance audits** – lease events, fire compartmentation, core financial controls, risk assurance mapping

Internal Audit provides updated reports to each Audit and Governance Committee with key findings from completed audits. Further, they have provided an annual report, including the Head of Internal Audit Opinion, in relation to our organisation's framework of governance, risk management and internal control. The overall opinion for 2024/25 was that of significant assurance with minor improvements for the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Team objectives and scorecards are linked to the completion of internal audit actions and the implementation status of audit actions is presented to the Executive team on a monthly basis, further strengthening our organisational culture to address control weaknesses.

Counter fraud

Counter fraud services were brought in house on 01 April 2024 with two colleagues dedicated to both proactive and reactive activities. Over 2024/25, a total of 8 cases were investigated, a significant increase in case activity compared with previous years. A clear reason for this has been the relaunch and marketing of the Whistleblowing Service.

Information and data governance

Information Governance continues to be an important part of the business. The Information Governance team has continued to embed sensible and practical guidance to ensure NHS Property Services Limited not only remains compliant in relation to data protection, records management, and information security activities, but is striving for best practice. The team is increasing in maturity across all IG policies and processes and continues to build on the strong foundations established to bring all colleagues on the journey.

NHS Property Services Limited is required to submit an annual attestation to meet requirements of the NHS Data Security and Protection Toolkit, which again achieved a satisfactory measure against statutory requirements. The team is focused on upskilling and empowering the wider business to continue the protection of our customers, colleagues and company data and information.

NHS Property Services Limited is registered as a Data Controller with the Information Commissioner's Office and confirms that there was one reportable data breach during the year, which the ICO did not require further action on.

Modern Slavery and Human Trafficking statement

NHS Property Services Limited fully supports HM Government's objectives to eradicate modern slavery and human trafficking.

This is our Slavery and Human Trafficking statement for the financial year ending 31 March 2025.

Organisation structure and supply chains

NHS Property Services Limited is committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. Our internal policies replicate our commitment to acting ethically and with integrity in all our business relationships.

Our procurement approach follows good practices and have been updated to reflect the latest requirements of PPN 02/23. These include a mandatory exclusion question regarding the Modern Slavery Act 2015.

When procuring goods and services, we expect our suppliers to comply with the Modern Slavery Act 2015. For all capital and construction appointments (including consultants) we have a mandatory requirement for them to be construction line registered, which is a government accredited process and covers modern slavery. In addition, we use a Modern Slavery Assessment Tool which is built into our Contract Review Process.

Policies in relation to slavery and human trafficking

We operate a whistleblowing policy so that all employees know that they can raise concerns about how colleagues or people receiving our services are being treated, or about practices within our business or supply chain, without fear of reprisals. We collaborate with other HM Government organisations and departments on the Social Value Process, of which Modern Slavery is a key theme. Our whistleblowing policy offers multiple channels for colleagues or customers to engage, and this includes, post, email, telephone or via an online form.

We have introduced a Safeguarding Policy as part of our commitment to:



Prevention

against harm and abuse through training and safety protocols



Protection

by signposting how you can report any concerns of harm or abuse



Support

for those who have been affected by harm and ensuring their voices are heard



Compliance

by showing how our safeguarding practices adhere to laws, regulations and ethical standards

The policy also covers our commitment to protecting the those involved in safeguarding concerns by ensuring their personal information is kept safe and secure.

Due diligence processes

We operate a robust recruitment process; confirming the identities of all new employees and their right to work in the United Kingdom.

As part of our initiative to identify and mitigate risk we ask all potential or new suppliers to provide information about modern slavery, their approach and compliance with this legislation. This area has been subject to an internal audit for added assurance.

We have a zero-tolerance attitude to slavery and human trafficking. We encourage colleagues and members to speak up and have assigned the responsibilities of the Raising Concerns Guardian to the Company Secretary.

Key performance indicators

We will continue to monitor the effectiveness of the steps we are taking to ensure that slavery and/ or human trafficking is not taking place within our business or supply chain.

We will annually review the statement and any related policies to ensure they remain fit for purpose and in line with current legislation and best practice.

Training

Through our whistleblowing policy, our colleagues and members are encouraged to identify and report any suspicions or potential breaches of our antislavery and human trafficking policy.

We are looking at ways to continuously increase awareness within our organisation, and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking in our supply chains and in our business.

In March 2024 we launched an updated e-learning on safeguarding for all our frontline colleagues. The course covers:

- what we mean by safeguarding and why it's important
- how to identify different types of abuse, and
- what to do if you have concerns or suspicions.

Often, abuse is hidden and because of that, we do not know the true extent of those who experience abuse. This is why it's so important to raise awareness and understanding of the issue of abuse.

This statement is made pursuant to s54 of the Modern Slavery Act 2015 and sets out the steps that NHS Property Services Limited has taken to prevent the occurrence of modern slavery and human trafficking within our business or supply chain.



Martin Steele
Chief Executive Officer
NHS Property Services Limited

07 November 2025

Section 172 Statement

S172(1) reporting

The directors are bound by their duties under the Companies Act 2006 and the manner in which these have been discharged, particularly their duty to promote the success of the Company for the benefit of its Shareholder, the Department of Health and Social Care, and its customer, the NHS, as well as environment and sustainability. These elements have formed the core themes of our 2024/25 Annual Report.

The Chair is responsible for leading the Board, ensuring that it discharges its duties efficiently and that it delivers the strategy agreed by the Board. The Chief Executive Officer is responsible for directing and controlling operations, managing the day-to-day business, and ensuring it is aligned to the strategy.

The Shareholder Director brings vital insights and represents shareholder interests to the board. This distinction between the Chair, the Chief Executive Officer and the Shareholder Directors is key to governance accountability. The directors both individually and collectively act in the way they consider, in good faith, would be most likely to promote the success of the Company for its member with regard also to the stakeholders and matters as set out in s172(1)(a-f) on the following page.

The Accountability Report on page 68 details how our Board has governed during the accounting period, which includes details on Directors, membership, the governance framework and how they support achievement of our objectives as detailed on page 10.

The Risk Management Report details our approach to risk as well as our approach to Information and Data Governance, and Modern Slavery; with internal controls and internal audit procedures outlined on page 85.

Decisions are made by the Board reaching a consensus. Where appropriate, and as stated within the company's Articles of Association, the Secretary of State for Health and Social Care is required to provide written approval for

certain decisions as detailed within the Reserve Matters.

The Board have access to both an internal legal team, external legal expertise and a Company Secretary, who are responsible for advising the Board on all governance matters and ensuring that the Board procedures are complied with. Directors can also seek independent advice on their performance duties.

Throughout the various sections of our 2024/25 Annual Report, you will see evidence of the principal decisions made by the Board during the reporting period, the progress and/or outcomes of those decisions along with case studies in support. The Board aligns these principal decisions with the strategy, vision and values of NHS Property Services Limited with the purpose of supporting our NHS colleagues and supporting the delivery of the NHS Long Term Plan. Our colleagues are integral to the outcomes as shown within our key achievements detailed in our strategy report on pages 8 to 10.



Section 172


Duty to promote the success of the company.

A director of a company must act in the way he considers, 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 regards (amongst other matters) to factors (a) to (f).

- 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 relationship 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
- f. The need to act fairly as between members of the company.

Examples of principal decisions undertaken by the NHS Property Services Limited Board year ending 31st March 2025

Principal decisions and s172 considerations	Stakeholders considered	Supporting information
 <p>Strategy</p>	<p>Customers</p> <p>Community</p> <p>Environment</p> <p>Shareholder</p> <p>Government/Regulators</p> <p>Suppliers</p>	<ul style="list-style-type: none"> Health, Safety and Wellbeing is an agenda item discussed at every meeting of the company Board. Board endorsement of the 'Greener NHS' Programme, to substantially reduce NHS Property Services Limited's carbon footprint and meet NHS and wider HM Government net zero targets.
 <p>Governance</p>	<ul style="list-style-type: none"> Customers Colleagues Community Environment Shareholder Government/Regulators Suppliers 	<ul style="list-style-type: none"> Audit and Governance Committee approval of the 2024/25 Internal Audit and External Audit plans. Board approval of the FY2023/24 Annual Report and Accounts and Letter of Representation. Dedicated agenda item for Shareholder updates now included at every Board meeting Programmatic tracking of major change programmes across the business via Board Committees and Sub-Committees and Forums.
 <p>Equality, diversity and inclusion</p>	<ul style="list-style-type: none"> Customers Colleagues Community Suppliers 	<ul style="list-style-type: none"> Launch of listening groups across the organisation to better understand the views of minority colleagues. Appointment of a dedicated Head of Inclusion and associated team in the Responsible Business Team. Launch of Colleague Forum Pilots in the Midlands.

Principal decisions and s172 considerations	Stakeholders considered	Supporting information
 <p>Sustainability</p>	<ul style="list-style-type: none"> Customers Colleagues Community Environment Shareholder Government/Regulators Suppliers 	<ul style="list-style-type: none"> Board endorsement and continued review/support of the Greener NHS Programme. The Board reviews the financial performance of the business at every meeting to ensure sustainability of the current and go-forward financial position. Board and Committee review and endorsement of the Value Programme.
 <p>Engagement</p>	<ul style="list-style-type: none"> Customers Colleagues Community Environment Shareholder Government/Regulators Suppliers 	<ul style="list-style-type: none"> NHS Property Services Limited engagement across all the Integrated Care Boards in England. Development of Estates Strategies with several ICBs across England. Continued issuing of customer feedback surveys for each Work Order completed, as well as the Annual Customer Satisfaction Survey to all NHS Property Services Limited customers. NHS Property Services Limited now actively tracks customer satisfaction at multiple levels, including NPS and Patient Satisfaction.
 <p>Investment</p>	<ul style="list-style-type: none"> Customers Colleagues Community Environment Shareholder Government/Regulators Suppliers 	<ul style="list-style-type: none"> NHS Property Services Limited delivered a wide range of Property Development projects in year-for our customers.



Directors' Report

Board of Directors

A list of Directors who served during the year are included below. The Corporate Governance Report on page 70 details further how NHS Property Services Limited is governed and provides additional details of its Board members and committee structure, the frequency of meetings of the Board and its committees, attendance records at these meetings and the highlights the work carried out by committees.

Directors of the Board	Appointment to the Board	Retirement/resignation during the financial period
Jane Hamilton	22 March 2021 (appointed Chair on 25 March 2021)	Retired 31 July 2024
Eleanor Mason	26 March 2024	Resigned 31 March 2025
Matthew Cooper	1 April 2025	-
Adrian Belton	4 May 2021	-
Mark Lomas	1 September 2021	Retired 31 August 2024
Nicholas Moberly	4 May 2021 (appointed Chair on 1 October 2024)	-
Caroline Wehrle	1 September 2021	-
Jacqui Rock	1 June 2023	Resigned 30 April 2024
Lakh Jemmett	1 August 2023	-
Ian Playford	1 October 2024	-
Martin Steele	4 July 2017	-
Trish Stephenson	29 March 2023	-
Jackie Ducker	24 April 2023	-
Emma Dexter	8 March 2024	-

Corporate governance statement

As we seek to implement robust levels of governance assurance commensurate to the size, scale and complexity of business operations, our Governance Framework also seeks compliance with The Wates Corporate Governance Principles 2018 for large private companies and having regard to The Corporate Governance Code 2018. We have summarised below how NHS Property Services Limited's Governance Framework aligns to these benchmark compliance areas.



Wates Principle: Purpose and leadership

A Board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.

NHS Property Services Limited Corporate Governance Statement and Framework

The Chair of the NHS Property Services Limited Board and the CEO have made our strategy, values and culture a key focus during 2024/25 to ensure we remain in line with the changing landscape of the NHS.

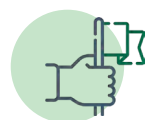


Wates Principle: Board composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

NHS Property Services Limited Corporate Governance Statement and Framework

The Board reviewed board composition, skills matrix and Board knowledge and training as part of the Governance Workshop in March 2024. Deliverables were actioned and reviewed throughout the financial year.



Wates Principle: Director responsibilities

The Board and individual Directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

NHS Property Services Limited Corporate Governance Statement and Framework

Refresh of Directors Duties occurred in FY2023/24 by the Company Secretary and reinforced by the Board and Committee evaluation undertaken in Quarter 3.



Wates Principle: Opportunities and risk

A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

NHS Property Services Limited Corporate Governance Statement and Framework

The Board and Audit and Governance Committee ensure regular updates with regard to risk and internal controls. A Board Workshop on risk took place in March 2024 to further identify opportunities to create and preserve value, along with further discussions around oversight for the identification and mitigation of risks.



Wates Principle: Remuneration

A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

NHS Property Services Limited Corporate Governance Statement and Framework

The Board has delegated the responsibility of monitoring and reviewing remuneration to the Remuneration Committee, which is chaired by a Non-Executive Director. For new appointments, remuneration approval for all Directors and for any colleague with a base salary exceeding £150,000 per year is reserved to the Secretary of State for Health and Social Care, or a senior civil servant acting with their authority. For existing colleagues, any salary increases are subject to the internal Remuneration Committee (RemCom) approval process, which includes review by the Department of Health and Social Care (DHSE). The remuneration of Directors, including any pension contributions, is disclosed annually in our Annual Report.

Appropriate and fair levels of remuneration are applied throughout the organisation to reinforce the shared purpose of all colleagues.



Wates Principle: Stakeholder relationships and engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taken decisions.

NHS Property Services Limited Corporate Governance Statement and Framework

The Board have sought greater engagement during 2024/25 with key stakeholders, particularly with the newly emerging ICBs. The Board will seek to further this engagement during 2025/26 to develop effective relationships aligned to the company's strategy. The Board always have regard to stakeholders where appropriate during their decision making.



Results and dividends

The results for the year are shown in the Statement of Comprehensive Income. The company has not paid any dividends during the year and no dividends are proposed by the Directors.

Share capital

The total issued share capital of the company is 324,321,332 £1 ordinary shares. The Secretary of State for Health and Social Care owns 100% of the issued share capital. The Board and Shareholder approved an increase of 49,689,000 in share capital during the financial period. Details of the company's share capital are set out in note 18 to the financial statements.

Political and charitable contributions

There were no political or charitable contributions made by NHS Property Services Limited during the period ending 31 March 2025.

Statement on engagement with suppliers, customers, and others in a business relationship within the company

For NHS Property Services Limited, effective stakeholder engagement is about building sustainable relationships with the people who are affected by what we do, the services we provide, and those who make our services possible. This relies on a commitment to engage, listen, respond, and communicate openly and honestly with all of our stakeholders.

Our organisation is deeply focussed on the continuous improvement of customer service engagement, including realigning our regions,

which allows direct alignment with our NHS colleagues.

As an organisation we recognise that one of our greatest assets is our colleagues. To ensure we engage with these key stakeholders we have carried out several projects which include the introduction of an online employee survey platform called Your Voice, a review of our company values, recognition scheme and leadership programme.

We have been improving how suppliers engage and work with us. We now have a single effective supplier helpdesk, and we have resolved backlogs and improved our payment cycles to ensure suppliers are paid when they should.

Going concern

NHS Property Services Limited's going concern status for 2024/25 is supported by several key factors. The company maintains a strong liquidity position with £43m in net current assets and access to a £250m loan facility from the Department of Health and Social Care (DHSC), of which the full £250m remains available. Robust cash flow projections indicate over £100m in cash balances through March 2027, and the company holds a substantial £3b net asset position, derived mainly from its £3b property portfolio.

While the company is forecasting operating deficits, primarily driven by non-cash depreciation charges, this is not expected to significantly impact cash flows or future viability. Despite budgeting an operating loss in 2025/26 driven by depreciation, the company's overall financial health, financing access, cash flows, and asset backing mitigate any significant going concern risks. The financial position for the current year aligns with the budget set forth by its parent organisation, the Department of Health and Social Care.

NHS Property Services Limited is wholly owned by the Secretary of State for Health and Social Care, who has provided an undertaking that supports the organisation's going concern status. Specifically, an indemnity has been

issued committing the Secretary of State to provide funding for all property-related liabilities and obligations, either inherited or arising from future projects, in the event other income sources are insufficient.

The Directors have reviewed the company's current financial position, cash flow projections, and loan facilities. They believe the organisation is well-placed to manage its business risks successfully and have a reasonable expectation that adequate resources are available to continue operations for the foreseeable future. As a result, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company's business activities, factors affecting future development and performance are further outlined in the Chief Financial Officer's Report on page 61 and the financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor appointed is the Comptroller and Auditor General.

Pursuant to the Articles of Association section 5 the approval and or change of the auditors is a matter reserved to the Shareholder Director.

Statement of Directors' responsibilities in respect of the Company Financial Statements

The Directors are responsible for preparing the Annual Report, the Remuneration Report and the company 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, the Directors have prepared the financial statements in accordance with

International Financial Reporting Standards (IFRSs). Under company law, the Directors must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing the financial statements, the Directors are required to:

Select suitable accounting policies and then apply them consistently.

Present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.

Make judgements and estimates that are reasonable and prudent.

State whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

They are also responsible for ensuring that the financial statements and the remuneration report comply with the Companies Act 2006.

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

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

Responsibility statements under the disclosure and transparency rules

Each of the current Directors confirms that, to the best of their knowledge:

The financial statements, prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company.

The Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

In addition, having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, the Directors are satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for the Shareholder Director to assess the company's performance, business model and strategy.

Disclosure of information to auditor

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

A handwritten signature in black ink, appearing to be 'E. Dexter', with a horizontal line underneath.

Emma Dexter

Chief Financial Officer
NHS Property Services Limited

07 November 2025

Remuneration Report



Statement from the Chair of the Remuneration Committee

The Board's Remuneration and Nomination Committee is chaired by Adrian Belton, Non-Executive Director. The committee is responsible for reviewing the terms and conditions of office of our Executive Directors, including salary, pensions, termination and/or severance payments and allowances. The committee meets routinely once a year, in May, with extraordinary meetings as required. Attendance at meetings held in during 2024/25 can be found on page 77. Outside of this cycle and in exceptional circumstances, changes to/new salaries are ratified by the committee at its next meeting.

Throughout the year, we have ensured that our remuneration policies align with the company's strategic objectives, promotes long-term sustainable success, and appropriately rewards and retains our top talent. We believe that our decisions reflect a fair balance between the interests of our Executive Directors and those of our shareholder (DHSC).

I would like to thank my fellow committee members for their diligence and commitment. We remain dedicated to maintaining the highest standards of corporate governance and transparency in our remuneration practices.

Remuneration for Executive Directors in 2024/25

For the financial year 2024/25 the Board Nominations and Remuneration Committee:

- Approved the annual performance related salary awards for the Executive Directors in line with the Senior Salaries Pay Review Body (SSRB) recommendations.
- Approved the bonus payments for the Executive Directors (together with senior managers) in line with the delivery of the Corporate Objectives agreed with the shareholder.
- Approved the salary for the interim Chief People Officer (CPO) together with the package on appointment to the substantive role.
- Approved the salary for the Chief Financial Officer (CFO).

Details of remuneration, including the salaries and pension entitlements of NHS Property Services Limited Board Directors are provided on page 102 to 104. The context within which these approvals were agreed is explained below under the Executive Director remuneration section of this annual report.

Executive Director remuneration

The committee determines the remuneration of Executive Directors after taking into account any changes to their responsibilities and market comparisons. There is scope for adjusting remuneration, after appointment, through the application of performance related pay.

The only non-cash element of the remuneration package is the employer contribution to the NHS Property Services Limited Group Personal Pension Plan (GPPP). Where matched contributions are into the scheme by both the employer and employee in accordance with statutory regulations.

Affordability is also considered in determining pay uplifts for Executive Directors ensuring they remain in line with those for very senior managers (VSM's) as per the recommendations of the SSRB.

Performance is closely monitored and discussed through both annual and ongoing appraisal processes. All Executive Directors' remuneration is subject to performance – they are employed on contracts of employment and are substantive employees of the company. Their contracts are open-ended employment contracts, which can be terminated by either party with six months' notice.

The company's redundancy policy is consistent with NHS redundancy terms for all colleagues. All Executive Directors are employed with a probationary periods in line with the practice applied across the company.

As Chair of the Board's Nominations and Remuneration Committee, I commend this report to you for the year 2024/25.



Adrian Belton

Non-Executive Director
Chair of the Board's Nominations and
Remuneration Committee

07 November 2025

Remuneration policy

This Remuneration Report covers members of the NHS Property Services Limited Board. The following elements of the Remuneration Report are subject to audit:

- Salaries (including performance pay) and allowances
- Compensation for loss of office
- Non-cash benefits
- Pension contributions
- Amounts payable to third parties for the services of senior managers
- Median remuneration

Remuneration approval for all new appointments to Director-level roles or positions with a base salary exceeding £174,000 per year is reserved to the Secretary of State for Health and Social Care, or a senior civil servant acting under their authority. Salary increases for existing colleagues continue to follow the internal Remuneration Committee (RemCom) approval process, which includes oversight from the Department of Health and Social Care (DHSC).

Senior management

The structure of pay for senior managers is designed to reflect the long-term nature of our business and the significance of the challenges we face. Executive salary surveys and periodic assessments are conducted by independent remuneration consultants. Uplift to salary for Directors is approved at the Remuneration and Nomination Committee where the Shareholder Director is a member.

Salary awards for colleagues in front line services were applied in-year.

Colleagues appointed post 1 April 2013 have been employed on company terms and conditions of service.

A company-wide bonus (and performance-related pay scheme) was introduced during 2016/17. Executive bonuses were endorsed by the Remuneration Committee in June 2025 based on delivery of corporate and personal objectives.



Service contracts

The individual contracts for Non-Executive Directors set out the fees and duration for their term of office. Fees are not pensionable. There is also no compensation provision for early termination. Notice periods are shown in the table below:

The details of Directors' service contracts, term and notice periods are shown in the following table. Executive Directors hold open-ended appointments. Non-Executive Directors are appointed on a three-term basis which will then be renewed or extended.

Early termination, other than for misconduct, would result in the individual receiving compensation. This is a reserved matter as set out in the Articles of Association section 5.3.2(j) and the company's Delegated Authorities.

Company Directors	Period as a Company Director	Current term	Notice periods
Martin Steele	4 July 2017 to present	n/a	Terminable by either party on giving 6 months' notice.
Emma Dexter	08 March 2024 to present	n/a	Terminable by either party on giving 6 months' notice.
Trish Stephenson	29 March 2023 to present	n/a	Terminable by either party on giving 6 months' notice.
Jackie Ducker	24 April 2023	n/a	Terminable by either party on giving 6 months' notice.
Jane Hamilton	22 March 2021 to 31 July 2024	1	Terminable by either party giving 3 months' notice.
Ellie Mason	26 March 2024 to 31st March 2025	n/a	The Shareholder Director is a senior civil servant at the Department of Health and Social Care and receives no remuneration from the company. There were also no recharges. Any potential conflict of interest is registered and managed in an appropriate way – see Directors' conflicts.
Adrian Belton	4 May 2021 to present	1	Adrian Belton's contract has been renewed to 04 May 2026. Either party can give 3 months' notice.
Nick Moberly	4 May 2021 to present	1	Nick Moberly's contract has been extended to 04 May 2025. Either party can give 3 months' notice.
Mark Lomas	1 September 2021 to 31 August 2024	1	Initial period of 3 years. Either party can give 3 months' notice.
Caroline Wehrle	1 September 2021 to present	1	Caroline's contract has been extended to 1 September 2027. Either party can give 3 months' notice.
Lakh Jemmett	01 August 2023 to present	1	Initial period of 3 years. Either party can give 3 months' notice.
Matthew Cooper	01 April 2025 to present	1	Initial period of 3 years. Either party can give 3 months' notice.
Ian Playford	01 October 2024 to present	1	Initial period of 3 years. Either party can give 3 months' notice.

Remuneration of Board members

Jane Hamilton		
Remuneration	2024/25	2023/24
Salary £'000	15-20	45-50
Bonus £'000	Nil	Nil
Allowances £'000	0-5	0-5
Pension benefits £'000	1	3
Total remuneration £'000	15-20	50-55
Comments	Resigned as NED and Chair 31 July 2024	

Eleanor Mason*		
Remuneration	2024/25	2023/24
Salary £'000	Nil	Nil
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	Nil	Nil
Total remuneration £'000	Nil	Nil
Comments	Resigned as Shareholder Representative and NED 31 March 2025	

Matthew Cooper**		
Remuneration	2024/25	2023/24
Salary £'000	Nil	Nil
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	Nil	Nil
Total remuneration £'000	Nil	Nil
Comments	Appointed as Shareholder Representative and NED 1 April 2025	

Nicholas Moberly+		
Remuneration	2024/25	2023/24
Salary £'000	35-40	25-30
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	Nil	Nil
Total remuneration £'000	35-40	25-30
Comments	Appointed as NED 4 May 2021	

Remuneration of Board members

Adrian Belton		
Remuneration	2024/25	2023/24
Salary £'000	25-30	25-30
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	Nil	Nil
Total remuneration £'000	25-30	25-30
Comments	Appointed as NED 4 May 2021	

Caroline Wehrle		
Remuneration	2024/25	2023/24
Salary £'000	30-35	25-30
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	1	1
Total remuneration £'000	30-35	25-30
Comments	Appointed as NED 1 September 2021	

Mark Lomas		
Remuneration	2024/25	2023/24
Salary £'000	10-15	25-30
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	1	1
Total remuneration £'000	10-15	25-30
Comments	Resigned as NED 31 August 2024	

Lakh Jemmett		
Remuneration	2024/25	2023/24
Salary £'000	25-30	15-20
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	1	1
Total remuneration £'000	25-30	20-25
Comments	Appointed as NED 10 July 2023	

Remuneration of Board members

Ian Playford**		
Remuneration	2024/25	2023/24
Salary £'000	10-15	Nil
Bonus £'000	Nil	Nil
Allowances £'000	Nil	Nil
Pension benefits £'000	Nil	Nil
Total remuneration £'000	10-15	Nil
Comments	Appointed as NED 1 October 2024	

Remuneration of Board members: Executive Directors

Martin Steele		
Remuneration	2024/25	2023/24
Salary £'000	240-245	230-235
Bonus £'000	30-35	30-35
Allowances £'000	15-20	15-20
Pension benefits £'000	9	19
Total remuneration £'000	300-305	295-300
Comments		

Trish Stephenson		
Remuneration	2024/25	2023/24
Salary £'000	180-185	165-170
Bonus £'000	15-20	10-15
Allowances £'000	15-20	15-20
Pension benefits £'000	18	17
Total remuneration £'000	235-240	215-220
Comments	Appointed to Board 29 March 2023	

Jackie Ducker		
Remuneration	2024/25	2023/24
Salary £'000	180-185	160-165
Bonus £'000	15-20	0
Allowances £'000	5-10	5-10
Pension benefits £'000	18	16
Total remuneration £'000	225-230	185-190
Comments	Appointed to Board April 2023	

Emma Dexter***		
Remuneration	2024/25	2023/24
Salary £'000	175-180	15-20
Bonus £'000	15-20	0
Allowances £'000	25-30	0-5
Pension benefits £'000	16	1
Total remuneration £'000	235-240	15-20
Comments	Appointed to Board 1 March 2024	

* Resigned in year | ** Appointed in year | *** Appointed prior year

+ Nick Moberly was appointed as Chair of Board October 2024

Total Board Directors' remuneration for 2024/25: £792,138, (2023/24: £707,806)

Directors' bonuses reported in FY2024/25 were calculated based on 2023/24 targets and paid in June 2024.

The Shareholder Director is a senior civil servant at the Department of Health and Social Care and receives no remuneration from NHS Property Services Limited

The values reported for Trish Stephenson and Emma Dexter for 23/24 have been pro-rated to reflect the remuneration received during their time as a serving board members

Median remuneration

NHS Property Services Limited are required to disclose the relationship between the remuneration of the most highly paid individual and their organisation and the median earning of the organisation's workforce. The table below details audited median earnings for the company.

Remuneration includes salary, non-consolidated performance related pay, and allowances. It does not include voluntary settlements, employer's pensions contributions and the cash equivalent transfer of pensions. The pay ratio calculations do not include agency workers or non-permanent staff.

	Highest paid Director			
New data	2024/2025	2023/2024	2022/2023	2021/2022
Mid-point highest earner's total remuneration (£) - with responsible allowance	£290,000-£295,000	£275,000-£280,000	£260,000-£265,000	£275,000-£280,000
% increase/decrease on previous year	5.41%	5.71%		

	Average percentage change taken from workforce as a whole			
New data	2024/2025	2023/2024	2022/2023	2021/2022
Average pay and allowances	£34,953.86	£32,810.87	£29,443.86	£27,340.02
% increase on previous year	6.53%	11.44%	7.70%	
Average performance related pay (bonus)	£717.37	£495.30	£443.61	£434.54
% increase on previous year	44.84%	11.65%	2.09%	

	Pay Ratios 2024/2025		
New data	25 th percentile pay	Median pay	75 th percentile pay
Percentile of total employee remuneration (excluding highest paid Director)	£23,615.00	£25,359.38	£38,566.32
Mid-point of Highest earner's total remuneration (£) – with pension allowance	£292,500	£292,500	£292,500
Ratio – with responsible allowance	12.4	11.5	7.6
	12.4:1	11.5:1	7.6:1

This report has been prepared in accordance with the Companies Act 2006.

Independent Auditor's report to the members of NHS Property Services Limited

Opinion on financial statements

I have audited the financial statements of NHS Property Services Limited for the year ended 31 March 2025.

The financial statements comprise the NHS Property Services Limited's:

- Statements of Financial Position as at 31 March 2025;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of the NHS Property Services Limited's affairs as at 31 March 2025 and their loss for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law. My responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the NHS Property Services Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NHS Property Services Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included assessing cashflow projections, considering the entity's current asset position and assessing support mechanisms from the Department of Health and Social Care including an indemnity and loan facility.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NHS Property Services Limited'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.

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

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the NHS Property Services Limited their environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Company Financial Statements, the directors are responsible for:

- maintaining proper accounting records;
- providing the Comptroller and Auditor General (C&AG) with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the NHS Property Services Limited from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the Remuneration Report, in accordance with the Companies Act 2006; and
- assessing the NHS Property Services Limited'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK))

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the NHS Property Services Limited accounting policies, key performance indicators and performance incentives.
- inquired of management, NHS Property Services Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NHS Property Services Limited's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NHS Property Services Limited's controls relating to the NHS Property Services Limited's compliance with the Companies Act 2006.
- inquired of management, NHS Property Services Limited's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and

- they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external specialists, including property and tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the NHS Property Services Limited for fraud and identified the greatest potential for fraud in the following areas: recognition of facilities management and service charge income, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the NHS Property Services Limited's framework of authority and other legal and regulatory frameworks in which the NHS Property Services Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NHS Property Services Limited. The key laws and regulations I considered in this context included Companies Act 2006, employment law and or pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Governance Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through

management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

- Conducting procedures on the risk in fraud in revenue recognition covering additional procedures on the occurrence of undocumented rental agreements and assessing any bias in assumptions or undocumented adjustments to the model calculation facilities management and service charge revenue.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Greg Wilson (Senior Statutory Auditor)
07 November 2025

For and on behalf of the

**Comptroller and Auditor General
(Statutory Auditor)**
National Audit Office
157-197 Buckingham Palace Road
Victoria, London SW1W 9SP



Annual Accounts

Statement of comprehensive income

For the year ended 31 March 2025

			Restated
	Notes	2025 £000	2024 £000
Operating revenue	2	810,646	807,940
Direct property expenses	3	(745,597)	(748,250)
Administrative expenses	4	(90,068)	(85,595)
Other operating expenses	5	(39,645)	(16,266)
Expected credit loss allowance expense	12	(22,996)	(39,947)
Operating loss		(87,660)	(82,118)
Finance income	7	1,923	2,062
Finance costs	7	(66,278)	(98,755)
Gain on disposal of property, plant and equipment		5,932	4,226
Loss before tax from continuing operations		(146,083)	(174,585)
Taxation	8	7,781	8,945
Loss for the year		(138,302)	(165,640)
Other comprehensive income, net of income tax			
<i>Items that will not be recycled to profit and loss:</i>			
Revaluation of property, plant and equipment		63,061	106,127
Deferred Tax provision	27	(11,896)	(18,587)
Other comprehensive income, net of income tax		51,165	87,540
Total comprehensive profit / (loss) for the year		(87,137)	(78,100)

The above relates wholly to continuing operations.

Notes 1 to 28 form part of these financial statements.

The prior period has been restated to reflect the recognition of Deferred Tax. Please refer to Note 28 on pages 156 to 159 for further information on the restatement.

Statement of financial position

For the year ended 31 March 2025

			Restated	Restated
	Notes	2025 £000	2024 £000	2023 £000
Non-current assets				
Property, plant and equipment	9	2,998,663	2,996,834	3,024,975
Right of Use Assets	10	1,383,890	1,434,013	1,448,181
Intangibles		5,756	5,754	8,386
Trade and other receivables	12	71,644	105,682	97,686
		4,459,953	4,542,283	4,579,228
Current assets				
Trade and other receivables	12	263,957	291,292	298,205
Cash and cash equivalents		105,182	121,861	141,941
		369,139	413,153	440,146
Assets classified as held for sale	13	1,825	20	20
Total assets		4,830,917	4,955,456	5,019,394
Current liabilities				
Trade and other payables	14	189,695	186,024	185,075
Borrowings	15	111,143	124,171	54,035
Provisions	16	25,341	23,503	22,993
		326,179	333,698	262,103
Non-current liabilities				
Trade and other payables	14	21,706	15,450	13,138
Borrowings	15	1,027,162	1,119,460	1,176,242
Provisions	16	46,008	43,617	50,566
Deferred Tax Liability	27	365,419	361,303	351,660
		1,460,295	1,539,830	1,591,606
Total liabilities		1,786,474	1,873,528	1,853,709
Net assets		3,044,443	3,081,928	3,165,685
Equity				
Share capital	18	324,321	274,632	259,841
Retained earnings		(1,557,924)	(1,438,266)	(1,305,555)
Revaluation reserve		1,289,730	1,257,246	1,202,708
Capital contribution reserve	19	2,988,316	2,988,316	3,008,691
Total equity		3,044,443	3,081,928	3,165,685

Notes 1 to 28 form part of these financial statements.

The prior period has been restated to reflect the recognition of Deferred Tax. Please refer to Note 28 on pages 156 to 159 for further information on the restatement.

These financial statements were approved by the Board of Directors on 7 November 2025 and signed on its behalf by:



Emma Dexter

Chief Financial Officer

7 November 2025

Company Registered Number: 07888110

Statement of cash flows

For the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Operating activities			
Loss for the year before tax		(146,083)	(174,585)
Adjustments for non-cash transactions:			
(Gain)/loss on disposal of Property, Plant and Equipment		(5,932)	(4,226)
Depreciation and Amortisation	9,10	271,374	264,563
PFI Liability FReM annual remeasurement	7	20,981	60,351
Indexation of Property, Plant and Equipment adjustment		(37)	(72)
Unwinding of discounts on provision	7	749	(6,247)
Movement on provisions and write-offs		(1,970)	(21,580)
Expected Credit Loss on Receivables	12	9,869	39,947
Impairments of Non-current Assets	5	17,806	21,554
Working capital adjustments:			
Interest Received (shown below)	7	(1,923)	(2,062)
Interest Paid (shown below)	7	44,548	44,651
(Increase)/decrease in Trade and Other Receivables		36,193	1,877
Increase/(decrease) in Trade and Other Payables	14	10,718	1,142
Provisions Utilised	16	(4,702)	(4,996)
Net cash inflow from operating activities		251,591	220,317
Investing activities			
Interest received	7	1,923	2,062
(Payments) for Property, Plant and Equipment		(193,679)	(140,845)
(Payments) for Peppercorn Leases		(12,487)	(166)
Proceeds from disposal of Property, Plant and Equipment		40,757	37,003
Net cash (outflow) from Investing Activities		(163,486)	(101,946)
Financing Activities			
Increase/(decrease) in Loans	15	(30,000)	30,000
Capital element of Payments in respect of Leases and PFI		(94,716)	(123,800)
Interest Paid	7	(44,548)	(44,651)
Share Issue		64,480	-
Net cash (outflow) from Financing Activities		(104,784)	(138,451)
Decrease in cash and cash equivalents for the year		(16,679)	(20,080)
Cash and cash equivalents at start of year		121,861	141,941
Cash and cash equivalents at end of year		105,182	121,861

Notes 1 to 28 form part of these financial statements.

NHS Property Services Limited has represented transactions previously reported under 'Movement on Provisions & Write-offs' to separately disclose 'Unwinding of Discounts on Provisions' as a distinct line item. In addition, payments related to the acquisition of peppercorn leases have been separately disclosed from those relating to the acquisition of property, plant and equipment. These change have been implemented to enhance clarity and improve the transparency of cash flows. The re-presentations have also been applied to the 2023/24.

Statement of changes in equity

For the year ended 31 March 2025

	Share capital	Retained earnings	Capital Contribution Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2024 Restated	274,632	(1,438,266)	2,988,316	1,257,246	3,081,928
Total comprehensive income for the period					
Retained profit/(loss) for the year	-	(138,302)	-	-	(138,302)
Net gain/(loss) on revaluation of property, plant and equipment				63,061	63,061
Deferred Tax Provision				(11,896)	(11,896)
Transfers between reserves		18,681		(18,681)	-
Transfers and adjustments		(37)			(37)
Other comprehensive income					-
Total comprehensive loss for the period	-	(119,658)	-	32,484	(87,174)
Transactions with owners, recorded directly in equity					
Issue of shares	49,689	-	-	-	49,689
Total contributions by owners	49,689	-	-	-	49,689
Balance at 31 March 2025	324,321	(1,557,924)	2,988,316	1,289,730	3,044,443

	Share capital	Retained earnings	Capital Contribution Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2023 Restated	259,841	(1,307,063)	3,008,691	1,204,215	3,165,684
Total comprehensive income for the period					
Retained profit/(loss) for the year	-	(165,640)	-	-	(165,640)
Net gain/(loss) on revaluation of property, plant and equipment	-	-	-	106,127	106,127
Deferred Tax Provision				(18,587)	(18,587)
Transfers between reserves	-	34,509	(20,375)	(34,509)	(20,375)
Transfers and adjustments	-	(72)	-	-	(72)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(131,203)	(20,375)	53,031	(98,547)
Transactions with owners, recorded directly in equity					
Issue of shares	14,791	-	-	-	14,791
Total contributions by owners	14,791	-	-	-	14,791
Balance at 31 March 2024 Restated	274,632	(1,438,266)	2,988,316	1,257,246	3,081,928

Notes 1 to 28 form part of these financial statements.

The prior period has been restated to reflect the recognition of Deferred Tax. Please refer to Note 28 on pages 156 to 159 for further information on the restatement.

Notes to the financial statements

Note 1 - Accounting Policies

Corporate information

NHS Property Services Limited ("the company") is incorporated and domiciled in the UK. The company's registered office is at Regent House, Heaton Lane, Stockport, Cheshire, United Kingdom, SK4 1BS.

The company was incorporated on 20 December 2011. However, it did not start trading until 1 April 2013. The company is wholly owned by the Secretary of State for Health and Social Care. The parent entity is the Department of Health and Social Care.

The principal activities of the company are to manage, maintain and improve NHS properties and facilities, working in partnership with NHS organisations to create safe, efficient, sustainable and modern healthcare and working environments.

The Company operates as a single operating segment. This is consistent with management information used in decision making.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except where modified by the revaluation of land and buildings measured at fair value.

The company's financial statements are presented in sterling, which is the company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Statement of compliance

The company's financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union and applied in accordance with the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis as the Directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

NHS Property Services Limited's going concern status for 2024/25 is supported by its strong liquidity position with £45 million net current assets, access to a £250 million loan facility from the Department of Health and Social Care with £250 million (full amount) remaining available at year-end, robust cash flow projections showing over £100 million in cash balances through March 2027, the ongoing financial support from its parent DHSC which has indemnified funding shortfalls, and its substantial £3 billion net asset position derived mainly from its £3 billion property portfolio. While the company is forecasting operating deficits driven largely by depreciation charges, this is not expected to significantly impact cash flows or future viability, as the deficits relate primarily to non-cash expenses. Despite budgeting an operating loss in 2025/26 driven by depreciation, the company's overall financial health, financing access, cash flows, and asset backing mitigate any significant going concern risks.

The company is wholly owned by the Secretary of State for Health and Social Care who has given an undertaking that supports the 'going concern' view of the company. Specifically, an indemnity has been issued that commits the Secretary of State for Health and Social Care to provide funding, in the event of other sources of income being insufficient, for all property related liabilities and obligations either inherited by the company or which arise in relation to future projects.

The Directors have assessed the Company's ability to continue as a going concern over a period extending to March 2027. Based on this review, the Directors have a reasonable expectation that the Company has adequate

resources to remain in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Standards adopted during the year

No new standards adopted during the year.

Standards in issue but not effective

IFRS 18 - Presentation and Disclosure in Financial Statements, will become effective for reporting periods beginning on or after 1 January 2027. IFRS 18 introduces a new structure for the presentation of financial performance, including revised requirements for the statement of profit or loss, enhanced disclosure objectives, and new categories for income and expenses. It replaces IAS 1 Presentation of Financial Statements. NHS Property Services Ltd plans to apply IFRS 18 from 1 January 2027. The impact of IFRS 18, at this stage, is not known or reasonably estimable.

Significant accounting policies

a) Leases

Leases are recognised under the leasing standard IFRS 16, applied on the 1 April 2019.

The company as lessee

Under IFRS 16 leases are recognised as a right of use asset with a corresponding lease liability on the balance sheet. The asset and liability are initially and subsequently measured using the cost model. Each lease payment is allocated between a reduction of the liability and the interest expense. The interest expense is charged to the Statement of Comprehensive Income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The company has applied the exemption for short-term leases (less than 12 months) and

low value assets. In these cases, the leases are accounted for as short-term leases and the lease payments associated with them are recognised as an expense from short-term leases.

The company as lessor

Amounts due from lessees under leases are recorded as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Contingent rentals are recognised as revenue when earned.

b) Income

Revenue is recognised to the extent that performance has been provided and it is probable that economic benefits will flow to the company which can be reliably measured. Revenue is measured at the fair value of the consideration receivable.

The main source of revenue for the company is from rental income, the provision of facilities management and service charges. Rental income is outside the scope of IFRS 15 and is reported under IFRS 16.

Revenue has been disaggregated by major service line. The company typically satisfies performance obligations as services are rendered. There are no significant financing components of any contracts carried out. Due to the nature of the services provided, revenue relates to services provided in the financial year, therefore no contract assets or liabilities arise. As contracts run in line with the financial year, there are no unsatisfied obligations at the year end. There are no obligations for warranties, refunds, returns or any other related obligations. For all revenue streams, cash flows match the provision of services and a receivable is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the company.

The table below describes the revenue from contracts.

Sessional Space income is included in rental income and relates to the use of space by customers, on an ad hoc basis. Users of sessional space are billed based on the time and amount of space they use. Revenue is recognised over time as the customer simultaneously receives and consumes all of the benefits provided therefore satisfying the performance obligation.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Facilities Management Income	<p>Facilities management (FM) income relates to FM services carried out within the space that the customer is occupying. In most instances these are billed to customers upon completion of the service.</p> <p>If there is a formal contract in place, these charges follow the same principle as service charge income and are recognised over time as the customer simultaneously receives and consumes the benefits provided.</p>
Service Charge Income	<p>This represents service charges that arise on multi-tenanted properties and covers costs relating to the common parts, shared areas and services. Service charges are normally outlined in the relevant lease.</p> <p>Revenue is recognised over time, in line with the overall lease rental revenue as the customer simultaneously receives and consumes all of the benefits provided by the company as they are performed.</p> <p>Cash flows relating to this revenue stream match the provision of services rendered and are recognised as a receivable when the amount can be reliably measured, and it is probable that future economic benefits will flow to the company.</p>
Management Fees	<p>Management fees are charged on top of the cost that is passed onto tenants on rent, service charges, FM and additional sums, based on the charging policy.</p> <p>These follow the pattern of the income they relate to and are covered in the above categories, either being recognised over time or upon completion of the service.</p>
Capital funding income	<p>The company receives grants in order to carry out capital investment in its own premises to support the provision of healthcare. The company has adopted the deferred income model per IAS 20 to account for these grants, whereby deferred income from the grant is credited to the Statement of Comprehensive Income in a pattern equal to the consumption of value of the capital investment created by the grant.</p>
Other Fees and Charges	<p>Other income is primarily made up of catering income, car park income and other invoices. These contracts tend to be ad hoc and relate to specific goods or services.</p> <p>The transaction price is determined in the contract and is recognised at the point in time when the customer takes possession of the asset. Cash flows match the provision of services and a receivable is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the company.</p>

c) Finance income and expenses

Finance income is mainly comprised of interest income on lease receivables.

Finance costs are comprised of interest payable on borrowings, lease and Private Finance Initiatives (PFI) liabilities. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

d) Other expenses

Operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

e) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument or, in the case of trade receivables, when the goods or services have been provided. Financial assets are initially recognised at fair value. For trade receivables that do not contain a significant financing component, they are recognised at the transaction price in accordance with IFRS.

Financial assets are classified based on the Company's business model for managing the assets and the contractual cash flow characteristics, in accordance with IFRS 9.4.1.1.

The classification categories are:

- **Amortised cost** – for assets held to collect contractual cash flows that are solely payments of principal and interest.
- **Fair value through other comprehensive income (FVOCI)** – for assets held both to collect cash flows and to sell.
- **Fair value through profit or loss (FVTPL)** – for all other financial assets.

Subsequent measurement is based on the classification:

- Assets at amortised cost are measured using the effective interest method, less impairment.
- Assets at FVOCI are measured at fair value, with changes recognised in other comprehensive income.
- Assets at FVTPL are measured at fair value, with changes recognised in profit or loss.
- Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred.

Cash and cash equivalents

Cash and cash equivalents are defined as cash balances with original maturities of three months or less. The company has no other investments with banks or bank overdrafts.

Trade and other receivables

Trade and other receivables are recognised at their transaction price and subsequently measured net of a loss allowance for expected credit losses. Further information on trade receivables is included in note 1q).

f) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Assets which are being actively marketed, but where the sale is unlikely to complete within one year are recognised in line with IAS 16. Information on a potential sale price is considered as part of the fair value assessment of those properties.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

The gain or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income.

g) Property, plant and equipment

Recognition and measurement

Property, plant and equipment asset classes predominantly consist of land, buildings, plant and equipment and furniture and fittings.

The company has recognised its property, plant and equipment in accordance with IAS 16.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses unless they are considered to be specialist buildings, for which there is no external market and are therefore valued at depreciated replacement cost. However, where an external market has been established for specialist buildings, or a more appropriate measure of market value is available for land and non-specialist buildings, then this source of information will be used for valuation purposes.

Buildings are considered specialised where they are constructed, laid out and/or contain specialised plant and engineering services, specifically to deliver healthcare services (including, where applicable, ancillary support services to healthcare).

Non-specialised buildings are generally office accommodation or residential accommodation.

Leasehold improvements, which are a separate class of asset to Buildings are measured at cost, less accumulated depreciation and impairment losses. Where leasehold improvements form part of a finance lease arrangement with a

lessee as described in note 1q), these assets are reclassified to ROU assets before derecognition as the risk and rewards of the asset transfer to the lessee.

Assets under construction and development scheme work in progress are carried at cost. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. An impairment review is performed when the asset is ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for intended use.

All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings, including PFI, are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

The company has adopted a 5 year rolling programme of revaluations across its portfolio. The company has adopted the following bases of valuation:

- Specialised buildings – depreciated replacement cost (modern equivalent asset)
- Land and non-specialised buildings – market value (existing use value)

Within this programme approximately 40% of properties are revalued each year, except in 2024/25 20% were revalued as this was the first year of the new programme. In the current year we applied indexation to the non-valued DRC and EUV element of the portfolio. Additional indexation was also applied to the valued DRC building element of the portfolio to reflect movements in the BCIS used in the valuation to ensure the portfolio was held at fair value at reporting date.

The revaluation results for an asset are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation

reserve, this balance is not recognised in other comprehensive income but is recognised in the profit or loss. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then recognised in other comprehensive income. Right of Use (ROU) assets including leases provided to the company on a peppercorn basis, excluding PFIs, are held under the cost model.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the company and the cost of the item can be measured reliably. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the net carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to retained earnings.

Impairment

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for indicators of impairment as at each balance sheet date and whenever events or changes in circumstances indicate that the carrying

amount may not be recoverable. If any such indication exists, the company shall estimate the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is treated as a revaluation decrease (see above).

For assets not carried at a revalued amount, the impairment loss is recognised in the profit or loss.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than non-leased land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Where the useful lives and associated depreciation rates of major classes of property, plant, and equipment have not been advised by our external property valuers, or are not estimated based on the leased asset to which they relate, they have been estimated as follows:

Buildings	Buildings main structure 10 – 60 years
	Engineering works 10 – 25 years
	External works 10 – 50 years
Plant and equipment	5 – 15 years
Furniture and fittings	5 – 10 years

Depreciation is charged monthly, and additions are depreciated from the date they are brought in to use.

h) Intangible assets

Intangible non-current assets are non-monetary assets without physical substance that are capable of sale separately from the rest of the company's business or arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the company; where the cost of the asset can be measured reliably; and where the cost is at least £5,000. Intangible non-current assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware is capitalised as an intangible asset. Following initial recognition, intangible assets are amortised over their useful lives determined to be a minimum of two years and maximum of five years. Intangible assets are carried at depreciated historic cost as a proxy for fair value.

i) Private Finance Initiatives (PFI) transactions

The company accounts for infrastructure PFI schemes where it controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of the International Financial Reporting Interpretations Committee 12 (IFRIC 12). The company therefore recognises the PFI asset as a right of use asset, together with a liability to pay for it. The fair values of services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Service charge
- Repayment of capital
- Interest element (using the interest rate implicit in the contract)

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within operating expenses.

Assets

The assets are measured initially at the present value of the minimum lease payments, and subsequently measured at fair value. These transactions fall within the scope of IFRIC 12 and are therefore not within the scope of International Financial Reporting Standards 16 (IFRS 16). PFI assets are shown under Right of Use assets for disclosure purposes only. Where the operator enhances assets already recognised in the Statement of Financial Position, the fair value of the enhancement in the carrying value of the asset is recognised as an asset.

Where the PFI asset is owned by the PFI company and the company has an option to purchase the asset at the end of the term, the company has assumed that this option would be exercised. The asset is held as a financial instrument which is off-set against the lease liability and depreciated for the length of the contract period.

Liabilities

A PFI liability is recognised at the same time as the assets are recognised. It is measured initially at the present value of the minimum lease payments and is subsequently measured as a lease liability with reference to the "Accounting for Public-private partnership (PPP) arrangements, including PFI contracts, under IFRS" guidance outlined in the Financial Reporting Manual (FRM) for grantors.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period and is charged to finance costs within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Lifecycle replacement

An element of the unitary fee payment is allocated to lifecycle replacement costs. This is considered to be an expense when it is paid, with any changes to asset valuations being made through our programme of professional valuations.

IFRS 16 does not provide explicit guidance regarding PFIs. Consequently, the application of IFRS 16 to PFI's has been conducted in accordance with the directives outlined in the FReM. NHS Property Services Ltd does not itself follow the FReM, however the FReM adaptation is applied per IAS 8 which states that in the absence of a specific IFRS requirement, management should use its judgement, and can consider other standard-setting bodies in developing an accounting policy.

j) Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the company becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

The company has financial liabilities, comprising finance lease liabilities, PFI liabilities, loans and trade and other payables.

Trade and other payables

Trade and other payables are recorded at their face value.

Borrowings

Borrowings are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method.

k) Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

l) Superannuation schemes

Defined benefit scheme

Employees who have been TUPE transferred over to the company are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme. The cost to the company of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the company commits itself to the retirement, regardless of the method of payment.

Defined contribution plan

Employees who join the company on or after 1 April 2013 are automatically enrolled into the Scottish Widows group personal pension scheme. This is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of

Comprehensive Income in the periods during which services are rendered by employees.

m) Provisions

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect is material, when a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rates as set by HM Treasury's annual Public Expenditure System paper (PES) as the basis plus inflation. The PES rates have been used as these best reflect the market and risks specific to NHS Property Services Limited.

Dilapidations

For a number of the company's leased premises, the company is required at the expiry of the lease term to make good any damage caused to the premises and to remove any furniture and fittings installed by the company. Refer to note 16 for more information.

Restructuring

A restructuring provision is recognised when the company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

n) Equity and reserves

Share capital

Ordinary share capital is classified as equity.

Retained earnings

Retained earnings represents the cumulative earnings of the business over time.

Capital contribution

The capital contribution reserve is not a distributable reserve and cannot be applied to fund expenditure. This is in line with section 830(2) of the Companies Act 2006, as this reserve does not consist of realised profits. The reserve reflects the value of assets transferred to the company at nil cost by NHS entities. Where further information is subsequently identified about the value of the assets at the date of transfer the reserve is adjusted to reflect this.

Revaluation reserve

The revaluation reserve captures unrealised gains or losses from asset revaluations. It reflects changes in fair value of assets and is recorded in the equity section. The purpose of this reserve is for increased transparency, capital maintenance, comparability, and compliance with distribution restrictions.

o) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the company. A contingent asset is disclosed where an inflow of economic benefits is probable.

p) Taxation

Corporation tax

Tax on the Statement of Comprehensive Income for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A net deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

In line with IAS 12 Income Taxes, deferred tax liabilities are recognised on revaluation reserves arising from upward property revaluations. Deferred tax assets and liabilities are presented net because there is a legally enforceable right to offset current tax assets against current tax liabilities where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. The recognition of deferred tax can result in either a tax credit or tax expense line in the Statement of Comprehensive Income (SoCI), reflecting the movement in deferred tax balances.

Value Added Tax (VAT)

Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT. Where input tax is not recoverable, VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

q) Critical accounting judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, which are described in the key accounting policies above and in the Accounting Policies in note 1, 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 where it affects only that period or in the period and future periods if it affects both current and future periods.

Critical accounting judgements

The following are the critical accounting judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Leases

Significant judgements applied include the methodology underlying the incremental borrowing rate for the company. Having significant numbers of commercial entities as the lessor counterparty, as a lessee it is not readily possible to determine the interest rate implicit in a lease. The discount rates applied as of the transition date are predominantly based on the company's incremental borrowing rate. The weighted

average discount rate was 1.52% on the existing stock of leases. In determining an incremental borrowing rate the company considers that it secures borrowing exclusively from its parent: the Department for Health and Social Care. Any hypothetical borrowing which would be secured to finance purchase of leased assets rather than lease them would have been secured at the current weighted average discount rate of 4.81% for the period 1st January to 31st March 2025 and 4.72% for the period 1st April to 31st December 2024. These rates are derived from the rates promulgated and set annually by HM Treasury in a PES paper.

As a lessee, held over leases are headleases where the original contract has expired but the premises remains occupied by the lessee and rental payments continue to be made to the lessor. These leases are initially recognised at the point of contract expiry and remeasured at reporting date when the term length is reassessed using the latest available discount rate for each valuation. In lieu of an active contract, informal terms or the terms of previously concluded leases are followed as a best estimate of tenure as this length has been stable in recent years. For this purpose, the held over lease population has been split into three categories in accordance with NHS England guidance. The assessment of this categorisation is based on scoring of the property's quality, fitness for purpose, future proofing and clinical strategy as shown on the following page:

- **Core**
Good quality, fit-for-purpose and future-proof estate that aligns with the long-term plan and Integrated Care Systems' clinical strategy.
- **Flex**
Estate that is of an acceptable quality, or provides unique access to services, but that does not fully enable the ambitions of the long-term plan.
- **Tail**
Poor quality estate that is not fit-for-purpose or for patient-facing services and should be phased out when alternative estate is available.

To account for these headleases under IFRS 16, each category has been assigned an estimated lease term based on historic lease additions and renewal term lengths: Core, 10 years; Flex, 7 years; Tail, 0 years. This judgement is aligned with the IFRS 16 requirement for lessee's to identify where a lease exists and assess the enforceable term, including any reasonably certain intention to exercise an extension option. The value of these held over leases are recognised as a right of use asset and lease liability.

As a lessor, where the company has entered into finance lease arrangements the readily available rate implicit in the leases is used. The judgement criteria for determining whether as a lessor, there exists a finance sublease, is the proportion of the headlease term that is covered by the sublease arrangement. The company determines that a period greater than or equal to 75% of the headlease term should be a necessary qualifying criterion.

Refer to Note 10 where we have performed sensitivity analysis on the categorisation of Core, Flex and Tail which drive estimation uncertainty.

Property, plant and equipment

98% of the building portfolio is valued on a depreciated replacement cost (DRC) basis, the inputs for this process are described in note 9. The valuation is built up on the basis of each asset having a modern equivalent asset derived from building surveys and cost indices from the build cost information service (BCIS), the type or class of building, the age and minimum and maximum age of a building as well as consideration for the overall condition of the building. These inputs mean the building values are sensitive to a number of areas of estimation including the following:

Build cost information service (BCIS) indices

BCIS cost indices are used as input within the DRC valuation as described in note 9. BCIS are derived from historic build cost data and judgement is required to apply the correct index based on the build type and location. NHS Property Services Limited relies on expert input for the application of the indices.

Useful economic life

NHS Property Services Limited makes assumptions about minimum and maximum building ages as well as our valuation experts relying on historic information and asset surveys to determine building ages, this is further outlined in note 1g. These inputs are used to derive a building's useful economic life which when considered with the modern equivalent asset value informs the depreciated replacement cost.

Building type classification

Each building must be assigned a building type which informs other variables such as the BCIS index to use or the useful economic life. This classification is an area of judgement where NHS Property Services Limited relies on expert input.

Refer to Note 9 where we have performed sensitivity analysis on inputs driving estimation uncertainty.

Impairment of receivables

NHS Property Services Limited uses the simplified approach available under IFRS 9 for short-term trade receivables, employing a provision matrix to expected lifetime credit loss allowance. The company impairs trade receivables based on an assessment of their recoverability.

Impairments are applied to receivables where events or circumstances indicate that the carrying amounts may not be recoverable. Management specifically assesses the recoverability of receivables for each customer as follows:

1. Each customer is assigned a risk rating that assesses the likelihood of default.
2. For NHS customers, the risk rating is based on management's judgment and previous experience.
3. For non-NHS customers, the risk rating incorporates external credit risk ratings in addition to management's assessment.
4. A recovery percentage based on the age of debt and risk rating is then applied to determine the expected credit loss. This approach ensures that the company's

credit risk management practices align with the requirements of IFRS 9 and provide a comprehensive assessment of expected credit losses for trade receivables.

Management considers a trade receivable to have no reasonable expectation of recovery when one or more of the following indicators are present:

- The customer is experiencing significant financial difficulty.
- The customer has filed for bankruptcy or other financial reorganisation.
- Legal actions to recover the debt have been unsuccessful or deemed unlikely to succeed.

The company defines default for trade receivables as when the customer has filed for bankruptcy or other financial organisations. These definitions were selected based on the company's historical experience with payment patterns and the different risk profiles of NHS and non-NHS customers.

When an amount is deemed irrecoverable, the balance is written off, using management judgement on a case-by-case basis.

Refer to Note 12 where we have performed sensitivity analysis on the risk profile of customers which drive estimation uncertainty.

The company has assessed its lease receivables, which are recognised where it acts as a lessor and that lease is a finance lease, for lifetime expected credit losses and in management's view no impairment to these receivables is required. These lease receivables represent arrangements where the transfer of risks and rewards are clear under the terms of a lease. Unlike other occupancy arrangements the company may hold with customers, based on management's previous experience, these payments are regularly received without delinquency.

Note 2 - Operating revenue

The following is an analysis of the company's revenue for the year from continuing operations.

	2025 £000	2024 £000
Rental income	282,972	290,741
Facilities management and service charge income	364,199	355,376
Other fees and charges	9,189	6,772
Capital Funding Income	16,537	20,055
PFI Income	137,749	134,996
	810,646	807,940

	2025 £000	2024 £000
Revenue from Contracts with Customers	527,674	517,199
Revenue from Operating Leases	282,972	290,741
	810,646	807,940

The company does not have any contract assets or liabilities arising from contracts with customers.

The balance as at 31 March 2025 of receivables from contracts with customers is £281m (2024: £302m).

Note 3 - Direct property expenses

	Note	2025 £000	2024 £000
Depreciation of property, plant and equipment	9	164,979	159,386
Depreciation of right of use assets	10	101,656	99,916
Amortisation		1,965	2,999
Rental expense		22,249	28,399
Lease contingent rent expense		6,320	12,100
Facilities management		164,086	160,202
Utilities		67,095	76,132
Rates		41,747	38,297
Repairs, maintenance and insurance		30,084	29,228
External construction costs		16,321	20,168
Staff Costs	6	126,080	118,751
Legal and Professional		3,015	2,672
		745,597	748,250

Note 4 - Administrative expenses

	Note	2025 £000	2024 £000
Staff costs	6	68,930	63,854
Legal and professional fees		3,990	4,345
Chairman and non-executive directors' costs		220	209
External audit fees		568	550
Internal audit fees		183	176
Other professional fees		67	88
Depreciation of property, plant and equipment	9	1,999	995
Amortisation		775	1,267
Office Costs		2,890	4,660
Software, Systems and Maintenance		7,668	6,873
Other administrative expenses		2,778	2,578
		90,068	85,595

The External audit fee stated above is the gross figure. The net audit fee for the year is £473k.

Note 5 - Other operating expenses

	Note	2025 £000	2024 £000
Impairment (reversal) of property, plant and equipment		17,806	21,554
Dilapidations movements		18,606	(6,164)
Doubtful Debt movements		2,555	(752)
Other		678	1,628
		39,645	16,266

In the current year the low value lease expense is included as part of software, system and maintenance within Note 4 - Administrative expenses.

Further detail on impairment of property, plant and equipment, included within Note 9.

Note 6 - Staff costs

	2025 £000	2024 £000
Wages and salaries	162,016	153,733
Agency staff costs	6,580	3,901
Social security costs	15,557	15,105
Contributions to defined contribution plans	10,858	9,866
	195,011	182,605

Directors remuneration is disclosed in the remuneration report on page 98.

Staff costs is included in both Direct Property Expenses £126,080k (2024: £118,751k) and Administrative Expenses £68,930k (2023: £63,854k)

Employee pension costs have been reclassified to wages and salaries from contributions to defined contribution plans.

Average Number

The monthly average number of staff employed by the company (including directors) during the year was:

	Headcount 2025	Headcount 2024
Permanent staff	5,405	5,483
Contractor staff	19	24
	5,424	5,507

Note 7 - Finance income and costs

	2025 £000	2024 £000
Finance income		
Interest on Leases	1,807	2,049
Interest income	116	13
	1,923	2,062
Finance costs		
Interest on loans	574	210
Interest on obligations under PFI contracts and Leases	43,974	44,441
PFI Liability FReM annual remeasurement	20,981	60,351
Unwinding of discounts on provision	749	(6,247)
	66,278	98,755

Note 8 - Corporation tax

	Restated	
	2025	2024
	£000	£000
Recognised in the statement of comprehensive income		
Current tax expense		
In respect of the current year	-	-
In respect of prior years	-	-
	-	-
Deferred tax		
Current year charge	(7,781)	(8,945)
Adjustment in respect of prior years	-	-
Deferred tax credit	(7,781)	(8,945)
Total tax credit	(7,781)	(8,945)

The corporation tax expense for the year can be reconciled to the accounting profit as follows:

Reconciliation of effective tax rate		
Loss before tax from continuing operations	(146,083)	(174,585)
Corporation tax expense/(Credit) calculated at 25% (2024:25%)	(36,521)	(43,646)
Effect of income that is exempt from taxation	(1,483)	(137)
Effect of expenses that are not deductible in determining taxable profits	33,775	33,096
Effect of capital losses not deductible	(3,552)	-
Effect of utilised carried forward losses	-	1,742
Total tax credit	(7,781)	(8,945)

Deferred tax at 31 March 2025 is calculated at a rate of 25% (2024: 25%) based on the tax rate expected to prevail based on legislative enactments at the point temporary differences resolve. The amount at which temporary differences crystallise is sensitive to the decisions on future tax laws to be taken by Parliament. UK corporation tax is calculated at 25% (2024: 25%).

Please see note 28 for further information on restatement.

Note 9 - Property, plant and equipment

	Land	Buildings	Leasehold improvements	Assets under construction	Development schemes work in progress	Plant and equipment	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost as at 1 April 2024	1,005,765	1,677,176	254,021	153,758	12,924	10,456	1,735	3,115,835
Reclassifications	1,366	111,646	24,579	(136,151)	(1,660)	14	-	(206)
Additions	198	1,248	-	182,650	3,130	2,861	-	190,087
Revaluation	6,627	(51,067)	(381)	-	-	-	-	(44,821)
Disposals	-	353	(353)	-	-	-	-	-
In year transfer to / from other bodies and other transfers	218	(218)	-	-	-	-	-	-
Impairment	(16,956)	(64,848)	(10,520)	(597)	(1,291)	(54)	(33)	(94,299)
Reclassifications to assets held for sale	(27,877)	(7,454)	(630)	-	-	-	-	(35,961)
As at 31 March 2025	969,341	1,666,836	266,716	199,660	13,103	13,277	1,702	3,130,635
Depreciation as at 1 April 2024	9	3,933	106,022	-	-	7,390	1,667	119,021
Reclassifications	-	(12)	-	-	-	-	-	(12)
Charged during the year	-	146,872	18,555	-	-	1,548	3	166,978
Revaluation	-	(145,871)	(426)	-	-	-	-	(146,297)
Disposals	-	-	-	-	-	-	-	-
In year transfer to / from other bodies and other transfers	-	-	-	-	-	-	-	-
Impairment	-	(2,028)	(5,606)	-	-	(51)	(33)	(7,718)
Reclassifications to / from assets held for sale	-	-	-	-	-	-	-	-
As at 31 March 2025	9	2,894	118,545	-	-	8,887	1,637	131,972
Net book value as at 31 March 2025	969,332	1,663,942	148,171	199,660	13,103	4,390	65	2,998,663

Depreciation of property plant and equipment is included in both direct property expenses £164,979k (2024: £150,386k) and Administrative Expenses £1,999k (2024: £955k).

Note 9 - Property, plant and equipment (continued)

	Land	Buildings	Leasehold improvements	Assets under construction	Development schemes work in progress	Plant and equipment	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost as at 1 April 2023	1,112,158	1,565,579	252,058	207,182	-	9,704	1,737	3,148,418
Reclassifications	3,788	154,192	7,734	(203,050)	11,560	-	-	(25,776)
Additions	105	263	(80)	148,893	2,066	885	-	152,132
Revaluation	16,920	90,410	(96)	-	-	-	-	107,234
Disposals	-	-	-	(53)	-	-	-	(53)
In year transfer to / from other bodies and other transfers	(7,993)	(19,515)	-	-	-	(29)	-	(27,537)
Impairment	(95,490)	(105,181)	(4,735)	786	(702)	(104)	(2)	(205,428)
Adjustments	-	-	-	-	-	-	-	-
Reclassifications to / from assets held for sale	(23,723)	(8,572)	(860)	-	-	-	-	(33,155)
As at 31 March 2024	1,005,765	1,677,176	254,021	153,758	12,924	10,456	1,735	3,115,835
Depreciation as at 1 April 2023	9	4,496	111,184	-	-	6,089	1,665	123,443
Reclassifications	-	-	(15,178)	-	-	-	-	(15,178)
Charged during the year	-	144,586	14,372	-	-	1,420	3	160,381
Revaluation	-	(129,722)	(545)	-	-	-	-	(130,267)
Disposals	-	-	-	-	-	-	-	-
In year transfer to / from other bodies and other transfers	-	(1,129)	-	-	-	(18)	-	(1,147)
Impairment	-	(14,298)	(3,831)	-	-	(101)	(1)	(18,231)
	-	-	-	-	-	-	-	-
As at 31 March 2024	9	3,933	106,002	-	-	7,390	1,667	119,001
Net book value as at 31 March 2024	1,005,756	1,673,243	148,019	153,758	12,924	3,066	68	2,996,834

In the year ended 31 March 2025, 21% of the company's freehold land and buildings by value underwent a valuation review. The company obtains valuations performed by external property valuers, Montagu Evans LLP, in order to determine the fair value of its land and building portfolio. The effective date of the revaluation is 31 March 2025.

Total impairment charge in the year per Note 5 is £17,806k (2024: £21,554k), due to revaluation upwards 19,015k (2024: £44,408k) and revaluation downwards £34,653k (2024: £65,962k).

All valuations are undertaken in accordance with the following Standards:

- International Financial Reporting Standards published by the International Accounting Standards Board;
- Valuation - Professional Standards (January 2014) of the Royal Institution of Chartered Surveyors;
- International Valuation Standards published by the International Valuation Standards Committee.

Note 9 - Property, plant and equipment (continued)

Specialist buildings, for which there is no external market, are valued at depreciated replacement cost. Land and non-specialist buildings are valued at fair value, interpreted as market value for existing use.

Had the cost model been used the carrying amount of the land and building assets as at 31 March 2025 would have been £720m for Land (2024: £743m) and £1,473m for Buildings (2024: £1,523m).

Fair value hierarchy

The different valuation method levels are defined below. These levels are specified in accordance with IFRS 13 'Fair Value Measurement':

- **Level 1:**
Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:**
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:**
Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between fair value hierarchy levels during the year.

Where land and buildings are considered to be non-specialised, level 2 inputs are used to calculate Existing Use Value. The determination of fair value is primarily based on market values for comparable properties, if they were to be sold between two parties, without compulsion, but with a view that they would remain in their current (existing) use; or, when this is not appropriate for buildings, the income approach is used.

Where buildings are considered to be specialised by their nature, level 3 inputs are used as there is little or no market data available for valuation inputs. The determination of fair value is based on the current cost of replacing the asset with its modern equivalent asset (depreciated replacement cost), less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

98% of the buildings revalued were derived from the BCIS Indices (level 3 inputs) adjusted for location and condition. The remaining 2% were revalued at level 2.

Unobservable inputs

BCIS Indices which provide the "mean UK new build figures per sq. ft." The Indices are broken down across various building types and provide an accurate average figure across the UK.

BCIS location weighting the construction costs. This weighting reflects regional differences in build costs.

Assumptions

The construction of the replacement buildings are assumed to be undertaken on a cleared site, ready for development, and an 'instant build' basis. As such, there is no allowance for site clearance and preparation, or for finance on the build costs.

The replacement buildings would be constructed at the date of valuation without phasing or lead in periods. The replacement buildings will be constructed in compliance with current building standards and requirements which are likely to differ in appearance and construction type from those buildings that presently exist on site(s).

The replacement buildings being of the same floor area as those existing and offering the same service potential.

There is a minimum ten-year residual useful life for all assets subject to revaluation.

Note 9 - Property, plant and equipment (continued)

Estimation uncertainty - Sensitivity Analysis

The valuation of Property, Plant and Equipment (PPE) is subject to estimation uncertainty due to the use of key assumptions and inputs noted above. The most significant inputs to the valuation are BCIS Build Costs (including location factors), Land Values, and Residual Useful Lives.

To illustrate the sensitivity of the valuation to changes in these inputs, we have modelled the impact of reasonably possible variations as follows:

- BCIS Build Costs: $\pm 15\%$ change in BCIS rates (including location factors)
- Land Values: $\pm 15\%$ change in land value per hectare
- Residual Useful Lives: ± 1 year change in remaining useful life (capped at 60 years)

The table below summarises the estimated impact on the overall valuation of PPE as at 31 March 2025:

Inputs	Input change	Impact on value £000	Impact on value %
Building Cost input after location factor	$\pm 15\%$	$\pm £78,098$	$\pm 10.4\%$
Land value per hectare	$\pm 15\%$	$\pm £32,129$	$\pm 4.3\%$
Residual life	± 1 year	$\pm £21,911$	$\pm 2.9\%$

The annual asset valuation comprises mostly of Depreciated Replacement Cost (DRC) valuations and is therefore sensitive to BCIS build costs, building residual lives, and land values:

- **Build costs:**

Build costs are driven by inflationary pressures in the wider economy as well as supply and demand dynamics in the construction sector.

- **Residual lives:**

The asset valuation DRC assumes 60 years residual life for new permanent buildings. Each year the residual life falls until it reaches a minimum 10 years. Key factors positively impacting the residual life are Capex and re-appraising building ages.

- **Land values:**

The asset valuation land matrix covers land values for offices, industrial and occasionally residential. Land values are therefore sensitive to office rents/yields, industrial rents/yields, and residential sales values. Land values are also a function of variability of build costs.

Note 9 - Property, plant and equipment (continued)

Movement in level 2 and level 3 assets

	Level 2 EUV	Level 3 DRC	TOTAL
	£'000	£'000	£'000
Net book value as at 1 April 2024	48,490	2,778,529	2,827,019
Reclassifications	2,517	135,087	137,604
Additions	-	1,445	1,445
Charged during the year	(1,942)	(163,484)	(165,426)
Revaluations	1,660	99,816	101,476
Disposals	-	-	-
In year transfer to/ from other bodies and other transfers	-	-	-
Impairment	(1,989)	(82,700)	(84,689)
Reclassifications to/ from assets held for sale	(1,750)	(34,210)	(35,960)
Net book value as at 31 March 2025	46,986	2,734,483	2,781,469
Net book value as at 1 April 2023	58,626	2,755,478	2,814,104
Reclassifications	1,603	179,289	180,892
Additions	-	290	290
Charged during the year	(2,426)	(156,532)	(158,958)
Revaluations	3,547	233,954	237,501
Disposals	-	-	-
In year transfer to/ from other bodies and other transfers	-	(26,380)	(26,380)
Impairment	(5,727)	(181,548)	(187,275)
Reclassifications to/ from assets held for sale	(7,133)	(26,022)	(33,155)
Net book value as at 31 March 2024	48,490	2,778,529	2,827,019

Note 10 - Right of use assets

	£'000s	£'000s	£'000s	£'000s
	ROU	Peppercorn	PFI	Total
Cost as at 1 April 2024	1,155,044	85,526	686,097	1,926,667
Additions	16,790	7,144	-	23,934
Disposals	(9,508)	-	-	(9,508)
Revaluation	-	(74)	5,719	5,645
Remeasurement	13,590	14	-	13,604
Reclassification	(17,170)	18,235	(859)	206
In year transfer to/from other bodies and other transfers	-	-	-	-
Impairment	(7,910)	-	(206)	(8,116)
Reclassifications to assets held for sale	-	(150)	-	(150)
As at 31 March 2025	1,150,836	110,695	690,751	1,952,282
Depreciation as at 1 April 2024	469,060	21,243	2,351	492,654
Charged during the year	73,295	2,542	25,819	101,656
Revaluation	-	(21)	(25,908)	(25,929)
Remeasurement	-	-	-	-
Reclassification	(1,598)	2,469	(859)	12
In year transfer to/from other bodies and other transfers	-	-	-	-
Impairment	-	-	(1)	(1)
Reclassifications to assets held for sale	-	-	-	-
As at 31 March 2025	540,757	26,233	1,402	568,392
Net book value as at 31 March 2025	610,079	84,462	689,349	1,383,890
Cost as at 1 April 2023	1,089,549	83,648	677,491	1,850,688
Additions	19,040	166	95	19,301
Disposals	(10,528)	-	-	(10,528)
Revaluation	-	-	16,979	16,979
Remeasurement	55,550	-	-	55,550
In year transfer to/from other bodies and other transfers	-	4,495	(1,180)	3,315
Impairment	1,433	(1,858)	(7,288)	(7,713)
Reclassification	-	(925)	-	(925)
As at 31 March 2024	1,155,044	85,526	686,097	1,926,667
Depreciation as at 1 April 2023	381,200	19,322	1,987	402,509
Charged during the year	72,682	2,669	24,565	99,916
Revaluation	-	-	(24,185)	(24,185)
Remeasurement	15,178	-	-	15,178
Impairment	-	-	(16)	(16)
Reclassification	-	(748)	-	(748)
As at 31 March 2024	469,060	21,243	2,351	492,654
Net book value as at 31 March 2024	685,984	64,283	683,746	1,434,013

Note 11 - Lease liabilities

	Note	2025 £'000s	2024 £'000s
Lease Liabilities			
Current			
Lease Liabilities	15	111,143	94,171
Non-Current			
Lease Liabilities	15	1,027,162	1,119,460
Total lease liabilities		1,138,305	1,213,631
Undiscounted lease payments to be paid			
Less than one Year		149,256	153,435
One to Five years		563,656	585,088
More than Five years		813,401	923,673
Discount		(388,008)	(448,565)
		1,138,305	1,213,631

The company has leases for land and buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

The nature of the company's activities, both as a freeholder and as a lessee, is that of managing properties to let to tenants within the healthcare sector, including NHS providers and the GP sector.

There are no extension options which are judged likely to be taken by the company as lessee. There are no leases at 31/03/2025 where the company judges it is likely to exercise the break. As a lessee the company has recorded that it does not have the ability to extend. The company as a lessee does not enter into giving residual value guarantees.

The company seeks to minimise its retained risk of entering into agreements for right of use assets by either transferring substantially all of the risk and rewards through sub leasing to tenants or through similar arrangements. The company does not enter into arrangements as lessor speculatively.

The company manages the liquidity risk inherent in the maturity analysis through entering into agreements which either transfer substantially all of the risk and rewards through formal sub leasing to tenants or through similar arrangements. The company also seeks to match terms for the assets and liabilities, when entering into arrangements which creates finance lease receivables, with those of the headlease. Finally, the company operates rigorous credit management procedures.

For new leases, in accordance with paragraph 24(d) of IFRS16, where relevant, potential cash outflows in respect of restoring underlying assets are included in the initial measurement of the right of use asset and systematically depreciated over the term of the lease. Being classed as dilapidations provisions, these are not reflected in the measurement of lease liabilities.

Held over leases

For leases that are held over as described in note 1q) a balance of £50.8m (2024: £50.9m) is included within right of use assets and lease liabilities. This value is determined using Core, Flex, Tail categorisation and estimated lease term lengths.

While holding all other assumptions constant if each Core, Flex, and Tail category was reallocated by 10% up (down), the value of the company's held over lease portfolio will increase (decrease) by £4.8m (£3.5m). If the term lengths were Core, 12 years; Flex, 8 years; Tail, 3 years, the company's held over lease portfolio will increase by £14.4m. If the term lengths were Core, 8 years; Flex, 6 years; Tail, 0 years, the company's held over lease portfolio will (decrease) by £6.8m.

Lease payments not recognised as a liability

The company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2025 £'000s	2024 £'000s
Short-term leases	22,249	28,399
Leases of low value assets	4	4
Total	22,253	28,403

Total cash outflow for leases for the year ended 31 March 2025 was £164,556k (2024: £168,255K).

Refer to note 7 for income from sub leasing right of use assets.

Refer to note 7 for interest expense on lease liabilities.

Note 12 - Trade and other receivables

	Note	Current		Non-current	
		2025 £000	2024 £000	2025 £000	2024 £000
Trade Receivables		450,955	472,993	-	-
Less: Expected Credit Loss Allowance		(253,454)	(243,584)	-	-
Capital receivables		15,820	16,340	-	-
Other receivables		(411)	7,506	3,873	19,207
Accrued income		10,881	3,900	-	-
Prepayments		19,988	17,958	-	-
VAT Receivables		4,224	-	-	-
Tax		-	-	-	-
Lease receivables	20	15,954	16,179	67,771	86,475
		263,957	291,292	71,644	105,682

The carrying value of trade and other receivables approximates their fair value.

The below table shows the split of trade receivables between contract receivables and rent receivables.

	Current		Non-Current	
	2025 £000	2024 £000	2025 £000	2024 £000
Contract Receivables	281,326	302,324	-	-
Rent Receivables	169,629	170,669	-	-
	450,955	472,993	-	-

Due to the nature of the customer profile, credit risk rates are not available for the majority of customers and therefore the below table has been included to show debts that are past due.

The aging profile of trade receivables at year end is detailed below.

	Not Past Due		Past Due	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade receivables	121,617	23,926	329,338	449,067
Expected credit loss allowance	(5,414)	(4,578)	(248,040)	(239,006)
	116,203	19,348	81,298	210,061

All trade receivables greater than 30 days in age are considered to be past due.

Note 12 - Trade and other receivables (continued)

The movements for Expected Credit Loss Allowances are as follows:

	2025 £000	2024 £000
As at 1 April	243,584	230,021
Increase in provision	22,996	39,947
Amounts written off during the year	(13,126)	(26,384)
As at 31 March	253,454	243,584

Sensitivity analysis shows if all customers were rated high risk, the expected credit loss allowance would be £278m (2024: £267m) and if all customers were rated low risk, the expected credit loss allowance would be £203m (2024: £193m). These risk ratings reflect the likelihood of recoverability with high risk customers being most unlikely to recover and low risk customers being more likely to recover the outstanding balance.

Note 13 - Assets held for sale

	Land £000	Buildings £000	Total £000
As at 1 April 2024	20	-	20
Reclassifications	-	-	-
Assets no longer held for sale	(20)	-	(20)
Plus: assets classified as held for sale in the year	27,986	8,144	36,130
Less: assets sold in the year	(27,378)	(6,927)	(34,305)
Less: impairment of assets held for sale	-	-	-
As at 31 March 2025	608	1,217	1,825
As at 1 April 2023	20	-	20
Plus: assets classified as held for sale in the year	24,241	9,839	34,080
Less: assets sold in the year	(24,241)	(9,839)	(34,080)
Less: impairment of assets held for sale	-	-	-
As at 31 March 2024	20	-	20

The company has 2 properties (2024: 1 property) held for sale. The decision as to whether one of the company's properties is surplus to NHS operational requirements resides with the commissioners, i.e. NHS England or a Clinical Commissioning Group. A property will only be released for disposal once commissioners have confirmed that it is no longer required for the delivery of NHS services. The disposal is planned to take place during the next financial year.

Note 14 - Trade and other payables

	Current		Non-current	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade payables	52,667	38,800	-	-
Capital payables	4,467	5,259	-	-
Other payables	5,862	5,036	-	-
VAT Payables	-	3,151	-	-
Accruals	102,078	114,699	-	-
Deferred income	20,801	15,495	21,706	15,450
Social security costs	3,820	3,584	-	-
Tax	-	-	-	-
	189,695	186,024	21,706	15,450

The carrying value of trade and other payables approximates their fair value.

Note 15 - Borrowings

	Note	Current		Non-current	
		2025 £000	2024 £000	2025 £000	2024 £000
Loans		-	30,000	-	-
PFI liabilities	11, 21	24,470	8,345	437,710	463,439
Lease liabilities	11	86,673	85,826	589,452	656,021
		111,143	124,171	1,027,162	1,119,460

Note 16 - Provisions

	Dilapidations	Restructuring	Legal claims	Total
	£000	£000	£000	£000
As at 1 April 2024	66,115	32	973	67,120
Arising during the year	14,012	354	271	14,637
Utilised during the year	(4,652)	-	(50)	(4,702)
Reversed unused	(5,965)	(32)	(458)	(6,455)
Unwinding of discounts on provision	749	-	-	749
As at 31 March 2025	70,259	354	736	71,349
Current	24,251	354	736	25,341
Non-current	46,008	-	-	46,008
As at 31 March 2025	70,259	354	736	71,349
As at 1 April 2023	69,148	3,680	731	73,559
Arising during the year	6,075	32	826	6,933
Utilised during the year	(1,135)	(3,680)	(181)	(4,996)
Reversed unused	(1,617)	-	(403)	(2,020)
Unwinding of discounts on provision	(6,356)	-	-	(6,356)
As at 31 March 2024	66,115	32	973	67,120
Current	22,498	32	973	23,503
Non-current	43,617	-	-	43,617
As at 31 March 2024	66,115	32	973	67,120

Dilapidations

On the expiry of leases where title does not pass, the company is required to make good any damage caused to the premises and to remove any furniture and fittings installed by the company.

The company's provision is calculated based on an average rate per square metre of floor space. The rate is calculated based on historic settlements of dilapidations on expired occupations.

While holding all other assumptions constant if the average rate per square metre of floor space was 10% higher (lower), the company's dilapidation provision will increase (decrease) by £4.9m. If the inflation rate was 1% higher or the discount rate was 1% lower, the company's dilapidation provision will increase by £4.4m. If the inflation rate was 1% lower or the discount rate was 1% higher, the company's dilapidation provision will decrease by £3.9m.

No adjustment is made to the existing provision under IFRS 16.

Restructuring

The provision represents the obligation to pay employee exit costs. The company reviews its organisation structure in order to improve the efficiency of its business.

Legal claims

The provision for legal claims represents the estimated cost of settling outstanding claims against the company. It has been created due to the uncertainty over these cases as the liability depends on the likelihood of the claims being paid. Where the likelihood of the claims being paid is low, the company has disclosed it as a contingent liability (refer to note 25).

Note 17 - Employee benefits

Employees who have TUPE transferred to the company and those who joined on or before the 31 March 2013 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/nhs-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 for Health and Social Care 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.

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 government Financial Reporting Manual (FReM) requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

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 the 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.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, 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.

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 scheme regulations allow for the level of contribution rates to be changed by the Secretary of State for Health and Social Care, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

A full actuarial (funding) valuation is undertaken every four years and its purpose is to assess the liability in respect of the benefits due under the Schemes and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020 and the results of this valuation set the employer contribution rate payable from 1 April 2024 at 23.7% of member pensionable pay. The results for the Scheme were set out in the Government Actuary's Department report of 19 October 2023, which stated that whilst the core cost cap was outside the 3% corridor specified in the HMT regulations the economic cost cap was not similarly breached and so no changes to benefits or member contributions were required.

Future contributions

Expected contributions to the pension plan for the financial year ending 31 March 2026 are £4.5m (2025: £3.1m). The expected contribution for the year ending 31 March 2026 has been calculated based on current employer contributions for active scheme members, as at 31 March 2025.

Scottish Widows

All NHS Property Services Limited employees who join the company on or after 1 April 2013 are automatically enrolled into the Scottish Widows group personal pension scheme. This is a defined contribution plan.

Note 18 - Share capital

	2025 £000	2024 £000
Issued during the year to 31 March	49,689	14,791
Allotted, called up and fully paid		
Ordinary shares of £1 each	324,321	274,632
Specialist buildings, for which there is no external market, are valued at depreciated replacement cost. Land and non-specialist buildings are valued at fair value, interpreted as market value for existing use.	-	-
Shares classified in shareholders' funds	324,321	274,632

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

The company has issued 49,689,000 £1 ordinary shares at par in the year ending 31 March 2025 (2024: £14,791,000).

The company has one shareholder which is the Secretary of State for Health and Social Care.

Dividends

The company has not paid dividends this period and after the Statement of Financial Position date no dividends were proposed by the Directors (2024: £nil).

Note 19 - Capital contribution reserve

The capital contribution reserve is not a distributable reserve and cannot be applied to fund expenditure. This is in line with section 830(2) of the Companies Act 2006.

	2025 £000	2024 £000
Balance at 1 April	2,988,316	3,008,691
Transfers and adjustments	-	(20,375)
Balance at 31 March	2,988,316	2,988,316

Note 20 - Lease obligations

Lease obligations as lessor

The company leases 161 (2024: 131) properties under lease arrangements.

	Note	Minimum lease payments		Present value of minimum lease payments	
		2025 £000	2024 £000	2025 £000	2024 £000
Amounts receivable under finance leases (Buildings)					
Within one year		18,115	18,115	15,954	16,179
1-2 years		15,723	17,263	13,313	14,780
2-3 years		12,959	15,434	10,973	13,214
3-4 years		10,574	12,720	8,953	10,891
4-5 years		8,296	10,714	7,024	9,173
After five years		43,941	60,858	27,507	38,417
Less: future finance charges		(25,882)	(32,450)	-	-
		83,726	102,654	83,724	102,654

	Note	2025 £000	2024 £000
Included in			
Current finance lease receivables	12	15,954	16,179
Non-current finance lease receivables	12	67,770	86,475
		83,724	102,654

	Note	2025 £000	2024 £000
Amounts receivable under operating leases			
Within one year		55,303	54,858
1-2 years		52,623	51,215
2-3 years		49,683	48,643
3-4 years		46,243	45,762
4-5 years		43,841	42,551
After five years		238,078	269,749
		485,771	512,778

All future minimum lease receipts disclosure relate to revenue for which the company will hold legal entitlement through a valid lease. A number of the company's tenants have undocumented occupancy arrangements or a business transfer arrangement without an end date. Although income from such property arrangements is expected to continue, in the absence of a formal document affirming legal entitlement, the company has not included them as expected revenue for future periods in its disclosure of future minimum lease receipts. However, it is expected that the overall rental revenue recognised in 2024/25 for all occupations will continue to remain similar in 2025/26.

Note 21 - Private Finance Initiatives

The company is party to 27 (2024: 28) Private Finance Initiative (PFI) arrangements, where the company controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement. These arrangements are treated as service concession arrangements and are accounted for in accordance with IFRIC 12 service concession arrangements (IFRIC 12).

The company therefore recognises PFI assets as items of property, plant and equipment together with a liability to pay for them. The fair values of services received under the contract are recorded as operating expenses.

Contract name	Start dates	End dates
Willesden Centre for Health and Care	2005	2035
Queen Mary's Hospital	2005	2035
Mansfield Community Hospital	2006	2043
Johnson Hospital	2008	2039
Danetre Hospital	2007	2037
City Care Centre	2008	2043
Epping Forest Unit, St Margaret's Hospital	2006	2035
Brentwood Community Hospital	2008	2039
Bishop Stortford Hertfordshire	2003	2034
Whitegate Health Centre	2009	2039
Batley Health Centre	2005	2036
Cleckheaton Health Centre	2005	2036
Dewsbury Health Centre	2005	2036
Eddercliffe Health Centre	2005	2036
Ravensthorpe Health Centre	2005	2036
Sedgefield Community Hospital	2002	2032
Stanley Primary Care Centre	2009	2039
Cornerstone Centre	2000	2025
Redcar Primary Care Hospital	2009	2039
Gravesham Community Hospital	2005	2036
New Forest Lymington Hospital	2006	2037
Bicester Community Hospital	2014	2040
West Mendip Community Hospital	2005	2035
Liskeard Hospital	2003	2033
Farnham Hospital and Centre for Health	2003	2029
Tiverton Hospital	2004	2034
Savernake Community Hospital	2005	2035

Note 21 - Private Finance Initiatives (continued)

	Note	2025 £000	2024 £000
Service element charged to in-year operating expenses		41,816	40,374
Total obligations for PFI contracts due:			
Within one year		55,957	60,144
Between one and five years		244,208	240,115
After five years		431,464	492,170
Less: future finance charges		(269,449)	(320,645)
		462,180	471,784
Payments committed to in respect of the service element:			
Within one year		43,550	42,751
Between one and five years		176,551	174,758
After five years		329,061	374,303
		549,162	591,812
Included in			
Current borrowings	15	24,470	8,345
Non-current borrowings	15	437,710	463,439
		462,180	471,784

The amounts in respect of future service charge commitments are shown inclusive of an anticipated annual inflation rate as per the first quarterly GDP deflators at market prices forecast from ONS. The actual inflation rate incorporated into the Unitary Payment is based on the Retail Price Index (RPI) issued in the month stated in each contract preceding the financial year, therefore the figures above relating to future service charge commitments will vary depending on the actual rate issued.

Note 22 - Financial instruments

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

The company is not exposed to significant financial risk factors arising from financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the entity in undertaking its activities.

Categories of financial assets and liabilities	2025 £000	2024 £000
Financial assets measured at amortised cost		
Trade and other receivables	311,389	379,016
Cash and cash equivalent	105,182	121,861
	416,571	500,877
Financial liabilities measured at amortised cost		
Trade and other payables	165,074	163,794
Loans	-	30,000
PFI and finance lease liabilities	1,138,305	1,213,631
	1,303,379	1,407,425

(a) Fair value of financial instruments

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

(b) Credit risk

Credit risk is the risk that a third party will default on its obligations to the company causing it to incur a loss.

In the normal course of business, exposure to credit risk arises from cash and investments with banks and trade and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

The company's trade receivables are with a large number of customers spread across various geographical areas. Government funded entities, NHS England and Clinical Commissioning Groups make up a significant portion of the company's receivables. The company has assessed these

entities as low risk due to being government funded.

The company has recognised the expected credit losses of trade receivables for certain receivables balances. The company have implemented a credit vetting process for new tenants and guarantors.

No collateral or other credit enhancements are held for financial instruments that give rise to credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding.

The company mostly manages liquidity risk by continuously monitoring forecast cash flow requirements and management of the flexible loan facility with the Department of Health and Social Care.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. The figures relating to PFI contractual cash flows include an inflation rate incorporated into the Unitary Payment which is based on the Retail Price Index (RPI) issued in the month stated in each contract preceding the financial year, therefore the figures above relating to future service charge commitments will vary depending on the actual rate issued.

	Carrying amount	Contractual cash flow	Within one year	1-5 years	After 5 years
	£000	£000	£000	£000	£000
2025					
Trade and other payables	165,074	165,074	165,074	-	-
Leases	676,125	794,683	93,298	319,448	381,937
PFI	462,180	731,629	55,957	244,208	431,464
	1,303,379	1,691,386	314,329	563,656	813,401
2024					
Trade and other payables	163,794	163,794	163,794	-	-
Leases	741,847	869,767	93,291	344,973	431,503
PFI	471,784	792,429	60,144	240,115	492,170
	1,377,425	1,825,990	317,229	585,088	923,673

(d) Market risk

Market risk arises when changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the company's income or the value of its holdings of financial instruments.

The company's transactions are all undertaken in sterling and so it is not exposed to foreign exchange risk. It holds no significant investments other than bank deposits. Other than cash balances and flexible loan facility agreement, the company's financial assets and liabilities are carried at fixed rates of interest and its operating cash flows are consequently independent of changes in market interest rates

However, the company is exposed to movements in the property market as the company's assets consist predominantly of land and buildings and contingent rents are affected by any changes in market rents.

Note 23 - Related party transactions

The company is required to disclose transactions with related parties. Related parties are entities or individuals who have the potential to control, indirectly control or significantly influence the company or to be controlled, indirectly controlled or significantly influenced by the company.

NHS Property Services Limited is a private limited company, wholly owned by the Secretary of State for Health and Social Care, making it the company's ultimate controlling party. The parent entity is the Department of Health and Social Care, with its registered office at 39 Victoria Street, London, SW1H 0EU.

The company maintains an interests register for the directors, to record any interests they may have in any organisations which the company transacts with. Details of related party transactions are as follows:

Director	Organisation	Purchases from related party £000	Sales to related party £000	Amounts owed to related party £000	Amounts due from related party £000
2025					
Nick Mobley	Hertfordshire and West Essex ICB	-	-	-	1,104
Adrian Belton	UK Health Security Agency	20	78	2	-
Matthew Cooper	Department of Health and Social Care	926	1,097	37	1,182
Ian Playford	Guys and ST Thomas NHS Foundation Trust	-	1,914	-	254
Emma Dexter	BT	596	-	-	-
		968	2,857	-	1,811
2024					
Jane Hamilton	Government Property Agency	3,168	-	(651)	-
Adrian Belton	Chesterfield Royal Hospital NHS Foundation Trust	-	88	-	-
Jacqui Rock	NHS England	124	-	-	6,036
Ben Masterson	Department of Health	297	1,247	-	699
Emma Dexter	BT	722	-	(46)	-
		4,311	1,335	(697)	6,735

In relation to related parties, the company has a provision of doubtful debts of £nil (2024: £nil) of which the expense recognised in 2025 is £nil (2024: £nil). In 2024, the company has also written off £nil (2024: £nil) of the debt outstanding related to the previous year.

Details of the remuneration paid to Board members can be found in the Remuneration Report on page 98.

The Secretary of State for Health and Social Care, as the company's ultimate controlling party, is regarded as a related party. During the year, the company had a significant number of material transactions with entities for which the Secretary of State for Health and Social Care is regarded as the parent Department. Most of these transactions have been with Department for Health and Social Care, Community Health Partnerships Limited, Public Health England, Special Health Authorities, NHS England, NHS Trusts and NHS Foundation Trusts.

Note 23 - Related party transactions (continued)

Organisation	Purchases from related party £000	Sales to related party £000	Amounts owed to related party £000	Amounts due from related party £000
2025				
Department of Health and Social Care	926	1,097	37	1,182
Health Education England	-	-	-	-
UK Health Security Agency	20	78	2	-
Special Health Authorities	202	-	59	(237)
NHS England	1,326	162,898	585	40,538
NHS Trusts	2,763	70,380	888	17,721
NHS Foundation Trusts	11,005	294,138	4,913	124,004
Other Group Bodies	-	4,023	-	120
	16,242	532,614	6,484	183,328
2024				
Department of Health and Social Care	297	3,447	30,000	1,887
Health Education England	-	-	12	-
UK Health Security Agency	12	(44)	1	(16)
Special Health Authorities	3	-	2	(128)
NHS England	1,062	195,119	248	42,776
NHS Trusts	1,996	90,153	980	32,898
NHS Foundation Trusts	11,358	288,553	5,540	65,542
Other Group Bodies	-	6,241	-	3,964
	14,728	583,469	36,783	146,923

In conducting its activities, the company is required to pay various taxes and levies to the HM Revenue and Customs. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers and therefore has not been disclosed above.

Note 24 - Commitments

Capital commitments

Specialist buildings, for which there is no external market, are valued at depreciated replacement cost. Land and non-specialist buildings are valued at fair value, interpreted as market value for existing use.

	2025 £000	2024 £000
Property, plant and equipment	38,197	50,761
	38,197	50,761
No later than one year	37,855	44,694
Between one and five years	342	6,067
After five years	-	-
	38,197	50,761

Note 25 - Contingencies

a) Quantifiable contingencies

	2025 £000	2024 £000
Contingent liabilities		
Legal claims	72	25
	72	25
Contingent assets		
Legal claims	-	134
	-	134

Contingent assets

The contingent asset relates to legal claims that the company has against third parties.

(b) Unquantifiable contingencies

Contingent liabilities

The company has been engaged in ongoing reviews in its ability to claim capital allowance deductions on assets inherited from Primary Care Trusts (PCTs) and Strategic Health Authorities (SHAs). While the company maintains it should be entitled to these deductions, supported by legal opinions from tax experts, HMRC has recently indicated its intent to refer the matter to an internal Tax Dispute Resolution Board (TDRB) to begin the formal closure of the dispute. Despite this development, there is still significant uncertainty inherent in the dispute, no timeline for resolution has been agreed, and any potential tax liability is not readily estimable.

Note 26 - Events after the reporting period

Non-Adjusting Event: Extension of Loan Facility

Subsequent to the year end, NHS Property Services Limited received confirmation from the Secretary of State for Health and Social Care of an extension to the existing flexible loan facility agreement outlined in Note 1. The facility, originally agreed on 16 February 2021 for an amount up to £250 million, has been extended to 1 April 2027. As this confirmation occurred after the reporting date, it is treated as a non-adjusting event in accordance with IAS 10.

These financial statements were authorised for issue on 7 November 2025.

Note 27 – Deferred Tax

This note has been newly introduced for the 2024–25 reporting period to present deferred tax assets and liabilities. For further information, please refer to Note 28, which includes additional details and the related prior-period restatement specifying the transactions, balances, and disclosures that have been adjusted.

Deferred tax assets and liabilities are attributable to the following:

	Assets			Liabilities			Net		
	2025	Restated 2024	Restated 2023	2025	Restated 2024	Restated 2023	2025	Restated 2024	Restated 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Property, plant and equipment	13,887	10,200	6,333	(407,364)	(395,468)	(376,881)	(393,477)	(385,268)	(370,549)
Trade receivables	1,354	2,051	907	-	-	-	1,353	2,051	907
Trade and other payables	414	347	308	-	-	-	414	347	308
Capitalised revenue expenditure	4,401	4,758	5,144	-	-	-	4,401	4,758	5,144
Tax losses	21,890	16,809	12,530	-	-	-	21,890	16,809	12,530
Total	41,946	34,165	25,222	(407,364)	(395,468)	(376,881)	(365,419)	(361,303)	(351,660)

Note 27 – Deferred Tax (continued)

Movement in deferred tax during the year

	Restated 1 April 2024	Recognised in income	Recognised in equity	Restated 31 March 2025
	£000	£000	£000	£000
Property, plant and equipment	(385,268)	3,687	(11,896)	(393,477)
Trade receivables	2,051	(698)	-	1,353
Trade and other payables	347	67	-	414
Capitalised revenue expenditure	4,758	(357)	-	4,401
Tax losses	16,809	5,081	-	21,890
Total	(361,303)	7,780	(11,896)	(365,419)

The Corporation Tax rate used to calculate deferred tax is 25% (2024: 25%).

Movement in deferred tax during the prior year

	Restated 1 April 2023	Recognised in income	Recognised in equity	31 March 2024
	£000	£000	£000	£000
Property, plant and equipment	(370,549)	3,867	(18,587)	(385,269)
Trade receivables	907	1,144	-	2,051
Trade and other payables	308	40	-	348
Capitalised revenue expenditure	5,144	(386)	-	4,758
Tax losses	12,530	4,279	-	16,809
Total	(351,660)	8,944	(18,587)	(361,303)

A deferred tax asset and liability have been recognised for the first time in the 2024/25 reporting period, with the net liability position presented on the face of the Statement of Financial Position. As outlined in Note 28, this change has been applied retrospectively, resulting in the restatement of the opening and closing balances for 2023/24. Further details on the prior-period restatement and its impact are provided in Note 28.

Note 28 - Prior period restatement

Historically, NHS Property Services Limited did not recognise deferred tax liabilities associated with its inherited property portfolio. Following a reassessment of the applicable requirements under IAS 12, these liabilities are reflected in both the current and prior period financial statements.

As the impact of recognising these deferred tax liabilities is material, NHS Property Services Limited has applied a prior period adjustment in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Comparative information has been restated to reflect this adjustment, and the opening balances of equity have been amended accordingly.

Please refer to Notes 8 and 27 for further information on the recognition of deferred tax in accordance with IAS 12, both of which have been restated as part of the prior-period adjustments.

The impact of the restatement to the 2023/24 financial statements are as follows:

Impact to the Statement of Comprehensive Income

			Adjustment	Restated
	Notes	Per signed accounts 2024 £000	Deferred Tax £000	2024 £000
Operating revenue	2	807,940		807,940
Direct property expenses	3	(748,250)		(748,250)
Administrative expenses	4	(85,595)		(85,595)
Other operating expenses	5	(16,266)		(16,266)
Expected credit loss allowance expense	12	(39,947)		(39,947)
Operating loss		(82,118)	-	(82,118)
Finance income	7	2,062		2,062
Finance costs	7	(98,755)		(98,755)
Gain on disposal of property, plant and equipment		4,226		4,226
Loss before tax from continuing operations		(174,585)	-	(174,585)
Taxation	8	-	8,945	8,945
Loss for the year		(174,585)	8,945	(165,640)
Other comprehensive income, net of income tax				
<i>Items that will not be recycled to profit and loss:</i>				
Revaluation of property, plant and equipment		106,127		106,127
Deferred tax provision	27	-	(18,587)	(18,587)
Other comprehensive income, net of income tax		106,127	(18,587)	87,540
Total comprehensive income for the year		(68,458)	(9,642)	(78,100)

Note 28 - Prior period restatement (continued)

Impact to the Statement of Financial Position

			Adjustment	Restated
	Notes	Per signed accounts 2024	Deferred Tax	2024
		£000	£000	£000
Non-current assets				
Property, plant and equipment	9	2,996,834		2,996,834
Right of Use	10	1,434,013		1,434,013
Intangibles		5,754		5,754
Trade and other receivables	12	105,682		105,682
		4,542,283	-	4,542,283
Current assets				
Trade and other receivables	12	291,292		291,292
Cash and cash equivalents		121,861		121,861
		413,153	-	413,153
Assets classified as held for sale	13	20		20
Total assets		4,955,456	-	4,955,456
Current liabilities				
Trade and other payables	14	186,024		186,024
Borrowings	15	124,171		124,171
Provisions	16	23,503		23,503
		333,698	-	333,698
Non-current liabilities				
Trade and other payables	14	15,450		15,450
Borrowings	15	1,119,460		1,119,460
Provisions	16	43,617		43,617
Deferred Tax	27	-	361,303	361,303
		1,178,527	361,303	1,539,830
Total liabilities		1,512,225	361,303	1,873,528
Net assets		3,443,231	(361,303)	3,081,928
Equity				
Share capital	18	274,632		274,632
Retained earnings		(1,464,592)	26,326	(1,438,266)
Revaluation reserve		1,644,875	(387,629)	1,257,246
Capital contribution reserve	19	2,988,316		2,988,316
Total equity		3,443,231	(361,303)	3,081,928

Note 28 - Prior period restatement (continued)

Impact to the Statement of Financial Position

			Adjustment	Restated
	Notes	Per signed accounts 2023 £000	Deferred Tax £000	2023 £000
Non-current assets				
Property, plant and equipment	9	3,024,975		3,024,975
Right of Use	10	1,448,181		1,448,181
Intangibles		8,386		8,386
Trade and other receivables	12	97,686		97,686
		4,579,228	-	4,579,228
Current assets				
Trade and other receivables	12	298,205		298,205
Cash and cash equivalents		141,941		141,941
		440,146	-	440,146
Assets classified as held for sale	13	20		20
Total assets		5,019,394	-	5,019,394
Current liabilities				
Trade and other payables	14	185,075		185,075
Borrowings	15	54,035		54,035
Provisions	16	22,993		22,993
		262,103	-	262,103
Non-current liabilities				
Trade and other payables	14	13,138		13,138
Borrowings	15	1,176,242		1,176,242
Provisions	16	50,566		50,566
Deferred Tax	27	-	351,660	351,660
		1,239,946	351,660	1,591,606
Total liabilities		1,502,049	351,660	1,853,709
Net assets		3,517,345	(351,660)	3,165,685
Equity				
Share capital	18	259,841		259,841
Retained earnings		(1,324,444)	18,889	(1,305,555)
Revaluation reserve		1,573,257	(370,549)	1,202,708
Capital contribution reserve	19	3,008,691		3,008,691
Total equity		3,517,345	(351,660)	3,165,685

Note 28 - Prior period restatement (continued)

Impact to the Statement of Changes in Equity

	Per signed accounts 2024	Adjustment Deferred Tax	Restated 2024
	£000	£000	£000
Retained Earnings Balance at 1 April 2023	(1,324,444)	17,381	(1,307,063)
Total comprehensive income for the period			
Retained profit/(loss) for the year	(174,585)	8,945	(165,640)
Net gain/(loss) on revaluation of property, plant and equipment	-		-
Deferred Tax			
Transfers between reserves	34,509		34,509
Transfers and adjustments	(72)		(72)
Other comprehensive income	-		-
Total comprehensive income for the period	(140,148)	8,945	(131,203)
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
Total contributions by owners	-	-	-
Balance at 31 March 2024	(1,464,592)	26,326	(1,438,266)
Revaluation Reserve Balance at 1 April 2023	1,573,257	(369,042)	1,204,215
Total comprehensive income for the period			
Retained profit/(loss) for the year	-		-
Net gain/(loss) on revaluation of property, plant and equipment	106,127		106,127
Deferred Tax	-	(18,587)	(18,587)
Transfers between reserves	(34,509)		(34,509)
Transfers and adjustments	-		-
Other comprehensive income	-		-
Total comprehensive income for the period	71,618	(18,587)	53,031
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
Total contributions by owners	-	-	-
Balance at 31 March 2024	1,644,875	(387,629)	1,257,246

Appendix

Corporate advisors 2024/25

Legal – Corporate

Mills and Reeve LLP

Botanic House
100 Hills Road
Cambridge CB2 1PH

Legal – Human Resources

Pinsent Masons LLP

30 Crown Place
Earl Street
London EC2A 4ES

Legal – Property

Bevan Brittan LLP

Fleet Place House
2 Fleet Place
Holborn Viaduct
London EC4M 7RF

Tax

Ernst & Young LLP

1 More London Place
London SE1 2AF

KPMG LLP (UK)

15 Canada Square
Canary Wharf
London E14 5GL

