

Company Registration Number 10881715

Supply Chain Coordination Limited
Annual Report and Financial Statements
For the year ended 31 March 2025

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Supply Chain Coordination Limited

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Supply Chain Coordination Limited

Company Information

Directors

Heather Tierney-Moore OBE (Non-Executive Director and Chair)
Andrew New (Executive Director and Chief Executive Officer)
Patrick Butterworth (Executive Director and Chief Finance Officer)
Miranda Carter (Shareholder Director)
Dr Sheila Doyle (Non-Executive Director)
Duncan Kendal (Non-Executive Director)
Rommel Pereira (Non-Executive Director)
Mark Swyny (Non-Executive Director)
Devyani Vaishampayan (Non-Executive Director)

Company Secretary

Paul Webster

Registered Office

Wellington House
133-155 Waterloo Road
London
SE1 6LH

Auditors

Comptroller & Auditor General
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Supply Chain Coordination Limited

Strategic Report for the Year Ended 31 March 2025

The Directors present their Annual Report on the affairs of the company, together with the Financial Statements and Auditor's Report, for the year ended 31 March 2025.

The Directors have complied with Section 414C of the Companies Act 2006 in preparing the Strategic Report.

Principal Activity

The principal activity of the company is to serve the NHS to deliver high-quality care. We achieve this through the sourcing, delivery, management and coordination of NHS Supply Chain services for the provision of everyday hospital consumables, clinical products, homecare and capital equipment and associated services and supplies.

Business Review

Our vision is enduring: to make it easier for the NHS to put patients first by helping save lives and improve health. Our corporate strategy is aligned to the NHS 10 Year Plan, and the intent of the Secretary of State for Health and Social Care to drive efficiency whilst supporting the shift from hospital to community, from sickness to prevention, and from analogue to digital. Our strategy focuses on the principles of buying smart, supplying right, and partnering expertly. This includes prioritising the needs of patients, communities, and clinical outcomes in our sourcing and supplying activities. Our strategic goal, set in January 2022, aims to enable £1 billion of recurrent efficiency growth in the NHS by 2030, supporting frontline care while improving patient outcomes and experiences.

Over the past year, we have concentrated on enhancing the resilience of our supply chain, whilst successfully delivering £416.3 million of NHS efficiency savings, putting us on track for delivering £1 billion in NHS efficiency savings by the end of 2030.

2024/25 Corporate Priorities

Each year, the Directors set annual strategic priorities to focus resources and ensure a coordinated approach across the company. These priorities are aligned with the needs of the NHS and patients.

For 2024/25, our priorities were:

- **Transform our commercial capabilities:** Embed commercial excellence to drive innovation and savings.
- **Enable an optimised, resilient, and sustainable supply chain:** Strengthen resilience through connected supply chains.
- **Connect across integrated care systems and regions:** Collaborate with the NHS to create healthcare value.
- **Develop, empower, and engage our colleagues:** Make it easier for the NHS to partner with us.
- **Operate a well-run organisation:** Drive better decision-making through our data strategy.

Focusing the organisation on these clear priorities has enabled us to deliver strong performance over the preceding 12 months. It has focused the business on simplifying and strengthening how we work, through:

Supply Chain Coordination Limited

Strategic Report for the Year Ended 31 March 2025

Savings

Achieving £416.3 million of recurrent NHS efficiency savings puts us on track to achieve our 2030 strategic goal of £1 billion. This methodology brings together recurrent savings delivered through revenue products savings, total care pathway efficiencies, community based care savings, efficiencies delivered from the deployment of inventory management and point of care solutions, alongside internal NHS Supply Chain efficiencies.

In addition to this, we have also delivered capital product savings of £279.7 million, exceeding our target of £244.0 million.

An independent internal audit, conducted by the company's third-party auditors, has verified both prior year savings performance and underlying methodology is in line with the NHS methodology.

New Clinical Strategy

This year, we have developed our clinical strategy and strengthened our clinical expertise through our operating model. This effort is underpinned by the introduction of a new clinical directorate, which brings together skills, best practices, and capabilities. Our strategy is articulated through three ambitions, all working together to support the NHS in *delivering patient-led care and ensuring equity in care to tackle health inequalities*:

- Promoting Quality of Care
- Partnerships that enable us to help the NHS provide the best care
- Our role in Population Health Management

These initiatives ensure stronger clinical alignment with the NHS and provide the foundations for performance and delivery in this area in the upcoming financial year, where we will be tracking both clinical quality and patient safety capabilities at corporate KPI level.

Modernising Our Supply Chain and IT Infrastructure

Throughout 2024/25, we undertook a detailed review and refresh of our supply chain and IT strategies to ensure we are building the supply chain the NHS needs in the future. This culminated in a Business Case to modernise our physical and IT infrastructure. This modernisation will enable us to deliver more savings to the NHS and achieve our £1 billion target; provide a more efficient and resilient patient centred service; and expand our service offering to more healthcare providers. If approved, the modernisation programme will also mitigate a principal risk by removing critical legacy technology that underpins NHS Supply Chain operations, and support growth in the UK Life Sciences industry.

New Logistics Provider

After an extensive search and evaluation process that has taken place through 2024/25, we announced GXO as our new logistics provider from 2025 for an initial period of seven years, with a possible extension of up to 36 months. This partnership will provide NHS Supply Chain with strengthened capabilities in logistics and supply chain delivery to drive performance, strengthen resilience to support patient care, and enable the delivery of the modernisation programme to ensure we are able to grow from the 35 million healthcare products already supplied annually, to support an evolving NHS.

Delivering our Strategy to strengthen and simplify how we work

In 2024/25, we have gone live with our new digital platform for a pilot group of customers, exploring how we can adapt to make it easier for NHS Provider organisations to place and manage orders. At the heart of this is working with our NHS Trust partners to collaborate and co-design a truly user-centred experience. We have also gone live with our new finance and trading system, enabling us to move away from legacy applications, meaning we have significantly simplified how we operate core business functions. In addition, we have worked with three ICS partners to pilot a new data visualisation tool that will help NHS Provider organisations to analyse their product selection, compare price benchmarks, and identify potential savings for key product categories.

Supply Chain Coordination Limited

Strategic Report for the Year Ended 31 March 2025

In addition, we have continued to roll out national inventory management and point of care solutions to NHS Provider organisations. This programme delivers the capability to capture all Scan4Safety unique identifiers digitally, tracking product-place-procedure to patient. Transitioning from analogue to automated digital processes in line with DHSC priorities will generate savings and prevent waste, funding the solution. Automation will release clinical time and improve productivity, while greater visibility and tracking of data will directly enhance patient safety. By the end of March 2025, a total of 10 Trusts were live with this solution.

Alignment to Stakeholder Need

Locally, regionally and nationally, the NHS is going through an unprecedented level of change. We will continue to work closely with all our stakeholders to listen, respond, and ensure we are aligned to their requirements, as we continue to deliver our enduring vision of making it easier for the NHS to put patients first.

We are continuing to strengthen and simplify our supply chain to better meet the needs and expectations of the NHS and deliver greater efficiencies and value for our stakeholders. This supports our organisation's purpose of helping the NHS save lives and improve health through our strategy of buy smart, supply right, and partner expertly.

Engaging with the NHS

We conduct national and regional advisory forums quarterly with senior stakeholders across the system to understand their needs and provide updates on key NHS Supply Chain activities. To further support this, our Customer Voice team facilitates a series of panels and working groups to align with our NHS partners and better understand their requirements. We continuously develop these engagement forums to ensure they bring the voices of NHS colleagues and patients into the heart of our organisation. These forums support our goals to significantly improve satisfaction with our services by focusing on matters that will make the greatest difference to the NHS, including clinical safety and patient outcomes.

Formal governance has been amended to include a cross-company NHS Insights Meeting to formalise the monthly review of NHS needs. The operational quarterly satisfaction surveys will continue and be redesigned based on feedback over the next 12-18 months. This dual approach ensures focus is maintained on areas with the highest impact on the NHS and the patient. Outputs from these reviews are shared with NHS Trusts and ICSs via the customer newsletter and customer webinars.

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Strategic Report for the Year Ended 31 March 2025

Key Performance Indicators (KPIs)

The company used the following KPIs to track and measure its performance in 2024/25.

KPI	FY24/25		Commentary
	Plan Target	Actual Outturn	
Overall Satisfaction	56.0%	62.0%	Measured through our overall satisfaction question in the customer satisfaction survey, we surpassed our target of 56.0%.
Market Share	63.5%	78.8%	We exceed our market share target, achieving 78.8% of the medical devices and clinical consumables market. The denominator market size this market share is reported against is updated annually and will be refreshed for 2025/26.
Data Maintenance	97.0%	97.6%	The number of critical data maintenance requests was completed in excess of our target of 97.0%.
Price Points	20.63	21.45	We fell short of our price point reduction target, ending the year with 21.45 price points per total number of products in Product Hub, compared to our target of 20.63. This was in part due to a volume of additional lines being introduced to the pricing mechanism to fix issues relating to margin, and the time it takes to remove the old price points once customers are switched over.
Aggregated Service Level	96.5%	97.6%	We achieved our aggregated service level target, which includes our three channels: <ul style="list-style-type: none"> ▪ Stock (ordered vs. what was received) ▪ Cross Dock (ordered vs. received) ▪ Direct Shipment (ordered vs. lead time amended)
Critical Data	80.0%	88.0%	We successfully increased the percentage of products that contained critical data in Product Hub (visible to NHS providers) to 88.0%, surpassing our target.
Revenue Product Savings	£71.0m	£136.6m	We achieved both our revenue and capital product savings targets, measured through in-year product savings delivery and value-based procurement initiatives.
Capital Product Savings	£244.0m	£279.7m	
Cost Improvement	£11.4m (£9.6m recurrent)	£14.7m (£10.9m recurrent)	We successfully delivered our internal cost improvement, exceeding our overall target, and achieving our recurrent target.
Budget	£260.0m	£259.9m	We achieved our target by delivering business operations within our resource envelope.

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Strategic Report for the Year Ended 31 March 2025

Risk Management

Managing risks is a core part of our business. Our risk management framework is established by the SCCL Board and operates at multiple levels to help us make better decisions. We focus on both principal risks (the significant, cross-directorate risks that could impact our ability to deliver our strategy and business plan) and directorate risks (the smaller, operational risks that typically only affect one or two directorates). We also consider both internal risks and risks related to the industry and external environment we operate in.

Oversight of our risk management framework is provided at multiple levels. The Risk Forum brings together the whole Executive Team to focus on risk management five times a year. Senior leaders from across the business meet monthly as the Risk Steering Group to drive regular risk management activity. The Risk Steering Group is supported by a network of Risk Champions who also meet monthly. These groups use a range of tools and techniques to support the risk management framework, including deep dives into specific risks, and spotlights on key elements of the framework (such as mitigating actions, controls or key risk indicators).

In addition to managing risk, we also reflect our response to risk in the way we prioritise activity in the business, including our Business Plan. A key example of this is how we have developed the Supply Chain and IT Modernisation Business Case, which has been submitted to Government, to address our IT stability risk and our supply chain disruption risk.

The SCCL Board reviews the company's risk appetite on an annual basis as part of the business planning process. The SCCL Board has delegated responsibility for overseeing the effectiveness of the risk management framework to the Audit and Risk Committee.

As of 31 March 2025, the company's principal risks include:

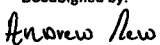
- Breach of procurement contract regulations;
- Business continuity planning;
- Cyber security;
- Data quality;
- Decision quality;
- IT stability;
- Long-term investment;
- NHS Supply Chain customer credibility;
- Operating model;
- People and engagement; and
- Supply chain disruption

Section 172 Statement

The Directors take a long term and ethical approach to decision making for the benefit of the company, its employees, customers, suppliers and those organisations dependent on its effective governance, specifically NHS Trusts. In accordance with Section 172 of the Companies Act 2006, the Directors have discharged their duties, particularly their duty to promote the success of the Company for the benefit of its shareholder.

The company has one shareholder, NHS England and the objectives of the shareholder are therefore central to the decision-making of the company.

Approved by the Board on 25 July 2025 and signed on its behalf by:

DocuSigned by:

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Andrew New
Chief Executive Officer

Supply Chain Coordination Limited

Directors' Report for the Year Ended 31 March 2025

The company's principal activities, review of the business, key performance indicators and principal risks and uncertainties are presented in the Strategic Report.

Results and Dividends

Financial results are shown in the Income Statement on page 30. The company made a profit after tax of £64,000 (2024: £85,000).

Financial position is shown in the Statement of Financial Position on pages 31 and 32. As at 31 March 2025, the company had net assets of £139,858,000 (2024: £139,794,000).

Cash flow performance is shown in the Statement of Cash Flows on page 33.

The directors do not recommend a final dividend payment in respect of the financial year ended 31 March 2025 (2024: £Nil). No dividends have been recognised as a liability in the financial statements.

Corporate Governance

The company is not required to comply with the UK Corporate Governance Code (the Code). However, the Board recognises that this represents good practice and seeks to comply with the Code in so far as it is practicable.

The Board sets the strategic direction of the company, ensuring that resources are available to enable the company to meet its objectives. All directors are involved in, and responsible for leading and steering the company on business strategy, development, oversight and control, and corporate governance. The Board also oversees operational and financial performance, risk management and internal controls, compliance and major policy issues and the corporate risk register on a regular basis.

Financial Risk Management

The company does not hold investments other than cash and does not utilise financial instruments in its operations. The company's trade receivables are primarily with a large number of customers which are mainly government funded entities and are short-term in nature. The company manages its liquidity risk by continuously monitoring cash flow requirements and managing its borrowings.

Throughout the period covered by this report and up to the date of this report the Board believes that there have been appropriate governance and risk management frameworks in place.

Going Concern

The Directors of the company are required to consider whether it is correct to prepare the accounts on a going concern basis. This means that the company will be able to continue to operate for the foreseeable future.

The company is supported by a Revolving Credit Facility (RCF) of £250m which was £100m drawn as at 31 March 2025. The RCF is provided by the Secretary of State for Health and Social Care. The agreement in place as at 31 March 2025 commenced on 1 April 2024 and ran to 1 April 2026. This has now been replaced by a renewed agreement which came into effect on 25 June 2025 and expires on 1 April 2027.

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Directors' Report for the Year Ended 31 March 2025

In addition, the company is provided with operational funding by its shareholder.

Based on these confirmations, and other considerations pertaining to trading, cashflows and funding, the Directors can expect that SCCL will continue trading as a going concern for 2025/26 and will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signing.

Consequently, the financial statements of SCCL for the year ended 31 March 2025 have been prepared on a going concern basis.

Future Developments

2025/26 Strategic Priorities

Our 2025/26 strategic priorities are:

- Create lasting value for patients
- Seek efficient and effective solution
- Deliver our service promise
- Grow our people, culture and capabilities

We will continue to deliver on our target, enabled by our strategy and set in January 2022, of enabling £1 billion in efficiency and productivity to the NHS by 2030.

Sustainability

The NHS has set an ambitious target to become the world's first carbon net zero health system by 2040 for the emissions it controls and 2045 for the emissions it influences. The company is committed to supporting the NHS to deliver.

Political and Charitable Donations

The company has not made any political or charitable donations during the current or prior period.

Our People

At the heart of our organisation is a deep commitment to openness, respect, and to care for one another. We believe that when people feel safe, heard, and valued, they can truly thrive. That's why we're dedicated to creating a workplace where everyone feels empowered to bring their whole selves to work and contribute meaningfully.

We are committed to transparency in how we operate. Everyone has access to clear, timely information about our policies, business performance, and other matters that affect our shared experience at work. Through our Listening Forums, we actively listen to the voices of our people and ensure their perspectives shape the decisions that impact them.

All of our people have access to a pension scheme. Detail of the pension arrangements are set out in the Remuneration Report.

Supply Chain Coordination Limited

Directors' Report for the Year Ended 31 March 2025

Inclusion and Belonging

We celebrate the unique backgrounds, experiences, and identities that each person brings to our community. Our approach to recruitment and career development is rooted in fairness and equity - we seek out the best person for every role, regardless of gender, ethnicity, background, or any other characteristic.

We are committed to supporting colleagues with disabilities, with a focus on what people can do, not what they can't. Whether it's through tailored support, retraining, or redeployment, we want to ensure all of our people have the opportunity to grow and succeed. Team members have the opportunity to participate in staff networks which aim to support inclusivity across the business

Pension Liabilities

Details of the pension liabilities and administration of the pension schemes are shown in Note 22 Pensions and Other Schemes to the financial statements.

Important Non Adjusting Events after the Financial Period

There are no significant non adjusting events after the financial reporting period.

Directors of the company

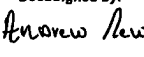
The directors, who held office during the year, were as follows:

Andrew New
Heather Tierney-Moore OBE
Heather Benjamin (resigned 30 November 2024)
Patrick Butterworth
Miranda Carter
Dr Sheila Doyle
Duncan Kendal
Rommel Pereira
Mark Swyny
Devyani Vaishampayan (appointed 1 November 2024)

Disclosure of Information to the Auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 25 July 2025 and signed on its behalf by:

DocuSigned by:

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Andrew New
Chief Executive Officer

Supply Chain Coordination Limited

Sustainability Report for the Year Ended 31 March 2025

The following climate-related financial disclosures are consistent with all the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and recommended disclosures set out in the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in 2017 and updated in 2021 by the TCFD. The TCFD recommendations on Governance, Risk Management, Strategy and Metrics and Targets have all been specifically addressed and, in line with the requirements, we have referenced below where our responses to the TCFD's 11 recommendations can be located within this report.

Section	Recommendation	Progress	Page No.
Governance	Describe the board's oversight of climate-related risks and opportunities	Consistent	11
	Describe management's role in assessing and managing climate-related risks and opportunities	Consistent	13
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Consistent	13
	Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning	Consistent	13
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Consistent	13
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Consistent	13
	Describe the organisation's processes for managing climate-related risks	Consistent	13
	Describe how processes for identifying and managing climate-related risks are integrated into the organisation's overall risk management	Consistent	13
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Consistent	13
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Consistent	15
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Consistent	13

Governance

The SCCL Board oversees climate-related risks through the Sustainability Steering Group, which reports quarterly to the Performance Committee.

For more information about the governance framework, see page 8.

Supply Chain Coordination Limited

Sustainability Report for the Year Ended 31 March 2025

Strategy

Business Model

SCCL's biggest impacts sit within Scope 3 emissions, they dwarf any other impact. We have no direct control over those emissions, and we must rely on our ability to influence our suppliers and customers, to make change. To deliver we must ensure our people are trained, coached and competently influence our stakeholders.

Policies

One of the key themes of the SCCL business plan is to make working with us easier, and to standardise ways of working. Included within this is embedding sustainability as at the heart of our processes. Our Sustainability Policy provides details of the principles, rules and procedures relating to how we manage sustainability and environmental impacts for SCCL.

Approach

Our approach has the following key themes:

People	how we ensure that our teams are informed and trained.
Process	how we ensure sustainability is at the heart of our processes.
Impact	how we segment the breadth of products we supply and drive down impacts including but not limited to carbon.
Stakeholders	how we manage relationships with an increasing range of stakeholders and communicate in a timely and meaningful way
Metrics	how and what we measure to ensure it remains meaningful and material. With more demand for data, made available more broadly, how we make it available to support decision making.

Social Matters

Volunteering Program

We offer the opportunity for all SCCL colleagues to take two days of paid time (or equivalent hours) per year to volunteer for an organisation of their choice.

Embedding Social Value into our Procurement

NHS England's stated policy objective is to meet its net zero carbon targets whilst achieving its wider Social Value priorities.

Central government's Social Value Model, including net zero emissions requirements, as outlined in Procurement Policy Note (PPN) 06/20 has been adopted by NHS England and applied to the commissioning and purchase of goods and services by NHS organisations, as well as to organisations acting on behalf of such commissioners and purchasers.

All procurement undertaken will contribute to the NHS Net Zero and Social Value goals. A minimum weighting of 10% will be applied to the evaluation criteria in our procurements. This is in line with the requirements of PPN 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts.

Respect for Human Rights

SCCL remains committed to operating responsibly and delivering social value in the communities we touch. In response to the Health and Care Act 2022, in 2023/24 we continued to develop and evolve our approach to tackling modern slavery and human trafficking.

This included updating and standardising our approach to Modern Slavery in procurement in line with PPN 02/23: Tackling Modern Slavery in Government Supply Chains.

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Sustainability Report for the Year Ended 31 March 2025

SCCL is committed to sustainable development across procurement activities to deliver sustainable value, taking into consideration and mitigating against environmental, social, and economic impacts. This includes working to the principles of the Public Services (Social Value) Act and working to meet Government Small/Medium Enterprises (SMEs) spend targets to promote fair business opportunities and adhering to the Modern Slavery Act 2015 as a guiding principle within our work. Concern for the environment is an integral and fundamental part of this commitment. Our aim is to reduce the impact on the environment from our operations. We continually assess the Environmental impacts of our activities, products and services and are committed to reducing or eliminating wherever practicable these impacts through the establishment of appropriate objectives and targets.

Risk Management

Supply chain resilience is recognised as a key area of focus with ongoing monitoring and development of new strategies to manage these risks.

Methodology

The climate change hazards reviewed are derived from the World Economic Forums Global Risks Report 2025, which outlines business risks.

We looked at the findings of the report and in particular the work they did on climate hazards and their impact on health outcomes in the context of our organisational strategy and identified risk associated with the impacts of climate change on the 3 areas:

Buy Smart

Using the Global Climate Risk Index, we have reviewed the country-of-origin data against the level of risk facing these territories, from this we have determined the volumes of supply coming from high, medium and low areas.

Supply Right

Using a combination of the BBC climate tool and the UK Flood Risk Mapping tool we have reviewed where our assets are against the level of risk facing these postcodes. We will use this as part of our evolving Estates strategy and build into decision making processes going forward.

Partner Expertly

Using the XDI Gross Domestic Climate Risk we have reviewed the location of our customers and looked at volumes moving into these areas.

Metrics and Targets

Overarching Objective

As part of the NHS family, we have aligned to the NHS England targets to become the world's first carbon net zero national health system by 2045, and 2040 for emissions controlled directly. This was set out in the "Delivering a Net Zero National Health Service" first published in October 2020 and made into Statutory guidance by Health and Care Act 2022.

Each year annual objectives for Sustainability are outlined in the SCCL Business Plan.

Metrics - Emissions

SCCL continue to measure the carbon footprint to understand the size, scale, and complexity of our emissions. Where possible, reporting aligns with Green House Gas reporting principles. The final calculations use a hybrid method. We use a hybrid methodology combining activity-based data from our value chain with spend-based estimates where direct data is unavailable. The totals have not been verified by an independent body and has a confidence of 75%.

Supply Chain Coordination Limited

Sustainability Report for the Year Ended 31 March 2025

Energy

In previous years SCCL has been exempt from reporting as it consumed less than 40,000 kilowatt-hours (kWh) of energy in the UK during the reporting period. However, due to the operating model changes and insourcing activity SCCL is now in scope of the reporting requirements.

1. Energy Use	UK energy consumption in kWh	
	Electricity	11,989,669 kWh
	Gas	13,525,072 kWh
	Transport	56,401,043 kWh
	Global energy use	UK Only
2. Greenhouse Gas (GHG) Emissions	Total emissions in tonnes of CO ₂ equivalent (TCO ₂ e).	
	Electricity	2,482.7 TCO₂e
	Gas	2,471.5 TCO₂e
	Transport	13,108.00 TCO₂e
	Total	18,062.17 TCO₂e
3. Energy Efficiency Actions	<p>This year marks our first submission under the Streamlined Energy and Carbon Reporting (SECR) framework. As part of this process, we have undertaken a comprehensive review of our estate, which includes a number of inherited, aging sites. Recognising the limitations of these properties in supporting our long-term sustainability goals, we have developed a new office and warehouse premises planning process to guide our transition toward a more energy-efficient and environmentally responsible portfolio.</p> <p>Over the next 12 months, we will be relocating from several of our current buildings as existing leases end. In their place, we have carefully selected new premises that align with our commitment to achieving net zero carbon emissions for Scope 1 and Scope 2 by 2030. These new sites have been chosen not only for their operational suitability but also for their potential to support our environmental objectives through improved energy performance and reduced emissions.</p>	
4. Intensity Ratio	TCO ₂ e per £m turnover	4.21 TCO₂e per £m
5. Methodology	A description of the methodology used to calculate emissions and energy use.	
	<p>To calculate our greenhouse gas emissions for this reporting period, we collected energy consumption data directly from utility bills across all operational sites. This included electricity and gas usage, which were compiled and reviewed for accuracy.</p> <p>We then applied the appropriate UK Government greenhouse gas conversion factors, as published by the Department for Environment, Food & Rural Affairs (Defra), to convert energy consumption figures into carbon dioxide equivalent (CO₂e) emissions. These factors ensure consistency with national reporting standards and allow for accurate year-on-year comparisons.</p> <p>This approach provides a reliable and transparent basis for quantifying our Scope 1 and Scope 2 emissions and supports our ongoing efforts to monitor and reduce our environmental impact</p>	

Supply Chain Coordination Limited

Sustainability Report

for the Year Ended 31 March 2025

Tonnes CO2 Equivalent (TCO2e)

Reporting has moved to financial year to bring into line with other reporting.

Year	Scope 1 Emissions (TCO2e)	Scope 2 Emissions (TCO2e)	Scope 3 Emissions (TCO2e)
2021	30,524.14	301.22	3,312,828.23
2022	49,749.80	665.26	1,303,702.84
2023	51,995.84	3,365.47	1,314,669.00
2024	43,575.22	2,484.67	1,898,108.45

Key Activities

Scope 1 and 2

- Estates Strategy. With some of our offices nearing the end of their lease, we have an opportunity to consider if our offices are in the right place, are the right size, and if they offer the facilities, accessibility, and inclusive environment we all need. We have embedded sustainability into how we choose new office locations, how we fit them out and how we run them. Focussing on the most energy efficient design, and conscious choices about energy types used, we are setting ourselves up to ensure we can hit our net zero targets with our estate.
- Logistics Re-Procurement. Over the last few years, we have been re procuring our logistics partner and much like the estates work embedded our net zero goals into the contractual requirements. This contract is due to commence in 2025/26 and much of the work over the last year has been preparing for this.
- With the changes in contracts, we have had the opportunity to bring some emissions back in house, moving them from Scope 3 to Scope 1 and 2, giving us more control and opportunity to drive down these emissions, as can be seen in the 2024 data.

Scope 3

- SCCL's biggest impacts sit within Scope 3 emissions, they dwarf any other impact. We have no direct control over those emissions, and we must rely on our ability to influence our suppliers and customers, to make change. To deliver we must ensure our people are trained, coached and competently influence our stakeholders. Our approach to tackling our Scope 3 emissions is focussed in 3 key areas.
 - **Buy Less:** The IMS Program and Demand Tool optimise procurement, eliminating unnecessary purchases.
 - **Buy Better:** Working collaboratively with suppliers to improve existing products and processes.
 - **Buy Different:** Encouraging innovation through **Value-Based Procurement (VBP), Care Pathway, and Clinical Strategies.**

Modern Slavery

Respect for human rights

NHS Supply Chain remains committed to operating responsibly and delivering social value in the communities we touch. In response to the Health and Care Act (2022), in 2023/24 we continued to develop and evolve our approach to tackling modern slavery and human trafficking.

This included updating and standardising our proportional approach to Modern Slavery in procurement in line with PPN 02/23: Tackling Modern Slavery in Government Supply Chains

Supply Chain Coordination Limited

Sustainability Report for the Year Ended 31 March 2025

Due Diligence tools			Procurement Risk Level		
			Low Risk	Medium Risk	High Risk
MSAT Score	Pass	Score of 41% or above	✓	✓	✓
Social Value Question	Pass	Score of 2 or above		✓	✓
Third-Party Audit	Pass	Third party audit evidence shows Low and Medium Risk outcomes only			✓

The NHS Supply Chain Modern Slavery Statement outlines the organisation's commitment to preventing modern slavery and human trafficking within its operations and supply chains. It details the structure and activities of NHS Supply Chain, which sources and delivers healthcare products and services across England and Wales. The statement highlights policies in place to combat modern slavery, including risk assessments, due diligence processes, and staff training. It also sets out key performance indicators to measure progress and describes efforts to work collaboratively with suppliers and Integrated Care Systems to uphold ethical standards. The document reaffirms NHS Supply Chain's alignment with the NHS Long Term Plan and its strategic goals of efficiency, resilience, and patient-centred care.

Supply Chain Coordination Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

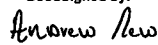
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholder to assess the company's position and performance, business model and strategy.

The directors confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRSs as adopted by the United Kingdom, give a true and fair view of the assets, liabilities, financial position and profit and loss of the company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the financial position of the company, together with a description of the principal risks and uncertainties that it faces.

Approved by the Board on 25 July 2025 and signed on its behalf by:

DocuSigned by:

471F14AF3CA1420...

Andrew New
Chief Executive Officer

Supply Chain Coordination Limited

Remuneration Report for the Year Ended 31 March 2025

Remuneration Policy

This Remuneration Report covers members of the Supply Chain Coordination Limited Board. The following elements of the Remuneration Report in respect of the Directors are subject to audit:

- salaries (including performance pay) and allowances;
- compensation for loss of office;
- non-cash benefits;
- pension contributions; and
- median earnings.

The Articles of Association state that the Shareholder must approve all appointments to the Board.

The People and Remuneration Committee keeps the Board's skill and experience base under continued review, oversees searches and selection processes for new directors and recommends new appointments to the Board. The remuneration and terms and conditions of the Chair and all directors are approved by the Shareholder, taking into account relevant market data and benchmarking against other similar positions.

The People and Remuneration Committee oversees appropriate contractual arrangements for our people.

Executive salary surveys and periodic assessments are conducted by independent remuneration consultants, taking into account affordability. Uplift to salary for Directors is approved at the People and Remuneration Committee which is attended by the Shareholder Director where required.

Supply Chain Coordination Limited is not bound by NHS pay-scales.

In Summer 2023, we introduced our new Reward Framework and 2023/24 year was the first that the Pay Review was conducted under the new Framework. There are two components to our Pay Review - a Basic Award, reflecting external market salary trends, and a Progression Award to reflect development within role. Colleagues received a Basic Award ranging from 5% for lower grades, reducing to 4.5% for higher grades; our Executive Team received a 4.5% uplift. Progression Award, based on an assessment of capability and a distribution grid to ensure affordability, achieved an average award of 3.8% to move colleagues through their pay ranges.

Driven by external data in response to cost of living challenges, in August 2024, an additional pay adjustment for colleagues within our 3 lowest grades, was given moving their salary to 90% of the target salary for their role, against 85% for the rest of the organisation.

During the year our performance against our internal mobility targets was very good, with 144 internal offers/promotions to colleagues to progress their careers. Where colleagues were on legacy terms and conditions, they transitioned to SCCL terms and conditions, aiding alignment to our Reward Framework. We continue to manage 49 people on legacy terms and conditions.

The annual bonus scheme arrangements are subject to various over-performance and stretch targets and were paid on achievement in August 2024, related to the 2023/24 financial year.

Company structure

The company's organisational structure was established from 1 April 2018. The Executive Team continue to regularly review the operating model to ensure that it is able to deliver the ongoing strategic priorities of the company. In January 2025, the business commenced a change programme entitled "Simplify to Strengthen". Using feedback from customers and colleagues, along with insights from leaders, a more transparent approach to changes were introduced, moving to small changes becoming the norm, enabling us to stay ahead of the curve, innovate, and continuously improve our processes and services to deliver our vision.

Supply Chain Coordination Limited

Remuneration Report for the Year Ended 31 March 2025

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.

Director	Date of Appointment as Company Director	Unexpired Term (months) as at 31/03/25	Notice Periods
Chair and Non-Executive Directors			
Heather Benjamin	1 December 2018	n/a	Left the Company effective November 2024
Heather Tierney-Moore OBE	1 December 2018	7	Appointed as Chair effective 1 November 2022 for a period of 3 years. Either party can give 1 months' notice.
Rommel Pereira	1 January 2023	9	Initial period of three years. Either party can give to the other one month's notice.
Mark Swyny	1 January 2023	9	Initial period of three years. Either party can give to the other one month's notice.
Duncan Kendal	1 September 2023	17	Initial period of three years. Either party can give to the other one month's notice.
Dr Sheila Doyle	1 January 2024	20	Initial period of three years. Either party can give to the other one month's notice.
Devyani Vaishampayan	1 November 2024	31	Appointed during the year. Initial period of three years. Either party can give to the other one month's notice.
Executive Directors			
Andrew New	1 September 2021	N/A	Six months.
Patrick Butterworth	1 January 2024	N/A	Six months.
Shareholder Director			
Miranda Carter	26 July 2019	N/A	The Shareholder Director is an employee of NHSE 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' conflict section).

For directors in office as at 31 March 2025, the details of service contracts, unexpired term and notice periods are shown in the previous table. Early termination, other than for misconduct, would result in the individual receiving compensation. There are no other service agreements, letters of appointment or material contracts, between the company and any of the directors. There are no arrangements or understandings between any director and any other person pursuant to which any director was selected to serve. There are no family relationships between the directors.

Supply Chain Coordination Limited

Remuneration Report (continued) for the Year Ended 31 March 2025

Remuneration of Board members (subject to audit)

The following table provides details of the remuneration and pension of Board members in post during the reporting period.

2024/25	Salary (Bands of £5,000)	Bonus (Bands of £5,000)	Benefits in Kind £ (1)	Pension Contribution (£000) (2)	Total Remuneration (Bands of £5,000)
Chair and Non-Executive Directors					
Heather Benjamin (3)	15-20	nil	nil	nil	15-20
Heather Tierney-Moore OBE	50-55	nil	nil	nil	50-55
Rommel Pereira	25-30	nil	nil	nil	25-30
Mark Swyny	25-30	nil	nil	nil	25-30
Duncan Kendal	25-30	nil	nil	nil	25-30
Dr Sheila Doyle	25-30	nil	nil	nil	25-30
Devyani Vaishampayan (4)	10-15	nil	nil	1	10-15
Executive Directors					
Andrew New	200-205	35-40	2,100	27	265-270
Patrick Butterworth	190-195	10-15	1,200	38	245-250
Shareholder Directors					
Miranda Carter	nil	nil	nil	nil	nil

(1) Benefits are noted to the nearest £100.

(2) Employer pension contributions relate to employer contributions to relevant pension schemes for the directors. Contributions are shown in Note 7 Directors' Remuneration.

(3) Left 30 November 2024 – Full year equivalent salary £25-30k.

(4) Appointed 1 November 2024. Full year equivalent salary £25k-£30k.

Salary includes gross salary, overtime and any allowances to the extent that it is subject to UK taxation excluding voluntary settlements. The monetary value of benefits in kind covers any payments or other benefits provided by the company, which are treated by HM Revenue and Customs as a taxable emolument.

Total remuneration for the directors was £697k (2024: £603k).

Supply Chain Coordination Limited

Remuneration Report (continued) for the Year Ended 31 March 2025

The following table provides details of the remuneration and pension of Board members in post during the prior reporting period.

2023/24	Salary (Bands of £5,000)	Bonus (Bands of £5,000)	Benefits in Kind £ (1)	Pension Contribution (£000) (2)	Total Remuneration (Bands of £5,000)
Chair and Non-Executive Directors					
Heather Benjamin	25-30	nil	nil	nil	25-30
Heather Tierney-Moore OBE	50-55	nil	nil	nil	50-55
Robert Houghton (3)	5-10	nil	nil	nil	5-10
Rommel Pereira	25-30	nil	nil	nil	25-30
Mark Swyny	25-30	nil	nil	nil	25-30
Sandra MacQuillan (4)	0-5	nil	nil	nil	0-5
Duncan Kendal (5)	10-15	nil	nil	nil	10-15
Dr Sheila Doyle (6)	5-10	nil	nil	nil	5-10
Executive Directors					
Andrew New	195-200	30-35	400	26	250-255
Colin McCready (7)	50-55	15-20	800	8	80-85
Patrick Butterworth (8)	105-110	nil	0	8	110-115
Shareholder Directors					
Miranda Carter	nil	nil	nil	nil	nil

(1) Benefits are noted to the nearest £100.

(2) Employer pension contributions relate to employer contributions to relevant pension schemes for the directors. Contributions are shown in Note 7 Directors' Remuneration.

(3) Left 10 June 2023 – Full year equivalent salary £25-30k.

(4) Appointed 6 April 2023. Employment ended 28 April 2023 after sadly passing. Full year equivalent salary £25k-£30k.

(5) Appointed 1 September 2023 – Full year equivalent salary £25k-£30k.

(6) Appointed 1 January 2024 – Full year equivalent salary £25k-£30k.

(7) Left 14 July 2023. Full year equivalent salary £185k-£190k

(8) Employed from 1 October 2023. Appointed to substantive contract and Director on 1 January 2024. Full year equivalent salary £185k-£190k.

Median earnings (subject to audit)

The company is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The movement in the ratios of pay is driven by the in-year transfer of employees from the Category Tower Service Providers which were under different pay arrangements and structures.

	2024/25	2023/24
Highest paid director's total remuneration (£000)	265-270	225-230
Median total remuneration (£)	49,757	47,025
Ratio	5.38	4.84
25th Percentile remuneration (£)	37,600	35,507
Ratio	7.11	6.41
75th Percentile remuneration (£)	68,082	64,354
Ratio	3.93	3.54

Supply Chain Coordination Limited

Remuneration Report (continued) for the Year Ended 31 March 2025

Salaries for senior management are disclosed in bands of £5,000 in accordance with EPN 647 Guidance. The mid-point of this band is used for the purposes of calculating the ratio of earnings of the highest paid director to median earnings.

SCCL has not set employee pay and policies with the achievement of certain pay ratios in mind, it believes that the rigorous application of its pay policies drives fair and consistent pay outcomes, which in turn will achieve an appropriate and fair pay ratio outcome.

In the financial year ending 31 March 2025, the Company incurred £4.1 million in agency and temporary staff costs, a 56% reduction from £9.4 million in the previous year. As of 31 March 2025, SCCL engaged 24 contractors and agency workers, compared to 45 at the same point in the prior year, a 47% decrease (note that these figures are not subject to audit).

This reduction is consistent with the Company's strategic objectives to reduce reliance on temporary staff, improve workforce stability and improve long-term operational resilience.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include voluntary settlements, employer pension contributions and the cash equivalent transfer value of pensions. The company is required to disclose the percentage change in total salary and bonuses for the highest paid director and the staff average. Prior year disclosures are not required.

2024/25	Total salary and allowances	Total bonus payments
Staff average	4.16%	52.70%
Highest paid director	2.53%	15.38%

The company is required to disclose lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits. Full-time employee salaries range from £23,400 (2024: £22,270) to that of the highest earning employee disclosed above.

	Lower Quartile £	Median £	Upper Quartile £
2024/25			
Salary	35,627	45,478	61,562
Total Pay and Benefits	37,600	49,757	68,082
2023/24			
Salary	32,045	43,520	59,925
Total Pay and Benefits	35,507	47,025	64,354

Pension

NHS Pension Scheme

Pension benefits have historically been provided through the NHS Pension Scheme (comprising the NHS Pension Scheme and the NHS Pension Scheme 2015) for any employees who TUPE transferred from NHS Business Services Authority (NHS BSA) to Supply Chain Coordination Limited on 1 April 2018 and for employees with New Fair Deal protection as former NHS employees who TUPE transferred from DHL NHS Supply Chain to Supply Chain Coordination Limited on or after 1 October 2018 and who were not prohibited from re-joining the NHSPS or joining the NHSPS 2015. Some of these members have now chosen to switch their future pension accrual to NEST (see below) as part of a harmonisation of terms and conditions.

Supply Chain Coordination Limited

Remuneration Report (continued) for the Year Ended 31 March 2025

No current Executive Team or Board members have a current interest in the NHS Pension Scheme.

Details of the benefits payable and rules of the individual schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both schemes 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.

The schemes 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, the schemes are accounted for as if they were defined contribution schemes: the cost to the company of participating in the schemes is taken as equal to the contributions payable to the schemes for the accounting period.

The scheme is subject to a full actuarial valuation every four years. As a result, 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. Full details of this are included in Note 22 Pensions and Other Schemes to the financial statements.

Civil Service Pension Scheme

Pension benefits have historically been provided through the Civil Service Pension Scheme (comprising the Principal Civil Service Pension Scheme and alpha) for any employees who TUPE transferred from DHL NHS Supply Chain to Supply Chain Coordination Limited on or after 1 October 2018 with Fair Deal protection as former Civil Servants. Some of these members have now chosen to switch their future pension accrual to NEST (see below) as part of a harmonisation of terms and conditions.

No current Executive Board members have an active interest in the Civil Service Pension Scheme.

Details of the benefits payable and rules of the individual schemes can be found on the Civil Service Pensions website at www.civilservicepensionscheme.org.uk. Both schemes are unfunded, defined benefit schemes that cover Government Department employers and other bodies, allowed under the direction of the Cabinet Office.

The schemes are not designed to be run in a way that would enable companies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as if they were defined contribution schemes: 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.

The scheme is subject to a full actuarial valuation every four years. As a result, 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. Full details of this are included in Note 22 Pension and Other Schemes to the financial statements.

Mercer DB Master Trust

Pension benefits have been provided through the Mercer DB Master Trust (the MDBMT) (previously known as the Federated Pension Plan (FPP)) for any employees as former NHS employees who TUPE transferred from DHL to Supply Chain Coordination Limited with New Fair Deal protection on either 1 October 2018, 1 December 2018 or 1 April 2019 but who were unable to re-join the NHS Pension Scheme (e.g. due to being over age 60 at the time of TUPE transfer or if in receipt of their pension benefits from the NHSPS 1995 section). The MDBMT was certified as a "broadly comparable" pension scheme to the NHSPS.

No current Executive Team or Board members have an interest in the MDBMT and there are no longer any current employees accruing benefits in the scheme.

Supply Chain Coordination Limited

Remuneration Report (continued) for the Year Ended 31 March 2025

The benefits payable under the scheme are broadly comparable to those provided by the NHSPS at the time the members joined the scheme. Further details can be obtained from the Trustees of the Mercer DB Master Trust. The MDBMT is a funded defined benefit pension scheme which can be used to enable NHS employers, GP practices and other bodies, to provide pension benefits to employees who would normally have re-joined the NHSPS but are unable to as they were either over age 60 when their employment commenced or were in receipt of their pension benefits.

Whilst the scheme is fully sectionalized, the presence of at least one other "non-associated" employer in the same section of the scheme means that it is not possible for individual companies in the same section to identify their individual shares 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 by the company to the scheme for the accounting period.

The scheme is subject to a full actuarial valuation every three years. As a result, the defined benefit obligations recognised in the financial statements are not expected to differ materially from those that would be determined at the reporting date by a formal actuarial valuation. Full details of this are included in Note 22 Pensions and Other Schemes to the financial statements.

NEST


People employed directly by Supply Chain Coordination Limited on or after 1 April 2018 or who transferred from DHL NHS Supply Chain without New Fair Deal pension protection are not eligible to be members of the NHS Pension Scheme, Civil Service Pension Scheme or Mercer DB Master Trust and are automatically enrolled in the workplace pension scheme provided by NEST, unless they decide to opt out. In addition, some employees who initially became members of the NHS Pension Scheme or the Civil Service Pension Scheme have now chosen to switch their future pension accrual to NEST as part of a harmonisation of terms and conditions.

NEST 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 in relation to the period covered by these accounts.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement in the periods during which services are rendered by employees.

Under legislation governing auto enrolment, for the financial year 6 April 2024 to 5 April 2025, employees are required to contribute a minimum of 3% p.a. of their Qualifying Earnings. Under our NEST arrangement, employees generally have the option to increase their contributions up to a maximum of 6% p.a. with SCCL paying double the contribution rate selected by each employee, up to a maximum of 12%.

Approved by the Board on 25 July 2025 and signed on its behalf by:

Signed by:

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Devyani Vaishampayan
People and Remuneration Committee Chair

Supply Chain Coordination Limited

Independent Auditor's Report to the Members of Supply Chain Coordination Limited

Opinion on financial statements

I have audited the financial statements of Supply Chain Coordination Limited for the year ended 31 March 2025

The financial statements comprise Supply Chain Coordination Limited's :

- Statement of Financial Position as at 31 March 2025;
- Income Statement, 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 Supply Chain Coordination Limited's affairs as at 31 March 2025 and its profit for the year then ended;
- 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 and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). 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 Supply Chain Coordination 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 Supply Chain Coordination Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Supply Chain Coordination 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.

Supply Chain Coordination Limited

Independent Auditor's Report to the Members of Supply Chain Coordination Limited (continued)

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 Directors' Remuneration Report to be audited has been properly prepared in accordance with the HM Treasury Financial reporting Manual.

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 Supply Chain Coordination Limited and its 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 in relation to which the Companies Act 2006 requires me to 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.

Supply Chain Coordination Limited

Independent Auditor's Report to the Members of Supply Chain Coordination Limited (continued)

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- maintaining proper accounting records;
- providing the 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 Supply Chain Coordination 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 Supply Chain Coordination 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 intend to liquidate Supply Chain Coordination Limited or to cease operations, or have 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.

Supply Chain Coordination Limited

Independent Auditor's Report to the Members of Supply Chain Coordination Limited (continued)

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 Supply Chain Coordination Limited's accounting policies, key performance indicators and performance incentives.
- inquired of management, Supply Chain Coordination Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Supply Chain Coordination 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 Supply Chain Coordination Limited's controls relating to Supply Chain Coordination Limited's compliance with the Companies Act 2006;
- inquired of management, Supply Chain Coordination 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 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 Supply Chain Coordination Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, 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 Supply Chain Coordination Limited's framework of authority and other legal and regulatory frameworks in which Supply Chain Coordination 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 Supply Chain Coordination Limited. The key laws and regulations I considered in this context included Companies Act 2006, employment law, 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 Risk Committee and in-house 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; and
- 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.

Supply Chain Coordination Limited

Independent Auditor's Report to the Members of Supply Chain Coordination Limited (continued)

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists 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.



Rachel Nugent
Senior Statutory Auditor
25 July 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

Supply Chain Coordination Limited

Income Statement for the Year Ended 31 March 2025

	Note	2025 £000	2024 £000
Revenue	3	4,293,756	3,772,474
Cost of Sales		(3,939,635)	(3,447,192)
Gross Profit		354,121	325,282
Administrative Expenses		(349,353)	(319,372)
Operating Profit	4	4,768	5,910
Finance Costs	5	(5,115)	(4,642)
(Loss) / Profit Before Tax		(347)	1,268
Income tax credit /(expense)	9	411	(1,183)
Profit for the Year		64	85

The above results were derived from continuing operations.

The company has no other comprehensive income other than that included in the results above, and therefore a separate Statement of Other Comprehensive Income has not been presented.

The Accounting Policies and Notes to the Financial Statements on pages 35 to 63 form an integral part of these Financial Statements.

Supply Chain Coordination Limited

Statement of Financial Position as at 31 March 2025


	Note	2025 £000	2024 £000
Non Current Assets			
Property, Plant and Equipment	10	28,455	32,814
Right of Use Assets	11	75,549	79,884
Intangible Assets	12	43,701	42,244
Total Non Current Assets		147,705	154,942
Current Assets			
Inventories	13	149,865	142,567
Contract Assets	18	5,298	4,135
Trade and Other Receivables	14	825,966	655,361
Cash and Cash Equivalents	15	103,034	136,070
Total Current Assets		1,084,163	938,133
Current Liabilities			
Trade and Other Payables	16	(676,651)	(543,219)
Deferred Income	17	(46,698)	(52,807)
Contract Liabilities	18	(173,406)	(153,829)
Current Portion of Long Term Lease Liabilities	20	(7,334)	(7,130)
Total Current Liabilities		(904,089)	(756,985)
Net Current Assets		180,074	181,148
Non Current Liabilities			
Loans and Borrowings	19	(100,000)	(106,000)
Long Term Lease Liabilities	20	(66,089)	(68,871)
Provisions	21	(11,420)	(12,389)
Non Current Contract Liabilities	18	(7,985)	(7,256)
Deferred Tax Liabilities	9	(2,427)	(1,780)
Total Non Current Liabilities		(187,921)	(196,296)
Total Net Assets		139,858	139,794

The Accounting Policies and Notes to the Financial Statements on pages 35 to 63 form an integral part of these Financial Statements.

Supply Chain Coordination Limited
Statement of Financial Position (continued)
as at 31 March 2025

	Note	2025 £000	2024 £000
Equity			
Share Capital	23	21,000	21,000
Retained Earnings		118,858	118,794
Total Equity		139,858	139,794

Approved by the Board on 25 July 2025 and signed on its behalf by:

DocuSigned by:

7644E29CE6A34D7...

Patrick Butterworth
Chief Finance Officer

Company Registration Number 10881715

The Accounting Policies and Notes to the Financial Statements on pages 35 to 63 form an integral part of these Financial Statements.

Supply Chain Coordination Limited

Statement of Cash Flows for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Cash Flows from Operating Activities			
Profit for the Year		64	85
Tax Paid		-	(4,494)
Finance Costs Presented under Financing Activities		2,318	3,170
Adjustments to Cash Flows from Non-Cash Items			
Depreciation and Amortisation	4	9,114	7,382
Impairment of Tangible Assets	10	236	-
Impairment of Intangible Assets	12	1,210	-
Depreciation on Right of Use Assets	4	8,713	9,107
Gain on Fixed Asset Disposal		(80)	-
Impairment of Right of Use Assets	4	-	243
Finance Costs		173	1,335
Income Tax (Credit)/Expense	9	(411)	1,183
Remeasurement of Right of Use Assets	11	-	(2,125)
Working Capital Adjustments			
Decrease/(Increase) in Inventories	13	(7,298)	12,329
Decrease/(Increase) in Trade and Other Receivables	14	(169,719)	598,561
Decrease/(Increase) in Contract Assets	18	(1,163)	2,037
(Decrease)/Increase in Trade and Other Payables	16	133,432	(21,171)
Increase in Contract Liabilities	18	20,306	14,937
Decrease in Provisions	21	(969)	(891)
(Decrease)/Increase in Deferred Income	17	(6,109)	(16,714)
Net Cash Generated From Operating Activities		(10,183)	604,974
Cash Flows from Investing Activities			
Acquisitions of Property, Plant and Equipment		(400)	(3,943)
Acquisitions of Intangible Assets		(7,619)	(12,833)
Proceeds from Sale of Tangible Fixed Assets		440	-
Net Cash Used In Investing Activities		(7,579)	(16,776)
Cash Flows from Financing Activities			
Interest Expense on Leases	5	(1,025)	(1,051)
Interest Paid		(1,293)	(2,119)
Repayment of Lease Liabilities	20	(6,956)	(7,141)
Repayment of Loans and Borrowings	19	(121,000)	(725,673)
Drawdown of Loans and Borrowings	19	115,000	50,000
Net Cash Used In Financing Activities		(15,274)	(685,984)
Net (Decrease)/ Increase in Cash and Cash Equivalents		(33,036)	(97,786)
Cash and Cash Equivalents as at 1 April	15	136,070	233,856
Cash and Cash Equivalents as at 31 March	15	103,034	136,070

The Accounting Policies and Notes to the Financial Statements on pages 35 to 63 form an integral part of these Financial Statements.

Supply Chain Coordination Limited

Statement of Changes in Equity for the Year Ended 31 March 2025

	Share Capital £000	Retained Earnings £000	Total £000
As at 1 April 2023	21,000	118,709	139,709
Profit for the Year	-	85	85
Total Comprehensive Income	-	85	85
As at 31 March 2024	21,000	118,794	139,794
Profit for the Year	-	64	64
Total Comprehensive Income	-	64	64
As at 31 March 2025	21,000	118,858	139,858

The Accounting Policies and Notes to the Financial Statements on pages 35 to 63 form an integral part of these Financial Statements.

Supply Chain Coordination Limited

Accounting Policies for the Year Ended 31 March 2025

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

(A) Basis of Preparation

The Financial Statements have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards and interpretations adopted by the United Kingdom ("IFRS") and under historical cost accounting rules. Historical cost is generally based on the fair value of consideration given in exchange for assets.

In preparing the Financial Statements in conformity with IFRS, management is required to make judgements, estimates and assumptions about the carrying amount 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 relevant. Actual results may differ from these estimates.

The functional and presentational currency is Sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(B) Going Concern

The Financial Statements have been prepared on a going concern basis, taking into account the following:

The company is wholly owned by the NHS Commissioning Board and supported by a revolving credit facility of £250m, which is £100m drawn as at 31 March 2025 (2024: £106m). The loan is provided by the Secretary of State for Health and Social Care, and expires on 1 April 2027. In addition, the company is provided with operational funding by its shareholder.

Based on the above funding and other considerations pertaining to trading and cashflows, the Directors expect that the company will continue trading as a going concern for the year ended 31 March 2026 and will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signing.

(C) Revenue

Revenue comprises the fair value of consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The principles in IFRS 15 'Revenue from Contracts with Customers' are applied to revenue recognition criteria using the following five step model:

- 1 Identify the contract(s) with the customer
- 2 Identify the performance obligations in the contract
- 3 Determine the transaction price
- 4 Allocate the transaction price to the performance obligations in the contract
- 5 Recognise the revenue when or as the entity satisfies its performance obligations

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(C) Revenue (continued)

(i) Recognition

The Company earns revenue from the following:

- the provision of everyday hospital consumables, clinical products and home-care supplies to NHS Trusts and other healthcare organisations;
- the sale and leasing of capital equipment;
- the provision of maintenance services for capital equipment;
- the management and coordination of NHS Supply Chain services; and
- the management of service contracts with entities such as UK Health Security Agency ("UK HSA").

Revenue arising from the provision of everyday hospital consumables, clinical products and home-care supplies is recognised in the accounting period when control of the product has been transferred, which is taken to be upon despatch from the warehouse, with e-Direct sales recognised on confirmation by suppliers.

Revenue from the sale of capital equipment is recognised in the accounting period when performance obligations are met. Depending on the contract with the customer, this is taken to be on delivery to the customer, or successful installation by a qualified engineer of the equipment at the customer site.

Revenue from the sale of maintenance contracts is recognised evenly over the life of the agreement.

Revenue from the leasing of capital equipment is recognised in each accounting period covering the lease term and depends on whether the lease is considered to be a finance lease or operating lease.

Revenue from the management of service contracts is recognised in the accounting period when the contracted service is delivered to the customer.

Revenue from operating leases is recognised on a straight line basis.

Principal versus Agent

If more than one party is involved in providing the goods and services to the customer, then these arrangements are reviewed to determine whether the Company acts as a principal or an agent. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or goods.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent, revenue is recorded at a net amount reflecting the margin earned.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(C) Revenue (continued)

(i) Recognition (continued)

Principal versus Agent (continued)

Based on the principles of IFRS 15 'Revenue from Contracts with Customers', considerations and assessment performed, management have concluded that SCCL acted as an agent in regards to the obligations relating to the PPE and ICU consumables, purchased and transferred to DHSC. This also included all related costs of PPE purchase, such as freight, detention and demurrage, warehouse costs of storage and professional fees associated with purchase and storage, as it is believed that these costs are directly associated with the product purchases and so should be considered in the overall assessment.

(ii) Measurement and Performance Obligations

Measurement will depend on the successful completion of performance obligations included within each contract.

- Despatch from the warehouse to the customer for the provision of everyday hospital consumables, clinical products and home-care supplies;
- Despatch from supplier for e-Direct sales;
- Delivery to the customer or successful installation by a qualified engineer for the sale of capital equipment;
- Maintenance contracts during the contract period on a straight line basis; and
- Delivery of the service over the lease term for revenue from leasing of capital equipment.

(D) Property, Plant and Equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation.

Where an asset includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful economic lives.

Depreciation is recognised on a straight line basis so as to write off the cost or valuation of assets less their residual values over their useful lives as follows:

Asset Class	Depreciation Rate
Leasehold improvements	5-10 years
Fixtures and fittings	5-10 years
Medical equipment	7-10 years
Other equipment	3-10 years

The useful economic life of medical equipment, which is leased, is determined by the length of the lease.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(F) Financial Assets and Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

Financial assets are recognised on the Statement of Financial Position when the Company becomes party to the financial instrument contract, other than in the case of trade receivables, when the financial asset is recognised when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred.

Financial assets are classified under IFRS 9 'Financial Instruments' as amortised cost, fair value through other comprehensive income or fair value through profit or loss depending on the Company's business model and the contractual cash flow characteristics of the instruments. As the Company's financial assets primarily comprise cash and cash equivalents, contract assets and trade and other receivables, they are classified as amortised cost assets.

(ii) Cash

Cash comprises cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

(iii) Trade and Other Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The Company's trade receivables are primarily with members of the DHSC Group and are short-term in nature. The Directors consider these entities as low risk due to being government funded, and so an expected credit loss has not been recognised in the accounts for these customers. The Company also has small amounts of trade receivables due from private entities and a provision is recognised against these customers where necessary.

(iv) Financial Liabilities

Financial liabilities are recognised in 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.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(D) Property, Plant and Equipment (continued)

Property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and, at least at each Statement of Financial Position date. If any such indication exists, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. The asset is written down to its recoverable amount with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset, and thereafter the loss is charged directly to the Income Statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to the Income Statement to the extent of the decrease previously charged there, and thereafter to the revaluation reserve.

(E) Intangible Assets

(i) Recognition

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 an asset can be measured reliably; and
- where the cost is at least £5,000.

Following initial recognition, intangible assets are carried at amortised historic costs, where the Directors consider it approximates to the fair value.

Intangible non current assets acquired separately are measured 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.

(ii) Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight line basis as follows:

Asset Class	Amortisation Rate
Software Platforms and licences	3-10 years

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(F) Financial Assets and Liabilities (continued)

(v) Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(vi) Borrowings

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

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

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

(G) Inventories

Inventories are valued at weighted average cost. Cost comprises direct materials. At each reporting date, inventories are assessed for impairment. If impaired, the carrying amount is reduced to its selling price less costs to sell, and the impairment loss is recognised immediately in the Income Statement.

Inventories also include some capital equipment, which is held at cost. The capital equipment is assessed regularly for impairment. If any impairment is identified, the equipment is written down to the net realisable value and the impairment loss is recognised in the Income Statement.

(H) Provisions

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

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

(I) Finance Income and Costs

Finance costs mainly relate to interest expense on leases and borrowings. Interest expense is recognised in the Income Statement as it accrues.

Apart from a small amount of lease income, the Company has no finance income.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(J) Tax

Tax in the Income Statement comprises current and deferred tax.

(i) Current Tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred Tax

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 Statement of Financial Position date.

A 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.

(iii) Value Added Tax ("VAT")

Amounts are stated net of VAT where output tax is charged or where the input tax is recoverable. 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.

(K) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Where the Company acts as a Lessee

The Company recognises a right of use asset and a lease liability at the commencement date of the lease. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, including rent deposits, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset.

The right of use asset is also subject to regular impairment reviews, in line with owned assets, and is adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the Company's incremental borrowing rate ("IBR"), since the interest rate implicit in the leases cannot be readily determined. The Company uses, as its IBR, the rate that is published by HM Treasury annually in its public expenditure papers. Management consider that this rate best reflects the IBR given that the Company only has borrowings provided to it by its parent entity.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(K) Leases (continued)

(i) Where the Company acts as a Lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the Company's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) Where the Company acts as a Lessor

When the Company acts as a lessor, it determines, at lease inception, whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If the arrangement contains lease and non-lease components, the Company applies IFRS 15 'Revenue from Contracts with Customers' to allocate consideration in the contract.

At the commencement of the lease term, the Company records a finance lease in the Statement of Financial Position as a receivable at an amount that is equal to the net investment in the lease. The net investment in a lease is the gross investment in a lease discounted using the interest rate implicit in the lease.

The gross investment in a lease consists of the undiscounted amounts of the lease payments receivable by the lessor under a finance lease and any unguaranteed residual value accruing to the lessor.

Assets held under operating leases are presented in the Statement of Financial Position and depreciated over the period of the lease on a straight line basis. Operating lease payments received are recognised in the Income Statement over the lease term and on a straight line basis.

Supply Chain Coordination Limited

Accounting Policies (continued) for the Year Ended 31 March 2025

(L) Share Capital

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

Supply Chain Coordination Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

1 General Information

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The principal activity of the Company is set out in the Strategic Report.

2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect items reported in the Financial Statements, along with the disclosure of contingent assets and liabilities as at the reporting date.

Estimates and associated assumptions are based on past experience, current facts and circumstances and, to some extent, future events and actions. Actual results may differ from these estimates.

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

Critical estimates and assumptions are made in particular, but not exclusively, with regard to the following:

IFRS 15 Revenue Recognition

Based on the IFRS 15 principles, consideration and assessment performed, management have concluded that SCCL acted as an agent in regard to the obligations relating to the PPE and ICU consumables purchased and transferred to DHSC. This also included all related costs of PPE purchase, such as freight, detention and demurrage, warehouse costs of storage and professional fees associated with purchase and storage, as it is believed that these costs are directly associated with the product purchases and so should be considered in the overall assessment.

Key facts in regard to IFRS 15 have been noted in Accounting Policies (see Accounting Policy C(i) Revenue Recognition - Principal versus Agent).

Provisions

Judgement and estimation techniques are employed in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that expenditure will be required by the Company.

The Company has recognised provisions for impairment of inventories, impairment of trade receivables and dilapidations which requires management to make judgements. These judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

The provision for impairment of inventory has been netted off against inventories in the Statement of Financial Position.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Provisions (continued)

The dilapidations provision has been disclosed separately in the Statement of Financial Position in provisions.

The provision for impairment of trade receivables and the VAT provision have both been netted off against the Trade and Other Receivables balances in the Statement of Financial Position.

A provision for VAT continues to be recognised in respect of VAT amounts due to be reclaimed on certain inventory items following the acquisition of the NHS Supply Chain from the NHS BSA. Whilst the input tax on the transfer of the inventory has been blocked from recovery, the output tax accounted for by SCCL on the related onward sale potentially should not have been paid over to HMRC. A claim seeking to recover the amount paid was submitted in March 2023. All of this balance has been provided for.

In addition, there are further historical amounts relating to capital inventory, for which an output tax claim was submitted to HMRC in June 2023. These historical balances relate to items purchased prior to the transfer of NHS Supply Chain from NHS BSA. All of this balance has been provided for.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2025	2024
	£000	£000
Sale of goods	3,660,521	3,216,021
Rendering of services	372,915	310,786
Leasing of equipment	320	667
Other revenue	260,000	245,000
	<u>4,293,756</u>	<u>3,772,474</u>

Other revenue relates to operational funding received from the shareholder during the year.

4 Operating Profit

Operating profit is stated after charging:

	2025	2024
	£000	£000
Depreciation on property, plant and equipment	4,613	5,904
Depreciation on right of use assets	8,713	9,107
Amortisation expense	4,501	1,478
Impairment of right of use assets	-	243
	<u>-</u>	<u>17,732</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

5 Finance Costs

	2025	2024
	£000	£000
Interest on borrowings	4,090	3,591
Interest expense on leases - Property	1,022	1,042
Interest expense on leases - Other	3	9
	<u>5,115</u>	<u>4,642</u>

6 Staff Costs

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

	2025	2024
	£000	£000
Wages and salaries	66,959	60,145
Social security costs	6,941	5,184
Pension costs	6,575	4,857
Redundancy costs	(58)	457
	<u>80,417</u>	<u>70,643</u>

The credit to redundancy costs is due the reversal of an over-accrual in the prior year.

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

	2025	2024
	No.	No.
Permanent staff	1,108	975
Agency and temporary staff	27	89
	<u>1,135</u>	<u>1,064</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

7 Directors' Remuneration

The directors' remuneration for the year was as follows:

	2025	2024
	£000	£000
Remuneration	630	561
Contribution paid into pension schemes	67	42
	<u>697</u>	<u>603</u>

Remuneration relates to salaries and performance bonuses.

In respect of the highest paid director:

	2025	2024
	£000	£000
Remuneration	241	227
Contribution paid into pension schemes	27	26

Disclosures relating to directors' remuneration are included in the Remuneration Report.

8 Auditor's Remuneration

	2025	2024
	£000	£000
Audit of these Financial Statements	<u>509</u>	<u>499</u>
Other fees to other auditors		
Internal audit services	<u>155</u>	<u>130</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

9 Income Tax

Tax Charged in the Income Statement

	2025 £000	2024 £000
Current Taxation		
UK Corporation Tax	(1,058)	(265)
Deferred Taxation		
Arising from origination and reversal of temporary differences	647	1,448
Tax (Credit) / Expense in the Income Statement	<u>(411)</u>	<u>1,183</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 25% (2024: 25%).

The differences are reconciled below:

	2025 £000	2024 £000
(Loss) / Profit before tax	(347)	1,268
Corporation tax at standard rate at 25%	(87)	317
Increase from effect of expenses not deductible in determining taxable profit	31	251
Increase from effect of capital allowances depreciation	1,259	1,064
Other tax effects for reconciliation between accounting profit and tax expense	(1,614)	(449)
Total Tax (Credit) / Expense	<u>(411)</u>	<u>1,183</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

9 Income Tax (continued)

Deferred Tax

Deferred tax movement during the year:

	At 1 April 2024 £000	Recognised in Income Statement £000	At 31 March 2025 £000
Fixed assets	1,839	2,776	4,615
Temporary timing differences	(67)	(30)	(97)
IFRS 16 adjustment	8	(4)	4
Losses	-	(2,095)	(2,095)
Net tax liabilities	<u>1,780</u>	<u>647</u>	<u>2,427</u>

Deferred tax movement during the prior year:

	At 1 April 2023 £000	Recognised in Income Statement £000	At 31 March 2024 £000
Fixed assets	456	1,383	1,839
Temporary timing differences	(71)	4	(67)
IFRS 16 adjustment	17	(9)	8
Losses	(70)	70	-
Net tax (assets)/liabilities	<u>332</u>	<u>1,448</u>	<u>1,780</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

10 Property, Plant and Equipment

	Leasehold Improvements £000	Fixtures and Fittings £000	Medical Equipment £000	Work in Progress £000	Other Equipment £000	Total £000
Cost or Valuation						
At 1 April 2023	6,686	6,410	5,641	16,265	29,560	64,562
Additions	-	-	-	3,943	-	3,943
Disposals	-	-	-	-	-	-
Transfers	14,433	322	-	(15,162)	345	(62)
Reclassification	-	-	-	-	(10,296)	(10,296)
At 31 March 2024	21,119	6,732	5,641	5,046	19,609	58,147
Additions	-	-	-	400	-	400
Disposals	-	-	(3,203)	-	-	(3,203)
Impairment	-	-	-	(236)	-	(236)
Transfers	-	4,930	-	(5,660)	730	-
Reclassification	-	-	-	450	-	450
At 31 March 2025	21,119	11,662	2,438	-	20,339	55,558
Depreciation						
At 1 April 2023	2,133	1,737	3,880	-	14,174	21,924
Charge for the year	1,121	676	699	-	3,408	5,904
Eliminated on disposal	-	-	-	-	(2,495)	(2,495)
At 31 March 2024	3,254	2,413	4,579	-	15,087	25,333
Charge for the year	1,753	1,005	434	-	1,421	4,613
Eliminated on disposal	-	-	(2,843)	-	-	(2,843)
At 31 March 2025	5,007	3,418	2,170	-	16,508	27,103
Carrying Amount						
At 31 March 2025	16,112	8,244	268	-	3,831	28,455
At 31 March 2024	17,865	4,319	1,062	5,046	4,522	32,814

Depreciation of Property, Plant and Equipment is included within Administrative Expenses in the Income Statement.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

11 Right of Use Assets

	Equipment £000	Property £000	Vehicles £000	Total £000
Cost or Valuation				
At 1 April 2023	8	120,483	885	121,376
Additions	-	45	281	326
Remeasurement	-	2,125	-	2,125
Disposals	-	(8,385)	(548)	(8,933)
At 31 March 2024	8	114,268	618	114,894
Additions	-	232	-	232
Remeasurement	-	4,146	-	4,146
Disposals	-	(4,822)	-	(4,822)
At 31 March 2025	8	113,824	618	114,450
Depreciation				
At 1 April 2023	3	33,848	694	34,545
Charge for the year	3	8,874	230	9,107
Eliminated on disposal	-	(8,385)	(500)	(8,885)
Impairment loss	-	243	-	243
At 31 March 2024	6	34,580	424	35,010
Charge for the year	2	8,592	119	8,713
Eliminated on disposal	-	(4,822)	-	(4,822)
At 31 March 2025	8	38,350	543	38,901
Carrying Amount				
At 31 March 2025	-	75,474	75	75,549
At 31 March 2024	2	79,688	194	79,884

The right of use assets are depreciated over the life of the lease on a straight line basis. Depreciation on right of use assets is included within Administrative Expenses in the Income Statement.

Adjustments are made to Cost or Valuation in line with IFRS 16: Leases where modification or remeasurement is required following a reassessment.

Impairment losses of £243k charged in prior year relate to a vacated lease and adjusts the asset carrying value down to its value in use.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

12 Intangible Assets

	Software Platforms and licences £000	Work in Progress £000	Total £000
Cost or valuation			
At 1 April 2023	24,404	-	24,404
Additions	-	12,833	12,833
Transfers	(15,251)	15,313	62
Reclassifications	10,296	-	10,296
Disposals	(1,142)	-	(1,142)
At 31 March 2024	<u>18,307</u>	<u>28,146</u>	<u>46,453</u>
Additions	-	7,619	7,619
Transfers	25,824	(25,824)	-
Reclassifications	-	(450)	(450)
Impairment	-	(1,210)	(1,210)
At 31 March 2025	<u>44,131</u>	<u>8,281</u>	<u>52,412</u>
Amortisation			
At 1 April 2023	1,378	-	1,378
Amortisation charge	1,478	-	1,478
Reclassifications	2,495	-	2,495
Disposals	(1,142)	-	(1,142)
At 31 March 2024	<u>4,209</u>	<u>-</u>	<u>4,209</u>
Amortisation charge	4,501	-	4,501
At 31 March 2025	<u>8,710</u>	<u>-</u>	<u>8,710</u>
Carrying Amount			
At 31 March 2025	<u>35,421</u>	<u>8,281</u>	<u>43,702</u>
At 31 March 2024	<u>14,098</u>	<u>28,146</u>	<u>42,244</u>

Amortisation of Intangible Assets is included within Administrative Expenses in the Income Statement.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

13 Inventories

	31 March 2025 £000	31 March 2024 £000
Finished goods and goods for resale	<u>149,865</u>	<u>142,567</u>
	31 March 2025 £000	31 March 2024 £000
At start of the year	142,567	154,896
Purchases	3,639,764	3,171,187
Sales	(3,630,553)	(3,178,321)
Write downs	(1,913)	(1,964)
Adjustments	-	(3,231)
At end of the year	<u>149,865</u>	<u>142,567</u>

14 Trade and Other Receivables

	31 March 2025 £000	31 March 2024 £000
Trade receivables	565,763	461,535
Provision for impairment of trade receivables	(6,657)	(3,280)
Net trade receivables	<u>559,106</u>	<u>458,255</u>
Accrued income	56,506	46,148
Prepayments	207,655	147,140
Other receivables	34,017	35,136
Provision for impairment of other receivables	(31,318)	(31,318)
	<u>825,966</u>	<u>655,361</u>

Trade and other receivables due after one year total £nil (2024 £nil).

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

15 Cash and Cash Equivalents

	31 March 2025 £000	31 March 2024 £000
Cash at bank	<u>103,034</u>	<u>136,070</u>

16 Trade and Other Payables

	31 March 2025 £000	31 March 2024 £000
Trade payables	350,684	280,156
Accrued expenses	284,469	226,780
Social security and other taxes	1,626	1,409
Outstanding defined contribution pension costs	897	673
Other payables	<u>38,975</u>	<u>34,201</u>
	<u>676,651</u>	<u>543,219</u>

Trade and other payables due after one year total £nil (2024: £nil).

The Company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in Note 25 Financial Risk Review.

17 Deferred Income

	31 March 2025 £000	31 March 2024 £000
Deferred income	<u>46,698</u>	<u>52,807</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

18 Assets and Liabilities related to Contracts with Customers

The company has recognised the following in assets and liabilities related to contracts with customers:

	31 March 2025 £000	31 March 2024 £000
Current contract assets relating to maintenance services	<u>5,298</u>	<u>4,135</u>
Current contract liabilities relating to maintenance services	173,406	153,829
Non current contract liabilities relating to maintenance services	<u>7,985</u>	<u>7,256</u>
	<u>181,391</u>	<u>161,085</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>153,829</u>	<u>145,261</u>

19 Loans and Borrowings

	31 March 2025 £000	31 March 2024 £000
Non current loans and borrowings	<u>100,000</u>	<u>106,000</u>

The following tables set out the movement in the principal element of each borrowing that has been undertaken by the Company.

	Revolving Credit Facility £000
2025	
At 1 April 2024	106,000
Drawdowns	115,000
Repayments	(121,000)
At 31 March 2025	<u>100,000</u>

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

19 Loans and Borrowings (continued)

	Revolving Credit Facility £000	Covid Facility £000	Total £000
2024			
At 1 April 2023	250,000	531,673	781,673
Drawdowns	50,000	-	50,000
Repayments	(194,000)	(531,673)	(725,673)
At 31 March 2024	<u><u>106,000</u></u>	<u><u>-</u></u>	<u><u>106,000</u></u>

Interest of £nil has been accrued on the Revolving Credit Facility (2024: £1,335k).

The repayment date of the Revolving Credit Facility is 1 April 2027. The rate of interest applicable to the flexible loan facility during the year is 5%. Fair value is not materially different to carrying value.

The Covid Facility was increased to £5.5bn in November 2020. In July 2022, the repayment date was extended to 1 April 2024. No interest was payable on this facility. However, for the year ended 31 March 2023, due to an increase in the Revolving Credit Facility interest rate to 2.17% from 0.12% notional interest payable was calculated on the Covid facility for the year of £24,609k. This amount was reimbursed in the form of a notional grant to the same value by the counterparty. The Covid Facility was fully repaid in March 2024.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

20 Leases

(a) Where the Company acts as a Lessee

Lease Liabilities Maturity Analysis	31 March 2025 £000	31 March 2024 £000
Less than one year	8,242	8,020
More than 1 year and less than 5 years	28,787	29,130
More than 5 years and less than 10 years	27,057	27,986
More than 10 years	15,541	17,820
Total lease liabilities (undiscounted)	79,627	82,956
Less: unearned interest	(6,204)	(6,955)
Discounted lease liabilities	73,423	76,001
Analysed as:		
Current	7,334	7,130
Non Current	66,089	68,871
	73,423	76,001
Right of Use Lease Liabilities	2025 £000	2024 £000
1 April	76,001	82,863
Lease repayments	(7,981)	(8,192)
Interest element of lease repayments	1,025	1,051
Additions	232	326
Adjustments and remeasurements	4,146	(47)
31 March	73,423	76,001

The Company has leases for offices, vehicles and office equipment. It also leases several warehouses through its logistics contracts. Each lease is reflected as a right of use asset and a lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the Company's incremental borrowing rate ("IBR"), where the interest rate implicit in the leases cannot be readily determined.

The rate applied to new lease liabilities recognised in the Statement of Financial Position is 4.72% for leases recognised during the calendar year 2024 and 4.81% for leases recognised during calendar year 2025 - this rate is published by HM Treasury annually in its public expenditure papers.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

20 Leases (continued)

(a) Where the Company acts as a Lessee (continued)

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's finance function.

(b) Where the Company acts as a Lessor

Operating Leases

The Company classified 7 (2024: 7) of the leases as operating leases because all the risks and rewards incident to ownership of the scanning machines are retained by the Company and are not transferred to the lessees.

During the year, the Company has recognised rental income on operating leases of £320k (2024: £627k), which is disclosed within leasing of equipment revenue (see Note 3 Revenue).

The following table sets out a maturity of the operating lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating Lease Receivable	31 March 2025 £000	31 March 2024 £000
Due in one year	-	237
Total operating lease receivable	-	237

Operating lease contracts concluded at the end of the current financial year. New lease contracts were agreed post year end.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

21 Provisions and contingent liabilities

	2025 £000	2024 £000
At 1 April	12,389	13,280
Additions	303	-
Utilisation	(527)	-
Decrease through remeasurement	-	(891)
Decrease through release	(745)	-
At 31 March	11,420	12,389

All provisions are classified as non current liabilities.

The provision for dilapidations relates to the estimated cost of future repairs and renovations that will need to be made in line with lease obligations for warehouses.

Contingent Liabilities

A contingent liability is a potential liability that may occur depending on the outcome of an uncertain future event; they do not need to meet the criteria for a provision. Under IAS 37 'Provisions, Contingencies Liabilities and Contingent Assets,' contingent liabilities are not recognised in the Statement of Financial Position, but are required to be disclosed in a note in the accounts.

In preparing the Financial Statements, management have considered the need for disclosure of any contingent liabilities. In the normal course of business, SCCL is subject to legal challenges, such as supplier qualification to access procurement frameworks, and these are managed by Legal Counsel. At the time of signing, there are some active claims but Legal Counsel do not consider there to be any claims or challenges that are likely to result in loss to the business and any potential loss would be unquantifiable at this time.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

22 Pension and Other Schemes

SCCL contributes to the NHS Pension Scheme for all eligible employees. Contributions relating to one month of £29k were outstanding as at 31 March 2025, which were payable in April 2025 (2024: £31k).

SCCL has made contributions of £189k into the Civil Service Pension Scheme (2024: £176k) for all eligible employees.

No current employees are under the Mercer DB Scheme. Currently a monthly fee is paid to keep the scheme open due to former employees being part of the scheme. No contributions were made in the current year (2024: £nil).

A defined contribution scheme, NEST Pension Scheme, is open to eligible employees. Contributions of £6,194k have been made in the year (2024: £3,963k). Contributions relating to one month of £897k payable in April 2025 were outstanding as at 31 March 2025 (2024: £641k).

NHS Pension Scheme

Details of the benefits payable and rules of the Scheme can be found on the NHS Pension website at www.nhsbsa.nhs.uk/pensions. The Scheme is an unfunded defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The Scheme is not designated to be run in a way that would enable NHS bodies to identify their individual 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 by the Company to that Scheme for the accounting period.

NEST

All SCCL employees directly employed by the Company on or after 1 April 2018 or who transferred from DHL NHS Supply Chain without New Fair Deal pension protection are not eligible to be members of the NHS Pension Scheme, the Civil Service Pension Scheme or the Mercer DB Master Trust, and are auto-enrolled into the NEST Pension Scheme. This is a defined contribution plan. The NEST Pension Scheme is open to eligible employees.

23 Share Capital

Allotted, called up and fully paid shares

	31 March 2025		31 March 2024	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>21,000,001</u>	<u>21,000</u>	<u>21,000,001</u>	<u>21,000</u>

24 Capital Commitments

The total amount contracted for but not provided in the Financial Statements was £1,220k (2024: £5,694k).

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

25 Financial Risk Review

IFRS 7: Financial Instruments requires the disclosure of the role 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 arising from financial instruments. Financial assets and liabilities are generated by day-to-day operating activities.

Financial assets and liabilities are measured at amortised cost. These comprise cash, trade payables, trade receivables, loans, and leases detailed in Notes 15, 16, 14, 19 and 20 respectively.

Credit Risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations.

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 cash assets are all held within the Government Banking Service. As the Company does not hold investments other than necessary cash, it is not exposed to significant credit risk in this regard.

The Company's trade receivables are primarily with members of the DHSC Group and are short-term in nature (see Note 26 Related Party Transactions). The Directors consider these entities as low risk due to being government funded and so an expected credit loss for these customers has not been recognised in the Financial Statements. The Company also has trade receivables due from non government funded entities and a provision is recognised against these customers where necessary.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding. The Company managed liquidity risk by monitoring forecast cash flow requirements and through the management of its facility (see Note 19 Loans and Borrowings).

Non current financial liabilities relate to lease liabilities, the future contractual cashflows of which are disclosed in Note 20 Leases, and loans which are disclosed in Note 19.

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 primarily undertaken in sterling and so it is not exposed to significant foreign exchange risk. It holds no significant investments other than bank deposits. Other than cash balances and its Revolving Credit Facility, 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.

Supply Chain Coordination Limited

Notes to the Financial Statements (continued) for the Year Ended 31 March 2025

25 Financial Risk Review (continued)

Capital Risk Management

The Company's capital structure consists of £21m of funds from shareholders as at 31 March 2025 (2024: £21m).

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern.

In managing its capital, the Company seeks to:

- match the expected cash inflows from its assets with the expected cash outflows from the Company's liabilities;
- maintain financial strength to support new business growth and satisfy the requirements of its customers, suppliers and regulators; and
- retain financial flexibility by maintaining strong liquidity.

26 Related Party Transactions

Details of the remuneration paid to Board Directors can be found in the Remuneration Report and in Note 7 Directors' Remuneration.

Supply Chain Coordination Limited is funded by its direct shareholder as detailed in Note 3 Revenue.

NHS England (NHSE) is regarded as a related party, as the immediate parent of Supply Chain Coordination Limited. The Secretary of State for Health and Social Care is also regarded as a related party.

Supply Chain Coordination Limited is exempt from the disclosure requirements in relation to transactions and outstanding balances where not individually or collectively significant.

Loans from Related Parties

The Covid Facility and Revolving Credit Facility are both provided by the Secretary of State for Health and Social Care. The Covid Facility was fully repaid in March 2024. For terms of loans from related parties, please refer to Note 19 Loans and Borrowings.

Interest of £nil has been accrued on the Revolving Credit Facility (2024: £1,335k).

27 Parent and Ultimate Parent Undertaking

The Company's immediate parent is the National Health Service Commissioning Board by virtue of its 100% shareholding. Their registered office is C/O NHS England, Quarry House, Quarry Hill, Leeds, LS2 7UE. The largest group in which these financial statements are consolidated is the Department of Health and Social Care. Copies of the accounts can be obtained from the government website.

The ultimate controlling party is the Secretary of State for Health and Social Care.