

Executive Summary

Report to the Board of Directors

on 28 January 2025

Subject	Write off of unrecoverable debt with AMT Coffee Limited
Supporting TEG Member	Louisa Cowell, Chief Finance Officer
Author	Julie Wright, Deputy Chief Finance Officer (Financial Accounting)
Status¹	A & A*

PURPOSE OF THE REPORT

To seek approval to the write off of unrecoverable debt associated with AMT Coffee Limited of £752,169.09.

KEY POINTS

AMT Coffee Limited (AMT) were the incumbent retail provider at the Trust's main hospital sites (from February 2016 at NGH and April 2018 at RHH site) until 18 November 2022 when they entered administration, following a turbulent period of trading/non-trading during the COVID pandemic. This administration affected all 43 sites where AMT operated, included in the airport and railway arenas.

Nick Holloway and Will Wright were appointed as joint administrators and were of the opinion that a pre-packaged sale of the business and assets would enable a better outcome for AMT's range of creditors as a whole, than if the company were wound up. As such any remaining assets of AMT have been realised and once costs deducted, creditors then paid in the usual administration order:

- Secured Creditors (those entities having a secured debenture)
- Ordinary Preferential Creditors (employees)
- Secondary Preferential Creditors (HMRC)
- Unsecured Creditors.

The Trust fell into this latter category and the final administrators report issued on 12 November 2024 confirms that there are insufficient funds to pay a dividend to the unsecured creditors.

The Trust has previously made a bad debt provision for the full outstanding AMT debt value of £752,169.09, and following the administrator's confirmation above, are now required to formally write off the debt. The services were exempt from VAT on raising the charges, and hence no VAT is now recoverable. The invoice dates are largely from August 2020 to Dec 2022, other than one outstanding invoice for £715 from March 2020.

Under the Trust's Reservation of Powers/Scheme of Delegation, this level of debt write off requires the approval of the Board of Directors.

IMPLICATIONS²

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	
2	Provide Patient Centred Services	
3	Employ Caring and Cared for Staff	
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	
6	Deliver Excellent Research, Education and Innovation	

RECOMMENDATIONS

Following agreement at Audit Committee on 21 January 2025, the Trust Board of Directors are asked to **APPROVE** the formal write off the outstanding AMT debt of £752,169.09.

APPROVAL PROCESS

Meeting	Date	Approved Y/N
Audit Committee	21/1/25	Y
Board of Directors	28/1/25	

¹ Status: A = Approval
A* = Approval & Requiring Board Approval
D = Debate
N = Note

² Against the six aims of the STHFT Corporate Strategy 'Making a Difference – The next Chapter 2022-27'