

**THE NHS CONFEDERATION
(SERVICES) COMPANY LIMITED**
(Limited by Guarantee)

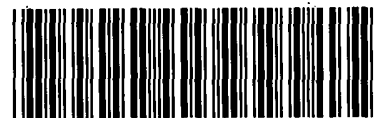
Company number 05252407

Report and Financial Statements

Year Ended

31 March 2015

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THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2015

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Directors

Michael O'Higgins (Chair)

Registered office

50 Broadway
London
SW1H0DB

Company number

05252407
Limited by guarantee (£1)

Auditor

Grant Thornton UK LLP
Grant Thornton House,
Melton Street
Euston Square
London
NW1 2EP

Internal Auditors

BDO
55 Baker Street
London
W1U 7EU

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Report of the Directors for the year ended 31 March 2015

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

Structure, governance and management

In July 2013, the board of trustees made the decision to streamline the governance and accounting arrangements for the NHS Confederation and its subsidiary companies with the aim of conducting all primary purpose trading in the NHS Confederation charity and all non-primary purpose trading in one subsidiary; one subsidiary would therefore be struck off as it would no longer be required.

We have changed the name of the NHS Confederation (Employers) Company Limited to NHS Confederation (Services) Company Limited, a private company limited by guarantee, with effect from 6 June 2015.

The directors are responsible for the financial and management arrangements of the company. They are also responsible for ensuring that effective risk management processes are in place. These controls are exercised by means of regular meetings of the directors and senior managers where financial, management and risk issues are discussed and appropriate action taken where necessary.

Directors

The directors serving during the year and since the year end were as follows:

Michael O'Higgins (Chair)	
Edward Colgan	appointment terminated 26 January 2015
Dean Royles	appointment terminated 29 October 2014
Paul Sylva	appointment terminated 26 January 2015

Objectives and activities

The NHS Confederation (Services) Company Limited exists to provide a range of non-charitable activity on behalf of the NHS Confederation including organising and delivering the NHS Confederation annual conference and exhibition and a range of other conferences and events; delivering sponsorship and exhibition services for the NHS Confederation and 3rd parties; entering into joint ventures or similar; and running the NHS Confederation conference centre called Horizon.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Report of the Directors for the year ended 31 March 2015

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 confirm that:

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

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

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.

Auditor

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

The Directors' Report was approved by the Board and signed on its behalf by



Michael O'Higgins

Chair

14 July 2015

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Strategic Report for the year ended 31 March 2015

Strategic report

In July 2013 The Trustees of the NHS Confederation charity agreed to simplify its structure so that the majority of activity would be conducted in the primary company (the Charity) and a trading subsidiary would be limited to activities that were not the primary purpose of the charity for example sponsorship, exhibition and conference services.

During 2014/15 all non-charitable activity has been conducted in the trading subsidiary NHS Confederation (Services) Limited, previously known as NHS Confederation (Employers) Company Limited and a contract for services was agreed between the NHS Confederation and the NHS Confederation (Employers) Company Ltd.

The comparators for 2014 are therefore substantially different due to the prior year including NHS Employers activity (now in The NHS Confederation).

The services provided by the company are:

- Organising and delivering the annual conference and exhibition on behalf of the NHS Confederation
- Organising a range of conferences for the NHS Confederation
- Organising and delivering a number of conferences and exhibitions for third parties
- Organising regional dinners and similar events for the benefit of members of the NHS Confederation
- organising dinners and similar events for third parties
- Delivering sponsorship and exhibition services for both the NHS Confederation and third parties
- Entering into joint ventures and similar development opportunities designed to promote the NHS Confederation or raise income
- Provision of consultancy services for third parties
- The running of a conference centre – known as Horizon Leeds.

Financial Review, Principal Risks and Plans for Future Periods

The profit and loss account is set out on page 8. The company had an operating profit before gift aid of £278,867 from a turnover of £2,119,452. This operational surplus has been gift aided to its parent company the charity NHS Confederation.

The company was able to deliver a successful 2014 annual conference and generate close to £1.8m of income in the form of delegate, sponsorship and exhibition income.

The ongoing levels of annual conference income the company can generate and the successful development of new products and services (such as the conference centre) within the trading subsidiary, will remain a key reputational and financial risk to the company.

The 2015 annual conference has taken place in June, the event was very successful in generating £1.7m income

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Strategic Report for the year ended 31 March 2015

The key activities of the company remain the same for 2015-16 as described above and therefore these financial statements are properly prepared on a going concern basis.

The Strategic Report was approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Michael O'Higgins', with a stylized flourish at the end.

Michael O'Higgins

Chair

14 July 2015

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Report of the independent auditor for the year ended 31 March 2015

We have audited the financial statements of the NHS Confederation (Services) Company Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

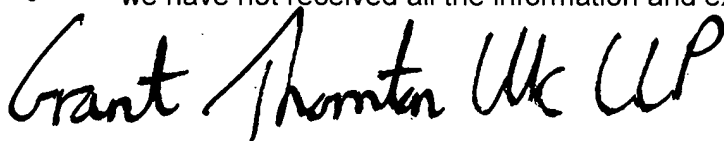
THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Report of the independent auditor for the year ended 31 March 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read 'Grant Thornton UK LLP', is written over the list of matters.

Tom Davies

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

14 July 2015

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Profit and loss account for the year ended 31 March 2015

	Note	31 March 2015 £	31 March 2014 £
Turnover	3	2,119,452	12,317,692
Cost of sales		(1,550,185)	(8,357,024)
Gross profit		569,267	3,960,668
Administrative expenses		(290,400)	(2,857,309)
Operating profit for the period	5	278,867	1,103,359
Bank interest receivable		-	12,329
Gift aid payable to The NHS Confederation		(278,867)	(1,115,688)
Retained result for the year		-	-
Retained profit brought forward		161,206	161,206
Retained profit carried forward		161,206	161,206

All amounts relate to continuing activities.

Prior year figures include activity relating to all NHS Employers activity now transferred to the NHS Confederation.

There were no recognised gains or losses other than the result for the year.

The notes on pages 10 to 12 form part of these financial statements.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Balance sheet at 31 March 2015

	Note	31 March 2015 £	31 March 2014 £
Current assets			
Debtors	6	788,666	1,521,190
Cash at bank and in hand		387,346	2,179,098
		<u>1,176,012</u>	<u>3,700,288</u>
Less Creditors: amounts falling due within one year	7	(1,014,806)	(3,539,082)
Net current assets		<u>161,206</u>	<u>161,206</u>
Net assets		<u>161,206</u>	<u>161,206</u>
Reserves	8		
Reserves brought forward		161,206	161,206
Profit and loss account		-	-
		<u>161,206</u>	<u>161,206</u>

The financial statements were approved by the Board of Directors and signed on its behalf by



Michael O'Higgins

Chair

14 July 2015

Company number 05252407

The notes on pages 10 to 12 form part of these financial statements.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 March 2015

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. There have been no changes in the accounting policies.

The following principal accounting policies have been applied:

Turnover

The company's main source of income arises from its Annual Conference & Exhibition, and the running of Horizon Conference and Events Centre. Income is recognised in the year that the event takes place.

Other turnover represents income receivable in the period from third parties at invoiced amounts net of value added tax.

Deferred income

Income invoiced in advance is accounted for as deferred income in the balance sheet and will be released to the profit and loss account against future costs incurred in the period to which they relate.

2 Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "Cash Flow Statements" not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent entity.

3 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

4 Directors and staff

No directors received any remuneration direct from the company (2014: Nil).

Staff working for the company are employed by the ultimate holding company, The NHS Confederation, with their salary costs being recharged.

	31 March 2015 £	31 March 2014 £
Wages and salaries	480,416	1,461,244
Social security costs	49,131	136,260
Other pension costs	33,884	242,804
	<u>563,431</u>	<u>1,840,308</u>

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 March 2015

5 Operating profit

	31 March 2015 £	31 March 2014 £
This has been arrived at after charging:		
Salaries and wages (including recharges)	853,831	5,072,272
Auditor remuneration - audit	9,550	16,837
- other	-	12,115
	<u> </u>	<u> </u>

No tax charge is expected to arise on the result for the year.

6 Debtors

	31 March 2015 £	31 March 2014 £
Trade Debtors	696,652	-
Prepayments & accrued income	92,014	73,925
Amounts owed by related undertakings	-	1,447,265
	<u> </u>	<u> </u>
	788,666	1,521,190
	<u> </u>	<u> </u>

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

	31 March 2015 £	31 March 2014 £
Trade Creditors	50,345	-
Other creditors and accruals	68,200	309,211
Deferred income	681,701	1,868,737
Amounts owed to related undertakings	108,480	1,361,134
Taxation and other social security	106,080	-
	<u> </u>	<u> </u>
	1,014,806	3,539,082
	<u> </u>	<u> </u>

All amounts shown under creditors fall due for payment within one year.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 March 2015

8 Reconciliation of movement in members' funds

	Opening balance £	Net result £	Closing balance £
Profit and loss account	161,206	-	161,206
	<hr/>	<hr/>	<hr/>

9 Related party transactions

The company has taken advantage of the exemption in FRS8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

10 Ultimate parent entity

The ultimate parent undertaking and controlling party is The NHS Confederation, a registered charity, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the consolidated financial statements of The NHS Confederation are available from their registered office at 50 Broadway, London, SW1H 0DB.

11 Prior year activities

During 2014/15 all non-charitable activity has been conducted within the trading subsidiary, meaning that the comparators for 2014 are substantially different due to the inclusion of income £12.3m and expenditure £11.2m relating to NHS Employers, this activity is now in The NHS Confederation.