



The NHS Confederation (Services) Company Limited

Company number 05252407

Report and financial statements

Year ended 31 March 2017

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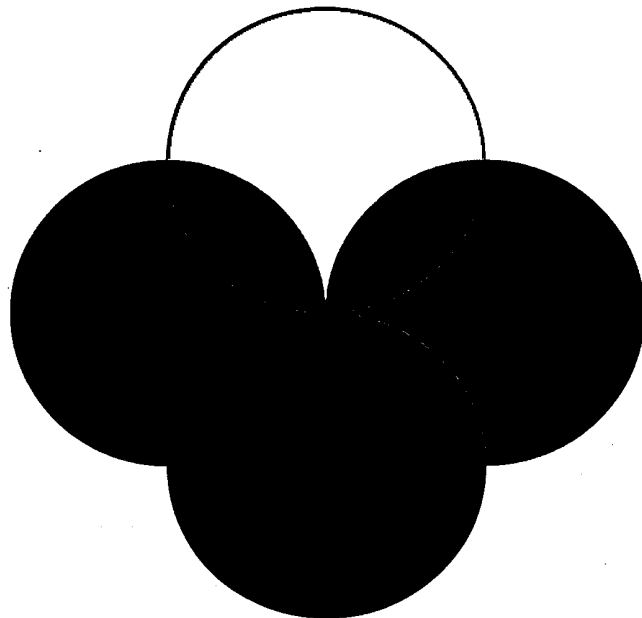
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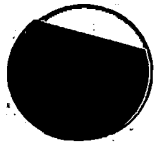
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ADMINISTRATIVE DETAILS

The NHS Confederation (Services) Company Limited

Company registration number: 05252407

Internal auditors

BDO LLP

55 Baker Street, London W1U 7EU

External auditors

Grant Thornton UK LLP

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

Bankers

Barclays Bank PLC

Corporate Banking Centre, 50 Pall Mall, London SW1A 1QB

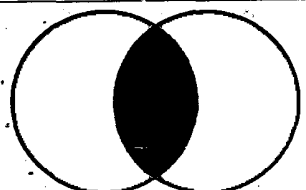
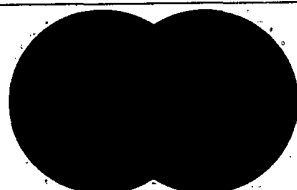
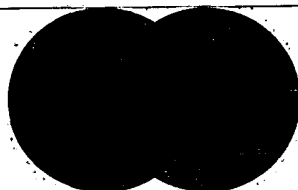
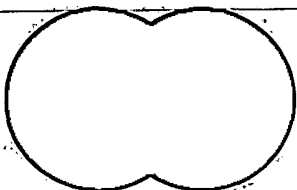
Registered address

50 Broadway, London SW1H 0DB

Solicitors

Capsticks LLP

1 St George's Road, Wimbledon, London SW19 4DR





THE DIRECTOR'S REPORT

Structure, management and governance

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

Directors

Name	Appointed	Resigned
Stephen Dorrell (Chair)	1 November 2015	-
Shaun Clee (senior independent trustee)	14 July 2015	10 December 2016

A process to strengthen the board of directors is close to completion and will support the delivery of the objectives and activities in 2017-18.

Objectives and activities

The NHS Confederation (Services) Company Limited is a wholly owned subsidiary of the NHS Confederation and exists to provide a range of non-charitable activities on behalf of the NHS Confederation, including:

- organising and delivering the NHS Confederation annual conference and exhibition
- a range of other conferences and events
- delivering sponsorship and exhibition services for the NHS Confederation and third parties
- entering into joint ventures or similar
- running the NHS Confederation's conference centre called Horizon Leeds.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and Director 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 law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 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 director confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the 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 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.

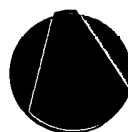
The Director's Report has been prepared in accordance with the provisions of the small companies regime.

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


Stephen Donnell

Chair

13 July 2017





STRATEGIC REPORT

During 2016/17 all non-charitable activity has been conducted in the trading subsidiary NHS Confederation (Services) Company Limited. A contract for services was agreed between the NHS Confederation and the NHS Confederation (Services) Company Limited.

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 10.

Turnover for the year ended 31 March 2017 totalled £2,417,043 (2016: £2,278,864) less expenditure of £2,130,780 (2016: £1,766,749). The company has generated a profit before tax of £286,263 (2016: £512,115), which is a decrease of 44.1% on prior year.

The company consistently generates a profit year on year through our major activities including the annual conference, member events, Horizon (conference centre) and partnership work. This year there was an increase in turnover of 6.06% on the prior year, however the annual conference income was lower than usual resulting a lower profit overall.

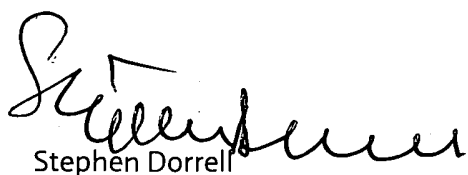
The services company launched a new commercial strategy towards the end of 2016-17 which will see a number of new products and services being developed. The ongoing levels of annual conference and Horizon income that the company can generate and the successful development of new products and services will remain a key reputational and financial risk to the company. As all profits are gift aided to the charity, it is expected that these activities will strengthen the company and increase contributions to our members and partners.

There has been a change in the accounting policy in respect of payments made under Gift Aid. Payments to the charity are now recognised as distributions through equity rather than as an expense through profit and loss, and therefore an operating expense exists at the balance sheet date, on which a tax liability arises.

This represents a change in accounting policy and has been accounted for as a prior period adjustment a reconciliation to previously reported equity is shown in the Statement of Changes in Equity on page 12.

The key activities of the company remain the same for 2017/18 as described above and therefore these financial statements are properly prepared on a going concern basis.

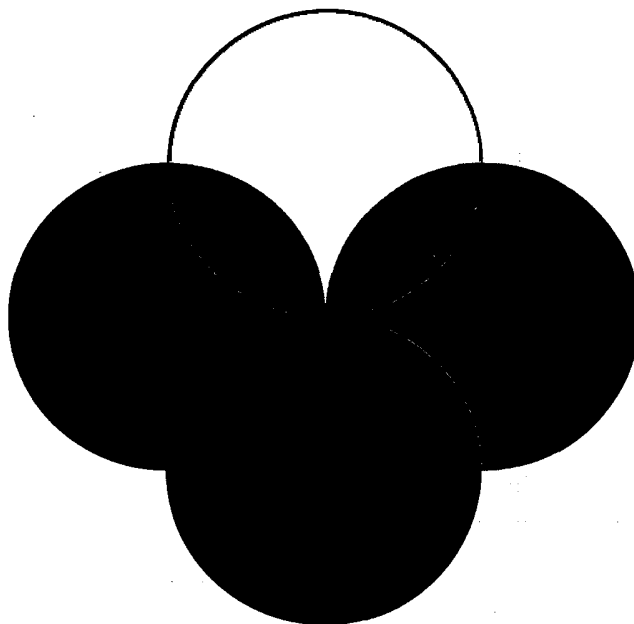
The Strategic Report was approved by the Board and signed on its behalf by



Stephen Dorrell

Chair

13 July 2017





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

We have audited the financial statements of The NHS Confederation (Services) Company Limited for the year ended 31 March 2017 which comprise the balance sheet, the profit and loss account, the statement of changes in equity 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 set out on page 5, the director is 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 2017 and of its profit 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 matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Director's Report has been prepared in accordance with applicable legal requirements.


Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

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; or
- the directors were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Director's Report.



Richard Shaw

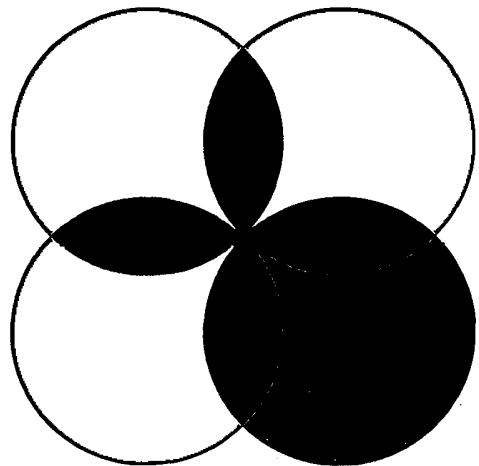
Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

14 July 2017



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	Restated 2016 £
Turnover	3	2,417,043	2,278,864
Cost of sales		(1,932,373)	(1,519,858)
Gross profit		484,670	759,006
Administrative expenses		(198,407)	(246,891)
Profit on ordinary activities before tax		286,263	512,115
Tax charge	4	(57,253)	(102,423)
Tax relief		102,423	55,773
Profit for the financial year		331,433	465,465

All amounts relate to continuing activities.

The notes on pages 13 to 17 form part of these financial statements.

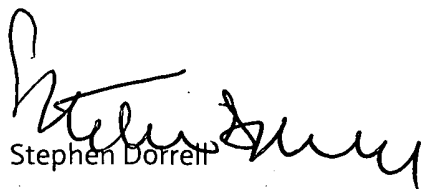


BALANCE SHEET AS AT 31 MARCH 2017

	Note	2017 £	Restated 2016 £
Current assets:			
Debtors	7	681,806	884,651
Cash at bank		241,531	155,420
Total current assets		923,337	1,040,071
Liabilities:			
Creditors: falling due within one year	8	(533,122)	(469,174)
Total net assets		390,215	570,897
Capital and reserves			
Profit and loss account		390,215	570,897
Total reserves		390,215	570,897

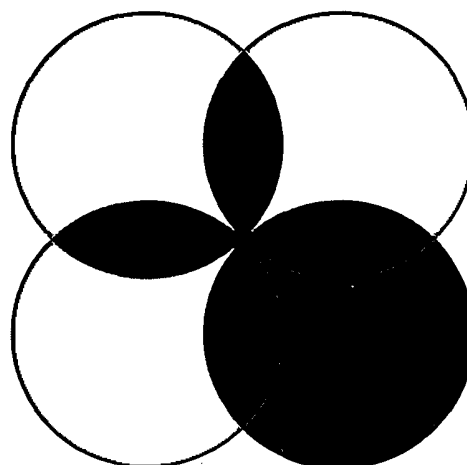
The notes on pages 13 to 17 for part of these financial statements.

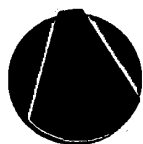
The financial statements were approved by the Board and signed on its behalf by


Stephen Dorrell

Chair

13 July 2017



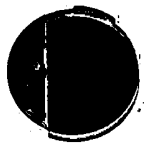


STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2017

	Profit and loss account	Total
	£	£
Balance as at 1 April 2015 as previously stated	161,205	161,205
Increase in profit	223,094	223,094
Restated opening reserves as at 1 April 2015	384,299	384,299
Profit for the year	465,465	465,465
Gift aid payment in respect of prior year	(278,867)	(278,867)
Closing reserves	570,897	570,897

Balance as at 1 April 2016 as previously stated	161,205	161,205
Prior year adjustment	409,692	409,692
Restated opening reserves as at 1 April 2016	570,897	570,897
Profit for the year	331,433	331,433
Gift aid payment in respect of prior year	(512,115)	(512,115)
Closing reserves	390,215	390,215

The notes on pages 13 to 17 form part of these financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Accounting policies

1. Significant judgements and estimation of uncertainty

The company's significant accounting policies are stated below. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity and judgement involved in their application and the impact on the consolidated financial statements

Revenue recognition

The company receives payments from attendance at events, sponsorship and exhibition at those events, and conference facilities at Horizon Leeds which are accounted for in accordance with the circumstances of the particular agreement and at the time of the agreement. Contracts for sponsorship and exhibition and hiring of conference facilities requires a provision of services, and therefore revenue is recognised when those services have been provided and in the year the event took place.

2. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') (effective 1 January 2015) and with the Companies Act 2006.

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Sterling (£).

2.1. Cashflow disclosure exemption

The company has taken advantage of the disclosure exemption under section 7 of FRS 102 not to prepare a cash flow statement as the subsidiary is wholly owned by the parent entity, and as such it is included in the consolidated financial statements of the parent entity.

2.2. Gift aid disclosure

The accounting policy in respect of payments made under Gift Aid has changed, as set out at 3.8

3. Principal accounting policies

3.1. Income

Income is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

The main sources of income arise from the Annual Conference & Exhibition, and the running of Horizon Leeds Conference Centre. Income is recognised in the year in which the event takes place.

3.2. Deferred Income

Income invoiced in advance is accounted for as deferred income in the balance sheet and will be release to the profit and loss account as entitlement arises.

3.3. Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

All expenditure is accounted for on an accruals basis.

3.4. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

3.5. Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6. Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

3.7. Employee benefits

Staff are employed by the NHS Confederation charity and costs are recharged to the company on the basis of activities undertaken. Pension entitlements and other benefits for staff are managed by the parent company.

3.8. Payment to parent charity under gift aid

The company has adopted a policy of paying all its taxable profits to its parent charity, the NHS Confederation, under Gift Aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists at the balance sheet date, on which a tax liability arises. This represents a change in accounting policy and has been accounted for as a prior period adjustment as shown in the Statement of Changes in Equity.

3.9. Taxation

The company recognises a corporation tax liability in the same period that it accrues its profits. The liability is reversed on the donation to the parent charity.

4. Taxation

	2017 £	2016 £
UK corporation tax		
Profit on ordinary activities multiplied by standard rate of Corporation tax in the United Kingdom of 20% (2016: 20%)	57,253	102,423
Total	57,253	102,423

5. Analysis of staff costs

No directors received any remuneration directly from the company (2016: Nil).

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

	2017 £	2016 £
Wages & salaries	352,569	497,100
Social security costs	35,107	50,704
Pensions	25,434	32,168
Total	413,110	579,972

6. Operating profit

	2017 £	Restated 2016 £
This is arrived at after charging:		
Salaries and wages	413,110	579,972
Total	413,110	579,972

The parent company has paid the audit fee for the subsidiary in the current year and prior year.

7. Debtors

	2017 £	Restated 2016 £
Trade debtors	327,531	398,205
Amounts due by parent undertaking	63,368	354,016
Prepayments and accrued income	290,907	132,430
Total	681,806	884,651

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

8. Creditors: amounts falling due within one year

	2017 £	Restated 2016 £
Trade Creditors	27,424	27,604
Other creditors and accruals	84,391	71,821
Deferred Income	348,568	245,800
Corporation Tax	57,253	102,423
Other taxation and social security	15,486	21,526
Total	533,122	469,174

9. Related party transactions

The company has taken advantage of the exemption in paragraph 33.1A of FRS 102 to disclose transactions between the group companies on the grounds that the subsidiary is wholly owned by a member of the group.

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 the registered office at 50 Broadway, London, SW1H 0DB.

11. Prior period adjustment

The company has adopted a policy of paying all its taxable profits to its parent charity, the NHS Confederation, under Gift Aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists at the balance sheet date, on which a tax liability arises. This represents a change in accounting policy and has been accounted for as a prior period adjustment as shown in the Statement of Changes in Equity. The impact of the adjustment is additional profit before tax recognised for the year ended 31 March 2016 of £512,115 (2015: £278,867) and a tax charge of £102,423 (2015: £55,773). The opening reserves as at 1 April 2016 and 1 April 2015 have been adjusted to £570,897 and £384,299 respectively as a result.