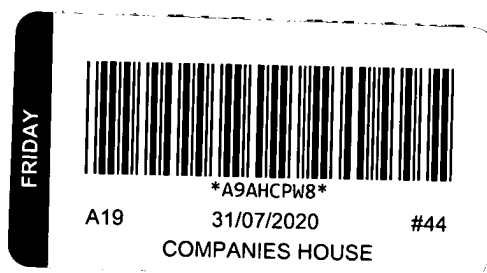


Company Registration No. 05252407 (England and Wales)

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**



THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2020

Directors	N F R Dickson J Morris J R Poole
Company number	05252407 (England and Wales)
Registered office	2 nd Floor, 18 Smith Square London England SW1P 3HZ
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5 th Floor, 29 Wellington Street Leeds LS1 4DL
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP
Solicitors	Capsticks LLP 1 St George's Road Wimbledon London SW19 4DR

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company during the year was the provision of a range of non-charitable activities on behalf of its parent, 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.

The reduction in income is due to the activities of the Horizon venue being managed directly by the NHS Confederation, the parent charity.

ConfedExpo 2020, scheduled to take place in June 2020, was cancelled due to COVID-19. The reduced income will be reflected in the 2020/21 accounts.

Going concern

The board has reviewed the impact of COVID-19 on the organisation's financial position. We have set up tight controls over expenditure. Commercial income is expected to continue to be volatile. The income is supported by a flexible cost base. We used the government's Job Retention Scheme at the appropriate time. A commercial strategy was developed, taking into account COVID-19. We have healthy reserves as well as the support of the parent company. Directors are confident the organisation has the resources and agility to operate for the foreseeable future. As a result, these accounts have been prepared on a going concern basis.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N F R Dickson

R Hewavisenti (resigned 10 July 2020)

J Morris

J R Poole

E Walder (resigned 31 July 2019)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they have ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board

Signed



Name Ruth Poole

Director

Date 23rd July 2020

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

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

Opinion

We have audited the financial statements of The NHS Confederation (Services) Company Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

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

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's

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

report that includes our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Victoria Craven (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

West Yorkshire

LS1 4DL

Date: 28/7/2020.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Turnover	1,962,240	2,959,070
Cost of sales	(1,542,364)	(2,606,864)
Gross profit	419,876	352,206
Administrative expenses	(247,983)	(215,819)
Profit before taxation	171,893	136,387
Tax on profit	-	-
Profit for the financial year	171,893	136,387
Retained earnings at 1 April 2019	438,898	302,511
Gift aid distribution to parent undertaking	(136,387)	-
Retained earnings at 31 March 2020	474,404	438,898


THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	5	973,837		1,046,557	
Cash at bank and in hand		<u>175,591</u>		<u>822,797</u>	
		1,149,428		1,869,354	
Creditors: amounts falling due within one year	6	<u>(675,024)</u>		<u>(1,430,456)</u>	
Net current assets		<u>474,404</u>		<u>438,898</u>	
Capital and reserves					
Profit and loss account		<u>474,404</u>		<u>438,898</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board of directors and signed on their behalf.

Signed



Name Ruth Poole

Director

Date 23rd July 2020

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

Company information

The NHS Confederation (Services) Company Limited ("the company") is a private company limited by guarantee and is registered and incorporated in England and Wales. The registered office is 2nd Floor, 18 Smith Square, London, England, SW1P 3HZ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The company made a profit for the financial year of £171,893 (2019 – profit of £136,387). The Directors have considered forecasts with sensitivity analysis, current cash levels, the impact of COVID 19 and the availability of support from its parent company. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources and support from its parent to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes.

The main sources of income arise from the Annual Conference and Exhibition, and other network events. Income is recognised in the year in which the event takes place.

Income invoiced in advance is accounted for as deferred income in the Statement of Financial Position and will be released to the Statement of Income and Retained Earnings as entitlement arises.

Contract income is recognised based on delivery under the terms of the contract. Where contracts span more than one year, revenue is recognised based on costs incurred. Contract income can be recognised using the percentage of work delivered if deemed more appropriate.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise funds held in bank accounts.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, and amounts due from group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

Gift aid payment

All profits generated are paid via gift aid to the parent company, The NHS Confederation.

2. Critical judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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 considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

The company receives payments for attendance at events and sponsorship and exhibition at those events. Revenue is recognised when the services have been provided and in the year the event took place.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Critical judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the directors consider factors including the ageing profile of the debtor. See note 5 for the net carrying amount of the debtors.

3. Reclassification

Reclassification of income and expenditure relating to conference centre

Income arising from the hiring of the event space, Horizon, was previously recognised as trading income in this company. The decision was made during this financial year to recognise the income as charitable activities in the charitable parent company, The NHS Confederation, as the activities were in nature charitable.

4. Employees

No directors received any remuneration directly from the company (2019 - £nil).

Staff working for the company are employed by the parent company.

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	305,716	650,135
Prepayments and accrued income	181,597	337,290
Amount due from group undertakings	426,093	-
Other debtors	30,255	-
	<u>943,661</u>	<u>987,425</u>
	2020 £	2019 £
Amounts falling due after more than one year:		
Prepayments and accrued income	30,176	59,132
	<u>30,176</u>	<u>59,132</u>
Total debtors	<u>973,837</u>	<u>1,046,557</u>

6. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	164,123	96,311
Amounts due to group undertakings	-	729,596
Other taxation and social security	-	72,590
Other creditors and accruals	74,501	34,690
Deferred income	436,400	497,269
	<u>675,024</u>	<u>1,430,456</u>

THE NHS CONFEDERATION (SERVICES) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Consolidated accounts

The NHS Confederation, a charitable company registered in England and Wales, is the parent of the smallest and largest group to consolidate these financial statements. The consolidated financial statements are available from its registered office, 2nd Floor, 18 Smith Square, London, SW1P 3HZ.