


Company registration number 10771707 (England and Wales)

THE CONFEDERATION, HILLINGDON CIC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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THE CONFEDERATION, HILLINGDON CIC

COMPANY INFORMATION

Directors	Dr S D Babu	
	Dr N D Bharakhada	
	A K Birly	
	M G Byrne	
	Dr S Dhanani	
	Dr S T Gauher	
	A N Gordon	
	Dr M D Hall	
	E J L Jahn	
	R Prasad	
	Dr A Raj	
	Dr D N Thakrar	
	A M Carey-McDermott	(Appointed 19 October 2023)
Company number	10771707	
Registered office	Link 1a	
	Civic Centre	
	High Street	
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Auditor	Azets Audit Services	
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THE CONFEDERATION, HILLINGDON CIC

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THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Confederation, Hillingdon CIC (the 'Confed') is a federation of 42 General Practices in Hillingdon caring for about 320,000 people. We provide a range of community and primary care services to the public, various 'at scale services' for the borough, and staff training through the NWL Training Hub. We are a partner in Hillingdon Health & Care Partners ('HHCP'), an integrated care partnership of public, voluntary sector and health and social care organisations in the borough that promotes wellbeing, self-help and coordinates health and social care for our community.

As a provider of healthcare services in 2021-22 the Confed was integral to the COVID-19 response although this dropped off significantly during the review under review.

During 2022/2023 we increased the support we provide to local primary care practices, PCNs and providing at scale services within the borough.

Review of the business

With the end of the Covid pandemic the Confed has been actively supporting local healthcare providers with the after-effects to the wider healthcare service. Support to local Practices has included patient access, providing additional capacity and delivered the requirements of the newly created NWL ICB.

The Confed was proactive in re-designing services based on the "new normal", a combination of remote consultation and a return to face-to-face provision. We were mindful of a potential surge in demand and ensured that our services were flexible and adaptive.

During the year the Confed continued to provide services such as:

- Care Coordination Teams
- Care Home Services
- Enhanced and Extended Access
- Additional Primary Care Capacity
- Weekend Visiting
- Community based services for Spirometry, Coil and Pessary, Paediatric Clinics, Blood Pressure monitoring and Phlebotomy.
- Training services across all of North-West London

More details of the individual services have been provided within our annual report.

New service development

Service innovation has always been a strong driver for the Confed, we pride ourselves on working with partners to develop better solutions for patient care.

In-Hours GP Hubs

Primary care has seen a surge in demand and to support our local practices the Confed worked alongside commissioners and our PCNs to deliver an In-Hours GP Hub. The hub provides same day bookable GP and Advance Nurse Practitioner appointments for suitable patients who would otherwise attend A&E.

Coil and Pessary Service

In the year we started to trial sexual health specific appointments, focusing on LARC (long acting reversible contraception) provision, an area which saw a decrease in activity during the pandemic. The service is provided in the community, avoiding the need to attend the local hospital, and has been re-commissioned for 23-24 with demand continuing to exceed capacity.

THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Primary Care

Extended and Enhanced Access to Primary Care

During the year the Confed delivered a range of extended access appointments across 5 hub sites. The Hubs offered GP, ANP, Nurse and HCA appointments. In September 22 the nationally commissioned Extended Access service ended and was replaced by a PCN commissioned Enhanced Access service. We are pleased that all the PCNs showed their support for the Confed by commissioning it to continue providing the service.

In the 22-23 financial year we offered nearly 55,000 appointments outside of normal GP operating hours.

NWL Single Service LES

The NWL ICB has started to roll-out a set of standardised Local Enhanced Services across the region the which of these started on 1st April 2022. We are working with the PCNs to support them with the delivery of these services and with data analytics to optimise patient care and activity based funding.

Primary Care Direct Enhanced Services

The direct enhanced services national contract (DES) offers participating practices new funding to run their networks and to increase the workforce in primary care. Networks are reimbursed for new roles which increase the range of services practices can provide while compensating for gaps in the number of doctors going into general practice. The new roles are specified by NHS England.

During 22/23 the Confed has continued to support PCNs and practices to deal with this change of focus by helping with recruitment of new roles, employing staff on behalf of the PCNs and pulling together a delivery framework ensuring the schemes remain financially viable. For 2022-23 the close collaboration between the Confed and local PCNs meant that we were able to be close to maximising the available resources and accompanying funding through entirely substantive posts.

North-West London Training Hub

For many years we have been delivering Primary Care training for Hillingdon. In 21/22 we were awarded the contract by Health Education England for the whole of NWL, which went live on 1st April 2022.

The NWL Training Hub provides a collaborative function across the region and facilitates educational support via a network of local training hubs delivered on behalf of Health Education England. During the year under review we paid out over £3m for training across North West London and have:

- Grown the NW London Training Hub Team and improved working with ICB colleagues.
- Supported Freedom to Speak Up Guardians and advanced the EDI strategy.
- Improved ARRS workforce mapping and training with over 300 members of staff trained.
- PCAN – working collaboratively to improve equity and increase opportunities for underrepresented groups in the local community.
- Enhanced Services Training has delivered training to over 400 members of staff.
- Reduction in DNA's due to implementing DNA policy from ≈ 45% to ≈ 15%.

The Hillingdon Training Hub has provided PCNs with workforce planning support, coordinating the ARRS (additional roles reimbursement scheme) returns as well as setting up disciplinary forums for each of the additional roles. It has also introduced an educational supervision support package for PCNs to support clinical Pharmacists in the teams. We continue to deliver a mix of hybrid delivery of learning events. We continue to deliver online learning events, with 49 individual learning events taking place and over 850 places being filled.

THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Workforce

During this year we have continued to improve the development & wellbeing offer for staff. In addition to our free counselling service we have added virtual wellbeing sessions, advice, and guidance about managing stress and keeping healthy, including desk exercises and promoting regular walks during the day. The People Team brought the elements together into the Employee Health & Wellbeing Programme and introduced an on-line appraisal system. The organisation continues to develop the range of advice and support available.

The Confed reviewed and refreshed our recruitment service to ensure we continue to offer a great service that is efficient and safe, introducing online documentation. We responded at pace with the growth of the ARRS scheme and in the year onboarded 136 new staff.

We will continue to work with Practices and Primary Care Networks on a range of workforce issues.

Transformation

Engagement with our patients is a key factor in how we can develop and transform our primary care services to meet the needs of patients. Therefore, the development of Community Roadshows led by the Transformation Team and H4ALL, provided each Primary Care Network with the platform to speak to their patients about a vast array of subjects including explaining the remit of the new Additional Roles staff within practices and educate patients on key health priorities. Twelve roadshows were undertaken throughout the year, 2 within each Primary Care Network catchment area in the Spring and Winter months. These roadshows enabled engagement with 2,850 patients and facilitated the booking of 94 health checks in the Extended Access Hubs and 250 Blood Pressure checks undertaken.

During 2022/23, the Transformation Team were successful in winning numerous bids to:

- Develop the Social Prescriber with a Specialist Interest Framework and Programme.
- Help Primary Care Networks increase their Serious Mental Illness health checks through additional funding to contact patients and identify reasons for non-attendance if applicable.
- To be part of a national Lipids pathway programme.

Conclusion

It has been another busy year for the Confed as we migrate from a Covid environment towards a new post pandemic system whilst preparing for change with a new commissioner at NWL ICB. As we move into a new way of working across integrated neighbourhoods, the Confed is pivotal to ensuring primary care remains at the heart of Hillingdon's health and care system.

THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

Economic climate

Funding for wage increases is not expected to keep up with inflation rates, increase in wages for substantive staff working in health care sector are firmly linked to Agenda for Change national pay structures which is anticipating a pay award between 4-6%. The impact of this plus the cost-of-living increases will inevitably result in disposable income being considerably lower in 2023/24. After the Pandemic there is substantial burnout amongst healthcare staff, yet pressure around long waiting times and unmet demand will continue for some time.

Whilst funding has been secured for 2023/24 there is a general reduction and a loss of discretionary spend which will add to our cost pressures. The result of this is expected to be a small deficit whilst we transition to delivering new services.

As with all economic challenges, we will re-design services to operate within reduced financial envelopes where needed. There will be a focused increase in potential investment strategies utilising the organisation's free cash balances.

NHS and Local Authority financial sustainability

The Confed's main source of income is from NHS and Local Authority funded contracts and as such is subject to downward pressure on financial resources at the same time as increasing demand from the local population.

In 23/24 the NHS published the Fuller stocktake setting out its vision for Primary Care. The role of Federations such as the Confed will be key to delivering that vision and we look forward to working with the local PCNs and Practices to deliver the anticipated changes.

With the move to Integrated Care Boards from Qtr2 22/23 and the changes becoming more established it is likely that the financial regime will look to keep some local devolution of funding for place-based committees such as HHCP.

The focus for the NHS and Hillingdon in particular will be to bring the system back into a recurrently balanced position, but with one-off COVID support ceasing in 22/23 and a backlog of elective procedures to complete there will be more pressure on NHS funding for the foreseeable future.

In addition to the pressures facing NHS funding, locality authorities have also seen substantial savings targets imposed by central government. The price of COVID-19 response has no doubt pushed local authorities over budget and the additional services put in place to manage demand during the pandemic will need to remain in some form. The combination of these factors is expected to result in requests for providers of public health service contracts to find on-going savings.

We aim to mitigate this risk by working closely with our commissioners to ensure the gap between service funding and service need is managed effectively. We will continue to implement quality and productivity improvement plans in conjunction with partnership working across local provider organisations. Broadening our customer base will also allow us to offset greater financial risk our customers may be exposed to.

Commissioning landscape

Integrated Care Boards

From 1 July 2022 there is one Integrated Care Board ('ICB') across North West London. Commissioning arrangements and system working will be held at ICB level, with the structure beneath arranged around place-based geographies linking in with local authorities.

THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The recently published government white paper emphasised partnership working across the health care system and reducing/removing formal procurements and tendering of contracts. This will impact how current health contracts are awarded and stresses the importance of strong provider collaboratives.

The Confed is heavily involved in system working across Hillingdon, with a key role within HHCP. We will continue to work with our provider and commissioner organisations to build the system tools to ensure that the population of Hillingdon receives high quality integrated care.

Primary Care Networks

Primary Care Networks ('PCNs') form a key building block of the NHS long term plan. The idea is to bring general practices together to work at scale with the view to mitigate financial challenges as well as allow primary care to integrate with the wider health care system more easily. This vision of Primary Care Networks however can pose some risk to established GP Federations.

Funding within the GP contract is more focused at providing resource within a PCN footprint. This inevitably means Federations such as the Confed would potentially be competing with local PCNs for services.

Over 22/23 we have successfully worked alongside our local PCNs aiding and supporting in numerous service areas. We feel there is both the opportunity and need to operate at a Federation level, at scale across the borough as well as having a focus on individual local needs at a PCN level. The Confed working in partnership with all PCNs across Hillingdon will enable the system to secure more investment and resources, create efficiencies by reducing duplication, establish robust and tailored services for local needs, improving patient outcomes and overall strengthening the collective voice of general practice. We will continue the close working relationship we have with our established Primary Care Networks which will only aid in delivering high quality care to the population we serve.

Workforce recruitment and retention

There remain lower numbers than required of trainee GPs and Health Care workers entering the system. We are seeing retention rates across the country falling due to staff burn out and increasing desire to balance a more flexible way of working with highly demanding jobs.

Across the organisation we are building strong recruitment and retention rates within all workforce sectors. Working with our workforce development team we are actively establishing retention packages for GPs as well as looking at personal development and career development programmes for all healthcare staff. This includes seeking ways of offering opportunities to our local population to take forward their career aspirations.

We will continue to develop attractive education and training schemes and work with local and national education providers and commissioners to help increase the domestic supply of health care professionals.

Clinical risks

As an organisation which provides health care services to a range of patients many of whom are vulnerable, there is an inherent risk in clinical delivery. We manage this risk through a comprehensive risk management and assurance framework which has been fully embedded across all service line delivery models.

THE CONFEDERATION, HILLINGDON CIC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial performance

The Confed is a not-for-profit Community Interest Company and we look to reinvest any surplus for the benefit of local patients.

Ensuring the long-term financial viability of the organization is important and we therefore look to make a small pre-tax surplus each year. We also ensure that we carry sufficient provisions to cover unexpected liabilities and cash balances to protect against short-term downturns.

EBITDA:

• 2022/2023	-	£123,907
• 2021/2022	-	£119,750

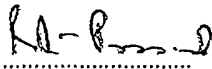
Cashflow from Operating Activities:

• 2022/2023	-	£5.0m
• 2021/2022	-	£2.9m

Working Capital:

• 2022/2023	-	£231,359
• 2021/2022	-	£133,524

On behalf of the board



R Prasad
Director

Date: 20th December 2023

THE CONFEDERATION, HILLINGDON CIC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the community interest company ("the Company") is the provision of healthcare services to the members and patients of the Confederation.

Results and dividends

The profit for the year, after taxation, amounted to £97,835 (2022: £96,995). The directors do not recommend the payment of a dividend (2022: £Nil).

Directors

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

Dr S D Babu
Dr N D Bharakhada
A K Birly
M G Byrne
Dr S Dhanani
Dr S T Gauher
A N Gordon
Dr M D Hall
E J L Jahn
R Prasad
Dr A Raj
Dr D N Thakrar
K T Sadler
A M Carey-McDermott

(Resigned 24 May 2023)
(Appointed 19 October 2023)

Financial instruments

The company does not have any financial instruments other than cash and short-term debtors and creditors.

Financial risk management

The Confed's Clinical Governance team carries out regular financial risk analysis, ensuring relevant risks are identified and mitigated with appropriate action.

The majority of our customers are government commissioning bodies which have high credit ratings, thus reducing the organisation's credit exposure. Outstanding debt is reviewed monthly, and payments chased.

Cash flow is actively managed, which results in liquidity risks being minimised. Management focus on ensuring both quick and current ratios remain above 1. Cash balances are held in Sterling with 99.9% of transactions being paid out in the base currency.

Disabled persons

The Confed is an Inclusive Employer, we aim to remain a great place to work and have signed up as a Disability Confident Employer. We have made a positive commitment to employing, retaining and developing disabled people in our organisation through the disability confident employer scheme and guarantee to interview all disabled candidates who meet the minimum essential criteria for any role they apply for at the Confed.

THE CONFEDERATION, HILLINGDON CIC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Engagement with employees

Employee engagement is an important aspect of life at the Confed, and includes the following:

- All staff are invited to the weekly online team briefing sessions, where members of the Executive Management Team give updates and answer questions.
- A monthly news bulletin 'Confed News' containing a wide range of opportunities and stories is sent to all staff.
- The staff survey is carried out annually and is reported to the Board.
- Regular team meetings take place in all services.
- New staff are invited to a 90-day senior manager chat.
- Staff focus groups explore different aspects of work life take place periodically.
- The employee Health & Wellbeing group meets every two months, comprising staff representatives and contributing to the staff wellbeing programme.

Post reporting date events

There are no known post balance sheet events to declare.

Future developments

During 2023/24 we will continue to work with PCNs to deliver the requirements of the Direct Enhance Service Contracts, as well as the newly commissioned local enhanced service. We have already provided the Clinical Directors with a forum to facilitate discussions and foster development of services, as well as being the employer of choice for ARRS staff across several PCNs.

We are working closely with our commissioning colleagues as they transfer into a new Integrated Care System from 1 July 2022 ensuring partnership working is at the forefront of service and commissioning decisions.

We will continue to focus on improving the quality of services we provide and ensure that as contracts come up for renewal we are best placed to meet the service specification within the financial envelope. In addition we will ensure the continued financial viability of the Confed, and the Board and Executive Team will actively pursue new areas of income generation to help diversify and grow our organisation.

Auditor

The company changed auditors in the year to Azets Audit Services, and a resolution will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 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 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 CONFEDERATION, HILLINGDON CIC


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



R Prasad
Director

Date: 20th December 2023

THE CONFEDERATION, HILLINGDON CIC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CONFEDERATION, HILLINGDON CIC

Opinion

We have audited the financial statements of The Confederation, Hillingdon CIC (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

THE CONFEDERATION, HILLINGDON CIC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CONFEDERATION, HILLINGDON CIC

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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE CONFEDERATION, HILLINGDON CIC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CONFEDERATION, HILLINGDON CIC

Extent to which the audit was considered capable of detecting Irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.



Christopher Nisbet BA(Hons) FCA
Senior Statutory Auditor
For and on behalf of Azets Audit Services

Date: **20/12/2023**

Chartered Accountants
Statutory Auditor

Suites B & D
Burnham Yard
London End
Beaconsfield
Buckinghamshire
United Kingdom
HP9 2JH

THE CONFEDERATION, HILLINGDON CIC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	13,477,735	14,151,840
Cost of sales		(10,322,224)	(10,295,476)
Gross profit		3,155,511	3,856,364
Administrative expenses		(3,031,604)	(3,736,614)
Operating profit	4	123,907	119,750
Interest receivable and similar income	7	874	102
Profit before taxation		124,781	119,852
Tax on profit	8	(26,946)	(22,857)
Profit for the financial year		97,835	96,995

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE CONFEDERATION, HILLINGDON CIC

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	9	2,470,069		5,285,385	
Cash at bank and in hand		11,148,305		6,155,885	
		<u>13,618,374</u>		<u>11,441,270</u>	
Creditors: amounts falling due within one year	10	<u>(13,387,015)</u>		<u>(11,307,748)</u>	
Net current assets			<u>231,359</u>		<u>133,524</u>
Capital and reserves					
Called up share capital	12		323		323
Profit and loss reserves			<u>231,036</u>		<u>133,201</u>
Total equity			<u>231,359</u>		<u>133,524</u>

The financial statements were approved by the board of directors and authorised for issue on 20/12/2023 and are signed on its behalf by:


A N Gordon
Director

Company Registration No. 10771707

THE CONFEDERATION, HILLINGDON CIC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		322	36,206	36,528
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	96,995	96,995
Issue of share capital	12	1	-	1
Balance at 31 March 2022		323	133,201	133,524
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	97,835	97,835
Balance at 31 March 2023		323	231,036	231,359

THE CONFEDERATION, HILLINGDON CIC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	15	5,014,402		2,869,219	
Corporation tax paid		(22,856)		(8,493)	
Net cash inflow from operating activities		<u>4,991,546</u>		<u>2,860,726</u>	
Investing activities					
Interest received		<u>874</u>		<u>102</u>	
Net cash generated from investing activities			874		102
Financing activities					
Proceeds from issue of shares		<u>-</u>		<u>1</u>	
Net cash (used in)/generated from financing activities			-		1
Net increase in cash and cash equivalents		<u>4,992,420</u>		<u>2,860,829</u>	
Cash and cash equivalents at beginning of year		<u>6,155,885</u>		<u>3,295,056</u>	
Cash and cash equivalents at end of year		<u><u>11,148,305</u></u>		<u><u>6,155,885</u></u>	

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company Information

The Confederation, Hillingdon CIC is a private company limited by shares incorporated in England and Wales. The registered office is Link 1a, Civic Centre, High Street, Uxbridge, UB8 1UW.

1.1 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") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources 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.

1.3 Turnover

Turnover represents funding service agreements. Turnover is recognised in the year in which the company obtains the rights to consideration as services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from clients in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Turnover wholly arises within the United Kingdom.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.5 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 balance sheet 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 and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 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.

The following is considered to be a critical key source of estimation uncertainty that the directors have assessed as being applicable to the company and that the most significant effect on the amounts recognised in the financial statements.

Deferred income

The company is party to funding service agreements, which can involve upfront payments that may occur over several years and involve certain future contract liabilities. For all funding service agreements, the company first makes an assessment about whether or not the funding service agreement has a distinct performance obligation or not. If the funding service agreement is considered to be a performance obligation, revenue relating to the funding service agreement is recognised at a point in time or over time depending on the nature of the performance obligation. Revenues are recognised over time if the company is fulfilling the conditions contained in the funding service agreements.

If revenues are recognised over time and in case the input method is assessed as the best method to reflect the transfer of control of the service to the client, some judgement may be required in applying this method especially in estimating the total costs and hours to be incurred. In this case the company uses its best estimate based on past experience and actual knowledge and progress of the service to recognise income accurately. Estimates are reassessed on a continuous basis. Seen the activities of the company, in most cases, the input method provides the most faithful depiction of the transfer of the service to the client.

Revenue recognition for funding service agreements is therefore based on the specific conditions of each funding service agreement.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Service funding	13,477,735	14,151,840
	<u> </u>	<u> </u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	13,477,735	14,151,840
	<u> </u>	<u> </u>
	2023 £	2022 £
Other revenue		
Interest income	874	102
	<u> </u>	<u> </u>

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	25,920	15,100
Operating lease charges	63,200	63,200

2023 audit fees relate to Azets Audit Services, 2022 audit fees relate to the previous auditor.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Full time contractual	211	142
Zero hours non full time contractual	44	174
Total	255	316

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	7,299,564	7,624,520
Social security costs	866,239	1,023,423
Pension costs	127,637	165,695
	8,293,440	8,813,638

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	672,062	623,811
Company pension contributions to defined contribution schemes	6,562	6,594
	678,624	630,405

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2022 - 9).

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	136,108	130,688
Company pension contributions to defined contribution schemes	1,321	1,320

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	874	102

Investment income includes the following:

	2023 £	2022 £
Interest on financial assets not measured at fair value through profit or loss	874	102

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	26,946	22,857

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	124,781	119,852
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	23,708	22,772
Tax effect of expenses that are not deductible in determining taxable profit	3,238	85
Taxation charge for the year	26,946	22,857

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,565,247	3,860,693
Other debtors	226,634	-
Prepayments and accrued income	678,188	1,424,692
	<u>2,470,069</u>	<u>5,285,385</u>

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,910,355	1,763,015
Corporation tax	26,947	22,857
Other taxation and social security	352,795	215,629
Deferred income	2,868,769	3,950,232
Primary Care Networks	2,597,311	4,445,495
Other creditors	3,802,553	145,000
Accruals	1,828,285	765,518
	<u>13,387,015</u>	<u>11,307,746</u>

11 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>127,637</u>	<u>165,695</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions outstanding at the balance sheet date was £17,040 (2022: £22,467).

12 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	322	322	322	322
Non-redeemable shares of £1 each	1	1	1	1
	<u>323</u>	<u>323</u>	<u>323</u>	<u>323</u>

Ordinary shares have equal dividend and voting rights.

Non-redeemable shares have no dividend, voting or distribution rights.

THE CONFEDERATION, HILLINGDON CIC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	63,200	77,450

14 Related party transactions

Owing to the nature of the company's operations and the composition of the Board of Directors being drawn from related organisations, it is inevitable that transactions will take place with organisations in which a Director of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the company's normal policies.

15 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	97,835	96,995
Adjustments for:		
Taxation charged	26,946	22,857
Investment income	(874)	(102)
Movements in working capital:		
Decrease/(increase) in debtors	2,815,316	(1,698,701)
Increase in creditors	2,075,179	4,448,170
Cash generated from operations	5,014,402	2,869,219

16 Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	6,155,885	4,992,420	11,148,305

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

Please
complete in
typescript, or
in bold black
capitals.

Company Name in
full

The Confederation, Hillingdon CIC

Company Number

10771707

Year Ending

31st March 2023

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Details of the company's social activities have been set out in the Strategic Report within the Annual Accounts and within the Annual Report that accompanies this Return

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

There have been extensive consultations, roadshows, shareholder meetings and a staff conference that have taken place during the year. Page 18 of the attached Social Report (available online at www.theconfederationhillingdon.org.uk) sets out the many activities undertaken in the year.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Details of directors' remuneration are included in note 6 of the statutory accounts.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

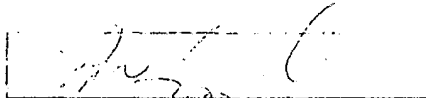
No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary.)

PART 5 SIGNATORY

The original report must be signed by a director or secretary of the company

Signed



Date

20/12/2023

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Director	
Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP - 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)