

Company Number 5787972

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

Trustees' Report and Financial Statements

For the year ending 30 June 2020

# CONTENTS

## **HFMA**

Report 2019 – 2020

SENIOR EXECUTIVES AND BOARD OF TRUSTEES	<b>2</b>
PRESIDENT'S AND CHIEF EXECUTIVE'S REPORT	<b>3</b>
TRUSTEES REPORT	<b>4-10</b>
STATEMENTS OF FINANCIAL ACTIVITIES	<b>11</b>
STATEMENTS OF FINANCIAL POSITION	<b>12</b>
CONSOLIDATED STATEMENT OF CASH FLOWS	<b>13</b>
ACCOUNTS NOTES	<b>14-28</b>
INDEPENDENT AUDITOR'S REPORT	<b>29-30</b>

# SENIOR EXECUTIVES AND BOARD OF TRUSTEES

## Board of Trustees and Directors

### PRESIDENT

2019/20: Caroline Clarke  
2018/19: Bill Gregory  
2017/18: Alex Gild

### VICE PRESIDENTS

2019/20: Owen Harkin  
2019/20: Lee Bond  
2018/19: Caroline Clarke  
2018/19: Owen Harkin  
2017/18: Bill Gregory  
2017/18: Caroline Clarke

### IMMEDIATE PAST PRESIDENT

2018/19: Bill Gregory  
2017/18: Alex Gild  
2016/17: Mark Orchard

### CHAIR OF AUDIT AND FINANCE COMMITTEE

James Rimmer

### NON-OFFICER TRUSTEES AND DIRECTORS

Sanjay Agrawal  
Lee Bond  
Simon Crowther (appointed 6 December 2019)  
Sandra Easton  
Kavita Gnanaolivu (appointed 6 December 2019)  
Rachel Hardy (resigned 6 December 2019)  
Alun Lloyd (resigned 6 December 2019)  
Elizabeth O'Mahony  
Lee Outhwaite  
Carol Potter (resigned 16 June 2020)  
Claire Wilson

## Registered Charity Name and Registered Office

Healthcare Financial Management Association (HFMA) is a registered charity in England and Wales, no 1114463 and Scotland, no SCO41994. HFMA is also a limited company registered in England and Wales, no 5787972.

Registered office:  
110 Rochester Row, Victoria, London, SW1P 1JP  
Tel: 0117 929 4789  
Fax: 0117 929 4844  
Email: [info@hfma.org.uk](mailto:info@hfma.org.uk)  
Web: [www.hfma.org.uk](http://www.hfma.org.uk)

## HFMA Senior Executive Team

### CHIEF EXECUTIVE / SECRETARY

Mark Knight

### DEPUTY CHIEF EXECUTIVE & DIRECTOR OF FINANCE

Ian Turner

### DIRECTOR OF EDUCATION & DEVELOPMENT

Alison Myles

### DIRECTOR OF POLICY AND RESEARCH

Emma Knowles

## Advisors

### BANKER

National Westminster Bank plc Chester Branch,  
33 Eastgate Street, Chester, CH1 1XA

### SOLICITOR

Bevan Brittan LLP  
Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ

### AUDITOR

RSM UK Audit LLP Chartered Accountants  
Hartwell House, 55-61 Victoria Street, Bristol, BS1 6AD

# REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE FOR THE YEAR ENDED 30 JUNE 2020

## President's and Chief Executive's Report

The year to 30 June 2020 was the third and final year of the current three-year strategy. It was not the year that we expected with the onset of the Covid-19 pandemic which has devastated the lives and livelihoods of millions.

Up to March 2020 the business plan was being delivered. However, during March 2020 as a result of the impact of Covid-19 this changed; all our staff moved to working from home, all face to face events were cancelled or moved to being run as virtual events, the conference centre 110 Rochester Row was closed as directed by Government and planned summer students intakes were deferred to the autumn.

Despite the challenges HFMA continued to operate and, indeed, the outputs from our Policy and Technical team increased as did the number of webinars and other on-line activities. Our free "Bitesize" E learning modules, which are on the NHS ESR system, went live and the usage took off. In addition, the website was refreshed so that all Covid-19 related content was placed in a special portal with free access to all. The way this happened almost overnight is a testament to the HFMA team who pivoted the organisation to make it fully virtual.

If we did not know it already, we were reminded how resilient and supportive the NHS finance function is. With numerous messages of support and useful suggestions as to how HFMA could assist and support the finance community across the NHS, the Association was able to tailor its work programme accordingly. In 'normal times' this support has been the key to HFMA's success. In these extraordinary times the time and energy that HFMA's volunteers and membership have put into the Association has ensured we have survived and are able to move forward with confidence. By providing such a huge extra amount of support the Association was also able to provide a significant increase in public benefit as evidenced by, for example the increase in social media traffic and downloads of material. So, a huge thank you to all those who made that happen and for helping us get through this extraordinary period. This has allowed us to achieve all the success we have this last year.

One way we can measure these successes is through our key performance indicators which we measure ourselves against each year. These show that at the end of 30 June 2020 we had reached a record 16,666 members and supported them and others through:

- 152,609 hours of CPD provided during year
- 139 regional and national events including webinars
- 51 briefings and publications.

We ask attendees and users of all our activities to give feedback and over the last year we achieved an amazing 97% good or excellent on events and 95% from everyone who undertook e-learning. We are very proud of this feedback.

During the year to 30 June 2020 we also continued to host, work alongside and support Future-Focused Finance (FFF) with the delivery of their programme of work.

However, despite all of this hard work we have been hit hard financially by the impact of Covid-19 with a loss for the year of £779k. Although the reserves built up over the years means HFMA can 'ride the storm' this has resulted in the need for some restructuring to allow HFMA to be sustainable for the future. The reserves on 30 June 2020 stand at £3,606k.

The trustees also recognise that the future is very uncertain and therefore rather than set the new three-year strategy from 1 July 2020, it has been decided to wait a year. The year to 30 June 2021 will be one of reassessment with a recognition that there is a need to be nimble and flexible as we learn what the 'new normal' looks like in the Covid-19 world we now live in. We will use the second half of the next financial year to set a new three-year strategy for the three years from 1 July 2021 to 30 June 2024.

We would like to take this opportunity to thank our friends on the corporate partner programme – all 20 of them – who provide us with valuable resources without which we would not be able to run our central infrastructure. They along with all our commercial supporters continue to be very supportive in these challenging times for which we are very grateful.

Bill Gregory was the President for the first half of the year whose theme "Value the opportunity" was a message which matched the times. We would like to thank Bill for the steady and supportive leadership he brought to the role over the year.

The theme for the second half of the year, launched at the annual conference in December 2019, is "Taking pride in our future". This is a theme that's been embraced by the finance community and one that particularly resonates with the way the country has rallied around the NHS since March 2020.

We are so proud of the contributions made by the NHS finance community to keeping the NHS show on the road and supporting our clinical colleagues throughout the pandemic. There's loads more to do, and right now the future looks very different to how we thought it would look at the beginning of the year. But we will be a big part of designing it and making sure that we keep the best of what we've learned to help the NHS recover and renew.

Thank you for reading this annual review. As always, please do not hesitate to contact us with any comments or thoughts and our best wishes to you all.



Caroline Clarke  
President



Mark Knight  
Chief Executive

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

## Trustees' Report

### OBJECTS AND AIMS

#### THE OBJECTS AND AIMS OF HFMA

HFMA is a charity which works with the healthcare sector to advance effective financial management. Its objects and aims are to:

- advance the science of health care management and accountancy and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by health services
- advance public education therein
- undertake and publish the useful results of studies and research work therein and related subjects.

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE IN THE YEAR

The activities and achievements in the year against each of our strategic objectives as laid out in the 2019-20 strategy are summarised below:

**Benefit:** The number of individual members of HFMA at the end of the year totalled 16,666 (2018/19: 15,716).

Our member benefits increased during the year particularly in the last quarter as our response to Covid-19 led to more policy and technical output to support the NHS finance community.

This manifested in our website featuring a special section dealing with publications and papers supporting our members as they had to transform their own organisations to manage the impact of Covid-19. Numerous on-line events and outputs disseminating information and hosting webinars to help the NHS finance leadership communicate to each NHS organisation in England.

Our investments over the years in IT and digital mechanisms, such as Microsoft Teams, e-learning, webinars, social media, the website and our Members App proved invaluable. This allowed us to pivot the organisation and seamlessly continue to provide support to our members and the wider NHS at their time of greatest need.

The impact of Covid-19 did however mean that we ran no face to face events in the last quarter. Up to that point our face to face activities had continued to be very popular and in constant demand with events taking place across the UK. Many of these events were free to members and the remaining ones were subsidised.

As noted above, the impact of Covid-19 on the last quarter meant we did not run any face to face events in the last quarter, we also had to close our conference centre, 110 Rochester Row and we had to cancel our intakes of

students for the quarter. This meant we had many staff who had no work. We therefore took advantage of the governments Coronavirus Job Retention Scheme (CJRS) and furloughed a large number of staff over April to August 2020.

To ensure the financial sustainability of HFMA we have since had to let some of staff go which has been a very painful process as all our staff are important to us. However, we continue to invest in our existing staff through training and an above industry average benefits package which is vital to the success of HFMA ensuring we maintain the high quality of service we are known for.

Our organisation facing offerings continue to be very popular with the majority of NHS organisation being partners or in our faculty programmes. These programmes include the Healthcare Costing for Value Institute and the Provider, Commissioning, Mental Health and Chair NED & Lay faculties and Future-Focused Finance (FFF) all of which continue to be extremely popular and attract widespread support.

**Influence:** There have been considerable developments in policy and technical work during the year and in the last quarter the outputs have been very impressive as we reacted to the impact of Covid-19 and provided the information our members needed to do their job.

Working with key stakeholders and building constructive and productive relationships remains important and a key component of our success.

To this end we continue to meet regularly with the policy and decision makers in the NHS in Wales, Northern Ireland and Scotland, as well as England.

In England, we continued to work with key players in the healthcare sector such as the Department of Health and Social Care and NHS England and NHS Improvement. We are delighted to continue to be the prime partner for FFF; hosting, providing the administration and delivering a big part of FFF's programme.

We also continue to work closely with the main accountancy bodies, NHS Confederation and the Kings Fund as well as a number of key private sector organisations in moving the finance agenda in health forward.

We continued developing our library of books, reports and briefings, producing a record 51 briefings and publications in the year.

**Training and development:** The year saw the embedding of HFMA's Qualifications; the HFMA Diploma (DHBF) and Higher Diploma in Healthcare and Business Finance (HDHBF) and the Diploma in Advanced Practice Management (DAPCM).

At 30 June 2020 22 students were studying for the DHBF, 26 the HDHBF and 61 on the DAPCM. We were also delighted that since we launched these qualifications that 15 students have completed the Higher Diploma to start the

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

final year of their level 7 studies with BPP and have completed or are in the process of completing their MBA in Healthcare and Business Finance.

The Association continues to be the place most NHS finance staff go to satisfy their CPD requirements. Total CPD hours delivered in the year reached 152,609. This continues one of the key statistics that demonstrates the continuing interest our membership and the wider finance community in health has for HFMA's training; be it events, webinars, qualifications or e-learning. More importantly HFMA targets a 90% excellent/good score from user feedback. Over the year to 30 June 2020 the average over all events was 97% a statistic we are very proud of.

Our suite of HFMA board games is now complete and generating great interest across the NHS. We now have the Operating Game which simulates the running of a hospital, the Operating Game - Mental Health for mental health trusts and the Whole Health System Game for integrated health systems. These games are proving to be of great value to users and demand is high. Although we have had to put delivery of these events on hold, hopefully temporarily, as a result of the impact of Covid-19.

Over the year, up to mid-March 2020, national conferences and events continued to attract healthy numbers. The most popular include our National Annual conference in December and our Pre-Accounts Planning event in February, which continue to run annually and are always well-attended.

As well as continuing to manage the Skills Development contracts for the South West, West Midlands and South Central, HFMA also now runs Financial Management Training Schemes in each of these regions and the Procurement Skills Development contracts.

HFMA also continues to work with FFF on the programme to develop future finance leaders and in particular directors of finance, chief finance officers and deputy directors of finance. This is rightly considered one of the most important initiatives for the future sustainability of the NHS finance function.

**E-learning - Bitesize:** Our e-learning modules were extended and re-branded to be HFMA Bitesize during the year. These included some modules that were uploaded onto the NHS ESR system allowing nearly all employees in the NHS to access them free of charge. At the time of writing some 9,000 downloads had taken place.

Once again, we are very proud to report that the target of achieving over 90% of users scoring each module excellent or good was achieved at 95%.

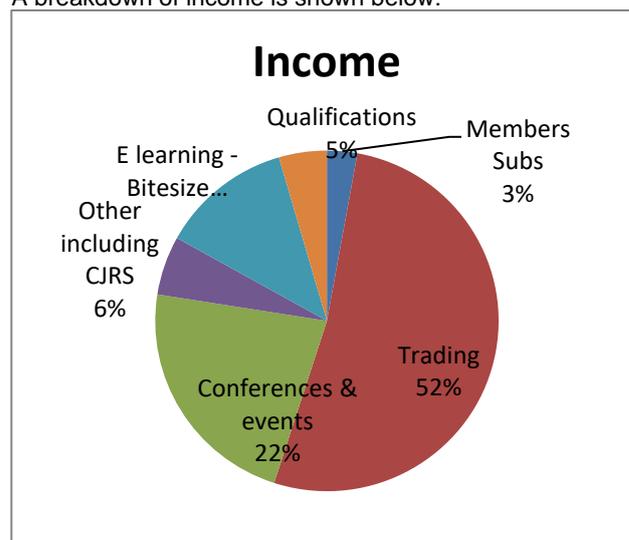
HFMA's Bitesize e-learning modules continue to be improved and updated on an annual basis, drawing on technical expertise from our content team, our members and the graphical skills of instructional designers. As a result of this, the introductory suite of modules continues to train and inspire NHS staff.

## FINANCIAL REVIEW

As noted above due to the impact of Covid-19 resulting in no face to face events taking place in the last quarter of the year, the closure of our conference centre in March 2020 and no intake of students in the last quarter of the year it has financially been a very challenging year.

The result for the year is therefore a deficit of £779k against a planned surplus of £3k (2018/19 £33k deficit).

A breakdown of income is shown below:



The total income of the Charity for 2019/20 was £6,668k (£7,347k 2018/19).

The largest single source of income was from trading which stood at £3,476k in 2019/20 (£4,271k 2018/19) down considerably year-on-year due to the impact of Covid-19 on sponsorship accruing from face to face events which were all cancelled or postponed in the last quarter of the year and the Conference Centre, 110 Rochester Row being closed from 23 March 2020.

Conferences and training events income in 2019/20 totalled £1,501k (£1,730k 2018/19).

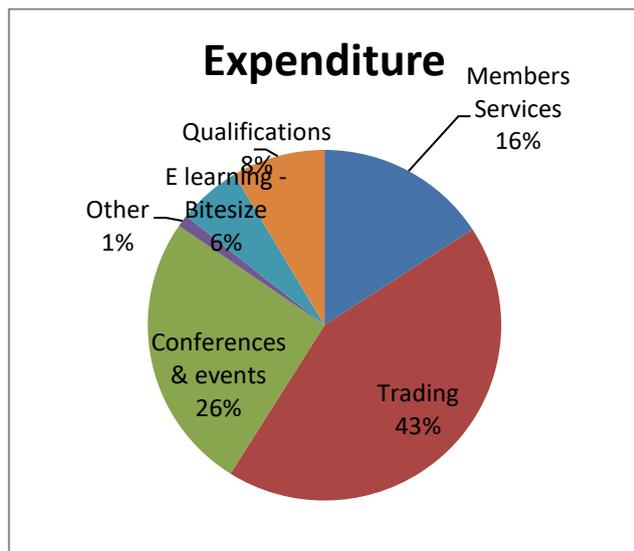
E-learning (Bitesize) income totalled £827k in 2019/20, (£526k in 2018/19) the increase being due to the release of a number of modules onto the NHS ESR system.

The Qualifications delivered through the HFMA Academy and HFMA Awarding Organisation from which income totalled £301k (2018/19 £528k) a considerable reduction due to the intakes in the last quarter of 2019/20 being cancelled due to the impact of Covid-19.

Other income includes Coronavirus Job Retention Scheme (CJRS) grant income in 2019/20.

The breakdown of expenditure is shown below:

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020



The costs of all the trading activity in the trading subsidiary, HFMA Ltd excluding the Qualification, was £3,213k in 2019/20 (£3,223k in 2018/19). This resulted in a small surplus of £104k which is used by the charity to subsidise the cost of activities and services provided to the members of HFMA.

By far the greatest activity in terms of income, other than the trading activities in the subsidiary companies noted above, was conferences and events. Expenditure exceeds income in 2019/20 by £410k (£222k in 2018/19) which is the level of subsidisation HFMA provides to members when running conferences, webinars and seminars.

The sale of e-learning, Bitesize, packages has increased considerably year-on-year. Costs have increased slightly from £425k in 2018/19 to £430k in 2019/20 resulting in a margin in year of £397k (2018/19 £101k).

Members subscriptions totalled £190k in 2019/20 (2018/19 £188k). The costs of member services increased to £1,055k in 2019/20 (£889k 2018/19) which reflects the focus of the organisation in the last quarter of the year where members asked for considerably higher levels of support as they managed the impact of Covid-19 in their NHS organisations. It is congruent with the objects and aims of the charity and the Charity Commission's guidance on Public Benefit, that subscriptions paid by members cover only a small percentage of the costs of providing member services with the surpluses achieved in the trading operations of HFMA subsidising the balance of the costs.

The net deficit of £779k in 2019/20 (£33k 2018/19) decreases the net funds of HFMA at 30 June 2020, to £3,606k.

The financial statements have been prepared in accordance with relevant law and current accounting conventions and in particular the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard

applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)).

## PUBLIC BENEFIT

To meet the two objectives of achieving future plans and providing Public Benefit, HFMA offers training courses through branch and national events in the form of conferences and seminars, webinars, training publications and materials and online through our e-learning service.

Following the impact of Covid-19 a special portal was set up on the HFMA website into which materials were placed to support all those in healthcare working to manage the impact of the pandemic on their job. This portal was free access to all.

All these activities contribute to the Public Benefit provided by HFMA in assisting healthcare managers in providing a high quality and efficient service to the public.

The 100% owned trading subsidiary HFMA Ltd operates commercial activities to support the work of HFMA. The results are shown in Note 16 to the Accounts.

HFMA Commercial Services Limited is also 100% owned but has not traded in the year.

The activities and achievements of the charity in the year to 30 June 2020 are detailed in the Chief Executive's report with commentary as to how the objectives set were met. These achievements demonstrate how successful HFMA has been in fulfilling its objectives and providing a Public Benefit.

## FUTURE PLANS

A business plan for 2020-21 has been produced which aims to reset HFMA so it is in a good position to move forward into the new world as we come to terms with the changes that Covid-19 has made to our world and HFMA's place in it.

The plans for the year ahead for each main charitable activity are detailed below:

- **Benefit:** it is important that HFMA not only maintains the current quality of services but also develops them to support our members and the wider NHS at a time of ever-growing financial pressure. In terms of membership, our clear strategy will be to maintain our existing level of membership in the year ahead. We are also working closely with the other main supporters of finance professionals in the NHS on the FFF initiative.
- **Influence:** HFMA provides material that is relevant and timely for members. It is planned to keep up with demand for specific publications and training packages during the following year. A clear focus will be to support the NHS and the wider community in their understanding of the impact of Covid-19 and the overall NHS move towards more place-based structures. We

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

aim to ensure our outputs provide the best support to our members and the organisations they work for. We will continue to work closely with the NHS leadership teams in developing and influencing policy and we will be continuing to foster relationships with other organisations, such as the accounting bodies, medical colleges and organisations working with clinical commissioning groups and primary care.

- **Training and development:** the full conference and seminar programme, locally at branches and nationally, will be followed but, particularly in the first half of the year these will be on-line and virtually delivered. Extending our work assisting local Skills Development and FMTS groups will also continue to be a focus for 2020/21. Each branch will run a minimum of four events of which at least one will be fee free. We will also be looking to further develop our faculty programme. The HFMA Diploma and Higher Diploma is currently to continue to have three intakes each year in September/October, January and May. A similar timetable is planned for the intakes for the NAPC Higher Diploma in Practice Management which is run by HFMA. In addition, work is ongoing on a new level 4 qualification and an apprenticeship.
- **E-learning - Bitesize;** We will further develop our e-learning Bitesize products and programmes. We will also be looking to extend access further to health professionals in in and outside the NHS. Our usual programme of updating existing modules will also take place to ensure that the training we deliver is up to date and of the highest quality. We will also be looking to keep the programme of refreshing and improving the website and mobile app in the year ahead.

The plans noted above, and the activities undertaken in the year show how the objects and aims of the charity continue to be satisfied. These are a clear demonstration of how HFMA provides a Public Benefit by providing services and support to a membership of people working in finance and related areas in healthcare management.

Most training activities are open to non-members as well as members, often free of charge, ensuring that all members within a health system can benefit from HFMA's expertise. A bursary fund also exists to support members or potential members who are unable to access the services provided by HFMA due to financial constraints.

The Trustees consider they have complied with their duties with regard to the Charity Commission's Public Benefit guidance.

## RESERVES AND GOING CONCERN

HFMA's total reserves which have been built up slowly over many years have been reduced this year by £779k as a direct result of lost revenue due to the impact of Covid-19. Reserves now stand at £3,606k.

All reserves are held in funds whose use is at the discretion of the Trustees as long as they are used as laid out in the

objects and aims of the charity. The reserves policy below is set by the Trustees.

The Association's policy is to secure its viability beyond the immediate future. This requires some income to be put aside, when this can be afforded, as a reserve against future uncertainties and opportunities:

All funds are unrestricted income funds. These are split into the following: General fund, Branch fund and Bursary fund.

- The General fund should be built up to at least six months' worth of total annual costs of HFMA to cover short term falling off in demand for the services offered.
- The Branch fund is the sum of the reserves of each of the 13 branches.
- The Bursary fund is to support those with low incomes accessing the services of HFMA.

None of the funds are in deficit. The balances on these funds are shown on the balance sheet and in note 17.

As a result of the impact of Covid-19 leading to a loss of £779k for the year the General fund balance is below that targeted. The financial strategy over the coming years will be to build this fund back up to the desired level.

This will be achieved through re-building revenues where possible and to the extent that this is not possible cost reductions will be made. A number of these have already been made at the time of writing this report with a number of mitigations having taken place to right-size the Charity for expected activity levels going forward and a number of mitigating actions (notably cost reductions which include reducing staff numbers) which have taken place since the year end.

Despite the fact that the charity achieved a deficit in year the Trustees consider it is appropriate to treat the charity as a going concern.

This is due to the mitigating actions noted above, having taken place to reduce costs since the year-end, the securing of the a Coronavirus Business Interruption Loan (CBIL's) of £850k, a clear understanding of the risks facing the organisation and robust cash management plans.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the remainder of the year ahead to 30 June 2021 and for the year to 30 June 2022.

It is also worth noting that even after taking into account the stress testing, there is no need for HFMA to sell any of its fixed assets investments which, of course, could be sold if further cash was required. The value of these investments at 30 June 2020 was £2,227k.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

## INVESTMENT POLICY

The Investment Policy is to match the risks and accessibility of the assets invested in against the reason behind the investments being made in that:

- A certain level of investments will be in cash and similar investments, the key criteria being that they are accessible at short notice. Every effort will be made to maximise interest whilst following these criteria.
- Other investments will be in assets that do not need to be sold quickly. An overall investment strategy will be adopted with consideration of investing in such assets as equities and properties.

Any major capital investment over £75k requires Trustee approval and should be supported by a business case and with appropriate professional advice.

For all investments made, targets will be set for these assets to at least equal the performance of average indices (for instance in the increase/decrease in value of commercial properties or financial instruments traded).

The Trustees will make no direct investment in companies whose products or services are accepted as being prejudicial to good health. In considering collective investments the Trustees will consider the nature and significance of the health risks associated with the products or services of any such company whose shares form a component of the collective investment.

The investment approach is discussed and agreed annually and confirmed at Board meetings. It was agreed that a considerable amount of funds should be held in easily accessible accounts (that attracted lower interest than could be achieved if the funds were tied up in fixed term accounts) to allow the Trustees to move quickly if there was an opportunity to invest in assets that supported HFMA's strategic objectives to support the members and maintain the long-term future of the Charity.

Indeed, following a significant process in 2018 it was agreed that £2,000k of the cash reserves would be invested in long term investment funds to increase the level of returns.

This has proved a successful approach with income of over 3% being achieved each year since investment was made and an increase in value of 10% since purchase despite the challenges the financial markets have faced following the impact of Brexit and Covid-19.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Healthcare Financial Management Association for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that they have complied with the duties of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning the charity's future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

## CONSTITUTION AND GOVERNANCE

HFMA was incorporated as a company limited by guarantee registered in England and Wales in July 2006; a Memorandum and Articles of Association govern it.

The registered name and registered office of the Charity and names of the Trustee, who are directors for the purposes of company law, are shown on page 2 of this report. HFMA wholly owns two trading subsidiaries, HFMA Ltd, and HFMA Commercial Services Limited. These are private limited companies and they gift aid any profits to the Association. The Board of Trustees are the legal trustees and have control of the assets of the Charity.

During 2019/20, the Board of Trustees comprised the National President, two Vice-Presidents, Past Chair and Chair of the Audit and Finance Committee, who are nominated by the membership as a whole, and a representative from each of the three devolved nations who are elected by their branches and seven Trustees who are appointed by Board of Trustees. All the Trustees are directors of HFMA.

During the year the Board usually meets formally four times. When appropriate or necessary additional Board meetings are called. With the impact of Covid-19 a number of additional meetings took place in the last quarter of the year. These meetings along with briefing papers for the Board ensured the Trustees were fully briefed on the risks and actions being taken and fully involved in decision making over this period.

Over the year, in addition to regular Board meetings, the Audit and Finance Committee and the Appointments and Remuneration Committee met four times. These two committees have delegated powers and responsibilities that are documented and approved by the Board. Each Committee also had additional meetings and briefings as a result of the impact of Covid-19.

The Appointments and Remuneration Committee also considers and recommends to the board the remuneration of the CEO, Deputy CEO & Director of Finance, Director of Policy & Research and the Director of Education & Training. This involves a review of the marketplace to allow benchmarking to take place and consideration of the roles and responsibilities of each post.

The day to day running of HFMA is delegated by the Board to the CEO and Senior Management Team. Senior Management Team meetings take place monthly. Since March 2020 when the impact of Covid-19 really hit the Senior Management Team have been meeting weekly.

Each week there is a whole-organisation meeting where the CEO leads a briefing with contributions from across the organisation.

The 13 branches have their own volunteer branch executives usually comprising a Branch Chair, a Branch

Treasurer and a Branch Secretary.

This year was the last year of the 2019-20 strategy. The strategy has been communicated to every member of HFMA and further details can be found on HFMA's website [www.hfma.org.uk](http://www.hfma.org.uk). As usual the annual business plan for the year ahead was also agreed as were individual business plans for each branch.

There is a Scheme of Delegation which states the level of authority required for decision making and expenditure. This is considered by the Trustees each year and amended to reflect changes required to allow the smooth running of HFMA.

HFMA is committed to recruiting Trustees with appropriate skills and talents. Vacancies for Trustee and other committee posts are advertised widely to the membership.

The Appointments and Remuneration Committee consider the applications and they select Trustees on the basis of established criteria. New Trustees receive full induction from the Chief Executive and regularly attend HFMA run CPD (Continuing Professional Development) sessions throughout the year.

## RISK MANAGEMENT

The Association regards the management of risk as a key issue within its overall operating framework. A risk register is maintained and is considered regularly throughout the year by management. The risk register is considered by the Audit and Finance Committee at each of its four meetings during the year and is annually presented and reviewed by the Board of Trustees.

Monthly management accounts and related information is produced and along with a programme of scrutiny by internal auditors, this provides the information the executives and trustees require to run the charity and gives the assurance required for the Board to fulfil its role in terms of risk and assurance management.

The Group's key business risks are around its income due to the fact that, unlike most membership organisations, a very small amount of income is derived from membership subscriptions. Therefore, HFMA relies on other sources of income to fund its membership activities. In recent years these sources of non-membership income have diversified significantly, thus spreading the operational risk.

In the last quarter of the year the risk around income have been heightened due to the impact of Covid-19. The manifestation of this risk led to all our staff moved to working from home, all face to face events were cancelled or moved to being run as virtual events, the conference centre 110 Rochester Row was closed as directed by Government and planned intakes of students in the summer were deferred to the autumn. This resulted in a severe reduction in income.

The Business Continuity planning ensured that the impact of Covid-19 was managed and since March a series of actions have been taken to further manage the risk with

# REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

mitigations around cost put in place to bring the expenditure of the Charity down to match a prudent estimate of income going forward.

Although these mitigations give the Board comfort that the risk around the impact of Covid-19 is being managed appropriately, the risk of further negative impacts on income still exists and so this is still seen as the major risk that the Charity needs to manage at the time of writing this report.

Each line of income/project is monitored on a regular basis and each Manager has specific responsibility not only for the short-term management of the risk profile but also for the long-term prognosis of these individual income lines. Physical risk is covered by specific systems for example in IT recovery and backup, emergency procedures and the provision of comprehensive insurance for assets and personnel.

The Business Continuity Plan is kept up to date and is designed to ensure under any circumstance HFMA can maintain its operations.

This was tested fully following the impact of Covid-19 in March 2020 and proved sufficient as HFMA moved overnight from a mainly office-based organisation to one where all staff worked from home. The organisation was pivoted overnight with all staff being able to continue with their work. The following weeks also saw all face to face activities moving on-line with greater use of technologies already in place.

The ongoing risks from Covid-19 are considered to have been managed with all activities moving on-line with the exception of the conference centre, 110 Rochester Row, which although reconfigured and re-opened will be at risk of closure if government guidelines were to change and a further Lockdown occurred.

## BRANCHES

The 13 regional branches form an integral part of the Association. The branches have the powers to run training and education events for the benefit of branch members. Branch funds are used to underwrite training and education opportunities and support local research initiatives.

## SERVICES PROVIDED BY OTHER BODIES

Moorepay Limited, a division of Northgate Information Solutions, provided a payroll service.

RSM UK Audit LLP and Audit South West NHS Audit Consortium provided audit services.

## AUDITOR

A resolution proposing that RSM UK Audit LLP be reappointed as statutory auditor of the Charity will be put to the Annual General Meeting in December 2020.

The Trustees Report and the Strategic Report contained within it were approved by the Board on 6 November 2020

and signed on its behalf by:



James Rimmer  
Trustee and Chair of the Audit & Finance Committee



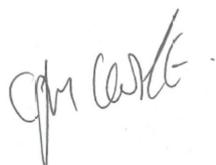
# FINANCIALS – Balance Sheets

## Consolidated and charity statements of financial position as at 30 June 2020

30 June 2019			30 June 2020		
Association £'000	Consolidation £'000		Notes	Association £'000	Consolidation £'000
		<b>Fixed assets</b>			
3,322	3,359	Tangible assets	7a	3,266	3,358
362	372	Intangible assets	7b	259	266
2,261	2,261	Investments	7c	2,227	2,227
<b>5,945</b>	<b>5,992</b>	<b>Total fixed assets</b>		<b>5,752</b>	<b>5,851</b>
		<b>Current assets</b>			
1	3	Stocks		1	3
1,523	2,741	Debtors	8	748	1,851
605	966	Cash at bank and in hand	9	537	1,076
<b>2,129</b>	<b>3,710</b>	<b>Total current assets</b>		<b>1,286</b>	<b>2,930</b>
(3,681)	(4,808)	Creditors: Amounts falling due within one year	10	(3,430)	(4,654)
<b>(1,552)</b>	<b>(1,098)</b>	<b>Net current liabilities</b>		<b>(2,144)</b>	<b>(1,724)</b>
		<b>Total assets less current liabilities</b>			
(8)	(509)	Creditors: Amounts falling due after more than one year	11	(2)	(521)
<b>4,385</b>	<b>4,385</b>	<b>Net assets</b>		<b>3,606</b>	<b>3,606</b>
		<b>Unrestricted funds</b>			
3,697	3,697	General fund		2,871	2,871
		<b>Designated funds</b>			
650	650	Branch fund		698	698
38	38	Bursary fund		37	37
<b>4,385</b>	<b>4,385</b>	<b>Total unrestricted funds</b>	17	<b>3,606</b>	<b>3,606</b>

The notes on pages 14 to 28 form part of these accounts.

The accounts were approved by the Board of Trustees on 6 November 2020



Caroline Clarke, President

## FINANCIALS – Statement of Cash Flows

### Consolidated Statement of Cash Flows for the year ended 30 June 2020

<b>2018-19</b>		Notes	<b>2019-20</b>
<u>£'000</u>			<u>£'000</u>
<u>(1,276)</u>	<b>Net cash inflow/(outflow) from operating activities</b>	15	<u>160</u>
	<b>Cash flows from investing activities</b>		
10	Interest received		1
70	Dividends received		71
(22)	Purchase of tangible fixed assets		(76)
(80)	Purchase of intangible fixed assets		(46)
-	Purchase of investments		-
<u>(22)</u>	<b>Total inflow/(outflow) from investing activities</b>		<u>(50)</u>
<u><u>(1,298)</u></u>	<b>Increase/(Decrease) in cash</b>		<u><u>110</u></u>

The notes on pages 14 to 28 form part of these accounts.

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### Reconciliation of net cash flow to movement in cash

	<b>2019-20</b>
	<b>£'000</b>
Cash at 1 July 2019	966
Increase/(Decrease) in cash in the year	<u>110</u>
Cash at 30 June 2020	<u><u>1,076</u></u>

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

## 1. Accounting Policies

### a) GENERAL INFORMATION

HFMA is a limited company and charity incorporated in England and Wales. It is also a Charity in Scotland. The address of HFMA's registered office is 110 Rochester Row, Victoria, London, SW1P 1JP. The principal places of business of HFMA are 110 Rochester Row, Victoria, London, SW1P 1JP and 1 Temple Way, Bristol, BS2 0BU.

The HFMA Group consists of HFMA and all of its subsidiaries. The nature of HFMA Group's activities are detailed in the Trustees report on pages 4 to 10 of these accounts.

### b) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

HFMA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

### c) GOING CONCERN

The accounts have been produced on the basis that the charity is a going concern. This is as a result of the trustees having a clear understanding of the risks facing the organisation, the existence of a Coronavirus Business Interruption Loan (CBIL's) of £850k and the existence of robust cash management plans. The Charity also has budgets and resulting cash flows which have been stress tested for the year ahead which support this view.

The largest uncertainty facing the Charity is the ability to run events at the Conference Centre in London, 110 Rochester Row. However, stress testing the budget and resulting cash flow forecasts for this risk, alongside considering other downside risks, shows that HFMA has cash reserves available for the remainder of the year ahead to 30 June 2021 and for the year to 30 June 2022.

After taking into account the stress testing, there is no need for HFMA to sell any of its fixed assets investments which could be sold if further cash was required. The value of these investments at 30 June 2020 was £2,227k. It is worth noting that these investments if realised and turned into cash would turn the net current liabilities position of the Charity into a net current assets position at 30 June 2020. It is also worth noting that included in current liabilities in the balance sheet is £3,027k of deferred income, which if added back would also turn the net current liabilities position into a net current assets position.

### d) REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Charity only Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in comprehensive income.

### e) FUNCTIONAL AND PRESENTATIONAL CURRENCY

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

### f) FINANCIAL INSTRUMENTS

HFMA has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2020

realise the asset and settle the liability simultaneously.

### 1. Accounting Policies (continued)

#### f) FINANCIAL INSTRUMENTS (continued)

##### Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are immediately recognised in the statement of financial activities.

##### Financial liabilities

Financial instruments are classified as liabilities and equity instruments 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. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

#### g) GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the Healthcare Financial Management Association, including its branches (HFMA) and its wholly owned subsidiaries HFMA Ltd and HFMA Commercial Services Limited (HCS Ltd). Trading income and expenditure is identified separately in the Statement of Financial Activities and assets and liabilities are consolidated on a line by line basis.

#### h) INCOME

Income is recognised when receivable. Income invoiced for post year end activity is accounted for as deferred income and released to incoming resources in the relevant period subsequent to the year end. The following specific policies apply to categories of income:

- i. Membership income is treated as voluntary income and are deferred over the period that services are provided.
- ii. Association and Branch event income received is deferred if in advance of the date of the event, this income is recognised in the period which the event is held.
- iii. Partner programs membership fees are deferred over the period that services are provided.
- iv. Grant income is recognised on receipt unless the donor imposes conditions which must be met before the charity has unconditional entitlement.
- v. Income from training and education (including publications, qualifications and e-learning packages) is recognised when invoiced.
- vi. Investment income is recognised on a receivable basis.
- vii. Monies received from the Coronavirus Job Retention Scheme (CJRS) is recognised on a receivable basis

#### i) VOLUNTEERS

The value of services provided by volunteers is not incorporated into these financial statements. There are many contributions made by volunteers including event speakers, committee members, Branch committee members and Trustees.

#### j) EXPENDITURE

Expenditure recognised when a liability is incurred and allocated to the appropriate heading in the accounts.

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2020

- i. Costs of generating funds include the cost of membership administration, generating HFMA Ltd and HCS Ltd trading income and fees to manage investments.

### 1. Accounting Policies (continued)

#### j) EXPENDITURE (continued)

- ii. Costs of charitable activities are the costs of activities run to support the objects of the Charity.
- iii. Governance costs are the costs associated with the governance arrangements of the Charity which are primarily associated with constitutional and statutory requirements. These costs include external audit and trustees board and committee meetings.
- iv. Support costs include central functions which have been allocated to activity cost categories on a basis consistent with the use of those resources e.g. using staff time as basis of apportionment.
- v. Redundancy costs are recognised at the point when the Charity is committed to making the payment.
- vi. Any irrecoverable element of VAT is included with the item of expense to which it relates.

#### k) LEASED BUILDINGS AND EQUIPMENT

The Association rents an office and a Conference Centre on a long lease. Long lease property is included in fixed assets and written off on a straight-line basis over 50 years from the point of first use. In the case of one Long lease in London the fixed asset is written off on a straight-line basis over 50 years down to a residual value that is based on cost and is deemed appropriate after considering the market value of the long lease.

The costs of lease improvements and benefit of introductory rent and service charge free periods are allocated on a straight-line basis over the period to the commencement of full rent in accordance with FRS 102.

All existing leases for cars and office equipment are treated as operating leases. The title to the cars and equipment remains with the lessor who retains the risk and rewards of ownership and the lease terms are shorter than the economic life. Rental charges are charged on a straight line basis over the term of the lease.

#### l) TANGIBLE FIXED ASSETS

Lease improvements and equipment acquired with a value in excess of £5,000 are capitalised at cost. Depreciation is provided to recognise the cost of the asset, its residual value and its estimated useful life and is included in support costs.

Depreciation on these assets is calculated as follows:

- Lease and leasehold improvements - over the period to the first break clause in the lease, subject to a maximum of 50 years or reduced for the expected life of the asset. As noted in j above one long lease is being written down to a residual value.
- Furniture and equipment - over 5 to 10 years.

#### m) INTANGIBLE FIXED ASSETS

Software development costs and intellectual property are included in Intangible Fixed Assets and are written off on a straight-line basis over the life of the asset which can vary from between 5 and 10 years.

#### n) INVESTMENTS

Current asset investments are included at market value. Gains and losses on disposal and revaluation are charged or credited to the Statement of Financial Activities.

#### o) STOCK

Stock is carried at the lower of cost or net realisable value. Stock comprises publications and training packages held for resale.

#### p) FUNDS STRUCTURE

All funds are unrestricted income funds. These are split into undesignated (the General and Branches funds) and designated funds (the Bursary and Deep Reserve funds). The General and Branches funds should be built up to at least six months'

## Notes forming part of the Financial Statements (continued)

### For the year ended 30 June 2020

worth of total annual costs of HFMA to cover short term falling off in demand for the services offered. The Bursary fund is to

#### 1. Accounting Policies (continued)

##### p) FUNDS STRUCTURE (continued)

support those with low incomes accessing the services of HFMA or assisting members in activities that benefit healthcare in the UK that they would not be able to perform without support.

##### q) PENSIONS

All staff are employed solely by the Association. Two Group Personal Pension Schemes are provided for staff joining the Association:

- All employees are automatically enrolled into a defined contribution scheme whereby the Association contributes 5% of the employee's salary and the employee contributes a minimum of 3%. Employees can opt out of this scheme if they wish. These funds are the property of the individual employees.
- All employees can choose to enrol into a further Group defined contribution scheme whereby the Association contributes 10% of the employee's salary and the employee contributes a minimum of 6%. These funds are the property of the individual employees.

Some members of staff are members of the NHS Pension Scheme as designated under a direction agreement granted by the Secretary of State. The scheme is a multi-employer defined benefit scheme where the share of the assets and liabilities applicable to each employer is not identified. Accordingly, these financial statements include pension costs payable on a defined contribution basis in accordance with FRS 102.

Pension costs charged to the Statement of Financial Activities represent the contributions payable by the Association during the year.

##### r) FOREIGN CURRENCIES

Assets and liabilities in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in the year in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities when arriving at the net movement in funds.

##### s) PROVISIONS

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar expenses.

##### t) SIGNIFICANT JUDGEMENT AND ESTIMATES

The only estimate of significance made by the trustees in the preparation of the financial statements is considered to be the period over which leasehold improvements are depreciated, which is as disclosed in Note 1 k).

The key judgment made by the trustees is the residual value of the long leasehold interest in Rochester Row which the trustees considered to be materially comparable to its cost.

## Notes forming part of the Financial Statements (continued)

### For the year ended 30 June 2020

## 2. Income

### a) INCOME FROM RAISING FUNDS

#### VOLUNTARY INCOME

The voluntary income received consists of membership subscriptions and grants and donations. Monies received from the Coronavirus Job Retention Scheme (CJRS) are shown under Grants and Donations below.

2018-19			2019-20	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
188	188	Subscriptions	190	190
-	-	Grants and Donations (CJRS payments)	269	269
<b>188</b>	<b>188</b>		<b>459</b>	<b>459</b>

#### ACTIVITIES FOR GENERATING FUNDS

For details of the trading turnover of HFMA Ltd, please see note 17a and HFMA Commercial Services Limited note 17b.

#### INVESTMENT INCOME AND INTEREST RECEIVED

2018-19			2019-20	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
70	70	Investment Income	22	72
-	10	Interest received	-	-
159	-	Rental income	159	-
<b>229</b>	<b>80</b>		<b>181</b>	<b>72</b>

### b) INCOME FROM CHARITABLE ACTIVITIES

#### CONFERENCES AND SEMINARS

2018-19			2019-20	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
1,443	1,443	National and regional events	1,234	1,234
287	287	Branch events	267	267
<b>1,730</b>	<b>1,730</b>		<b>1,501</b>	<b>1,501</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2020

### 3. Expenditure

Salary and support costs (including governance costs) have been allocated to the relevant income stream. Salary costs have been split on the basis of salary percentage and the remaining support costs have been split on the basis of staff time.

All Charitable Activities are carried out through direct services. There is no grant funding to third parties.

COST ANALYSIS 2019-20	Direct Costs	Support Costs	TOTAL	TOTAL
	2019-20	2019-20	2019-20	2018-19
	£'000	£'000	£'000	£'000
<b>Generating Voluntary Income</b>	23	98	121	113
<b>Conferences and Seminars</b>	1,196	715	1,911	1,952
<b>E-learning</b>	41	389	430	425
<b>Member Services including publications and magazine</b>	95	1,006	1,101	918
<b>Qualification</b>	119	516	635	875
<b>Bursary</b>	2	-	2	1
<b>Total Association</b>	<b>1,476</b>	<b>2,724</b>	<b>4,200</b>	<b>4,284</b>
<b>HFMA Ltd</b>	2,174	1,039	3,213	3,223
<b>Consolidated</b>	<b>3,650</b>	<b>3,763</b>	<b>7,413</b>	<b>7,507</b>

#### a) COSTS OF GENERATING FUNDS

These consist of Generating Voluntary Income and HFMA Ltd noted above.

#### b) COSTS OF CHARITABLE ACTIVITIES

These consist of Conferences and Seminars, Publications and Training Packages, E-learning, Membership Services including Healthcare Finance magazine, the Qualifications and Bursary noted above. These are split out on the face of the Statement of Financial Activities.

A breakdown of Conference and seminar costs split between centre events and branch events are shown below:

2018-19			2019-20		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
419	419	Branch events	378	378	
1,872	1,533	Centre events	1,653	1,533	
<b>2,291</b>	<b>1,952</b>		<b>2,031</b>	<b>1,911</b>	

### 4. Audit Fees

The total external audit fees were:

2018-19			2019-20		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
15	15	Charity	15	15	
-	3	HFMA Ltd	-	3	
<b>15</b>	<b>18</b>		<b>15</b>	<b>18</b>	
-	2	Other services supplied by affiliates of RSM UK Audit LLP	-	2	

## Notes forming part of the Financial Statements (continued)

### For the year ended 30 June 2020

#### 5. Staff Costs and Trustees' Remuneration

All staff are employed by HFMA and therefore the figures below are for both the charity and group accounts. Trustees give their service voluntarily and received no remuneration or benefits in kind in respect of the performance of their duties as a Trustee in the year see note 5f.

##### a) STAFF COSTS

<b>2018-19</b>		<b>2019-20</b>
<b>£'000</b>		<b>£'000</b>
2,775	Staff salaries	3,040
281	Employers NI costs	301
336	Pension costs	368
19	Redundancy costs	1
230	Sundry (including Childcare Vouchers and Staff Training)	150
<b>3,641</b>		<b>3,860</b>

Staff costs are allocated according to the functions of each staff member: £1,344k (2018/19 £1,017k) is included in direct costs, £2,516k (2018/19 £2,624k) in support costs together they form part of trading costs, fundraising costs, and charitable expenditure, as appropriate (see note 3). The redundancy costs reflect amounts paid to re-align the Charity's staff structure to the group's future operating plan.

##### b) AVERAGE NUMBER OF STAFF DURING THE YEAR

The average employee headcount throughout the year:

<b>2018-19</b>		<b>2019-20</b>
45	Operations/Technical	44
8	Qualification	9
10	Business Development	12
19	Administration	19
<b>82</b>		<b>84</b>

##### c) EMOLUMENTS

The number of employees whose emoluments (including remuneration and benefits in kind but excluding pension contributions) that amounted to over £60k was:

<b>2018-19</b>		<b>2019-20</b>
4	Band £60,000 - £69,999	2
1	Band £70,000 - £79,999	2
1	Band £80,000 - £89,999	1
1	Band £100,000 - £109,999	1
1	Band £180,000 - £189,999	1

##### d) KEY MANAGEMENT

The key management of HFMA during the year were the Chief Executive, Deputy Chief Executive & Director of Finance, Director of Policy & Research and Director of Education & Development whose combined working weeks totalled to the equivalent of 3.8 full time equivalent (FTE) employees. Their employee benefits including remuneration, benefits in kind, employers pension costs and employers National Insurance total £525k for the year (2018/19 Chief Executive, Deputy Chief Executive & Director of Finance and Director of Education & Development, 3.3 FTE and total cost £511k).

##### e) PENSIONS

As detailed in Pensions accounting policies note 1 there are currently three pension schemes operating.

## Notes forming part of the Financial Statements (continued) For the year ended 30 June 2020

### 5. Staff Costs and Trustees' Remuneration (continued)

#### f) TRUSTEES

Trustees give their services voluntarily and receive no remuneration or benefits in kind for the performance of their duties as a Trustee. Trustees' fees for other services and out of pocket expenses paid direct or to third parties that were reimbursed by the Association are:

2018-19 £'000	Type of Expense	2019-20 £'000
1	Fee for delivery of HFMA fund-raising activity	-
5	Subsistence	3
8	Travel	7
8	Accommodation	6
<b>22</b>		<b>16</b>

### 6. Property and Operating Lease Commitments

The total future minimum commitments payable in respect of property and operating leases shown below are analysed according to the expiry of the leases.

2018-19			2019-20	
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000
47	47	One year or less	19	19
5	5	Two to five year	46	46
-	-	Over 5 years	-	-

Property and operating lease costs shown within the statements of financial activities within support costs were £55k (2018/19 £85k) for Association and £55k (2018/19 £85k) for the consolidated group.

### 7.a) Tangible Fixed Assets

Tangible fixed assets held in the HFMA Group consolidated accounts are below:

	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2019	2,030	1,456	413	3,899
Additions	-	-	77	77
<b>Cost as at 30 June 2020</b>	<b>2,030</b>	<b>1,456</b>	<b>490</b>	<b>3,976</b>
Cumulative depreciation as at 1 July 2019	29	242	269	540
Depreciation charge for the year	-	30	48	78
<b>Cumulative depreciation as at 30 June 2020</b>	<b>29</b>	<b>272</b>	<b>317</b>	<b>618</b>
Net book value as at 1 July 2019	2,001	1,219	139	3,359
<b>Net book value as at 30 June 2020</b>	<b>2,001</b>	<b>1,184</b>	<b>173</b>	<b>3,358</b>

Notes forming part of the Financial Statements (continued)  
For the year ended 30 June 2020

7. a) Tangible Fixed Assets (continued)

Tangible fixed assets held in the HFMA Company accounts are below:

	Long Leasehold £'000	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost as at 1 July 2019	2,030	1,445	293	3,768
Additions	-	-	-	-
<b>Cost as at 30 June 2020</b>	<b>2,030</b>	<b>1,445</b>	<b>293</b>	<b>3,768</b>
Cumulative depreciation as at 1 July 2019	29	231	186	446
Depreciation charge for the year	-	29	27	56
<b>Cumulative depreciation as at 30 June 2020</b>	<b>29</b>	<b>260</b>	<b>213</b>	<b>502</b>
Net book value as at 1 July 2019	2,001	1,214	107	3,322
<b>Net book value as at 30 June 2020</b>	<b>2,001</b>	<b>1,185</b>	<b>80</b>	<b>3,266</b>

7.b) Intangible Fixed Assets

Intangible fixed assets held in the HFMA Group consolidated accounts are below:

	Intellectual Property £'000	Software £'000	Total £'000
Cost as at 1 July 2019	35	831	866
Additions	-	46	46
<b>Cost as at 30 June 2020</b>	<b>35</b>	<b>877</b>	<b>912</b>
Cumulative depreciation as at 1 July 2019	35	459	494
Depreciation charge for the year	-	152	152
<b>Cumulative depreciation as at 30 June 2020</b>	<b>35</b>	<b>611</b>	<b>646</b>
Net book value as at 1 July 2019	-	372	372
<b>Net book value as at 30 June 2020</b>	<b>-</b>	<b>266</b>	<b>266</b>

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2020

### 7.b) Intangible Fixed Assets (continued)

Intangible fixed assets held in the HFMA Company accounts are below:

	Software £'000	Total £'000
Cost as at 1 July 2019	812	812
Additions	46	46
<b>Cost as at 30 June 2020</b>	<b>858</b>	<b>858</b>
Cumulative depreciation as at 1 July 2019	450	450
Depreciation charge for the year	149	149
<b>Cumulative depreciation as at 30 June 2020</b>	<b>599</b>	<b>599</b>
Net book value as at 1 July 2019	362	362
<b>Net book value as at 30 June 2020</b>	<b>259</b>	<b>259</b>

### 7. c) Investments

All investments are owned by HFMA and therefore the figures below are for both the Charity and group accounts.

	Cost £'000	Market Value as at 30 June 2019 £'000	Purchases £'000	Market value as at 30 June 2020 £'000	Gain/(loss) in year £'000
CCLA Funds	1,000	1,191	-	1,237	46
Barclays Funds	1,000	1,070	-	990	(80)
<b>Total</b>	<b>2,000</b>	<b>2,261</b>	<b>-</b>	<b>2,227</b>	<b>(34)</b>

### 8. Debtors

as at 30 June 2019			as at 30 June 2020		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
1,325	2,395	General debtors	466	1,542	
33	-	Amounts due from group companies	7	-	
165	346	Prepayments & accrued income	275	309	
<b>1,523</b>	<b>2,741</b>		<b>748</b>	<b>1,851</b>	

### 9. Cash at bank and in hand

The bank and cash accounts held are as follows:

as at 30 June 2019			as at 30 June 2020		
Association £'000	Consolidation £'000		Association £'000	Consolidation £'000	
526	887	Current accounts	537	1,076	
79	79	Fixed rate deposits	-	-	
<b>605</b>	<b>966</b>	Total cash balance	<b>537</b>	<b>1,076</b>	

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2020**

**10. Creditors – Amounts falling due within one year**

as at 30 June 2019			as at 30 June 2020		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
369	605	Trade creditors	118	503	
1,357	-	Amounts due to group companies	1,312	-	
76	76	Social security creditors	80	80	
32	32	Pension creditors	32	32	
136	254	Other creditors	473	512	
293	443	Accruals	319	500	
1,418	3,398	Deferred income	1,096	3,027	
<b>3,681</b>	<b>4,808</b>		<b>3,430</b>	<b>4,654</b>	

Deferred income as at 30 June 2020 consists of the income for events and service delivery that takes place in the next financial year.

Movements on deferred income for events and service delivery that takes place in the next financial year was as follows:

2018-19			2019-20		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
1,753	4,077	Deferred Income falling due within one year as at 1 July	1,418	3,398	
(1,753)	(4,077)	Released during year	(1,418)	(3,398)	
1,418	3,398	Additional Deferred Income for year	1,096	3,027	
<b>1,418</b>	<b>3,398</b>	Deferred Income falling due within one year carried forward as at 30 June	<b>1,096</b>	<b>3,027</b>	

**11. Creditors – Amounts falling due after more than one year**

as at 30 June 2019			as at 30 June 2020		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
8	509	Deferred Income	2	521	
<b>8</b>	<b>509</b>		<b>2</b>	<b>521</b>	

Deferred Income as at 30 June 2020 consists of the income for events and service delivery that takes place in more than one year.

Movements on deferred income that relates to income for events and service delivery that takes place in more than one year were as follows:

2018-19			2019-20		
Association	Consolidation		Association	Consolidation	
£'000	£'000		£'000	£'000	
6	544	Deferred Income falling due after more than one year as at 1 July	8	509	
(6)	(43)	Released during year	(8)	(127)	
8	8	Additional Deferred Income for year	2	139	
<b>8</b>	<b>509</b>	Deferred Income falling due after more than one year carried forward as at 30 June	<b>2</b>	<b>521</b>	

# Notes forming part of the Financial Statements (continued)

## For the year ended 30 June 2020

### 12. Financial Instruments

The carrying amount of the Group's financial instruments were;

#### Financial assets

as at 30 June 2019			as at 30 June 2020	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
1,325	2,395	General debtors	466	1,542
33	-	Amounts due from group companies	7	-
136	293	Accrued income	270	302

#### Financial liabilities

as at 30 June 2019			as at 30 June 2020	
Association	Consolidation		Association	Consolidation
£'000	£'000		£'000	£'000
369	605	Trade creditors	118	503
1,357	-	Amounts due to group companies	1,312	-
293	443	Accruals; less than one year	319	500

### 13. Analysis of Net Assets of Branches

The branches are part of the Association and run local training and education events for the benefit of branch members. Net assets held by the branches were:

Net assets at 30th June 2019 £'000	Branch	Net assets at 30th June 2020 £'000
42	East Midlands	49
19	Eastern	22
51	Kent, Sussex and Surrey	51
27	London	24
26	North West	27
54	Northern	70
48	Northern Ireland	62
10	Scotland	12
81	South West	94
25	South Central	18
69	Wales	75
169	West Midlands	162
29	Yorkshire and Humber	32
<b>650</b>		<b>698</b>

The overall surplus for the branches for the year was £48k (2019 a surplus of £57k).

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2020**

**14. Reconciliation of net expenditure to net cash flow from operating activities**

Year to 30th June 2019 £'000		Year to 30th June 2020 £'000
(33)	Net expenditure for the year:	(779)
242	Depreciation	230
7	Loss on write off fixed asset	-
(127)	Unrealised loss/(gain) on investment	34
(80)	Interest and dividends receivable	(72)
9	EBITDA	(587)
4	Decrease/(increase) in stock	-
(622)	(Increase)/decrease in debtors	889
(667)	Increase/(decrease) in creditors	(142)
<b>(1,276)</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>160</b>

**15. Related Party Transactions**

The Association holds the entire issued share capital of 1 x £1 Ordinary Shares in HFMA Ltd, a private limited company incorporated in England and Wales (see note 17a). This represents the entire voting capital of HFMA Ltd. HFMA Ltd undertakes to remit all profits from HFMA Ltd to HFMA under the gift aid scheme.

Transactions with wholly owned group companies are detailed in notes 8, 10 and 16.

HFMA charges a percentage of its staff and overhead costs to HFMA Ltd based on the proportion of staff and management activity committed to the Company.

The Association holds the entire issued share capital of 1 x £1 Ordinary Shares in HFMA Commercial Services Limited (HCS Ltd), a private limited company incorporated in England and Wales (see note 17b). This represents the entire voting capital of HCS Ltd. HCS Ltd undertakes to remit all profits from HCS Ltd to HFMA under the gift aid scheme.

HFMA charges a percentage of its staff and overhead costs to HCS Ltd based on the proportion of staff and management activity committed to the Company.

In order to facilitate a bank account pooling arrangement there is an unlimited Inter Company Composite Guarantee in respect of the bank accounts of HFMA, HFMA Ltd and HCS Ltd by which each company guarantees the liabilities of the other group members to National Westminster Bank Plc.

Most of the Charity Trustees are NHS senior managers whose organisations purchase services from HFMA and its subsidiaries in the normal course of activities.

**16. Subsidiaries**

**a) HFMA LTD**

The principal activities of the company are providing marketing services, arranging sponsorship and advertising, running a conference centre and running general and tailored events for the healthcare community. The Financial Statements of HFMA Ltd for the year to 30 June 2020, as consolidated into the accounts for HFMA, were:

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2020**

**16. Subsidiaries (continued)**

**PROFIT AND LOSS ACCOUNT**

<b>Year to 30 June 2019 £'000</b>		<b>Year to 30 June 2020 £'000</b>
5,030	Turnover	3,879
(1,991)	Cost of sales	(1,866)
<b>3,039</b>	<b>Gross profit</b>	<b>2,013</b>
10	Interest received	49
<b>3,049</b>		<b>2,062</b>
(453)	Administration	(684)
(1,568)	Association recharge	(1,274)
<b>1,028</b>	<b>Net result</b>	<b>104</b>

**BALANCE SHEET**

<b>As at 30 June 2019 £'000</b>		<b>As at 30 June 2020 £'000</b>
47	Fixed assets	99
2,970	Current assets	2,963
(2,516)	Creditors: Amounts falling due within one year	(2,543)
501	Total assets less current liabilities	519
(501)	Creditors: Amounts falling due after more than one year	(519)
<b>-</b>	<b>Net assets</b>	<b>-</b>

The turnover in HFMA Limited totalled £3,879k (2019 £5,030k) for the year of which £153k (2019 £372k) related to activities performed for HFMA which is removed on consolidation. Therefore, in the consolidated accounts turnover relating to HFMA Limited is shown as £3,726k (2019 £4,658k). The turnover of £3,726k includes £250k of qualification income which is shown as a separate line on the Statement of Financial Activities.

**b) HFMA COMMERCIAL SERVICES LIMITED (HCS LTD) COMPANY NUMBER 6384842**

The principal activity of the company was providing consultancy services to the healthcare industry. There was no trading in this subsidiary in the year to 30 June 2020 or in the year ending 30 June 2019. The Financial Statements of HCS Ltd for the year to 30 June 2020, as consolidated into the accounts of HFMA had £nil net assets (30 June 2019 £nil).

**17. Statement of funds**

Trading funds are the funds held in the subsidiary companies, all other funds are held by the Charity HFMA.

<b>Unrestricted funds</b>	<b>at 1 July 2019 £'000</b>	<b>Surplus/ (Deficit) £'000</b>	<b>Transfers £'000</b>	<b>Unrecognised gains/(losses) £'000</b>	<b>at 30 June 2020 £'000</b>
<b>General funds</b>					
Trading funds	-	104	(104)	-	-
General fund	3,697	(892)	104	(38)	2,871
<b>Designated funds</b>					
Branch fund	650	44	-	4	698
Bursary fund	38	(1)	-		37
<b>Consolidated</b>	<b>4,385</b>	<b>(745)</b>	<b>-</b>	<b>(34)</b>	<b>3,606</b>

The transfers between funds relate to the total Gift Aid to the Association Centre from the trading subsidiaries and transfers between the deep reserve, which was closed as a fund during the year, and the general fund.

**Notes forming part of the Financial Statements (continued)**  
**For the year ended 30 June 2020**

**18. Analysis of net assets between funds**

**HFMA Group**  
**Analysis of net assets between**  
**funds**  
**as at 30 June 2020**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	5,781	70	-	5,851
Cash at bank and in hand	1,026	13	37	1,076
Other current assets	1,167	687	-	1,854
Current liabilities	(4,582)	(72)	-	(4,654)
Liabilities due after more than 1 year	(521)	-	-	(521)
	<b>2,871</b>	<b>698</b>	<b>37</b>	<b>3,606</b>

**HFMA Company**  
**Analysis of net assets between funds**  
**as at 30 June 2020**

	<b>General fund</b>	<b>Branch fund</b>	<b>Bursary fund</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed and intangible assets	5,682	70	-	5,752
Cash at bank and in hand	487	13	37	537
Other current assets	62	687	-	749
Current liabilities	(3,358)	(72)	-	(3,430)
Liabilities due after more than 1 year	(2)	-	-	(2)
	<b>2,871</b>	<b>698</b>	<b>37</b>	<b>3,606</b>

**19. Capital commitments**

At 30 June 2020, there were £nil (2019 £nil) capital commitments for activities contracted for but not provided in the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

## Opinion on financial statements

We have audited the financial statements of Healthcare Financial Management Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Consolidated and Charity Statement of Financial Activities (including the Summary Income and Expenditure Account) the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and the parent charitable company's affairs as at 30 June 2020 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. 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 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.

## Opinion on other matter 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 Trustees' Report, and the incorporated Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report, and the incorporated Strategic Report, have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011, and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 8 and 9 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group or parent charitable 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 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 exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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 charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Spencer-Gray (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Hartwell House  
55 – 61 Victoria Street  
Bristol BS1 6AD

*RSM UK Audit LLP*

Date: 12.11.20

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006