

Company number: 09125623

# City & Hackney GP Confederation C.I.C.

Report and financial statements  
For the year ended 30 September 2020

Contents

For the year ended 30 September 2020

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## City & Hackney GP Confederation C.I.C.

### Reference and administrative details

For the year ended 30 September 2019

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**Company number** 09125623 – incorporated in the United Kingdom

**Registered office and operational address** 2<sup>nd</sup> Floor, The Lawson Practice  
85 Nuttall Street  
LONDON, N1 5HZ

**Directors** Directors who served during the year and up to the date of this report were as follows:

|                      |                                     |
|----------------------|-------------------------------------|
| Russell Barnes–Heath | (Director of Finance & Information) |
| Shabana Begum        |                                     |
| Dr Matthew Bench     |                                     |
| Dr Nick Brewer       |                                     |
| Dr Deborah Colvin    | (Chair, left 30 September 2020)     |
| Tania Fidler         |                                     |
| Dr Gopal Mehta       |                                     |
| Caroline Millar      | (Acting Chair, from 1 October 2020) |
| Dr Nisha Patel       | (From 1 January 2020)               |
| Laura Sharpe         | (Chief Executive Officer)           |
| Dr Sarah Williams    | (Left 13 December 2019)             |

**Bankers** Lloyds Bank  
SME Client Relationship Team  
4<sup>th</sup> Floor, 125 London Wall  
LONDON, EC2Y 5AS

The Co-operative Bank  
Charity, Co-operative & Social Enterprise Banking  
3<sup>rd</sup> Floor, St Paul's House, 10 Warwick Lane  
LONDON, EC4M 7BP

**Solicitors** Hempsons  
Hempsons House, 40 Villiers Street  
LONDON, WC2N 6NJ

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House, 108–114 Golden Lane  
LONDON, EC1Y 0TL

**Directors' report**

**For the year ended 30 September 2020**

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The directors present their report and the audited financial statements for the year ended 30 September 2020.

## **City & Hackney GP Confederation CIC**

City & Hackney GP Confederation ("the Confederation") was set up in July 2014 as a Community Interest Company (CIC) with a membership of all GP practices in City and Hackney, with a total registered patient list size of 328,205 (as at 1 October 2020). The company is a not-for-profit organisation in which each of the GP practices in City and Hackney are equal shareholders. Each of the practices pays an annual membership fee to the Confederation based on the size of their registered patient list.

In October 2017, following a procurement exercise led by NHS England, the ownership of three practices changed, one of which resulted in two former practices essentially becoming one practice over two sites. This reduced the total number of practices in City and Hackney from 43 to 42 but there was no corresponding decrease in patient list size overall, or in income to the Confederation as a result. In July 2019, the Sorsby Practice closed and Abney House closed in mid-October 2019, further reducing the number of practices to 40 in October 2019.

The purpose of the Confederation is to support member GP practices to improve quality, resilience and stability in primary care, and to develop innovative, cost-effective services that respond to the needs of local people.

The Confederation's Clinical Board (the Board) is made up of five elected GPs, elected by their peers – one of whom is elected as Chair, with the other four made up of one elected representative from each quadrant of the borough. As at 30 September 2020, Dr Deborah Colvin resigned from the post of Chair, having served in this position since the Confederation was incorporated. No GP member stood to succeed her, and so Caroline Millar, the longest serving Lay Member, was appointed as Acting Chair for an initial period of 6 months from 1 October 2020. Other members of the Board include an elected Practice Manager and Practice Nurse, two Lay Members, and an appointed Chief Executive Officer and a Director of Finance & Information. All the Board members, except the two Lay Members, are directors of the Company, i.e. there are 9 directors in total. At the year-end, (i.e. as at 30 September 2020), 9 directors were in post.

## **Key Activities and Achievements**

Over the past 12 months the Confederation was commissioned by City & Hackney Clinical Commissioning Group (CCG) and the London Borough of Hackney to deliver on a number of enhanced primary care contracts, which it delivered by sub-contracting with its member practices and supporting practices to deliver the contract requirements. Further details of these contracts are included in the Strategic Report that follows.

## Directors' report

### For the year ended 30 September 2020

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From April 2020 the Confederation was commissioned by the CCG to establish and develop a number of primary care services to support GP practices during the COVID19 pandemic, including two COVID19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, and a home visiting vaccination service.

The Confederation also directly provided a Stop Smoking service commissioned by the London Borough of Hackney and a Childhood Immunisation Service, Extended Access Hubs and Covid-19 Treatment Centres commissioned by City & Hackney Clinical Commissioning Group.

Following a procurement process, a new Stop Smoking Service contract was awarded to Whittington Health as the Lead Provider from 1 July 2018, for 3 years, with the Confederation sub-contracted by the Whittington to provide the GP Hub part of this service.

A summary of the Confederation's key achievements during the last 12 months of operation is reported in the Strategic Report.

## Future Plans

The Confederation continues to be an ambitious and forward-thinking organisation, and work over the coming year will continue to focus on improving and developing primary care services and ensuring that primary care is stable and resilient, and able to play an active and significant part in the development of new service models and approaches to care.

During 2017/18 the Confederation developed a 7 Year Business Strategy to cover the period of the new 7 Year single contract with City & Hackney Clinical Commissioning Group (CCG), together with an Annual Business Plan setting out 9 key priorities.

The priorities for the 12 months from 1 October 2020, agreed through consultation with member practices and formally signed-off by the Clinical Board, are:

### **Priority 1 – Practice support throughout the Covid-19 Pandemic and winter**

- Manage the contract providing further resource for practices to take on more staff over the winter months when the “perfect storm” of Covid, additional work due to winter, catch up work and additional work coming from hospitals is hitting practices hardest;
- Identify areas of our Local Enhanced Services (LES) contracts that can be “paused” to maximise capacity for practices to focus on clinical priorities during the pandemic;
- Identify areas of our LES contracts that can be “flexed” to allow practices to deliver elements of the contracts in a different way to maintain service delivery safely during the pandemic;
- Work with the commissioners to review LES contract delivery and payments to practices to maintain financial stability;
- Support all the practices to stay resilient through putting in place a light touch SITREP mechanism – how are you doing/how can we help so that practices do not feel alone;
- Ensure we can respond quickly and practically to practices which are in danger of closing so that they can stay open;

## Directors' report

### For the year ended 30 September 2020

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- Use the Confederation Bulletin to give practices key information so that they can continue to rely on us in this way;
- Offer practical advice via the Primary Care SOP (Standard Operating Procedure) when a practice gets an outbreak, so that they know what to do;
- Offer a back-up PPE (Personal Protective Equipment) supply service to all practices;
- Continue to run the Hot Hub and DAS (Doorstep Assessment Service) and change as circumstances require;
- Operate the Covid-19 testing service to support care homes and other care settings so that their staff and residents are regularly tested for Covid19 and are offered infection control and prevention advice;
- If/when allowed by NHSE, develop a service in the Hot Hub for Covid testing for Primary Care Staff.

#### **Priority 2 – Primary Care Network and Neighbourhoods Development**

- Support the ongoing development of the Primary Care Networks (PCNs) as requested by the Clinical Directors via the contract between the PCNs and the Confederation and ensure that we deliver all aspects of the contract;
- Continue to build the effective working relationship with the PCNs and Clinical Directors so that the Confederation can offer greater support at PCN level and so that we continue to have a single voice for primary care provision;
- Continue to develop QI/Improvement plans at practice and PCN level, building on the work on QI QOF (Quality & Outcomes Framework) so far and on the initiatives with the Time for Care programme;
- Support the neighbourhood year 3 work to embed and make real Neighbourhood teams by: attendance at and input to the Neighbourhood Health & Care Board and by articulating what primary care most needs from neighbourhoods; and support the development of the neighbourhood MDTs (Multi-Disciplinary Teams) including developing a specification for coaching and development support for MDT Chairs and members;
- Work with the CCG/local system to demonstrate the worth of the Wellbeing Practitioners via a final evaluation, secure recurrent funding for the Community Navigation Business Case and within that a recurrent commitment to Wellbeing Practitioners in each Neighbourhood/PCN;
- Work with system partners including PCNs to ensure best use of the non-recurrent £2.5m available in year – adult community nursing, community navigation (above) and OD plans for Neighbourhoods.

#### **Priority 3 – Service Contract Delivery**

- Ensure that the 2020/21 year of the Confederation 7-year contract delivers across the contract portfolio by supporting practices in their work;
- Successfully negotiate changes to major contracts to free up time and resource for practices to focus on patients at high risk of Covid;
- Continue to deliver the Confederation's contracts commissioned from other sources:
  - London Borough of Hackney: Sexual Health;
  - London Borough of Hackney: NHS Health Checks
  - Homerton Hospital: Tele-dermatology;

## Directors' report

### For the year ended 30 September 2020

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- Ensure successful launch of new PSA (Prostate-Specific Antigen) contract;
- Deliver the flu and childhood immunisation contracts;
- Continue to deliver and develop the Stop Smoking Service.

#### Priority 4 – Primary Care Access

- Continue to ensure practices deliver a strong Duty Doctor service, work with our communications partners on making the public more aware of this, develop mystery shopping with Healthwatch if possible;
- Continue to deliver the CCG-commissioned Extended Access service at 30 minutes per thousand per week, developing video consultations, additional capacity and consistent delivery;
- Engage successfully with Edenbridge to use their Apex tool/software (commissioned October 2020) to support the data and quality reporting of the Extended Access service;
- Through early planning, prepare for a successful merger of the CCG Neighbourhood Extended Access LES and the PCN Extended Access DES contracts (was due April 2021 but now likely to be October 2021);
- Deliver the individual practice Primary Care Digital plans and the PCN Digital plans to support access and to ensure they can offer the best non F2F (Face to Face) services for patients.

#### Priority 5 – Workforce Development and Workforce Training

- Apply successfully for primary care transformation monies to recruit key staff to work with PCNs on:
  - training needs analysis and a training programme for primary care;
  - workforce planning and staff recruitment and retention, skill mix, new roles;
  - nurse and HCA (Health Care Assistant) support and development to increase training placements and support practices as acting as training practices;
- Continue recruitment of salaried GPs and work to retain as many as possible in City & Hackney subject to practice need;
- Deliver GP and other primary care staff mentoring programmes;
- Play a major role in the City & Hackney Training Hub and Workforce Enabler Board so that primary care workforce needs are clearly articulated and funded included during next round of applications for enabler monies;
- Link into workforce initiatives at STP (Sustainability and Transformation Partnership) /London/national level to maximise the workforce funding coming into City & Hackney.

#### Priority 6 – Adding Value to Practices/Improvement and Resilience Support

- Ensuring all practices understand the Confederation aims and support these by:
  - presenting the Annual Plan to the GP body and taking on board their comments,
  - by communicating with practices and Practice Managers regularly on key issues via Confed meetings and bulletins,
  - by development of the Members' Zone area and its PCN pages so that they contain useful information for practices and PCNs;
- Support all practices to maintain stability – through Quality Improvement (QI) work, thinking differently, and delivery of the Confederation contracts to maximise income;

Directors' report

For the year ended 30 September 2020

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- Secure funding from the CCG to be able to continue to offer a centralised Data Protection Officer role for all practices.

**Priority 7 – Patient Participation and Involvement of the Public**

- Keep going on the Hackney Downs PCN Patient Participation work to show how this can be successful at PCN level;
- Build momentum on use of Care Opinion with the 10 practices and use Care Opinion in other Confederation services;
- Build confidence in the Care Opinion practices so that they start to use their CO stories to open up conversations with their patient groups/Patient Participation Groups (PPGs);
- Identify funding for training to support practices so they are able to run successful PPGs at practice level;
- Continue to work on specific involvement events

**Priority 8 – Confederation Development and Governance**

- Ensure that the Confederation Board meets regularly, discusses the key issues, is acting properly as a Board in terms of scrutiny and assurance, and that the key decisions of the Board are communicated regularly to the shareholders;
- Hold at least one Board development session to review and reflect on board/individual board member performance;
- Ensure that all staff posts are recruited to and that all staff have been risk assessed and that the majority are working from home successfully;
- Hold an EGM in April 2021 to review temporary arrangements for the chairing of the Confederation and hold our AGM in July 2021;
- Report annually to the Board on our workforce recruitment and our WRES (Workforce, Race & Equality Standard);
- Set up a balanced budget, oversee at Board and share with shareholders regularly;
- Resolve the Confederation pensions gap;
- Ensure that the Confederation meets all statutory and regulatory requirements, via its Audit & Governance Committee, review at Board level of the risk register, regular policy updates and reports on CQC (Care Quality Commission) status of the Confederation;
- Develop, agree and implement our “green plan” to combat climate change;
- Ensure we continue to communicate clearly with our shareholders and stakeholders;
- Ensure all staff have objectives and personal development plans for the year linked to this Annual Plan and are supported to deliver these;
- Explore the opportunities, via Social Enterprise UK, of our social enterprise status, including applying for possible funding, and potentially recruiting to the vacant Board Lay member post to support this work.

**Priority 9 – System Contribution and Role**

- Ensure that the Confederation continues to be seen as a vital partner in the health and social care system, so that the voice of general practice/primary care is clearly heard as the new ICS (Integrated Care System) is put into place;
- Ensure strong input via Chair and CEO to the Integrated Care Partnership Board;



## Directors' report

For the year ended 30 September 2020

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- Ensure strong input via the Vice Chair and the CEO to the Neighbourhood Health & Care Board;
- Continue to act in strong partnership with the PCNs CDs and the LMC (Local Medical Committee) as the three voices of primary care in the system;
- Continue to develop the wider partnership role of the Confederation, including the development of partnerships with charitable, community and voluntary sector organisations

## Statement of responsibilities of the directors

The directors are responsible for preparing the directors' 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 City & Hackney GP Confederation CIC and its surplus or deficit 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 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 company will continue in operation

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain City & Hackney GP Confederation CIC's transactions and disclose with reasonable accuracy at any time its financial position and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of City & Hackney GP Confederation CIC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on City & Hackney GP Confederation CIC's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditor.

City & Hackney GP Confederation C.I.C.

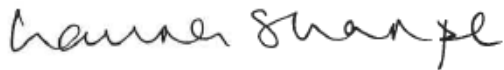
Directors' report

For the year ended 30 September 2020

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Sayer Vincent LLP was reappointed as the company's auditor during the year and has expressed its willingness to continue in that capacity.

Approved by the directors on 28 May 2021 and signed on their behalf by



Laura Sharpe  
CEO



Russell Barnes-Heath  
Director of Finance & Information

## Strategic report

For the year ended 30 September 2020

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The directors have pleasure in presenting their strategic report for the year ended 30 September 2020.

## Strategic review

Over the past 12 months, the Confederation was commissioned by City & Hackney Clinical Commissioning Group (CCG) to deliver on a number of enhanced primary care contracts including:

- Long Term Conditions
- Proactive Care (Home Visiting and Practice Based)
- Extended Hours/Enhanced Access
- Duty Doctor
- Mental Health
- Early Years
- End of Life
- Phlebotomy
- Post-Operative Wound Care
- Community Anticoagulation
- Teledermatology
- Latent TB

The Confederation delivered on these contracts by sub-contracting with its member practices and supporting practices to deliver the contract requirements. It also sub-contracted with member practices to deliver contracts for NHS Health Checks, Substance Mis-use and Sexual Health, all commissioned by the London Borough of Hackney.

From April 2020 the Confederation was commissioned by the CCG to establish and develop a number of new primary care services to support GP practices during the COVID19 pandemic, including two COVID19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, and a home visiting vaccination service.

In addition, the Confederation directly provided a Stop Smoking service commissioned by the London Borough of Hackney and Childhood Immunisation Services, Extended Access Hubs and Covid-19 Treatment Centres commissioned by City & Hackney Clinical Commissioning Group. Following a procurement process, a new Stop Smoking Service contract was awarded to Whittington Health as the Lead Provider from 1 July 2018, for 3 years, with the Confederation sub-contracted by the Whittington to provide the GP Hub part of this service.

Key achievements during the last 12 months of operation included:

- Further developing the organisation with full support and sign-up from all GP practices in City and Hackney;
- Further developing a culture across GP practices of working together collaboratively and supporting each other to achieve total population coverage across a large contract portfolio;
- Embedding the community anti-coagulation service and developing a number of GP practices as anti-coagulation hubs;

## Strategic report

### For the year ended 30 September 2020

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- Embedding services for Sexual Health, Latent TB and Teledermatology;
- Establishing and managing a number of primary care services in response to the coronavirus pandemic, including 2 COVID19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, and a home visiting vaccination service;
- Achieving major health gain in the management of Long-Term Conditions, resulting in City and Hackney practices being amongst the most highly performing in the country – see additional information below:

All 40 member practices participate in the Long-Term Conditions service, overseen by the Confederation. By achieving 100% population coverage, we have achieved excellent results under the Quality and Outcome Framework (QOF), the national benchmark used to measure primary care outcomes.

Working together in this way as a Confederation has directly improved patients' outcomes as demonstrated by City and Hackney's QOF rankings when comparing key indicators before the Confederation was established and the most recent full set of results (2018/19). (QOF was suspended from April 2020 due to the Coronavirus pandemic).

- **QOF (Quality and Outcomes Framework)**

- Average achievement of outcomes in City & Hackney:
  - 2013: 96.6% (i.e. before the Confederation was established)
  - 2018: 97.3% (i.e. after the Confederation was established) (This is the most recent period for which it was possible to calculate an average).

City and Hackney is the top performing area (Clinical Commissioning Group) nationally in the 2019/20 QOF. It was 1st nationally in 9 of the 28 *clinical* QOF metrics, and ranked 1st, 2nd or 3rd in 14 of the other 28 indicators.

- Offering an additional 32,897 extended hours appointments for patients over the past year, 85% of which were delivered by GPs;
- Continuing to achieve significant improvements in the numbers of local people being supported to give up smoking. The service has achieved a quit rate over the past 12 months of 108% in relation to the annual target of 750 4-week quitters per annum. During the COVID19 pandemic the team was expanded with additional sessional workers to provide online and telephone support to an increased number of patients wanting to give up smoking;
- Continuing to support the development of the neighbourhood model in City and Hackney, particularly through the establishment and development of a Wellbeing Practitioner pilot to address the needs of very vulnerable patients with complex needs; the provision of training and support to practices in relation to group consultations; and support to establish neighbourhood multi-disciplinary team meetings and development of the care navigation system in City and Hackney;
- Agreeing a contract with the 8 Primary Care Networks to establish a PCN Programme Management Office to support the development of PCNs, and for the GP Confederation to

## Strategic report

### For the year ended 30 September 2020

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deliver a range of support functions to the PCNs, including contracts management, and finance and HR support;

- Maintaining and extending a Salaried GP scheme which has contributed significantly to the building of additional GP capacity within City and Hackney;
- Continuing to contribute to the development of the Workforce Enabler Board/Training Hub in City and Hackney including hosting the Programme Management function, and successfully securing funding to support the training and development of primary care staff;
- Development of a GP Mentoring Programme offered to all GPs in City and Hackney, and establishing a similar mentoring programme for other primary care staff working in City and Hackney. Plans are currently being developed to explore the extension of this programme within the voluntary sector;
- Launching a QI Programme in primary care in November 2019, including 12 GP practices taking part in a 12 week QI programme (Productive General Practice Quick Start) to undertake 2 rapid improvement initiatives within each practice. A QI QOF toolkit has also been developed to support practices to undertake improvement work focussed on care to people with learning disabilities and on early cancer diagnosis;
- Reducing attendances at the Primary & Urgent Care Centre (PUCC) at Homerton Hospital by over 9.6% by providing community post-operative wound care clinics.

## Principal risks and uncertainties

The Confederation has a comprehensive and systematic risk management process in place, which culminates in Risk Registers being presented to the Audit & Governance Committee on a quarterly basis for thorough review and scrutiny. Risks are then reported to the Board by exception so that any necessary remedial action can be agreed. The register includes an assessment of the risk, its likelihood and impact, the controls in place, any gaps in control, proposed actions to mitigate the risk, and updates on progress against the latter reported each quarter.

The risk profile has not changed significantly since last year although many of the risks have reduced following management intervention.

## Financial review

In the 12 months ending 30 September 2020, the Confederation recorded a surplus of £118,289 (2019: £131,409), (0.8% (2018: 0.9%) of turnover). This was better than the planned deficit of £152,838, primarily due to managing costs below income and ensuring that all new contracts made a positive contribution to the bottom line. This surplus will be carried forward as part of the retained earnings as a reserve to mitigate against future risks and unforeseen costs. Monthly finance reports to the Board included detailed analyses of budget variances, surplus and deficit by contract/project, and detailed cash-flow statements and forecasts.

Strategic report

For the year ended 30 September 2020

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Total income for the 12 months was £14.882m (2019: £14.338m), including £9.015m (2019: £9.834m) of 'pass-through' income in relation to member practices delivering the contracts commissioned by the CCG and Local Authority. This was slightly higher than planned due to income from new contracts exceeding the underperformance on Primary Care and the under-utilisation of some of the income held in Deferred Income compared to what was budgeted to be released in year.

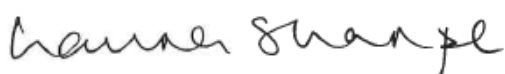
Total expenditure was £14.751m (2019: £14.181m) which included £9.015m (2019: £9.834m) in relation to payments to practices for contracts commissioned by the CCG and Local Authority.

Total reserves at the year-end stand at £740.4k (2019: £722.1k) (i.e. the accumulated surplus). This will be protected and carried forward to mitigate against unknown costs or unforeseen circumstances, and is after £100k, (as agreed by the Clinical Board and member practices), was paid out to member practices as a dividend in line with list sizes, to recognise their hard work during the coronavirus pandemic. £500k is earmarked as an Operating Reserve.

The balance sheet remains healthy, with net assets of £740.4k (2019: £722.1k) including a strong cash balance of £6.2m (2019: £5.5m) to meet future liabilities.

An affordable budget for 2020/21 has been set and utilises approximately £103k from reserves to support key posts in the organisational structure. The Confederation has developed a 7-year Business Strategy and supporting financial plan, but in addition to the agreed 2020/21 Budget, a detailed cash-flow forecast running to December 2021 shows that the organisation is financially viable and solvent. The Confederation continues to try to diversify its income base so that it is less dependent on one or two main commissioners and plans to broaden this further by winning new contracts.

Approved by the directors on 28 May 2021 and signed on their behalf by



Laura Sharpe  
CEO



Russell Barnes-Heath  
Director of Finance & Information

## Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

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### Opinion

We have audited the financial statements of City & Hackney GP Confederation C.I.C. (the 'company') for the year ended 30 September 2020 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the 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 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 30 September 2020 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

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

### Conclusions relating to going concern

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

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

## Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

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### Other information

The other information comprises the information included in the directors' annual report and the strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the directors' annual report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual report and the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report and the strategic 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.



## Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

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### Responsibilities of directors

As explained more fully in the statement of responsibilities of the directors, set out in the directors' annual report, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

## Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## 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.



Jonathan Orchard (Senior statutory auditor)

10 June 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

City & Hackney GP Confederation C.I.C.

Statement of income and retained earnings

For the year ended 30 September 2020

|   | Note | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|---|------|--------------------|--------------------|
| <b>Income</b>   | 2    | <b>14,882,050</b>  | 14,338,494         |
| <b>Expenditure on:</b>                                |      |                    |                    |
| Direct payments to GP Practices                       |      | 9,015,300          | 9,833,591          |
| Staff costs   | 4    | 3,569,217          | 2,853,380          |
| Education and training                                |      | 96,359             | 216,679            |
| Office and property costs                             |      | 231,438            | 179,504            |
| Legal, professional and consultancy fees              |      | 436,207            | 416,201            |
| Project expenditure                                   |      | 890,842            | 490,626            |
| COVID 19 Treatment Centres – non pay expenditure      |      | 249,856            | –                  |
| Other   |      | 127,277            | 156,520            |
| Medical Equipment                                     |      | 134,213            | 34,420             |
| <b>Total expenditure</b>                              |      | <b>14,750,709</b>  | 14,180,921         |
| <b>Surplus on ordinary activities before taxation</b> | 3    | <b>131,341</b>     | 157,573            |
| Taxation on surplus on ordinary activities            | 5    | (13,052)           | (26,164)           |
| <b>Total comprehensive income</b>                     |      | <b>118,289</b>     | 131,409            |
| <b>Retained earnings</b>                              |      |                    |                    |
| Retained earnings brought forward                     |      | 722,072            | 590,663            |
| Dividend to member practices                          |      | (100,000)          | –                  |
| Total comprehensive income                            |      | 118,289            | 131,409            |
| <b>Retained earnings carried forward</b>              |      | <b>740,361</b>     | 722,072            |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in equity are included within the statement above.

## Statement of financial position

Company no. 09125623

As at 30 September 2020

|   | Note | 2020<br>£        | £                     | 2019<br>£        | £                     |
|---|------|------------------|-----------------------|------------------|-----------------------|
| <b>Current assets</b>                                 |      |                  |                       |                  |                       |
| Debtors   | 6    | 1,531,938        |                       | 1,150,722        |                       |
| Cash at bank and in hand                              |      | 6,237,356        |                       | 5,528,873        |                       |
|   |      | <u>7,769,294</u> |                       | <u>6,679,595</u> |                       |
| <b>Creditors: amounts falling due within one year</b> |      |                  |                       |                  |                       |
|   | 7    | <u>7,028,932</u> |                       | <u>5,957,522</u> |                       |
| <b>Net current assets</b>                             |      |                  | <u>740,362</u>        |                  | <u>722,073</u>        |
| <b>Net assets</b>                                     |      |                  | <u><u>740,362</u></u> |                  | <u><u>722,073</u></u> |
| <b>Capital and reserves</b>                           |      |                  |                       |                  |                       |
| Share capital   | 9    |                  | 1                     |                  | 1                     |
| Operating Reserve                                     |      |                  | 500,000               |                  | -                     |
| Retained earnings                                     |      |                  | 240,361               |                  | 722,072               |
|   |      |                  | <u>740,362</u>        |                  | <u>722,073</u>        |
| <b>Total funds</b>                                    | 10   |                  | <u><u>740,362</u></u> |                  | <u><u>722,073</u></u> |

The financial statements were approved by the Board of Directors on 28 May 2021 and signed on their behalf:



Laura Sharpe  
CEO

City & Hackney GP Confederation C.I.C.

Statement of cash flows

For the year ended 30 September 2020

|   | Note | 2020<br>£        | 2019<br>£        |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities:</b>        |      |                  |                  |
| Surplus on ordinary activities before taxation      |      | 131,341          | 157,573          |
| Adjustments for:                                    |      |                  |                  |
| Interest received                                   |      | (14,091)         | (1,652)          |
| Dividend to member practices                        |      | (100,000)        | -                |
| (Increase)/decrease in debtors                      |      | (380,630)        | 570,149          |
| Increase in creditors                               |      | 1,079,758        | 1,213,139        |
| <b>Cash from operations</b>                         |      | <b>716,378</b>   | <b>1,939,209</b> |
| Corporation tax paid                                |      | (21,986)         | (15,058)         |
| <b>Net cash generated from operating activities</b> |      | <b>694,392</b>   | <b>1,924,151</b> |
| <b>Cash flows from investing activities:</b>        |      |                  |                  |
| Interest received                                   |      | 14,091           | 1,652            |
| <b>Net cash from investing activities</b>           |      | <b>14,091</b>    | <b>1,652</b>     |
| <b>Net increase in cash and cash equivalents</b>    |      | <b>708,483</b>   | <b>1,925,803</b> |
| Cash and cash equivalents at beginning of year      |      | 5,528,873        | 3,603,070        |
| <b>Cash and cash equivalents at end of year</b>     |      | <b>6,237,356</b> | <b>5,528,873</b> |

**1 Accounting policies**

**a) Statutory information**

City & Hackney GP Confederation CIC is a company limited by share capital and is incorporated in England & Wales.

The registered office address is 85 Nuttall Street, London, N1 5HZ.

**b) Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

**c) Going concern**

The directors consider that there are no material uncertainties about the Confederation's ability to continue as a going concern.

**d) Income**

Income represents net invoiced sales of services, exclusive of VAT.

Income is recognised when services have been delivered to customers.

**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

**f) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**g) Property, plant and equipment**

Items of equipment are capitalised where the purchase price exceeds £4,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

**h) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**i) Debtors**

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

**j) Creditors**

Short term trade creditors are measured at the transaction price.

**k) Deferred tax**

Provision is made on the liability method for all taxation deferred in respect of timing differences to the extent that, in the opinion of the directors, a liability or asset is likely to crystallise in the foreseeable future.

**l) Pensions**

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions, there is no additional liability to City & Hackney GP Confederation in respect of the scheme. See details in note 12.

## Notes to the financial statements

## For the year ended 30 September 2020

**2 Income**

Income is attributable to the principal activity of the company.

|  | 2020<br>£         | 2019<br>£         |
|--|-------------------|-------------------|
| CCG funding for Primary Care contracts           | 8,073,018         | 8,647,189         |
| COVID-19 Treatment Centres                       | 961,919           | -                 |
| Salaried GP reimbursement                        | 932,571           | 834,462           |
| Enhanced Access Project                          | 836,184           | 1,458,028         |
| Other contractual/Miscellaneous                  | 394,995           | 208,876           |
| CEPN Infrastructure                              | 382,101           | 141,694           |
| CCG – funding                                    | 348,286           | 339,041           |
| Confederation membership fees                    | 314,693           | 320,280           |
| Sexual Health                                    | 259,472           | -                 |
| Estates and Technology Transformation Fund       | 250,223           | 348,007           |
| Smoking Cessation                                | 243,540           | 243,600           |
| Primary Care at Scale/Transformation             | 231,779           | 77,055            |
| NHS Health Checks contract                       | 218,906           | 215,000           |
| Wellbeing Practitioners                          | 210,707           | -                 |
| Community Anticoagulation Contract               | 200,075           | 310,803           |
| Quality Improvement Programme                    | 184,668           | 133,746           |
| FLU/Immunisation programme                       | 165,527           | -                 |
| Physician Associates                             | 107,318           | 92,989            |
| GP Resilience / Practice support                 | 94,828            | 92,324            |
| Childhood Immunisation project                   | 89,271            | 142,423           |
| Neighbourhood Projects                           | 89,226            | 210,664           |
| Substance Misuse contract                        | 84,079            | 62,695            |
| Patient Participation Group                      | 62,000            | 89,120            |
| Primary Care Network Programme Management Office | 56,550            | -                 |
| HEENCEL/CEPN Schemes                             | 26,798            | 46,711            |
| Demand Management contract                       | 18,146            | 125,898           |
| Co-Ordinate My Care AUA                          | 17,078            | 12,576            |
| Bank interest                                    | 14,091            | 1,652             |
| Care Home Swabbing service                       | 14,001            | -                 |
| Salaried Practice Nursing Scheme                 | -                 | 128,934           |
| Practice Population Based Family Nursing         | -                 | 46,793            |
| CEPN Transformation Projects                     | -                 | 6,429             |
| Salaried Trainee Practice Manager Scheme         | -                 | 1,505             |
|  | <b>14,882,050</b> | <b>14,338,494</b> |

**3 Surplus on ordinary activities before taxation**

This is stated after charging:

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Directors' remuneration                 | 321,226   | 302,257   |
| Directors' reimbursed expenses          | 103       | 321       |
| Auditor's remuneration (excluding VAT): |           |           |
| Audit                                   | 12,000    | 11,000    |
| Other services                          | 900       | 2,795     |
| Operating lease rentals:                |           |           |
| Property                                | 40,000    | 38,750    |

## Notes to the financial statements

For the year ended 30 September 2020

## 4 Directors' and employees' costs and emoluments

Emoluments cover salaries and employer pension contributions and are paid to directors of the company. This is shown in Note 3 as Directors' remuneration.

Staff costs (including directors) during the year were as follows:

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| Wages and salaries   | 2,216,238        | 1,767,958        |
| Social security costs                                      | 236,848          | 188,799          |
| Pension costs  | 216,112          | 164,692          |
| Other staff costs  | 900,019          | 731,931          |
|  | <u>3,569,217</u> | <u>2,853,380</u> |
| Aggregate remuneration in respect of highest paid director | <u>93,559</u>    | <u>90,739</u>    |

The average number of employees (including directors) during the year was as follows:

|                                 | Full time equivalent |              | Number       |              |
|---------------------------------|----------------------|--------------|--------------|--------------|
|                                 | 2020                 | 2019         | 2020         | 2019         |
| Trainee Nurses                  | -                    | 3.49         | -            | 3.83         |
| Salaried GPs                    | 8.72                 | 7.94         | 11.42        | 10.92        |
| Wellbeing Practitioners         | 4.33                 | -            | 5.13         | -            |
| Neighbourhood Clinical Leads    | -                    | .28          | -            | 2.75         |
| Project Clinical Leads          | .60                  | .14          | 2.00         | .42          |
| Board members                   | 2.64                 | 2.51         | 10.67        | 11.00        |
| Physicians Associates           | 2.08                 | 1.44         | 2.33         | 1.50         |
| Smoking Cessation team          | 4.14                 | 3.98         | 5.38         | 5.08         |
| Childhood Imms Nurses           | .70                  | .58          | 1.00         | 1.00         |
| Covid-19 Treatment Centre staff | 1.82                 | -            | 9.10         | -            |
| Admin/Management                | 14.63                | 11.79        | 16.67        | 13.83        |
|                                 | <u>39.66</u>         | <u>32.15</u> | <u>63.70</u> | <u>50.33</u> |

The total employee benefits (including employer's national insurance and employer's pension contributions) of the key management personnel were £644,373 (2019: £440,023). The increase compared to last year, reflects the reorganisation of certain roles and the creation of a new (joint) Director of Operations.

## 5 Taxation

|  | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| (a) Analysis of charge in period:                                |               |               |
| Current tax  |               |               |
| UK corporation tax on profits of the period                      | 13,638        | 22,789        |
| Under provision in prior year                                    | -             | 4,726         |
| Total current tax  | <u>13,638</u> | <u>27,515</u> |
| Deferred tax   | (586)         | (1,351)       |
| Total corporation tax recognised in profit or loss               | <u>13,052</u> | <u>26,164</u> |
| (b) Factors affecting tax charge for the period                  |               |               |
| Profit before tax  | 131,341       | 157,573       |
| Profit multiplied by the standard rate of UK corporation tax 19% | 24,955        | 29,939        |
| Effects of:  |               |               |
| Profits from mutual trading                                      | (11,903)      | (8,501)       |
| Pension adjustment   | 586           | 1,351         |
| Taxation charge for the period                                   | <u>13,638</u> | <u>22,789</u> |



## 5 Taxation (continued)

## Deferred taxation

|                                       | 2019<br>£       | 2018<br>£       |
|---------------------------------------|-----------------|-----------------|
| At 1 October                          | (12,040)        | (10,689)        |
| Credited to the profit & loss account | (586)           | (1,351)         |
| At 30 September                       | <u>(12,626)</u> | <u>(12,040)</u> |

## 6 Debtors

|                    | 2020<br>£        | 2019<br>£        |
|--------------------|------------------|------------------|
| Trade debtors      | 723,913          | 626,934          |
| Accrued income     | 669,897          | 464,492          |
| Prepayments        | 125,502          | 47,256           |
| Deferred tax asset | 12,626           | 12,040           |
|                    | <u>1,531,938</u> | <u>1,150,722</u> |

## 7 Creditors: amounts falling due within one year

|                          | 2020<br>£        | 2019<br>£        |
|--------------------------|------------------|------------------|
| Trade creditors          | 1,130,502        | 302,608          |
| Accruals                 | 1,413,648        | 2,091,913        |
| Prepaid income           | 99,006           | 96,750           |
| Deferred income (note 8) | 4,110,557        | 3,189,091        |
| Corporation Tax          | 14,441           | 22,789           |
| VAT, PAYE & NIC          | 82,942           | 81,358           |
| Pension contributions    | 177,836          | 173,013          |
|                          | <u>7,028,932</u> | <u>5,957,522</u> |

Trade Creditors includes £1,128,468 (2019: £302,595) cash held by the GP Confederation on behalf of the Primary Care Networks.

## Notes to the financial statements

## For the year ended 30 September 2020

**8 Deferred income**

Income has been deferred where it has been received to meet future commitments or for contracts that specify that any under-spend must be returned or that the contract period may be extended to allow time for the under-spend to be utilised.

|   | 2020      |           |                  | 2019     |           |                  |
|---|-----------|-----------|------------------|----------|-----------|------------------|
|   | £         | £         | £                | £        | £         | £                |
| Balance at the beginning of the year                    |           |           | <b>3,189,091</b> |          |           | 2,512,651        |
|   | Deferred  | Released  | Change           | Deferred | Released  | Change           |
| One Hackney Performance Fund                            | -         | (50,836)  | <b>(50,836)</b>  | -        | -         | -                |
| Mental Health Alliance                                  | -         | -         | -                | -        | (218,916) | (218,916)        |
| HENCEL  | -         | (26,798)  | <b>(26,798)</b>  | 25,000   | (46,711)  | (21,711)         |
| Practice Population based Family Nursing                | -         | -         | -                | -        | (46,793)  | (46,793)         |
| Sal Trainee Practice Manager Scheme                     | -         | -         | -                | -        | (116,604) | (116,604)        |
| CEPN infrastructure                                     | 353,000   | (346,101) | <b>6,899</b>     | 588,982  | (210,694) | 378,288          |
| Transformation projects                                 | -         | -         | -                | 43,040   | (25,469)  | 17,571           |
| Quality Improvement                                     | -         | (184,668) | <b>(184,668)</b> | 172,704  | (133,746) | 38,958           |
| Childhood Immunisation                                  | -         | (88,472)  | <b>(88,472)</b>  | 243,809  | (123,644) | 120,165          |
| Demand Management Contract                              | -         | (18,146)  | <b>(18,146)</b>  | -        | 75,208    | 75,208           |
| Salaried Practice Nursing Scheme                        | -         | -         | -                | 11,083   | (207,835) | (196,752)        |
| Salaried GP Scheme                                      | 378,743   | (275,349) | <b>103,394</b>   | 376,754  | (240,865) | 135,889          |
| CMC (coordinate My Care) AUA                            | -         | (17,078)  | <b>(17,078)</b>  | 12,966   | (12,576)  | 390              |
| Clinical Pharmacy                                       | -         | -         | -                | 5,000    | -         | 5,000            |
| Single Point of Coordination (SPOC)                     | -         | -         | -                | -        | (17,091)  | (17,091)         |
| GP Resilience/Practice support                          | -         | (86,509)  | <b>(86,509)</b>  | 86,195   | (92,025)  | (5,830)          |
| GP Reception & Clerical Trainee                         | -         | -         | -                | 53,949   | (30,733)  | 23,216           |
| Enhanced Access Hubs                                    | 1,362,267 | (563,730) | <b>798,537</b>   | -        | -         | -                |
| Anti-Coagulation  | -         | -         | -                | -        | (54,373)  | (54,373)         |
| Primary Care at Scale                                   | 244,000   | (231,779) | <b>12,221</b>    | 137,994  | (77,056)  | 60,938           |
| Patient Participation Group                             | 53,667    | (62,000)  | <b>(8,333)</b>   | 79,222   | (89,120)  | (9,898)          |
| GP Nursing Leadership                                   | 25,000    | (19,088)  | <b>5,912</b>     | 30,534   | (12,817)  | 17,717           |
| Call and Recall Pilot                                   | -         | (7,951)   | <b>(7,951)</b>   | 79,407   | (21,923)  | 57,484           |
| GP Retention  | 44,194    | (11,513)  | <b>32,681</b>    | 40,949   | (11,100)  | 29,849           |
| CEPN Primary Care Education                             | -         | (11,107)  | <b>(11,107)</b>  | 44,000   | (34,757)  | 9,243            |
| Physician Associates                                    | 12,000    | (145,125) | <b>(133,125)</b> | 226,114  | (92,989)  | 133,125          |
| LTC Group Consultations                                 | 168,390   | (139,624) | <b>28,766</b>    | 14,100   | (12,302)  | 1,798            |
| Estates and Technology Transformation Fund              | 464,446   | (250,223) | <b>214,223</b>   | 538,891  | (493,322) | 45,569           |
| Spirometry  | -         | (5,426)   | <b>(5,426)</b>   | 20,000   | -         | 20,000           |
| Wellbeing Practitioner                                  | 371,866   | (210,939) | <b>160,927</b>   | 80,000   | -         | 80,000           |
| Nursing Development                                     | -         | (457)     | <b>(457)</b>     | 114,000  | -         | 114,000          |
| Sexual Health   | 139,654   | (89,951)  | <b>49,703</b>    | -        | -         | -                |
| Latent TB   | 15,222    | (15,222)  | -                | -        | -         | -                |
| Teledermatology   | 19,370    | (19,370)  | -                | -        | -         | -                |
| Additional Services                                     | -         | (24,506)  | <b>(24,506)</b>  | -        | -         | -                |
| Coaching and Mentoring                                  | 165,806   | (59,191)  | <b>106,615</b>   | -        | -         | -                |
| Recruiting and Retaining Primary Care Nursing Workforce | 65,000    | -         | <b>65,000</b>    | -        | -         | -                |
| <b>Balance at the end of the year</b>                   |           |           | <b>4,110,557</b> |          |           | <b>3,189,091</b> |

**9 Share capital**

The company's share capital at the year end was:

|                                    | 2020      | 2019 |
|------------------------------------|-----------|------|
|                                    | No.       | No.  |
| £0.01 ordinary shares:             |           |      |
| Called up, allotted and fully paid | <b>40</b> | 39   |

(Note: one of the criteria for the Confederation to have access to the NHS Pension Scheme, is that it does not have any Corporate Shareholders. But NHS Pensions do allow for shares to be held by a named GP on behalf of a corporate body. The 1 practice managed by a corporate body has its share held by a named GP and the Confederation's constitution was also amended to allow an NHS Foundation Trust to hold a share. 40 shares are therefore allotted to all 40 member practices).

**10 Reconciliation of movements on shareholders' funds**

|  | Retained<br>earnings<br>£ | Operating<br>Reserve*<br>£ | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|--|---------------------------|----------------------------|--------------------|--------------------|
| Shareholders' funds at the start of the year | 722,072                   | –                          | 722,072            | 590,663            |
| Operating Reserve*                           | (500,000)                 | 500,000                    | –                  | –                  |
| Dividend to member practices                 | (100,000)                 | –                          | (100,000)          | –                  |
| Total comprehensive income                   | 118,289                   |                            | 118,289            | 131,409            |
| Shareholders' funds at the end of the year   | 240,361                   | 500,000                    | 740,361            | 722,072            |

\* The Clinical Board and member practices have determined to earmark £500,000 of the Shareholders' funds as an Operating Reserve, broadly based on 6 month's operating costs, in-line with good practice.

**11 Related party transactions**

Payments were made to GP practices for their delivery of the CCG primary care contracts and for being Smoking Cessation Hubs, Enhanced Access Hubs and Childhood Immunisation Hubs. Payments for property rental were also made to the Lawson Practice. These practices employ Confederation members and directors.

No other payments were made to members or directors other than for salary payments and expenses to directors for their employment with the Confederation (see Directors Emoluments, Note 3/4).

**12 Pensions**

City & Hackney GP Confederation CIC has been granted access to the NHS pension scheme, subject to the Statutory Instrument that came into effect on 01 April 2016 allowing GP practices to pension sub-contracted income, and subject to it holding appropriate contracts and having the necessary shareholding structure.

The NHS Pension Scheme is an unfunded, defined benefit, final salary scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. Contributions for employees and employers are paid to the Exchequer which in turn meets the cost of paying benefits as and when they fall due. In order to assess an appropriate contribution cost historically there has been an associated notional fund of assets deemed to be invested in UK Government stocks. As a consequence it is not possible for City & Hackney GP Confederation to identify its share of the underlying scheme. City & Hackney GP Confederation has no liability in respect of the scheme except in relation to the ongoing employer's contribution.

A full actuarial (funding) valuation is undertaken every four years and its purpose is to assess the liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from 1 April 2019 at a rate of 20.6% of pensionable pay, however NHS England continues to centrally fund this increase and so employers continue to pay at a rate of 14.38%.

The employer's contribution rate payable is 14.38% (2019: 14.38%) of pensionable pay with employees contributing between 5.0% and 14.5% of pensionable pay depending on their role/level of pay. The employer's contribution rate increased by 0.08% from 14.30% to 14.38% with effect from 1 April 2016 as a result of the national NHS Pensions Admin Levy.

There are 1.62 million contributors to the scheme, 962,928 pensions in payment and 701,348 deferred pensioners (as at 31 March 2020). Net liabilities of the Scheme as at 31 March 2020 were £653.2 bn.

Employers' pension contribution costs are applied to resources expended as and when they become due. On advice from the Actuary the contribution may be varied from time to time to reflect changes in the Scheme's liabilities. The total employer contribution payable in the 12 month accounting period ending 30 September 2020 by City & Hackney GP Confederation was £220,290. The outstanding amount due to HMRC for employer's and employee's contributions at 30 September 2020 was £177,836.

**12 Pensions (continued)**

The scheme is a "final salary" scheme. Following consultation in 2006, a number of changes to the NHS Pension Scheme were introduced. On 1 April 2008 a new "2008 Section" of the Scheme was set up for new joiners on or after 1 April 2008. Joiners prior to this date are in the "1995 Section". For 1995 Section members, annual pensions are based on 1/80th of the best of the last three years' pensionable pay for each year of service. For members of the 2008 section, pensions are based on 1/60th of the average of the best three consecutive years in the last ten. A lump sum normally equivalent to three years' pension is payable on retirement; for members of the 2008 section the lump sum will be a maximum of 25% of the value of their fund at retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and have historically been based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011/12, the Consumer Price Index replaced the Retail Price Index. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement in some circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension (subject to certain conditions) for death after retirement, is payable.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement City & Hackney GP Confederation can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

A key challenge and success in previous years was the work undertaken to gain access to the NHS Pension scheme, an important benefit for both the Confederation's directly employed staff and for the Confederation's member practices in terms of the treatment of subcontracted income. There remain some residual issues around the processing of pension records for Salaried GPs but the the gap in pensions relating to the period when the Confederation had a gap in access to the Scheme, has now been resolved with Additional Pensions being purchased for affected staff. In terms of sub-contracted income, a rule change governed by a Statutory Instrument came into effect on 01 April 2016 to allow this to be possible. These important changes were worked on with the Department of Health, NHS England and the NHS Pensions Agency and should benefit all other GP Confederations across the country.

**13 Operating lease commitments**

The Confederation had future commitments at the year end under operating leases expiring as follows:

|   | Property<br>2020<br>£ | 2019<br>£     |
|---|-----------------------|---------------|
| Less than one year: office rental, 3 month's notice | 10,000                | 10,000        |
|   | <u>10,000</u>         | <u>10,000</u> |