

Company number: 09125623

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

Report and financial statements  
For the year ended 30 September 2019

Contents

For the year ended 30 September 2019

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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)
Dr Matthew Bench	
Shabana Begum	
Dr Nick Brewer	
Dr Deborah Colvin	(Chair)
Colin Jacobs	(left 31 May 2019)
Tania Fidler	
Dr Gopal Mehta	
Laura Sharpe	(Chief Executive Officer)
Dr Sarah Williams	

**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  
3rd 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 2019**

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The directors present their report and the audited financial statements for the year ended 30 September 2019.

## **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 326,532 (as at 1 October 2019). The company is a not-for-profit organisation in which each of the non-corporate 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 or 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. 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 2019), 9 directors were in post.

## **Key Activities and Achievements**

Over the past 12 months the Confederation was commissioned by City & Hackney Clinical Commissioning Group 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.

The Confederation also directly provided a Stop Smoking service commissioned by the London Borough of Hackney and a Childhood Immunisation Service and Extended Access Hubs 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

## Directors' report

### For the year ended 30 September 2019

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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 8 key priorities.

The priorities for the 12 months from 1 October 2019, agreed through consultation with member practices and formally signed-off by the Clinical Board, are:

### **Priority 1 – Primary Care Network and Neighbourhoods Development**

- Support the immediate development of the Primary Care Networks (PCNs) as requested by the PCN Clinical Directors – recruitment/HR support, financial support via bank accounts and monthly budgets, and hosting core PCN staff in the Confederation offices;
- Develop an effective working relationship with the PCNs and Clinical Directors so that the GP Confederation can offer greater support at PCN level;
- Contribute to the Neighbourhood Community Services Alliance to be implemented from 01/04/20 – Community Services integration at Neighbourhood level – as part of the new 10-year Provider Alliance Contract;
- Develop a Quality Improvement approach at PCN level;
- Deliver and embed the primary care Neighbourhood initiatives, e.g. group consultations;
- Review the implications of the development of PCNs for the Confederation Board and its Constitution.

### **Priority 2 – Service Contract Delivery**

- Ensure that the final year of the Confederation 7-year contract (to 31/03/20) delivers across the contract portfolio by supporting practices in their work;
- Continue to deliver the Confederation's other contracts e.g. London Borough of Hackney contracts;
- Ensure that the tele-dermatology sub-contract with Homerton Hospital delivers;
- Assess the impact on our contract portfolio of: the new GP Contract National Specifications from 1 April 2020 (Anticipatory Care, Structured Medication Reviews and Optimisation, Enhanced Health in Care Homes); the new 10-year Neighbourhood Community Services Alliance Contract; ensure that the primary care contract funding remains ring-fenced within

Directors' report

For the year ended 30 September 2019

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the 10-year contract and develops proposals for use of this funding for services in Primary Care.

**Priority 3 – Primary Care Access**

- Contribute to the Duty Doctor Review, promote and support the value of the Duty Doctor service and protect its funding;
- Continue to deliver the CCG-commissioned Extended Access service at 30 minutes per thousand per week, developing video consultations, additional capacity and consistent delivery;
- Prepare for the possible merger of the CCG and PCN Extended Access contracts (timeframe unknown);
- Take stock on what practices need to do to deliver the Primary Care Digital plans, and what this means in practical terms for IT infrastructure at practice level;
- Develop proposals for a City & Hackney wide demand/capacity analysis to inform how practices could respond to access challenges.

**Priority 4 – Workforce Development and Workforce Training**

- Deliver the 2019/20 Training Plan built from practices' training needs;
- Continue recruitment of salaried GPs and work to retain as many as possible in City & Hackney;
- Deliver GP and other primary care staff mentoring programmes;
- Deliver the Wellbeing Practitioner Pilot across 6 practices and build the case for ongoing investment via the Neighbourhood Community Services Alliance;
- Support practice staff recruitment through development of a Confederation Staff Bank;
- Develop plans to support practices in their recruitment of paramedics, practice managers and contracts managers;
- 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;
- Link into workforce initiatives at STP/London/national level to maximise the workforce funding coming into City & Hackney;
- Support member practices in being more resilient in terms of workforce by considering workforce design, skill mix, back office roles, etc.

**Priority 5 – Adding Value to Practices/Improvement and Resilience Support**

- Ensuring all practices understand the Confederation aims and support these;
- Support all practices to maintain stability – through Quality Improvement (QI) work, thinking differently, and delivery of the Confederation contracts to maximise income;
- Ensure all practices receive their annual visit from their Quadrant GP Board member and that the needs identified during those visits are then responded to in a timely way;
- Consider common themes emerging from these visits and develop Improvement plans to address them;
- Ensure that practices are supported to use QI approaches to enable them to tackle in-house problems, e.g. productive general practice Quick Start, Time to Care, Medical Assistants training;

## Directors' report

For the year ended 30 September 2019

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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 6 – Patient Participation

- Deliver the Hackney Downs PCN Patient Participation pilot work to show how this can be successful at PCN level, and (with CCG approval), deliver a second successful pilot in a second PCN;
- Evaluate the Care Opinion patient pilot and (if evaluation merits), argue successfully for additional resources to roll out further;
- Use improvement techniques to respond to patient feedback to make changes to the way practices work;
- Support practices in lobbying for funding for training support to practices so they are able to run successful Patient Participation Groups (PPGs) at practice level.

### Priority 7 – Confederation Development

- Finalise recruitment to the new structure of the in-house Confederation team to provide more staffing stability;
- Set a balanced budget, overseen and monitored by the Board and share with members regularly;
- Resolve the Confederation pensions gap;
- Ensure that the Confederation meets all statutory and regulatory requirements;
- Develop a Communications Plan, (including a revamp of the website and the extranet), to ensure that communications are clear and issued regularly to both shareholders and stakeholders;
- Ensure all staff have objectives and personal development plans for the year and are supported to deliver;
- Recruit to vacant Board Lay member posts (Finance/Governance/Audit and Social Enterprise);
- Develop our understanding of the benefits of being a Social Enterprise.

### Priority 8 – 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;
- Develop the Provider Alliance so that integrated working with secondary, community and mental health is delivered via the new Alliance contract;
- Develop the contribution of the PCNs to the Provider Alliance thinking so that they can influence how out-of-hospital services are transformed year-on-year as part of the 10-year Alliance contract;
- 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.

Directors' report

For the year ended 30 September 2019

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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

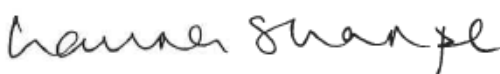
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain City & Hackney GP Confederation CIC's transactions and disclose with reasonable accuracy at any time its financial position and enable them to ensure that the financial statements comply with 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.

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 27 March 2020 and signed on their behalf by



Laura Sharpe  
CEO



## Strategic report

For the year ended 30 September 2019

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The directors have pleasure in presenting their strategic report for the year ended 30 September 2019.

## Strategic review

Over the past 12 months, the Confederation was commissioned by City & Hackney Clinical Commissioning Group 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.

In addition, the Confederation directly provided a Stop Smoking service commissioned by the London Borough of Hackney and a Childhood Immunisation Service and Extended Access Hubs 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;
- Setting up new services for Sexual Health, Latent TB and Teledermatology;
- 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:

Strategic report

For the year ended 30 September 2019

- 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)

**City & Hackney – National (England) QOF Performance**

QOF Indicator	National Ranking	
	2013	2018
CHD BP control	35 <sup>th</sup>	1 <sup>st</sup>
Hypertension BP control	128 <sup>th</sup>	1 <sup>st</sup>
Stroke BP	50 <sup>th</sup>	1 <sup>st</sup>
Diabetes BP control 140/80	78 <sup>th</sup>	1 <sup>st</sup>
LTC current smokers with advice	80 <sup>th</sup>	1 <sup>st</sup>
Patients aged 40 with record of BP	55 <sup>th</sup>	1 <sup>st</sup>
Patients with hypertension with BP 150/90	15 <sup>th</sup>	1 <sup>st</sup>
Patients with peripheral arterial disease with 150/90 mmHg or less	5 <sup>th</sup>	1 <sup>st</sup>

- Offering an additional 40,557 extended hours appointments for patients over the past year, 89% 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 97% in relation to the annual target of 750 4-week quitters per annum;
- Engaging GP practices in the neighbourhood model for City and Hackney with the support of 8 Neighbourhood Clinical Leads and a Primary Care Neighbourhood Development Manager;
- Supporting the development of 8 Primary Care Networks;
- 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 a Community Education Provider Network (CEPN) in City and Hackney, and successfully securing funding to support the training and development of primary care staff;
- Winning an HSJ (Health Service Journal) award for Mental Health innovation as part of a team of local partners, by using a collaborative approach to achieving the highest serious mental illness physical health check coverage in the country;
- Developing a GP mentoring programme for GPs in their first 5 years. Following positive evaluation, this scheme has now been extended to offer GP mentoring to any GP working in City & Hackney, and a similar mentoring programme for other primary care staff is currently being developed;
- Responding to a measles outbreak by providing additional childhood immunisation clinics and immunising over 1,000 children;
- Reducing attendances at the Primary & Urgent Care Centre (PUCC) at Homerton Hospital by over 40% by providing community post-operative wound care clinics.

## Strategic report

For the year ended 30 September 2019

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### 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 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 2019, the Confederation recorded a surplus of £131,409 (2018: £122,445), (0.9% (2018: 0.9%) of turnover). This was better than the planned surplus of £1,491, 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.

Total income for the 12 months was £14.338m (2018: £14.169m), including £9.834m (2018: £9.985m) of 'pass-through' income in relation to member practices delivering the contracts commissioned by the CCG and Local Authority. This was slightly less than planned due to 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, offset by income from new contracts which generated positive contributions to the Confederation's bottom line.

Total expenditure was £14.181m (2018: £14.032m) which included £9.834m (2018: £9.985m) in relation to payments to practices for contracts commissioned by the CCG and Local Authority.

Total reserves at the year-end stand at £722.1k (2018: £590.7k) (i.e. the accumulated surplus). This will be protected and carried forward to mitigate against unknown costs or unforeseen circumstances, and to invest up to £100k, (as agreed by members), in additional capacity to underpin the organisational restructure.

The balance sheet remains healthy, with net assets of £722.1k (2018: £590.7k) including a strong cash balance of £5.5m (2018: £3.6m) to meet future liabilities.

An affordable budget for 2019/20 has been set and utilises approximately £100k from reserves to support an organisational restructure. The Confederation has developed a 7 year Business Strategy and supporting financial plan, but in addition to the agreed 2019/20 Budget, a detailed cash-flow forecast running to December 2020 shows that the organisation is financially viable and solvent.

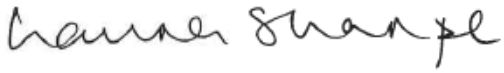
Strategic report

For the year ended 30 September 2019

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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 27 March 2020 and signed on their behalf by



Laura Sharpe  
CEO

## 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 2019 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 2019 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.

A handwritten signature in black ink, appearing to read 'Sayer Vincent LLP' with a horizontal line underneath.

Helen Elliott (Senior statutory auditor)

31 March 2020

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 2019

	Note	2019 Total £	2018 Total £
<b>Income from:</b>			
Turnover	2	<u>14,338,494</u>	<u>14,169,075</u>
<b>Expenditure on:</b>			
Direct payments to GP Practices		9,833,591	9,985,376
Staff costs	4	2,853,380	2,501,662
Education and training		216,679	83,878
Office and property costs		179,504	121,600
Legal, professional and consultancy fees		416,201	164,250
Project expenditure		490,626	778,905
One Hackney Performance Fund expenditure		-	230,000
Other		156,520	150,866
Medical Equipment (Anticoagulation)		34,420	15,301
<b>Total expenditure</b>		<u>14,180,921</u>	<u>14,031,838</u>
<b>Surplus on ordinary activities before taxation</b>	3	157,573	137,237
Taxation on surplus on ordinary activities	5	<u>(26,164)</u>	<u>(14,792)</u>
<b>Surplus for the financial year</b>		<u>131,409</u>	<u>122,445</u>
<b>Retained earnings</b>			
Retained earnings brought forward		590,663	468,218
Surplus for the financial year		131,409	122,445
<b>Retained earnings carried forward</b>		<u>722,072</u>	<u>590,663</u>

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.

City & Hackney GP Confederation C.I.C.

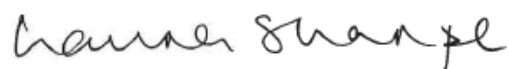
Statement of financial position

Company no. 09125623

As at 30 September 2019

	Note	2019 £	£	2018 £	£
<b>Current assets</b>					
Debtors	6	1,150,721		1,720,871	
Cash at bank and in hand		5,528,874		3,603,070	
		<u>6,679,595</u>		<u>5,323,941</u>	
<b>Creditors: amounts falling due within one year</b>					
	7	<u>5,957,522</u>		<u>4,733,277</u>	
<b>Net current assets</b>			<u>722,073</u>		<u>590,664</u>
<b>Net assets</b>			<u><u>722,073</u></u>		<u><u>590,664</u></u>
<b>Capital and reserves</b>					
Share capital	9		1		1
Retained earnings			<u>722,072</u>		<u>590,663</u>
<b>Total funds</b>	10		<u><u>722,073</u></u>		<u><u>590,664</u></u>

The financial statements were approved by the Board of Directors on 27 March 2020 and signed on their



Laura Sharpe  
CEO

City & Hackney GP Confederation C.I.C.

Statement of cash flows

For the year ended 30 September 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Surplus on ordinary activities before taxation		157,573	137,237
Adjustments for:			
Interest received		(1,652)	-
(Increase) in debtors		570,150	(167,114)
Increase in creditors		1,213,139	903,090
<b>Cash from operations</b>		<b>1,939,210</b>	<b>873,213</b>
Corporation tax paid		(15,058)	(62,220)
<b>Net cash generated from operating activities</b>		<b>1,924,152</b>	<b>810,993</b>
<b>Cash flows from investing activities:</b>			
Interest received		1,652	-
<b>Net cash from investing activities</b>		<b>1,652</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,925,804</b>	<b>810,993</b>
Cash and cash equivalents at beginning of year		3,603,070	2,792,077
<b>Cash and cash equivalents at end of year</b>		<b>5,528,874</b>	<b>3,603,070</b>

Notes to the financial statements

For the year ended 30 September 2019

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**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**

Turnover 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 2019

2 Turnover

Turnover is attributable to the principal activity of the company.

	2019 £	2018 £
CCG funding for Primary Care contracts	8,647,189	9,693,439
Enhanced Access Project	1,458,028	560,367
Salaried GP reimbursement	834,462	590,081
Estates and Technology Transformation Fund	348,007	7,800
CCG – funding	339,041	395,674
Confederation membership fees	320,280	316,642
Community Anticoagulation Contract	310,803	39,116
Smoking Cessation	243,600	219,584
NHS Health Checks contract	215,000	215,200
Neighbourhood Projects	210,664	47,305
Other contractual/Miscellaneous	208,875	82,033
Childhood Immunisation project	142,423	125,766
CEPN Infrastructure	141,694	89,065
Quality Improvement Programme	133,746	84,525
Salaried Practice Nursing Scheme	128,934	378,379
Demand Management contract	125,898	140,618
Physician Associates	92,989	
GP Resilience / Practice support	92,324	129,272
Patient Participation Group	89,120	10,170
Primary Care at Scale	77,055	93,345
Substance Misuse contract	62,695	65,306
Practice Population Based Family Nursing	46,793	72,402
HEENCEL/CEPN Schemes	46,711	14,127
Co-Ordinate My Care AUA	12,576	80,000
CEPN Transformation Projects	6,429	123,582
Bank interest	1,652	–
Salaried Trainee Practice Manager Scheme	1,505	241,068
One Hackney	–	232,880
IT Enabler	–	(13,583)
Medical Assistants in Primary Care	–	61,000
Co-Ordinate My Care FHV	–	73,912
	<b>14,338,494</b>	<b>14,169,075</b>

3 Surplus on ordinary activities before taxation

This is stated after charging:

	2019 £	2018 £
Directors' remuneration	302,257	273,473
Directors' reimbursed expenses	321	191
Auditor's remuneration (excluding VAT):		
Audit	11,000	9,300
Other services	2,795	7,328
Operating lease rentals:		
Property	38,750	26,330

Notes to the financial statements

For the year ended 30 September 2019

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:

	2019 £	2018 £
Wages and salaries	1,767,958	1,810,192
Social security costs	188,799	187,989
Pension costs	164,692	164,268
Other staff costs	731,930	339,213
	<u>2,853,380</u>	<u>2,501,662</u>
Aggregate remuneration in respect of highest paid director	<u>90,739</u>	<u>91,209</u>

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

	Full time equivalent		Number	
	2019	2018	2019	2018
Trainee Nurses	3.49	10.74	3.83	11.42
Salaried GPs	7.94	5.33	10.92	8.58
Trainee Practice Managers	-	5.41	-	5.42
Neighbourhood Clinical Leads	.28	.14	2.75	1.50
Project Clinical Leads	.14	-	.42	-
Board members	2.51	2.34	11.00	11.33
Physicians Associates	1.44	-	1.50	-
Smoking Cessation team	3.98	3.48	5.08	4.08
Childhood Imms Nurses	.58	.50	1.00	1.08
Admin/Management	11.79	11.81	13.83	14.17
	<u>32.15</u>	<u>39.75</u>	<u>50.33</u>	<u>57.58</u>

The total employee benefits (including employer's national insurance and employer's pension contributions) of the key management personnel were £440,023 (2018: £454,797).

5 Taxation

	2019 £	2018 £
(a) Analysis of charge in period:		
Current tax		
UK corporation tax on profits of the period	22,789	11,683
Under provision in prior year	4,726	-
Total current tax	<u>27,515</u>	11,683
Deferred tax	(1,351)	3,109
Total corporation tax recognised in profit or loss	<u>26,164</u>	<u>14,792</u>

(b) Factors affecting tax charge for the period

Profit before tax	157,573	137,237
Profit multiplied by the standard rate of UK corporation tax 19%	29,939	26,075
Effects of:		
Profits from mutual trading	(8,501)	(11,283)
Pension adjustment	1,351	(3,109)
Taxation charge for the period	<u>22,789</u>	<u>11,683</u>

Notes to the financial statements

For the year ended 30 September 2019

5 Taxation (continued)

Deferred taxation

	2019 £	2018 £
At 1 October	(10,689)	(13,798)
Credited to the profit & loss account	(1,351)	3,109
At 30 September	<u>(12,040)</u>	<u>(10,689)</u>

6 Debtors

	2019 £	2018 £
Trade debtors	626,934	1,413,605
Accrued income	464,492	267,211
Prepayments	47,256	29,366
Deferred tax asset	12,040	10,689
	<u>1,150,721</u>	<u>1,720,871</u>

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	302,608	18,269
Accruals	2,091,913	1,855,543
Prepaid income	96,750	96,750
Deferred income (note 8)	3,189,091	2,512,651
Corporation Tax	22,789	11,683
VAT, PAYE & NIC	81,358	95,071
Pension contributions	173,013	143,310
	<u>5,957,522</u>	<u>4,733,277</u>

Trade Creditors includes £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 2019

## 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.

	2019			2018		
	£	£	£	£	£	£
Balance at the beginning of the year			<b>2,512,651</b>			2,663,118
	Deferred	Released	Change	Deferred	Released	Change
One Hackney Performance Fund	-	-	-	-	(232,880)	(232,880)
Mental Health Alliance	-	(218,916)	<b>(218,916)</b>	347,186	(383,237)	(36,051)
HENCEL	25,000	(46,711)	<b>(21,711)</b>	33,525	(22,127)	11,398
Practice Population based Family Nursing	-	(46,793)	<b>(46,793)</b>	-	(72,402)	(72,402)
Sal Trainee Practice Manager Scheme	-	(116,604)	<b>(116,604)</b>	63,666	(238,151)	(174,485)
CEPN infrastructure	588,981	(210,694)	<b>378,288</b>	142,000	(81,065)	60,935
Transformation projects	43,040	(25,469)	<b>17,571</b>	-	(123,582)	(123,582)
Quality Improvement	172,704	(133,746)	<b>38,959</b>	466,157	(269,577)	196,580
City & Hackney CEPN programme management	-	-	-	-	(22,000)	(22,000)
Childhood Immunisation	243,809	(123,644)	<b>120,165</b>	102,563	(112,074)	(9,511)
Demand Management Contract	-	75,208	<b>75,208</b>	76,000	(139,565)	(63,565)
IT Enabler	-	-	-	57,950	(2,227)	55,723
Salaried Practice Nursing Scheme	11,083	(207,835)	<b>(196,752)</b>	412,417	(378,379)	34,038
Salaried GP Scheme	376,754	(240,865)	<b>135,889</b>	187,262	(187,441)	(179)
CMC (coordinate My Care) FHV	-	-	-	11,477	(73,912)	(62,435)
CMC (coordinate My Care) AUA	12,966	(12,576)	<b>389</b>	-	(80,000)	(80,000)
Clinical Pharmacy	5,000	-	<b>5,000</b>	-	-	-
Single Point of Coordination (SPOC)	-	(17,091)	<b>(17,091)</b>	(9,599)	-	(9,599)
GP Resilience/Practice support	86,195	(92,025)	<b>(5,830)</b>	169,181	(191,125)	(21,944)
GP Reception & Clerical Trainee	53,949	(30,733)	<b>23,216</b>	-	(26,000)	(26,000)
Enhanced Access Hubs	-	-	-	861,537	(588,451)	273,086
Anti-Coagulation	-	(54,373)	<b>(54,373)</b>	103,798	(49,426)	54,372
Primary Care at Scale	137,994	(77,055)	<b>60,938</b>	68,704	-	68,704
Patient Participation Group	79,222	(89,120)	<b>(9,898)</b>	29,330	-	29,330
GP Nursing Leadership	30,533	(12,817)	<b>17,717</b>	-	-	-
Call and Recall Pilot	79,407	(21,923)	<b>57,484</b>	-	-	-
GP Retention	40,949	(11,100)	<b>29,849</b>	-	-	-
CEPN Primary Care Education	44,000	(34,758)	<b>9,243</b>	-	-	-
Physician Associates	226,114	(92,989)	<b>133,125</b>	-	-	-
LTC Group Consultations	14,100	(12,302)	<b>1,798</b>	-	-	-
Estates and Technology Transformation Fund	538,891	(493,322)	<b>45,569</b>	-	-	-
Spirometry	20,000	-	<b>20,000</b>	-	-	-
Wellbeing Practitioner	80,000	-	<b>80,000</b>	-	-	-
Nursing Development	114,000	-	<b>114,000</b>	-	-	-
<b>Balance at the end of the year</b>			<b><u>3,189,091</u></b>			<b><u>2,512,651</u></b>

## 9 Share capital

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

	2019 No.	2018 No.
£0.01 ordinary shares: Called up, allotted and fully paid	<b>39</b>	40

(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. The 1 practice managed by a corporate body does not therefore currently hold shares, hence 39 shares are allotted instead of the 40 member practices. However, NHS Pensions subsequently advised that the shares can be held by named GPs on behalf of these practices so a share is being issued to this practice)



Notes to the financial statements

For the year ended 30 September 2019

10 Reconciliation of movements on shareholders' funds

	2019 £	2018 £
Shareholders' funds at the start of the year	590,664	468,219
Surplus for the financial year	<u>131,409</u>	<u>122,445</u>
Shareholders' funds at the end of the year	<u><u>722,073</u></u>	<u><u>590,664</u></u>

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 employers contribution.

The most recently published full actuarial valuation report was based on data at 31 March 2012, and published in 2014. (Prior to this, the last published valuation was as at March 2004). The next actuarial valuation has recently been carried out as at 31 March 2016 but has not yet been published.

The employer's contribution rate payable is 14.38% (2017 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 1.6 million contributors to the scheme, 900,155 pensions in payment and 651,377 deferred pensioners (as at 31 March 2018). Net liabilities of the Scheme as at 31 March 2018 were £525.1bn.

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 2019 by City & Hackney GP Confederation was £164,692. The outstanding amount due to HMRC for employer's and employee's contributions at 30 September 2019 was £173,013.

Notes to the financial statements

For the year ended 30 September 2019

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 contributions and pension records in relation to the period when the Confederation had a gap in access to the Scheme, which are being discussed with the NHS Business Services Authority, but 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 2019 £	2018 £
Less than one year: office rental, 3 month's notice	10,000	8,750
	<u>10,000</u>	<u>8,750</u>